

STATE OF COLORADO
JOINT BUDGET COMMITTEE



APPROPRIATIONS REPORT:
Fiscal Year 2014-15

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INTRODUCTION

This report is produced to assist members of the General Assembly, state personnel, and other interested parties in understanding state funding decisions made during the 2014 Regular Legislative Session. This report provides an overview of state revenues and expenditures, comparative and historical information regarding appropriations made during the 2014 Regular Session, and a detailed explanation of major funding changes for each state department. The FY 2014-15 Appropriations Report includes five sections described below.

Part I: Overview

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

Part II: Department Summaries

This section contains a summary of operating appropriations for all departments for FY 2013-14 and FY 2014-15, and highlights the major changes from FY 2013-14 to FY 2014-15. This section also summarizes factors driving the budget for each state department and for capital construction projects.

Part III: Department Details

This section contains detailed information regarding funding for the operations of each state department and for capital construction projects. The subsection for each department summarizes funding and FTE authorizations for FY 2013-14 and FY 2014-15. The format reflects appropriations by bill and by division or program area. Narrative sections describe major changes in funding from FY 2013-14 to FY 2014-15, fund sources for each division, and division responsibilities. This section also includes brief summaries of bills adopted during the 2013 Regular Session and the 2014 Regular Session that contained an appropriation, affected state revenues, or implemented a major policy change.

The footnotes to the 2014 Long Bill (H.B. 14-1336) can be found at the end of each departmental section in the 2014 Session Laws, or they can be accessed via the internet at the following address:

<http://www.leg.state.co.us/CLICS/CLICS2014A/csl.nsf/lbcontainer/HB14-1336?OpenDocument>

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

http://www.tornado.state.co.us/gov_dir/leg_dir/jbc/jbchome.htm

Appendices

The following appendices are included in this report:

A Glossary of terms used in this report.

- B Descriptions of the general policies that have been applied to determine funding for operations of state departments.
- C Table summarizing 2014 Regular Session adjustments to operating and capital construction appropriations for years prior to FY 2013-14.
- D Table summarizing appropriations from the State Education Fund.
- E Table summarizing appropriations from the Highway Users Tax Fund.
- F Summary of severance tax allocations.
- G Summary of tobacco revenue allocations.
- H Summary of General Fund amounts that were deemed exempt from the statutory restriction on General Fund appropriations.
- I Copies of letters sent by the Joint Budget Committee to the Governor, the Chief Justice, and other elected officials requesting information on programs and expenditures.
- J Summary of Informational Appropriations.
- K Summary of Control Maintenance Trust Fund appropriations and transfers, including a list of 2014 Regular Session bills that utilized moneys set aside in the 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

A: OVERVIEW OF GENERAL FUND REVENUES AND EXPENDITURES

1. General Fund Overview

This section provides an overview of General Fund revenues and expenditures based on the Office of State Planning and Budgeting March 2014 revenue estimate, which was used as the basis for making adjustments to the FY 2013-14 budget and preparing the FY 2014-15 budget.

Summary of Major Actions Taken Regarding the General Fund Budget

The following is a summary of the major actions that occurred during the 2014 Regular Legislative Session that impacted the General Fund budget.

General Fund Revenue Projections: The General Assembly used the Office of State Planning and Budgeting (OSPB) March 2014 revenue estimates when making final adjustments to the FY 2013-14 budget and preparing the FY 2014-15 budget during the 2014 Regular Session. The OSPB March 2014 projections were approximately \$383.1 million higher for FY 2013-14 than the projections that were used during the 2013 Session to prepare the FY 2013-14 budget.

Statutory Changes That Impacted General Fund Revenue: Table 1 contains a list of bills that were passed during the 2014 Session that had a significant impact on the amount of available General Fund revenues.

Table 1 Actions that Impacted the Amount of General Fund Revenue (in Millions)			
Bills Passed During the 2014 Session:		FY 2013-14	FY 2014-15
HB 14-1012	Advanced Industry Investment Income Tax Credit	(\$0.2)	(\$0.6)
HB 14-1072	Income Tax Credit for Child Care Expenses	(2.1)	(5.3)
HB 14-1119	Tax Credit for Donating Food to Charitable Organizations	0.0	(0.1)
HB 14-1159	Biogas System Components Sales and Use Tax Exemption	0.0	(0.6)
HB 14-1163	Clarify Enterprise Zone Investment Tax Credit	0.0	6.4
HB 14-1178	Sales & Use Tax Exemption for Space Flight Properties	0.0	(0.1)
HB 14-1199	Consumer Goods Service Contracts Regulatory Changes	0.0	0.0
HB 14-1276	Grant Program to Train High School Students in CPR	0.0	(0.3)
HB 14-1279	Income Tax Credit for Business Personal Property	0.0	(2.6)
HB 14-1300	General Fund Transfer to Colorado State Fair Authority Cash Fund	0.0	(0.3)
HB 14-1326	Tax Incentives for Alternative Fuel Trucks	0.0	1.5
HB 14-1341	Department of State Cash Fund Repayment Transfer	(2.2)	0.0
HB 14-1368	Transition Developmentally Disabled Youth to Adult Services	0.0	(2.8)
SB 14-073	Brownfield Contaminated Land Income Tax Credit	(1.5)	(3.0)
SB 14-105	Stop Water Cash Fund Transfers to the General Fund	0.0	(0.1)
SB 14-189	FY 2014-15 Controlled Maintenance Trust Fund Transfer	0.0	9.7
SB 14-215	Disposition of Legal Marijuana Related Revenue	0.0	4.2
Total Revenue Increase/(Decrease)		(\$6.0)	\$6.0

Appropriations: The major changes in appropriations for FY 2013-14 and FY 2014-15 are explained in Part II and Part III of this document. Part II contains an overview at the department level of FY 2013-14 and FY 2014-15 appropriations and the general factors driving the budget. Part III provides detailed appropriations by division and by bill for FY 2013-14 and FY 2014-15.

Statutory Reserve: During the 2014 Regular Session, the General Assembly passed and the Governor signed H.B. 14-1337, which added a provision to law increasing the statutory General Fund reserve requirement from 5.0 percent to 6.5 percent. The 6.5 percent statutory reserve applies to FY 2014-15 and subsequent fiscal years.

FY 2013-14 and FY 2014-15 General Fund Overview

Table 2 provides an overview of General Fund revenues, spending obligations, and ending reserves for both FY 2013-14 and FY 2014-15. Please note that some of these amounts will change in the future with revised revenue forecasts and/or actions of the General Assembly.

Table 2		
General Fund Overview (in Millions)		
Description	FY 13-14	FY 14-15
<u>GENERAL FUND AVAILABLE:</u>		
Beginning General Fund Reserve	\$373.0	\$416.0
General Fund Nonexempt Revenues	6,961.1	7,396.2
General Fund Exempt Revenues	1,871.4	2,077.2
Transfers from Other Funds	2.4	2.4
Revenue Impacts - Bills Passed During 2014 Session	<u>(6.0)</u>	<u>6.0</u>
TOTAL GENERAL FUND AVAILABLE	\$9,201.9	\$9,897.8
<u>GENERAL FUND OBLIGATIONS:</u>		
General Fund Appropriations	\$8,218.7	\$8,767.6
Rebates and Expenditures	135.5	133.5
Senior Citizen and Disabled Veteran Property Tax Exemption	112.1	118.4
Transfer to the Capital Construction Fund	186.7	225.5
Transfer to the State Education Fund (SB 13-234, FPPA Bill)	45.3	25.3
Transfers from the General Fund Pursuant to Section 24-75-220 (4) (a), C.R.S.	50.0	0.0
Transfers to Other Funds	<u>37.6</u>	<u>54.0</u>
TOTAL GENERAL FUND OBLIGATIONS	\$8,785.9	\$9,324.3
YEAR END GENERAL FUND RESERVE (Available Funds Less Obligations)	\$416.0	\$573.5
<u>General Fund Reserve Information</u>		
STATUTORY RESERVE REQUIREMENT	\$410.9	\$569.9
GENERAL FUND RESERVE IN EXCESS OF THE STATUTORY REQUIREMENT	\$5.1	\$3.6

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

General Fund Nonexempt and Exempt Revenues: These figures represent estimates of the total General Fund revenues as reflected in the March 2014 OSPB revenue estimate. The major components of state General Fund revenues include individual and corporate income, sales and use, insurance, and cigarette taxes. General Fund revenues must be applied to statutory obligations before the General Assembly can appropriate the remaining General Fund. These obligations include rebates and expenditures and the capital construction transfer (described below).

As a result of the passage of Referendum C in November 2005, the State is permitted to retain excess revenues that otherwise would have been refunded under the Taxpayer's Bill of Rights (TABOR). The General Fund Exempt Revenues represent the estimate of those retained amounts as reflected in the March 2014 OSPB revenue estimate. Please see Part I-B - ARTICLE X, SECTION 20 (TABOR) OVERVIEW for a more detailed overview of TABOR and Referendum C.

Transfers from Other Funds: Moneys transferred to the General Fund based on existing statutes.

Revenue Impacts - Bills Passed During 2014 Session: This line identifies the impact of statutory changes on available General Fund revenues. There is an explanation in each section of this report that identifies 2014 Regular Session bills that impact General Fund revenues in FY 2013-14 and FY 2014-15 and the associated amounts. Table 1 in this section provides a list of these bills.

General Fund Appropriations: The figures represent the total appropriations made in the Long Bill and in any separate bills. These amounts do not include funds appropriated for rebates and expenditures, which are described below and are not subject to the statutory restriction on General Fund appropriations.

Rebates and Expenditures: These statutory obligations primarily include the Old Age Pension program, cigarette and marijuana tax rebates to local governments, State contributions for local fire and police pensions, and Old Age Heat and Fuel and Property Tax Assistance Grants. These statutory obligations are not subject to the statutory restriction on General Fund appropriations. Appendix H provides more detail concerning rebates and expenditures for FY 2013-14 and FY 2014-15.

Senior Citizen and Disabled Veteran Property Tax Exemption: In 2000, Colorado voters approved a constitutional amendment that reduces property taxes for qualifying senior citizens. The property tax reduction, or "homestead exemption", is available to senior citizens 65 years of age or older who have owned and lived in their home for at least ten years. In 2006, Colorado voters approved a constitutional amendment extending the homestead exemption to veterans who are 100 percent disabled as a result of a service-connected disability. The cost of the exemption is borne by the State rather than by local governments or other property owners. The amounts shown for FY 2013-14 and FY 2014-15 represent estimated state expenditures as reflected in the March 2014 OSPB revenue estimate (also shown in Appendix H).

Transfer to the Capital Construction Fund: Section 24-75-302 (2), C.R.S., provides for transfers from the General Fund to the Capital Construction Fund. These transfers are not subject to the statutory restriction on General Fund appropriations. The General Assembly can, and has, changed the amount of the annual transfer when necessary.

Transfer to the State Education Fund (S.B. 13-234, FPPA Bill): Senate Bill 13-234 requires the State Treasurer to transfer \$45.3 million from the General Fund to the State Education Fund on April 30, 2014. The bill further directs the State Treasurer to transfer \$25.3 million from the General Fund to the State Education Fund on April 30 of each year from 2015 through 2018. Finally, on April 30, 2019, the State Treasurer is directed to transfer \$25.0 million from the General Fund to the State Education Fund.

Transfers from the General Fund Pursuant to Section 24-75-220 (4) (a), C.R.S.: House Bill 14-1339, H.B. 14-1342, and S.B. 14-223 amended Section 24-75-220 (4) (a), C.R.S. to require the State Controller to transfer a portion of the General Fund Surplus for FY 2013-14 to various funds. Table 3 provides a list of these potential transfers in priority order.

Table 3 Disposition of 2013-14 Fiscal Year-end General Fund Surplus (Pursuant to Section 24-75-220 (4) (a), C.R.S.)		
		Amount
(I)	Transfer to Colorado Water Conservation Board Construction Fund	\$30,000,000
(II)	Transfer to State Education Fund	20,000,000
(III)	Remains in General Fund	25,000,000
(III.4)	Transfer to Economic Development Fund	1,000,000
(III.5)	Transfer to Hazardous Substance Site Response Fund	10,000,000
(IV)	Transfer to Capital Construction Fund	135,335,748
(V)	Any Remaining Surplus Transfer to State Education Fund	<u>0</u>
	Total	\$221,335,748

Based on the March 2014 OSPB revenue estimate, the potential General Fund Surplus was estimated to be \$55.1 million. \$55.1 million would result in transfers of \$30.0 million to the Colorado Water Conservation Board Construction Fund, \$20.0 million to the State Education Fund, and a General Fund Surplus of \$5.1 million in FY 2013-14. The actual General Fund surplus will not be finalized until the State Controller publishes the Comprehensive Annual Financial Report of the State for FY 2013-14 (likely in December 2014).

Transfers to Other Funds: Moneys transferred from the General Fund based on existing statutes.

Year End General Fund Reserve (Available Funds Less Obligations): 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 fiscal year.

Statutory Reserve: Section 24-75-201.1 (1) (d), C.R.S., as amended by House Bill 14-1337, requires a reserve of at least 5.0 percent of General Fund appropriations for FY 2013-14 and at least 6.5 percent of General Fund appropriations for FY 2014-15. Section 24-75-201.5, C.R.S., requires the Governor to take action to reduce state spending if revenue estimates indicate the reserve would fall to half of the required reserve in a given fiscal year.

2. Statutory and Constitutional Restrictions

Statutory Restriction on Appropriations

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

Table 4 shows the calculation of allowable General Fund appropriations for FY 2014-15. The table also shows the General Fund appropriations that are exempt from or not subject to the statutory restriction on General Fund appropriations for FY 2014-15, and the difference between General Fund appropriations and the restriction for FY 2014-15.

Table 4 Statutory Restriction on Appropriations (in Millions)	
Calendar Year 2012 Colorado Personal Income (base as defined in Statute)	\$237,500.0
Multiplied by 5.0 Percent	<u>0.05</u>
FY 2014-15 General Fund Appropriations Restriction	\$11,875.0
 FY 2014-15 General Fund Appropriations	 \$9,019.5
Less: General Fund Appropriations Exempt From/ Not Subject to Statutory Restriction	<u>(251.9)</u>
FY 2014-15 General Fund Appropriations Subject to Restriction	\$8,767.6
 Over/(Under) FY 2014-15 General Fund Appropriations Restriction	 (\$3,107.4)

Constitutional Restrictions

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

TABOR has several key provisions that impact the state budget:

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

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

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

- For FY 2005-06 through FY 2009-10, authorized the State to retain and spend all state revenues in excess of the limitation on state fiscal year spending; and
- For FY 2010-11 and each succeeding fiscal year, authorizes the State to retain and spend all state revenues in excess of the limitation on state fiscal year spending, but less than a newly defined "excess state revenues" cap for the given fiscal year. The excess state revenue cap is equal to the highest annual total state revenues from FY 2005-06 through FY 2009-10, adjusted each subsequent fiscal year for inflation, the percentage change in state population, enterprises, and debt service charges.

Within the state General Fund, the measure established the General Fund Exempt Account, which consists of the amount of state revenues in excess of the limitation on state fiscal year spending that the State would have refunded had Referendum C not passed. The measure further established that moneys in the Account would be appropriated or transferred to fund:

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

The measure clarified that the statutory restriction on General Fund appropriations, and the exceptions or exclusions thereto, apply to moneys in the General Fund Exempt Account.

The measure requires the Director of Research of the Legislative Council Staff to annually prepare a report that includes the amount of excess state revenues that the State retained and a description of how the excess state revenues were expended.

Table 5 summarizes the General Fund Exempt Account Appropriations made in compliance with Referendum C (Sections 24-77-103.6 and 24-77-104.5, C.R.S.).

Table 5
Referendum C General Fund Exempt Account Appropriations by Program
(in Millions)

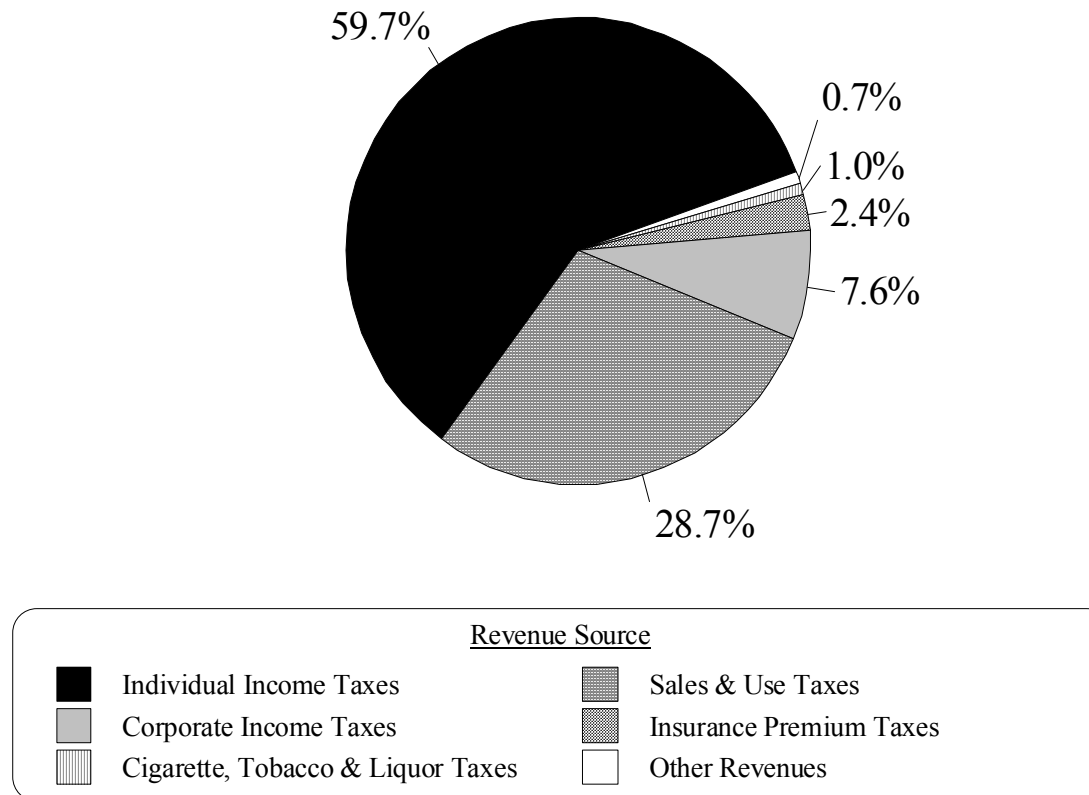
Department	Line Item	FY 2012-13	FY 2013-14	FY 2014-15
Education	State Share of Districts' Total Program Funding	\$633.4	\$642.2	\$710.8
Health Care Policy and Financing	Medical Services Premiums	633.4	642.2	710.8
Higher Education	College Opportunity Fund Program - Stipends	578.3	582.1	650.7
Local Affairs	Volunteer Firefighter Retirement Plans	4.3	4.3	4.3
Treasury	Fire and Police Pension Association Old Hire Plans	10.0	0.0	0.0
Transportation	Capital Construction - Transportation Highway Construction Projects	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>
	Total General Fund Exempt	\$1,859.9	\$1,871.3	\$2,077.1

B: SUMMARY CHARTS AND TABLES

The following includes summary charts and tables identifying the sources of General Fund revenues and comparing the distribution of expenditures by program and fund source.

1. Sources of General Fund Revenue

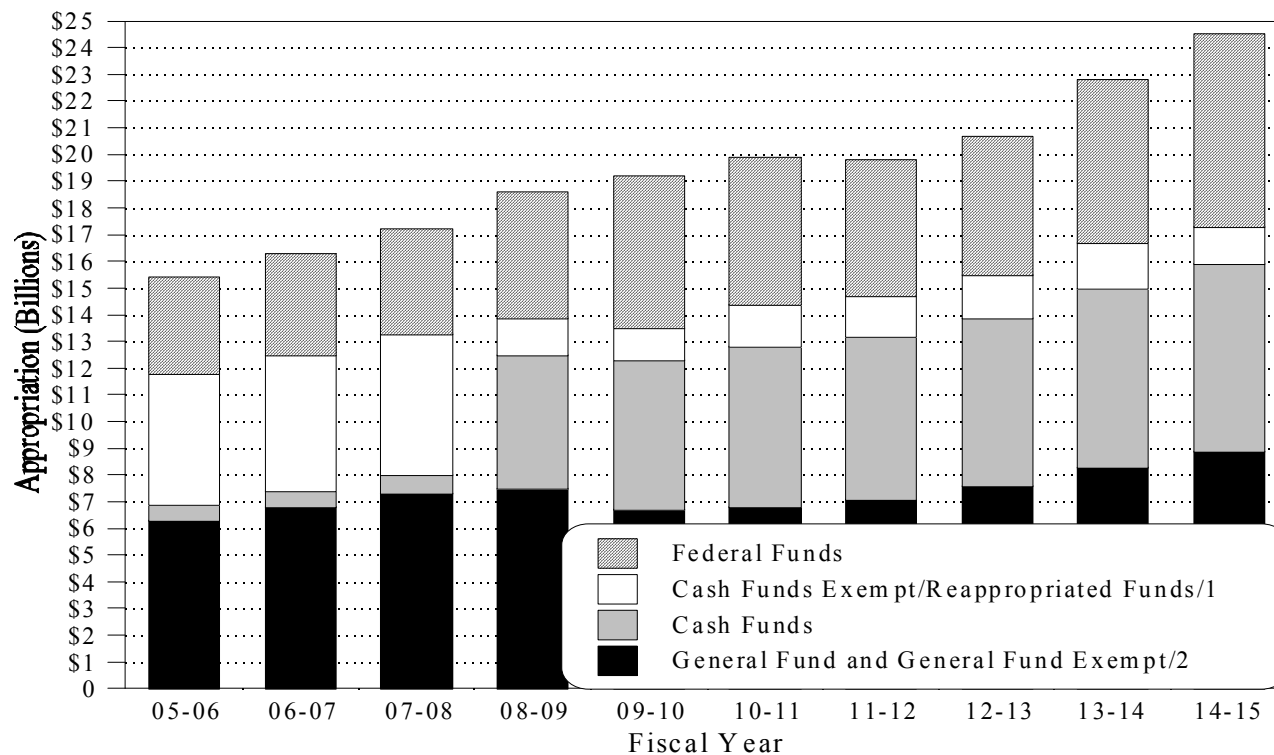
Estimated Total General Fund Revenue FY 2014-15 = \$9,473.4 Million*



* Source: Office of State Planning and Budgeting's March 2014 *The Colorado Outlook*. These percentages are net of income tax receipts that are credited to the State Education Fund (\$516.6 million).

2. History of Appropriations by Funding Source

Operating Budget Fiscal Years 2005-06 through 2014-15



NOTE: Appropriated amounts have not been adjusted for inflation.

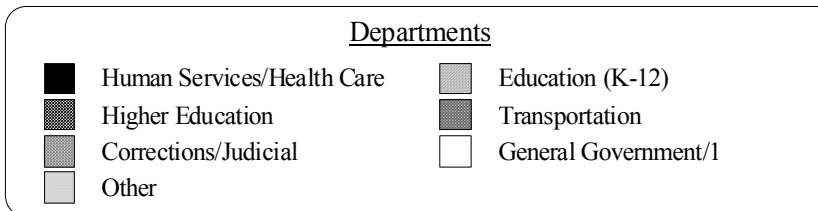
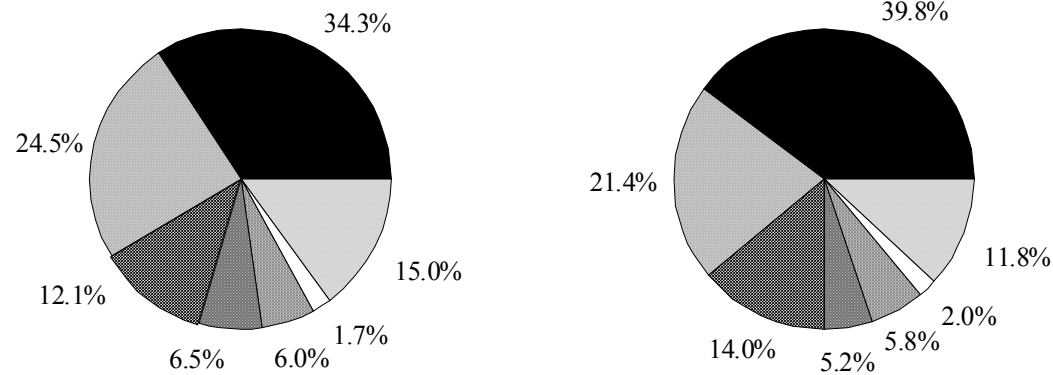
/1 Appropriations for FY 2008-09 and subsequent years are reflected in a new format, which redistributes funds previously classified "cash funds" and "cash funds exempt" into the newly defined "cash funds" and "reappropriated funds" categories. Cash Funds Exempt amounts are reflected for FY 2007-08 and prior years. Reappropriated Funds amounts are reflected for FY 2008-09 and subsequent years.

/2 General Fund Exempt amounts are included for FY 2005-06, when the General Fund Exempt account was created, and subsequent years.

3. a. Comparison of Total Operating Appropriations by Program

FY 2004-05 = \$14.03 billion

FY 2014-15 = \$24.58 billion

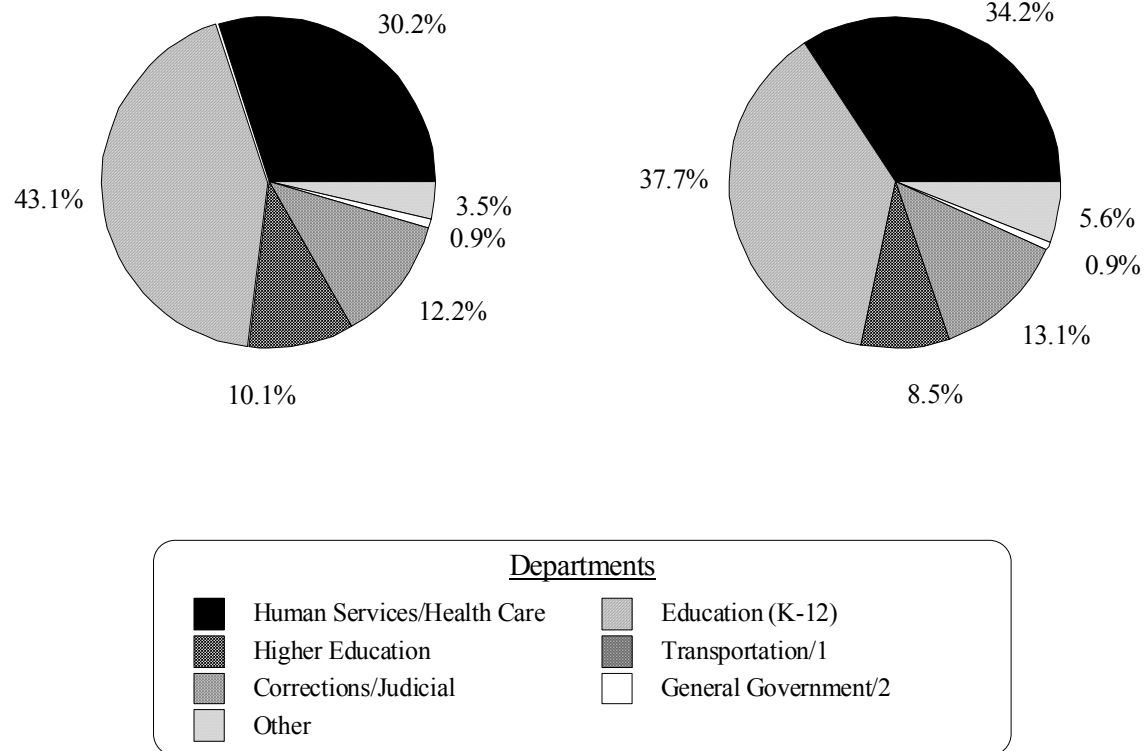


/1 Includes the Governor's Office, the Legislative Department, and the Department of Personnel.

3. b. Comparison of General Fund Operating Appropriations by Program

FY 2004-05 = \$5.84 billion

FY 2014-15 = \$8.92 billion



/1 Although the Department of Transportation did receive a General Fund appropriation in FY 2014-15, its share of General Fund is less than 0.0% and therefore is not present in the pie chart above. Transportation did not receive a General Fund appropriation in FY 2004-05.

/2 Includes the Governor's Office, the Legislative Department, and the Department of Personnel.

4. FY 2013-14 Operating Appropriations by Department

FY 2013-14 Operating Appropriations By Department and Fund Source						
	Total Funds	General Fund ¹	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Agriculture	\$42,670,244	\$7,723,805	\$29,200,366	\$1,632,203	\$4,113,870	274.1
Corrections	770,080,145	683,084,333	40,092,306	45,892,992	1,010,514	6,051.6
Education ¹	4,705,800,751	3,153,841,621	895,916,330	30,459,207	625,583,593	563.8
Governor	236,015,876	26,567,386	37,122,540	165,570,329	6,755,621	1,060.9
Health Care Policy and Financing ¹	6,657,129,133	2,067,258,413	986,463,698	10,483,522	3,592,923,500	358.3
Higher Education ¹	3,188,493,704	659,108,061	1,933,397,850	576,697,493	19,290,300	22,842.3
Human Services	2,187,196,360	719,197,941	358,243,248	497,587,819	612,167,352	4,879.0
Judicial	556,936,266	387,197,626	139,499,079	25,814,561	4,425,000	4,358.7
Labor and Employment	163,342,035	98,519	65,399,832	650,740	97,192,944	1,012.5
Law	68,999,898	12,168,714	12,833,181	42,227,639	1,770,364	452.5
Legislature	40,399,019	38,592,648	179,000	1,627,371	0	272.6
Local Affairs ¹	309,522,327	17,710,455	213,224,629	8,630,903	69,956,340	164.3
Military and Veterans Affairs	223,858,252	7,378,715	1,239,695	800,000	214,439,842	1,389.6
Natural Resources	277,676,404	25,126,713	215,232,947	8,778,322	28,538,422	1,439.1
Personnel	196,532,032	31,439,880	13,628,813	151,463,339	0	393.1
Public Health and Environment ¹	527,047,365	54,127,441	152,000,369	29,645,685	291,273,870	1,239.3
Public Safety	417,172,827	168,464,555	166,495,597	26,975,529	55,237,146	1,618.2
Regulatory Agencies	81,184,712	1,703,494	73,652,864	4,504,371	1,323,983	572.7
Revenue	307,480,144	80,547,235	221,039,808	5,068,713	824,388	1,253.2
State	23,406,861	0	23,406,861	0	0	139.0
Transportation	1,267,747,364	0	759,829,076	19,775,304	488,142,984	3,317.5
Treasury ¹	433,709,548	106,058,124	327,651,424	0	0	31.9
Controlled Maintenance Trust Fund	<u>126,000,000</u>	<u>101,000,000</u>	<u>0</u>	<u>0</u>	<u>25,000,000</u>	<u>0.0</u>
OPERATING TOTAL²	\$22,808,401,267	\$8,348,395,679	\$6,665,749,513	\$1,654,286,042	\$6,139,970,033	53,684.2

¹ Includes General Fund Exempt.

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

5. FY 2014-15 Operating Appropriations by Department

FY 2014-15 Operating Appropriations By Department and Fund Source						
	Total Funds	General Fund ¹	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Agriculture	\$44,184,405	\$9,311,389	\$29,141,578	\$1,629,526	\$4,101,912	274.1
Corrections	808,028,400	720,429,597	39,979,286	46,380,247	1,239,270	6,212.2
Education ¹	5,251,199,806	3,357,895,804	1,195,887,249	61,153,725	636,263,028	582.0
Governor	284,943,658	34,366,530	41,625,618	202,523,283	6,428,227	1,071.6
Health Care Policy and Financing ¹	7,876,855,463	2,264,471,263	952,277,490	7,782,578	4,652,324,132	390.9
Higher Education ¹	3,442,742,629	761,983,052	2,023,919,592	634,406,378	22,433,607	23,455.2
Human Services	1,901,273,647	782,001,699	347,236,592	144,373,402	627,661,954	4,906.1
Judicial	614,943,426	444,077,692	135,792,639	30,648,095	4,425,000	4,528.3
Labor and Employment	167,437,131	637,353	66,027,071	650,740	100,121,967	1,016.5
Law	73,966,331	13,534,300	15,652,579	43,031,041	1,748,411	464.4
Legislature	42,029,278	40,946,462	179,000	903,816	0	278.6
Local Affairs ¹	310,257,918	21,655,439	209,046,119	9,260,768	70,295,592	168.4
Military and Veterans Affairs	225,304,185	8,185,530	1,282,783	1,100,000	214,735,872	1,391.2
Natural Resources	256,122,267	26,226,310	192,978,621	8,026,022	28,891,314	1,444.0
Personnel	173,354,939	6,767,176	13,231,074	153,356,689	0	393.6
Public Health and Environment ¹	551,305,467	63,968,977	160,444,430	35,574,429	291,317,631	1,265.0
Public Safety	401,203,913	133,598,400	175,885,160	33,284,468	58,435,885	1,688.3
Regulatory Agencies	86,666,820	1,882,646	78,674,683	4,722,507	1,386,984	587.6
Revenue	327,080,067	101,668,190	219,053,032	5,534,457	824,388	1,322.0
State	22,136,875	0	22,136,875	0	0	137.3
Transportation	1,283,197,431	700,000	748,363,814	19,773,476	514,360,141	3,326.9
Treasury	438,771,136	121,626,076	317,145,060	0	0	31.9
Controlled Maintenance Trust Fund	<u>111,264</u>	<u>111,264</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
OPERATING TOTAL²	\$24,583,116,456	\$8,916,045,149	\$6,985,960,345	\$1,444,115,647	\$7,236,995,315	54,936.1

¹ Includes General Fund Exempt.

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

C: SUMMARY OF MAJOR CHANGES

FY 2013-14 Adjusted Appropriation and FY 2014-15 Long Bill and Special Bills Appropriations

	All Departments					
	Total Funds	General Fund ^{1,2}	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
FY 2013-14 Appropriation	\$22,480,191,789	\$8,094,186,715	\$6,598,102,291	\$1,666,771,488	\$6,121,131,295	53,629.4
2014 legislative session bills	<u>328,209,478</u>	<u>254,208,964</u>	<u>67,647,222</u>	<u>(12,485,446)</u>	<u>18,838,738</u>	<u>54.8</u>
TOTAL	\$22,808,401,267	\$8,348,395,679	\$6,665,749,513	\$1,654,286,042	\$6,139,970,033	53,684.2
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$22,808,401,267	\$8,348,395,679	\$6,665,749,513	\$1,654,286,042	\$6,139,970,033	53,684.2
Decision items	1,145,777,296	552,183,506	42,889,965	70,288,997	480,414,828	946.1
Annualize prior year legislation	141,482,479	(84,070,502)	17,468,778	(387,772,740)	595,856,943	105.2
Centrally appropriated line items	103,383,296	52,415,570	29,336,106	12,121,242	9,510,378	4.0
Technical changes	23,265,304	12,296,293	(11,927,154)	1,326,860	21,569,305	(1.0)
Annualize prior year funding	(174,773,909)	(119,004,046)	(29,365,981)	(4,270,158)	(22,133,724)	(15.4)
Statewide IT common policy adjustments	(771,736)	4,275,256	(5,158,698)	392,820	(281,114)	0.0
HB 14-1336 (Long Bill) / HB 14-1293 (legislation appropriation)	\$24,046,763,997	\$8,766,491,756	\$6,708,992,529	\$1,346,373,063	\$7,224,906,649	54,723.1
Additional legislation	<u>536,352,459</u>	<u>149,553,393</u>	<u>276,967,816</u>	<u>97,742,584</u>	<u>12,088,666</u>	<u>213.0</u>
TOTAL	\$24,583,116,456	\$8,916,045,149	\$6,985,960,345	\$1,444,115,647	\$7,236,995,315	54,936.1
Increase/(Decrease)	\$1,774,715,189	\$567,649,470	\$320,210,832	(\$210,170,395)	\$1,097,025,282	1,251.9
Percentage Change	7.8%	6.8%	4.8%	(12.7%)	17.9%	2.3%

¹ Includes \$1,871,776,600 General Fund Exempt in FY 2013-14 and \$2,077,547,200 General Fund Exempt in FY 2014-15. See Part III for the Departments of Education, Health Care Policy and Financing, Higher Education, Local Affairs, and Public Health and Environment for information on General Fund Exempt appropriations.

² Includes \$129,680,784 in FY 2013-14 and \$148,433,743 in FY 2014-15 that is not subject to the statutory limit on state General Fund appropriations imposed by Section 24-75-201.1, C.R.S. See Part III for the Departments of Health Care Policy and Financing, Local Affairs, Public Health and Environment, Revenue, and Treasury for further information on General Fund appropriations that are exempt from the statutory limit.

Summary of Major Changes

FY 2013-14 Appropriation – Mid-year Adjustments

2014 legislative session bills: Represents the FY 2013-14 impact of legislation passed in the 2014 legislative session. These bills correspond to a 1.5 percent total funds and 3.1 percent General Fund increase in the total FY 2013-14 appropriation compared to the pre-2014 legislative session FY 2013-14 appropriation. Major highlights include:

- Health Care Policy and Financing – Increase of \$119.5 million total funds (\$4.1 million General Fund);
- Public Safety – Increase of \$74.1 million total funds (\$71.1 million General Fund);
- Education – Increase of \$57.4 million total funds (\$53.3 million General Fund); and
- Personnel – Increase of \$22.3 million total funds (\$22.3 million General Fund).

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

FY 2014-15 Appropriation Highlights

Decision items: Represents programmatic funding changes included in the FY 2014-15 appropriation. Examples include funding for new programs, expansion of existing programs, and reductions to or elimination of existing programs. These items comprise 64.6 percent of the total funds and 97.3 percent of the General Fund changes from the FY 2013-14 appropriation. Major highlights include:

- Health Care Policy and Financing – Increase of \$490.9 million total funds (\$157.9 million General Fund);
- Education – Increase of \$267.5 million total funds (\$202.5 million General Fund);
- Higher Education – Increase of \$91.9 million total funds (\$0.1 million General Fund); and
- Human Services – Increase of \$89.1 million total funds (\$48.2 million General Fund).

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

Annualize prior year legislation: Represents the FY 2014-15 impact of legislation passed by the General Assembly in prior legislative sessions included in the FY 2014-15 appropriation. These items comprise 8.0 percent of the total funds changes from the FY 2013-14 appropriation. Major highlights include:

- Health Care Policy and Financing – Increase of \$710.7 million total funds (\$23.0 million General Fund); and
- Human Services – Decrease of \$419.6 million total funds (decrease of \$9.9 million General Fund).

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

Centrally appropriated line items: Represents changes reflected in the Executive Director's Office (or comparable division) for each agency for use department-wide included in the FY 2014-15 appropriation. Examples include employee benefits (salary and benefit changes), vehicle lease payments, and capitol complex

leased space. These items comprise 5.8 percent of the total funds and 9.2 percent of the General Fund changes from the FY 2013-14 appropriation. Major highlights include:

- Judicial – Increase of \$21.5 million total funds (\$18.0 million General Fund);
- Corrections – Increase of \$18.5 million total funds (\$17.8 million General Fund);
- Human Services – Increase of \$11.8 million total funds (\$6.5 million General Fund);
- Public Safety – Increase of \$10.9 million total funds (\$1.5 million General Fund);
- Public Health and Environment – Increase of \$7.5 million total funds (\$0.4 million General Fund); and
- Natural Resources – Increase of \$5.0 million total funds (\$0.9 million General Fund).

For more detailed information on specific centrally appropriated line items, see the relevant department sections in Parts II and III.

Technical changes: Represents revenue forecast adjustments and various technical adjustments included in the FY 2014-15 appropriation. These items comprise 1.3 percent of the total funds changes from the FY 2013-14 appropriation. Major highlights include:

- Transportation – Increase of \$14.2 million total funds.

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

Annualize prior year funding: Represents the FY 2014-15 impact of budgetary decision items in prior fiscal year appropriations included in the FY 2014-15 appropriation. These items reduce the overall increase in funding by \$174.8 million total funds and by \$119.0 million General Fund. Major highlights include:

- Personnel – Decrease of \$26.5 million total funds (decrease of \$25.4 million General Fund);
- Governor – Decrease of \$12.7 million total funds (decrease of \$7.5 million General Fund);
- Judicial – Decrease of \$8.4 million total funds (decrease of \$3.8 million General Fund);
- Health Care Policy and Financing – Decrease of \$7.3 million total funds (increase of \$9.9 million General Fund); and
- Human Services – Increase of \$9.4 million total funds (\$8.9 million General Fund).

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

Statewide IT common policy adjustments: Represents changes to moneys collected by the Governor's Office of Information Technology from agencies included in the FY 2014-15 appropriation. These changes reduce the overall increase in funding by \$0.8 million total funds, but contribute \$4.3 million General Fund toward the overall increase in General Fund appropriations. Major highlights include:

- Revenue – Decrease of \$3.2 million total funds (decrease of \$1.7 million General Fund);
- Natural Resources – Decrease of \$2.3 million total funds (increase of \$0.3 million General Fund);
- Corrections – Increase of \$1.7 million total funds (\$1.7 million General Fund);
- Human Services – Decrease of \$1.0 million total funds (\$0.2 million General Fund); and
- Health Care Policy and Financing – Increase of \$0.7 million total funds (\$0.1 million General Fund).

For more detailed information on specific Statewide IT common policy adjustments, see the relevant department sections in Parts II and III.

Additional legislation: Represents the FY 2014-15 impact of legislation passed in the 2014 legislative session in addition to H.B. 14-1336 (Long Bill) and H.B. 14-1293 (legislative appropriation bill). These items comprise 30.2 percent of the total funds and 26.3 percent of the General Fund changes in the total FY 2014-15 appropriation. Major highlights include:

- Education – Increase of \$268.1 million total funds (\$2.2 million General Fund);
- Higher Education – Increase of \$160.2 million total funds (\$102.2 million General Fund);
- Public Health and Environment – Increase of \$25.5 total funds (\$18.0 million General Fund);
- Human Services – Increase of \$22.3 million total funds (\$9.0 million General Fund); and
- Health Care Policy and Financing – Increase of \$21.3 million total funds (\$4.9 million General Fund).

For more detailed information on specific legislation, see the relevant department sections in Part III.

PART II

DEPARTMENT SUMMARIES

DEPARTMENT OF AGRICULTURE

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

Department Budget: Recent Appropriations

Funding Source	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
General Fund	\$5,164,362	\$6,863,921	\$7,723,805	\$9,311,389
Cash Funds	28,782,323	27,838,161	29,200,366	29,141,578
Reappropriated Funds	1,042,342	1,090,001	1,632,203	1,629,526
Federal Funds	<u>3,977,614</u>	<u>3,887,150</u>	<u>4,113,870</u>	<u>4,101,912</u>
Total Funds	\$38,966,641	\$39,679,233	\$42,670,244	\$44,184,405
Full Time Equiv. Staff	284.1	282.4	274.1	274.1

General Factors Driving the Budget

Funding for this department consists of 21.1 percent General Fund, 66.0 percent cash funds, 3.7 percent reappropriated funds, and 9.3 percent federal funds. Some of the major factors driving the Department's budget are discussed below.

Agricultural Services Division

Funding appropriated to the Agricultural Services Division (ASD) is expended on four program areas: animal industry, plant industry, inspection and consumer services, and conservation services. The ASD accounts for 30.8 percent of the Department's total appropriation in FY 2014-15, including 46.2 percent of the Department's total General Fund appropriation and 23.5 percent the of the Department's total cash fund appropriation.

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

Agricultural Services Division Workload Measures Driving the Budget				
	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Estimate	FY 2014-15 Estimate
Animal Industry				
Exported livestock	2,214,382	1,622,648	1,626,749	1,700,000
Animal abuse investigations	12,625	14,712	15,000	16,000
Disease traceability IDs	29,000	36,683	40,658	43,000
Inspection and Consumer Services				
Small & large devices tested	27,451	26,962	27,000	27,000
Egg inspections (by the dozen)	160,000	92,243	108,000	70,000
Plant Industry				
Pounds of seed sampled	2,003,450	1,072,427	1,500,000	1,500,000
Volume of nursery stock inspected	3,654,167	1,898,592	2,500,000	2,500,000

Department Workload

Cash funds make up the majority of funding for this Department and these appropriations respond to changes in workload for products or services associated with specific cash funds within the Department. The three largest cash funds are the State Fair Cash Fund; the Brand Inspection Cash Fund; and the Plant Health, Pest Control, and Environmental Protection Cash Fund. Appropriations from these funds account for 53.5 percent of the Department's total cash funds appropriation in FY 2014-15.

Agriculture Management Fund

The Agriculture Management Fund (AMF) was created by House Bill 08-1399 (Ag Unclaimed Property Trust Fund Interest) which authorized the transfer of interest earned on the Unclaimed Property Tourism Promotion Trust Fund, once the debt on the State Fair Events Center was repaid. Interest transfers began midway through FY 2008-09 and are divided between the following funds:

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

The AMF supports projects and programs in various divisions, as well as a portion of expenses for the recent consolidation of non-fair divisions into a new office building and lab facility. The following table outlines the estimated use of funds in the Agriculture Management Fund in FY 2014-15:

Agriculture Management Fund Estimated Spending FY 2014-15¹		
Commissioner's Office	Outreach Coordinator (1.0 FTE)	\$50,000
	Office Consolidation	25,000
	Misc. Administrative Expenses	15,000
Animal Industry	Predator Control and Traceability	85,000

Agriculture Management Fund Estimated Spending FY 2014-15¹		
	Animal Health Tracking Software	40,000
	Equine Investigation Course	25,000
ICS	Custom Meat Processing	50,000
Agricultural Markets	Misc. Marketing Programs	265,000
	Colorado Proud	230,000
	Market Specialists (2.0 FTE)	105,000
State Fair	Colorado State Fair	400,000
	Naval Reserve Remediation/Demolition	90,000
Conservation Board	District Conservation Technician Program	<u>75,000</u>
Total Estimated Projects		\$1,455,000

¹Estimated FY 2014-15 expenditures as of June 2014.

Appropriation Highlights – 2014 Legislative Session

Department of Agriculture						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$42,649,039	\$7,702,600	\$29,176,366	\$1,632,203	\$4,137,870	274.1
SB 13-241	21,205	21,205	0	0	0	0.0
HB 14-1232	<u>0</u>	<u>0</u>	<u>24,000</u>	<u>0</u>	<u>(24,000)</u>	<u>0.0</u>
TOTAL	\$42,670,244	\$7,723,805	\$29,200,366	\$1,632,203	\$4,113,870	274.1
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$42,670,244	\$7,723,805	\$29,200,366	\$1,632,203	\$4,113,870	274.1
Noxious Weed Management Program funding	700,000	700,000	0	0	0	0.0
Centrally appropriated line items	645,099	543,876	136,033	(2,677)	(32,133)	0.0
FFA and 4-H Program funding	250,000	250,000	0	0	0	0.0
IT common policy adjustments	74,528	149,062	(74,534)	0	0	0.0
Base reduction for office consolidation	(107,950)	(39,214)	(68,736)	0	0	0.0
Annualize prior year budget actions	(23,634)	5,065	(24,874)	0	(3,825)	0.0
Annualize prior year legislation	(21,205)	(21,205)	(24,000)	0	24,000	0.0
Indirect cost assessment	(2,677)	0	(2,677)	0	0	0.0
HB 14-1336	<u>\$44,184,405</u>	<u>\$9,311,389</u>	<u>\$29,141,578</u>	<u>\$1,629,526</u>	<u>\$4,101,912</u>	<u>274.1</u>
TOTAL	\$44,184,405	\$9,311,389	\$29,141,578	\$1,629,526	\$4,101,912	274.1
Increase/(Decrease)	\$1,514,161	\$1,587,584	(\$58,788)	(\$2,677)	(\$11,958)	(0.0)
Percentage Change	3.5%	20.6%	(0.2%)	(0.2%)	(0.3%)	(0.0%)

FY 2013-14 Appropriation - Mid-year Adjustments

House Bill 14-1232 makes net-zero fund source adjustments to indirect cost assessment line items in four divisions to more accurately reflect the collection of indirect costs in FY 2013-14.

FY 2014-15 Appropriation Highlights

Noxious Weed Management Program funding: The appropriation includes an increase of \$700,000 General Fund for weed control grants administered by the Noxious Weed Management Program.

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; shift differential; vehicle lease payments; workers' compensation; legal services; administrative law judges; and payment to risk management and property funds.

FFA and 4-H Program funding: The appropriation includes an increase of \$250,000 General Fund to provide funding to maintain facilities and support Future Farmers of America (FFA) and 4-H youth programs at the Colorado State Fair.

IT common policy adjustments: The appropriation includes adjustments to the payments made to the Governor's Office of Information Technology for the provision of information technology services.

Base reduction for office consolidation: The appropriation includes a decrease of \$107,950 total funds, including a \$39,214 decrease in General Fund, for leased space due to the Department's consolidation of five office locations in the Denver metro area.

Annualize prior year budget actions: The appropriation includes a number of changes to the out year impact of funding decisions made through the FY 2013-14 appropriation including the annualization of FY 2013-14 salary survey and merit pay.

Annualize prior year legislation: The appropriation includes a reduction of \$21,205 total funds for the second year impact of legislation. The primary changes are the elimination of the one-time \$21,205 General Fund appropriation in S.B. 13-241 (Industrial Hemp Growers Registration) and the reversal of prior year adjustments to indirect cost assessments in H.B. 14-1232 (Supplemental Bill).

Indirect cost assessment: The appropriation includes a net decrease in the Department's indirect cost assessment.

DEPARTMENT OF CORRECTIONS

The Department is responsible for:

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

The Department is comprised of the following divisions:

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

Department Budget: Recent Appropriations

Funding Source	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
General Fund	\$648,950,165	\$654,682,235	\$683,084,333	\$720,429,597
Cash Funds	42,343,166	39,619,027	40,092,306	39,979,286
Reappropriated Funds	44,727,525	45,644,484	45,892,992	46,380,247
Federal Funds	<u>3,197,101</u>	<u>1,014,328</u>	<u>1,010,514</u>	<u>1,239,270</u>
Total Funds	\$739,217,957	\$740,960,074	\$770,080,145	\$808,028,400
Full Time Equiv. Staff	6,220.6	6,077.1	6,051.6	6,212.2

General Factors Driving the Budget

Funding for this department consists of 89.2 percent General Fund, 4.9 percent cash funds, 5.7 percent reappropriated funds, and 0.2 percent federal funds. Some of the major factors driving the Department's budget are discussed below.

Operating appropriations

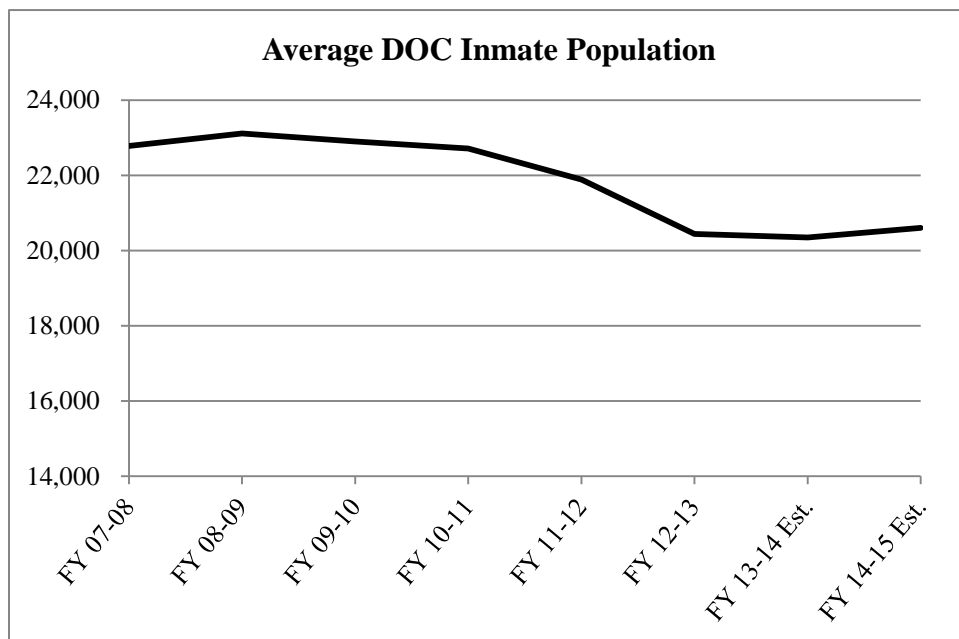
Appropriations for operating costs to the Department of Corrections (DOC) depend in substantial part upon the Department's caseload, which has two key components:

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

Inmate Population

The following table and chart report the average DOC inmate population during recent fiscal years. This population peaked in FY 2008-09, declined for several years, and is now slowly rising.

Average DOC Inmate Population	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Actual	FY 13-14 Estimate	FY 14-15 Estimate
Average DOC inmate population	22,903	22,717	21,890	20,437	20,345	20,600
Percentage change from prior year	(0.9%)	(0.8%)	(3.6%)	(6.6%)	(0.5%)	1.3%



DOC Offenders in County Jails

At any given time, more than a thousand of DOC's inmates and parolees are housed in county jails. Some are newly sentenced by a court to the DOC and await transfer from jail to the DOC's reception and diagnostic center. (Section 17-1-112 (1), C.R.S., requires the DOC to reimburse counties for holding newly-sentenced inmates starting 72 hours after sentencing.) Other offenders were paroled and, following a parole violation, have been placed in jail while awaiting a parole revocation hearing or while awaiting trial for a new crime. If

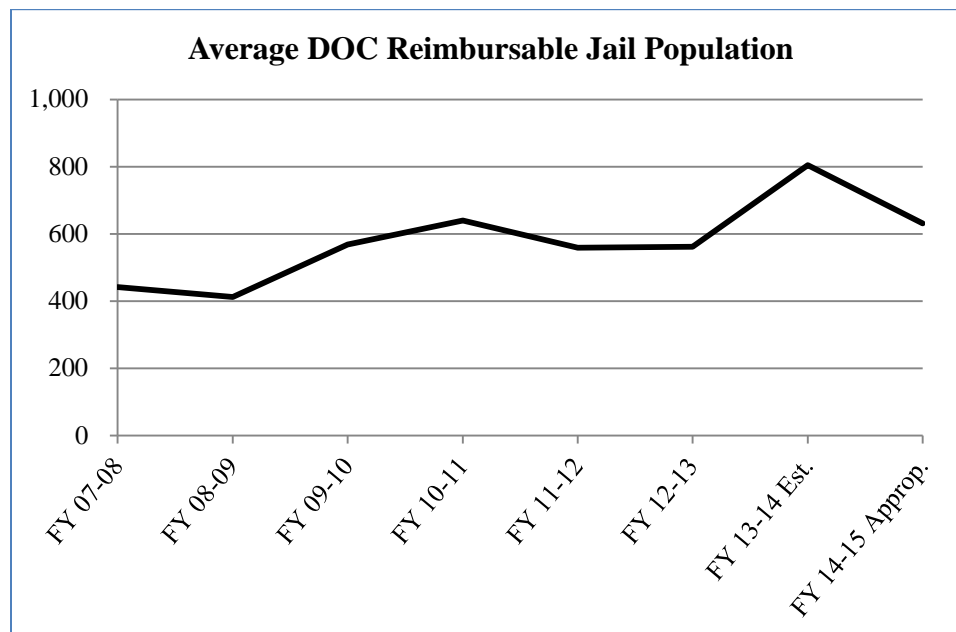
revoked, the parolee remains in jail until transferred to another facility. In addition, the DOC has contracts with several county jails and places offenders in these facilities on a longer term basis.

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

Reimbursable¹ DOC Offenders in County Jails	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Actual	FY 13-14 Estimate	FY 14-15 Approp.
Average DOC reimbursable ¹ jail population	569	639	559	562	805	631
Percentage change from prior year	37.8%	12.3%	(12.5%)	0.5%	43.2%	(21.6%)
Daily reimbursement rate per offender	\$50.44	\$50.44	\$50.44	\$50.44	\$51.45	\$52.74
Percentage change from prior year	0.0%	0.0%	0.0%	0.0%	2.0%	2.5%
Total payments to jails ²	\$10,474,017	\$11,772,794	\$10,320,054	\$10,348,430	\$15,117,296	\$12,146,813
Percentage change from prior year	37.9%	12.4%	(12.3%)	0.3%	46.1%	(19.6%)

¹ The DOC does not reimburse jails for all DOC offenders that jails holds. This table reports the average number of offenders for whom the DOC pays reimbursement.

² Due to additional contract provisions and leap years, total cost may not equal (daily rate) * (average number of offenders) * 365.

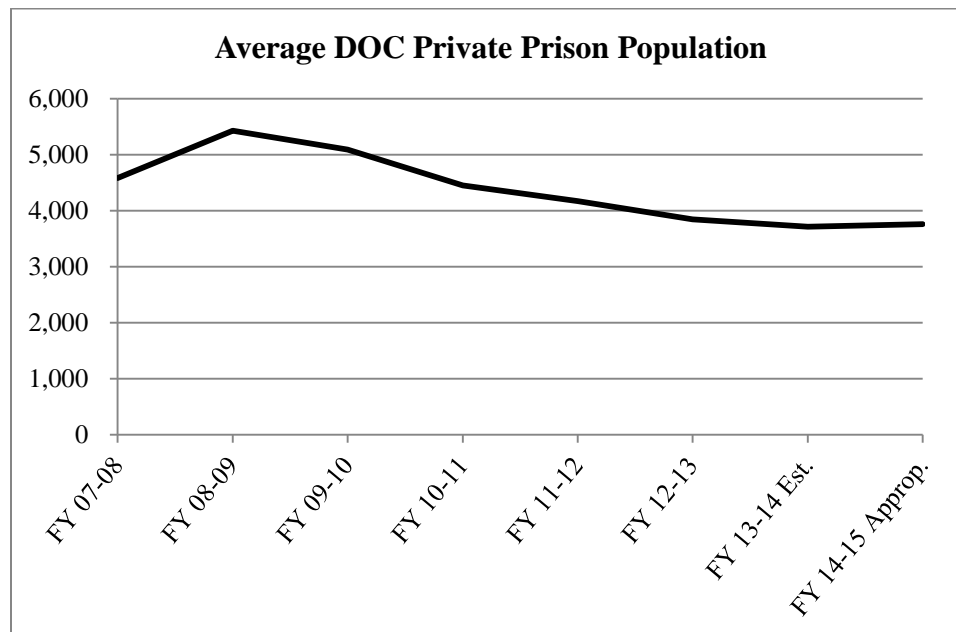


DOC Offenders in Private Prisons

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

DOC Inmates in Private Prisons	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Actual	FY 13-14 Estimate	FY 14-15 Approp.
Average private prison population	5,088	4,451	4,169	3,847	3,716	3,757
Percentage change from prior year	(6.2%)	(12.5%)	(6.3%)	(7.7%)	(3.4%)	1.1%
Daily reimbursement rate per offender	\$52.69	\$52.69	\$52.69	\$52.69	\$53.74	\$55.08
Percentage change from prior year	0.0%	0.0%	0.0%	0.0%	2.0%	2.5%
Total payments to private prisons	\$97,844,779	\$85,599,904	\$80,393,692	\$73,987,133	\$72,889,712	\$75,531,479
Percentage change from prior year	(6.2%)	(12.5%)	(6.1%)	(8.0%)	(1.5%)	3.6%

² Due to additional contract provisions and leap years, total cost often doesn't equal (daily rate) * (average number of offenders) * 365.



Transition and Parole – Costs of Returning Offenders to the Community

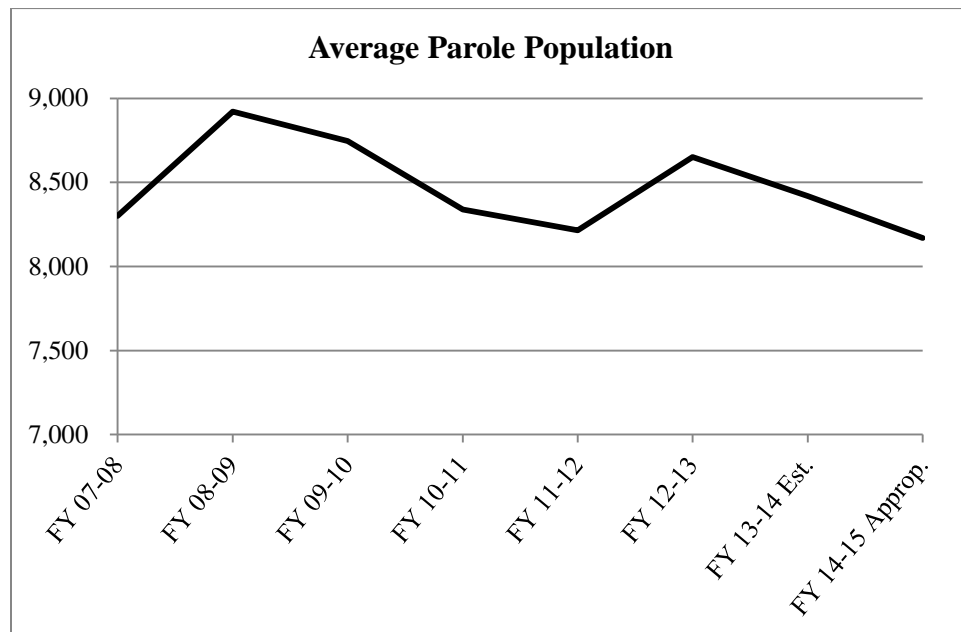
The process of returning an offender to the community almost always involves a period of parole, but may include placement in a community corrections facility (also known as a halfway house) and a period of intensely supervised independent living in the community before parole begins (known as the *Intensive Supervision-Inmate* or *ISP-Inmate* Program). Inmates living in halfway houses or participating in the ISP-Inmate program are often referred to as "transition" offenders. A significant number of transition offenders return to prison for violating their transition conditions and a significant number of parolees are reincarcerated for violating their parole conditions. If a parole violation does not involve a new crime, revocation lasts no more than six months.

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

to halfway houses and are not run by the State. The DOC, rather than the DCJ, pays Community Return-to-Custody costs. Other revoked parolees are placed in DOC-operated prisons and in private prisons.

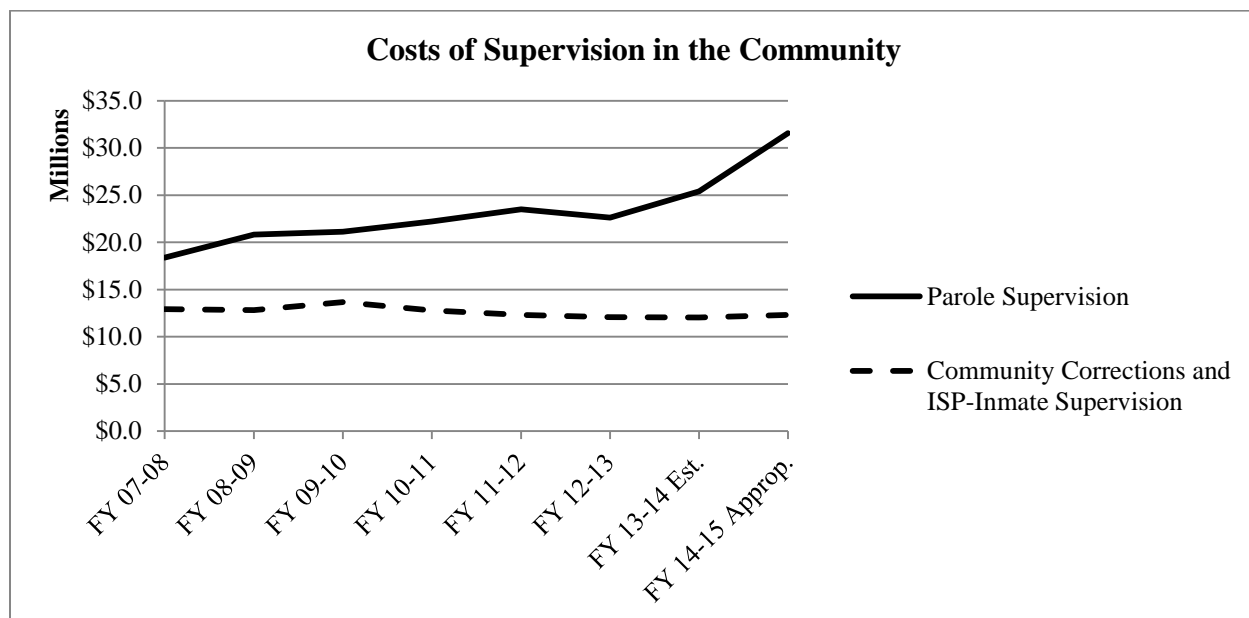
Costs of parole supervision are closely tied to caseloads. The following table and chart report the average parole population in recent fiscal years.

Average Parole Population	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Actual	FY 13-14 Estimate	FY 14-15 Approp.
Average parole population	8,746	8,339	8,216	8,650	8,418	8,169
Percentage change from prior year	(2.0%)	(4.7%)	(1.5%)	5.3%	(2.7%)	(3.0%)



The next table and chart summarize DOC's recent costs of transition and parole supervision and recent payments to Community Return-to-Custody facilities.

Transition and Parole Costs	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Actual	FY 13-14 Estimate	FY 14-15 Approp.
Community Corrections and ISP-Inmate Supervision	\$13,662,290	\$12,790,930	\$12,315,305	\$12,068,784	\$12,049,430	\$12,318,370
Percentage change from prior year	6.5%	(6.4%)	(3.7%)	(2.0%)	(0.2%)	2.2%
Parole Supervision	\$21,127,826	\$22,219,683	\$23,483,761	\$22,600,157	\$25,405,568	\$31,569,181
Percentage change from prior year	1.4%	5.2%	5.7%	(3.8%)	12.4%	24.3%
Payments to Community Return-to-Custody Facilities	\$3,912,275	\$4,035,869	\$4,004,246	\$3,911,624	\$3,898,075	\$4,130,340
Percentage change from prior year	15.2%	3.2%	(0.8%)	(2.3%)	(0.3%)	6.0%



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

Capital Appropriations

In addition to the DOC's operating costs, there are also capital costs associated with new capital construction, controlled maintenance of existing capital resources, and payments for the certificates of participation that sometimes finance capital construction. Related appropriations and expenditures are summarized in the following table. In recent years, the Department also financed construction of a medical facility with a lease purchase agreement, but the related payments are being made from the Department's operating appropriations, not from capital appropriations.

Capital Construction	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15
Capital Construction Fund appropriations	\$6,274,207	\$2,012,428	\$18,952,353	\$20,798,083	\$27,225,308	\$29,120,526

Appropriation Highlights – 2014 Legislative Session

Department of Corrections						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$752,626,223	\$665,542,718	\$40,179,999	\$45,892,992	1,010,514	6,019.2
SB 10-128	28,014	28,014	0	0	0	0.0
HB 10-1081	28,800	28,800	0	0	0	0.0
SB 13-007	56,160	56,160	0	0	0	0.0
SB 13-200	(2,471,751)	(2,471,751)	0	0	0	0.4

Department of Corrections						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
SB 13-210	963,168	963,168	0	0	0	0.0
SB 13-250	521,850	521,850	0	0	0	0.0
HB 13-1160	(520,400)	(520,400)	0	0	0	0.0
HB 14-1233	<u>18,848,081</u>	<u>18,935,774</u>	<u>(87,693)</u>	<u>0</u>	<u>0</u>	<u>32.0</u>
TOTAL	\$770,080,145	\$683,084,333	\$40,092,306	\$45,892,992	\$1,010,514	6,051.6
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$770,080,145	\$683,084,333	\$40,092,306	\$45,892,992	\$1,010,514	6,051.6
Centrally appropriated line items	15,609,389	15,034,731	574,658	0	0	0.0
IT common policy adjustments	3,638,549	3,625,404	(2,257)	0	15,402	0.0
Community provider rate	2,742,810	2,742,810	0	0	0	0.0
Increased medical and pharmaceutical costs for offenders	2,267,117	2,267,117	0	0	0	0.0
Increased offender population	1,447,903	1,435,329	12,574	0	0	41.3
Additional parole contract services	1,000,000	1,000,000	0	0	0	0.0
Annualize prior year budget actions	954,041	949,393	4,648	0	0	10.8
Food service inflation	720,587	720,587	0	0	0	0.0
Correctional Treatment Cash Fund increase	455,000	0	0	455,000	0	0.0
Offender IDs	442,526	442,526	0	0	0	1.8
Funding for PREA compliance	227,859	227,859	0	0	0	2.7
Additional Parole Board staff	227,018	227,018	0	0	0	3.6
Indirect cost assessment	221,483	(221,483)	(2,643)	232,255	213,354	0.0
Increase inmate pay	150,000	150,000	0	0	0	0.0
Offender clothing material inflation	150,000	150,000	0	0	0	0.0
Restorative justice	75,000	75,000	0	0	0	1.2
Communicable disease prevention	33,215	33,215	0	0	0	0.0
Community services reorganization	0	0	0	0	0	0.0
Technical adjustments	(900,000)	0	(700,000)	(200,000)	0	0.0
Annualize prior year legislation	(703,841)	(703,841)	0	0	0	3.3
Five year statutory appropriations for FY 2014-15	(198,977)	(198,977)	0	0	0	0.0
Eliminate one-time funding for Sterling Water	(185,712)	(185,712)	0	0	0	0.0
Payments to District Attorneys	(143,591)	(143,591)	0	0	0	0.0
HB 14-1336	\$798,310,521	\$710,711,718	\$39,979,286	\$46,380,247	\$1,239,270	6,116.3
SB 10-128	4,482	4,482	0	0	0	0.0
HB 10-1081	28,800	28,800	0	0	0	0.0
HB 13-1154	124,063	124,063	0	0	0	0.0
HB 13-1318	20,816	20,816	0	0	0	0.0
HB 13-1325	20,816	20,816	0	0	0	0.0
SB 14-064	1,565,025	1,565,025	0	0	0	24.0
HB 14-1355	<u>7,953,877</u>	<u>7,953,877</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>71.9</u>

Department of Corrections						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
TOTAL	\$808,028,400	\$720,429,597	\$39,979,286	\$46,380,247	\$1,239,270	6,212.2
Increase/(Decrease)	\$37,948,255	\$37,345,264	(\$113,020)	\$487,255	\$228,756	160.6
Percentage Change	4.9%	5.5%	(0.3%)	1.1%	22.6%	2.7%

FY 2013-14 Appropriation - Mid-year Adjustments

Senate Bill 14-1233 makes the following adjustments to the Department's FY 2013-14 appropriation:

- An increase of \$9,776,498 General Fund, \$6,843 cash funds, and 15.0 FTE for increased inmate caseload;
- An increase of \$6,552,835 General Fund for increased inmate medical expenses;
- An increase of \$956,795 General Fund and 9.0 FTE for expansion of the Department's Sex Offender Treatment and Management Program;
- An increase of \$915,293 General Fund and 6.7 FTE for a new fugitive apprehension unit;
- An increase of \$857,813 General Fund for payments to district attorneys as reimbursement for the cost of prosecuting crimes committed by offenders in state correctional institutions;
- An increase of \$185,712 General Fund to provide safe drinking water for Sterling Correctional Facility due temporary water contamination;
- An increase of \$78,775 General Fund and 1.3 FTE for a new security detail for the Executive Director;
- A decrease of \$247,015 General Fund due to technical adjustments; and
- A decrease of \$140,932 General Fund and \$94,536 cash funds due to a statewide vehicle lease payment true-up.

FY 2014-15 Appropriation Highlights

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

IT common policy adjustments: The appropriation includes adjustments to the payments made to the Governor's Office of Information Technology for the provision of information technology services.

Community provider rate: The appropriation includes a 2.5 percent community provider rate increase for (1) contract health care workers, mental health workers, and treatment providers, and (2) private prisons, jails, and other facilities that house state inmates.

Increased medical and pharmaceutical costs for offenders: The appropriation provides increased funding for pharmaceutical and external medical costs for inmates, reflecting an increased inmate population and increased costs per inmate.

Increased offender population: To house more inmates, the appropriation increases the number of beds in existing state facilities and provides funding for placement of more inmates in private prisons.

Additional parole contract services: The appropriation increases support services for parolees.

Annualize prior year budget actions: The appropriation includes the following changes due to the out-year impact of funding decision made through the FY 2013-14 appropriation:

- An increase of \$822,671 General Fund and \$7,057 cash funds for annualization of FY 2013-14 salary survey and merit pay;
- An increase of \$284,994 General Fund and 5.9 FTE for annualization of a security detail for the Department's Executive Director;
- An increase of \$232,051 General Fund and 4.0 FTE for annualization of a Sex Offender Treatment and Management Program expansion;
- An increase of \$127,944 General Fund and 5.1 FTE for annualization of added security in prison kitchens;
- An increase of \$36,021 General Fund and 3.3 FTE for annualization of the fugitive apprehension unit;
- A reduction of \$409,799 General Fund, \$2,409 cash funds, and 6.5 FTE for annualization of prior bed reductions;
- A reduction of \$55,008 General Fund and 1.0 FTE for annualization of costs associated with closing Fort Lyon correctional facility;
- A reduction of \$52,320 General Fund for annualization of administration cost reductions; and
- A reduction of \$39,570 General Fund for annualization of prior parole caseload changes.

Food service inflation: The appropriation increases the appropriation for inmate food, reflecting higher food costs.

Correctional Treatment Cash Fund increase: The appropriation provides additional funding for treatment services from the Correctional Treatment Cash Fund.

Offender IDs: The appropriation establishes a program that will provide all offenders with identification when they leave prison.

Funding for PREA compliance: The appropriation increases Federal Prison Rape Elimination Act (PREA) compliance funding.

Additional Parole Board staff: The appropriation adds funding and staff for the Parole Board.

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

Increase inmate pay: The appropriation increases inmate pay.

Offender clothing material inflation: The appropriation increases funding for the raw materials that go into the inmate-made clothing that state prisoners wear, reflecting higher costs for those materials.

Restorative justice: The appropriation establishes a restorative justice program within Department facilities.

Communicable disease prevention: The appropriation establishes a program to screen all new employees for tuberculosis and provide the new employees with hepatitis B vaccines.

Community services reorganization: The appropriation includes a net zero reorganization of appropriations to the Community Services Division.

Technical adjustments: The appropriation reduces funding for educational services to better match projected revenues.

Annualize prior year legislation: The appropriation includes a net reduction of \$703,841 General Fund and an increase of 3.3 FTE for the second year and third year impact of the following legislation:

- \$1,474,355 and 2.7 FTE for H.B. 12-1223 (Earned Time);
- \$222,270 for S.B. 13-210 (Corrections Officer Staffing Levels);
- \$62,619 for S.B. 13-250 (Drug Sentencing Changes); and
- (\$2,463,085) and 0.6 added FTE for S.B. 13-200 (Expand Medicaid Eligibility).

Five year statutory appropriations for FY 2014-15: The total appropriation includes \$198,977 General Fund that is provided statutorily by bills enacted during prior legislative sessions: S.B. 10-128, H.B. 10-1081, H.B. 13-1154, H.B. 13-1318, and H.B. 13-1325. The appropriation in H.B. 14-1336 (the Long Bill) is reduced by this amount because the funding is provided by the prior session bills and is not needed in the Long Bill.

Eliminate one-time funding for Sterling Water: The appropriation eliminates one-time funding that provided safe drinking water for Sterling Correctional Facility to replace temporarily contaminated water.

Payments to District Attorneys: The appropriation reduces reimbursements to district attorneys for the cost of prosecuting offender crimes that occur in state correctional institutions.

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

DEPARTMENT OF EDUCATION

The elected members of the State Board of Education are responsible for the general supervision of public schools throughout Colorado. The Commissioner of Education, appointed by the State Board, advises the State Board concerning the operation and status of public schools and serves as the executive officer of the Department of Education. Among other tasks and responsibilities, the Department supports the Board in its duties by:

- accrediting public schools and school districts;
- developing and maintaining state model academic content standards and administering associated student assessments for certain subject areas and grade levels; and
- issuing school performance reports for every public school in the state.

The Department also administers a number of education-related programs, including: educator licensure and professional development; the School Finance Act and the distribution of state and federal funds to school districts; special education for children with disabilities; English language proficiency programs; the Colorado Preschool Program; educator effectiveness and evaluation programs; and adult basic education programs.

The Department includes three independent agencies: (1) the Board of Trustees for the Colorado School for the Deaf and the Blind; (2) the State Charter School Institute Board, which is responsible for authorizing and monitoring the operations of institute charter schools located within certain school districts; and (3) the Public School Capital Construction Assistance Board, which is responsible for assessing public school capital construction needs statewide and making recommendations concerning the prioritization and allocation of state financial assistance for school construction projects.

In addition to its responsibilities related to public schools, the Department is charged with promoting the improvement of library services statewide to ensure equal access to information, including providing library services to persons who reside in state-funded institutions and to persons who are blind or physically disabled.

Department Budget: Recent Appropriations

Funding Source	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
General Fund ^{/1}	\$2,833,702,613	\$3,015,441,352	\$3,153,841,621	\$3,357,895,804
Cash Funds	857,596,308	767,189,974	895,916,330	1,195,887,249
Reappropriated Funds	23,645,698	24,078,570	30,459,207	61,153,725
Federal Funds	<u>625,903,566</u>	<u>628,704,003</u>	<u>625,583,593</u>	<u>636,263,028</u>
Total Funds	\$4,340,848,185	\$4,435,413,899	\$4,705,800,751	\$5,251,199,806
Full Time Equiv. Staff	541.6	565.7	563.8	582.0

^{/1} Includes General Fund Exempt

General Factors Driving the Budget

Although local government revenues provide a significant source of funding for K-12 education in Colorado (\$2.0 billion in FY 2014-15), local funds are not reflected in the State's annual appropriations to the Department of Education. Funding for this department consists of 63.9 percent General Fund, 22.8 percent cash funds, 1.2 percent reappropriated funds, and 12.1 percent federal funds. The two primary factors driving the Department's budget, public school finance and categorical programs, are reviewed below.

Public School Finance

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

The formula provides the same statewide base per-pupil funding amount for every school district (\$6,121 per pupil for FY 2014-15). The formula then increases this statewide base per-pupil funding amount for each district based on factors that affect districts' costs of providing educational services. Thus, per-pupil funding allocations vary for each district. For FY 2014-15, per-pupil funding allocations are anticipated to range from \$6,557 to \$16,166, with a statewide average of \$7,021 per pupil. Each district's per-pupil funding allocation is multiplied by its funded-pupil count to determine its total program funding. For FY 2014-15, pursuant to the formula, a total of \$5.9 billion in state and local funds will be allocated among school districts.

Constitutional Inflationary Requirement (Amendment 23)

Pursuant to Section 17 of Article IX of the Colorado Constitution, the General Assembly is required to provide annual inflationary increases in the statewide base per-pupil funding amount. For FY 2001-02 through FY 2010-11, this amount was required to increase annually by at least inflation plus one percent; for FY 2011-12 and subsequent fiscal years, this amount must increase annually by at least the rate of inflation. For example, for FY 2014-15, the General Assembly was required to increase the statewide base per-pupil funding amount by at least \$167 (from \$5,954 to \$6,121, or 2.8 percent), based on the actual 2.8 percent increase in the Denver-Boulder consumer price index in calendar year 2013. Given an estimated funded-pupil count of more than 845,000, the General Assembly was thus required to provide a minimum of \$5.2 billion in state and local funds for FY 2014-15, equal to 87.2 percent of the \$5.9 billion in total program funding.

Factors Considered in Public School Finance Formula

The remaining 12.8 percent of state and local funds that will be allocated among school districts in FY 2014-15 is driven by other factors in the statutory school finance formula that increase the base per-pupil funding for each district by varying amounts to account for individual district characteristics. The formula includes three primary factors.

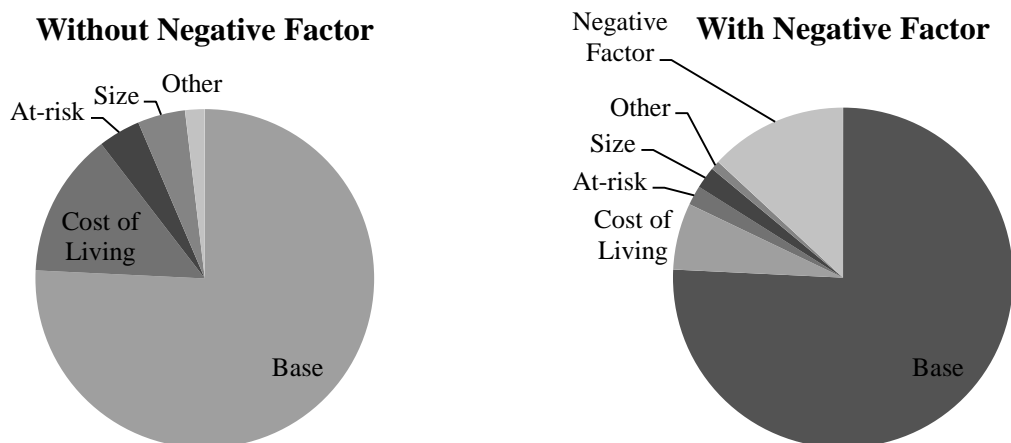
- Cost of Living Factor - Recognizes that the cost of living in a community affects the salaries required to attract and retain qualified personnel.
- Size Factor - Compensates districts lacking enrollment-based economies of scale.

- At-risk Factor - Provides additional funding for districts serving students who may be at risk of failing or dropping out of school. The formula utilizes a proxy to estimate the number of at-risk students: the number and concentration of students who are either eligible for free lunch under the federal school lunch program or English language learners.

In addition, the school finance formula requires a minimum level of per-pupil funding (\$6,661 per pupil for FY 2014-15), regardless of the impact of the above factors. For FY 2014-15, 13 districts are anticipated to receive funding based on this minimum level of per-pupil funding. The School Finance Act also provides a fixed amount of funding per pupil (established at \$6,410 for FY 2014-15) for two types of students:

- Students receiving full-time, on-line instruction through a multi-district program; and
- Students in their fifth year of high school who are participating in the Accelerating Students Through Concurrent Enrollment (ASCENT) Program.

Finally, since FY 2010-11 the formula has included a negative factor designed to reduce districts' total program funding to a specified total amount. For FY 2014-15, this factor is estimated to be -13.1 percent, requiring a \$894.2 million reduction in total program funding. Thus, the Department will calculate total program funding for each district based on the formula described above, and then reduce each district's total program funding by 13.1 percent. Because the General Assembly cannot decrease base per-pupil funding, this new factor has the effect of reducing the funding attributed to the other formula factors, as illustrated in the following graphic.



Determining the State and Local Shares of Funding

Once the total program funding amount is determined for each district, the state and local share of such funding is calculated for each district. Local property and specific ownership taxes provide the first source of revenue for each district's total program funding. Property taxes are based on each district's tax rate (the mill levy) and the portion of property value that is taxable (the assessment rate). Specific ownership taxes are paid when registering a motor vehicle. These local tax revenues are collected and expended by each school district, and thus are not reflected in the state budget. For FY 2014-15, \$2.0 billion in local tax revenues are anticipated to be available to support public schools pursuant to the statutory school finance formula. State funding is appropriated to fill the gap between local tax revenues and total program funding. Thus, the General Assembly

appropriated \$3.9 billion in state funding for FY 2014-15 to provide a total of \$5.9 billion for school district operations.

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

- In 1982, voters approved a property tax reform measure that included a provision (generally called the "Gallagher amendment") which initially reduced the residential assessment rate from 30.0 percent to 21.0 percent, and capped the residential share of property taxes.
- In 1992 voters approved the Taxpayer's Bill of Rights (TABOR). Prior to TABOR, local governments could generally collect and spend the same amount of property tax revenue each year by periodically increasing or decreasing mill levies. With respect to school district property taxes, TABOR: (1) imposes a property tax revenue limit based on inflation and changes in student enrollment; (2) prohibits districts from increasing a mill levy without voter approval; and (3) requires voter approval for any increase in the assessment rate for a class of property.

As a result of the combined impact of the Gallagher amendment and TABOR, the residential assessment rate has declined from 30.00 percent to 7.96 percent (to keep the residential share of property tax revenues at about 47.0 percent); school district mill levies have declined from the uniform mill of 40.080 (established by the General Assembly in 1988) to disparate mill levies that currently range from 1.680 to 27.000. These reductions, in combination with the inflationary spending increases required by Amendment 23, have caused the local share of total program funding to increase at a slower rate than overall funding, requiring the State's relative share of funding to increase. Specifically, from CY 1988 to FY 2006-07, the state share of funding rose from 43 percent to 64 percent, while the local share fell from 57 percent to 36 percent.

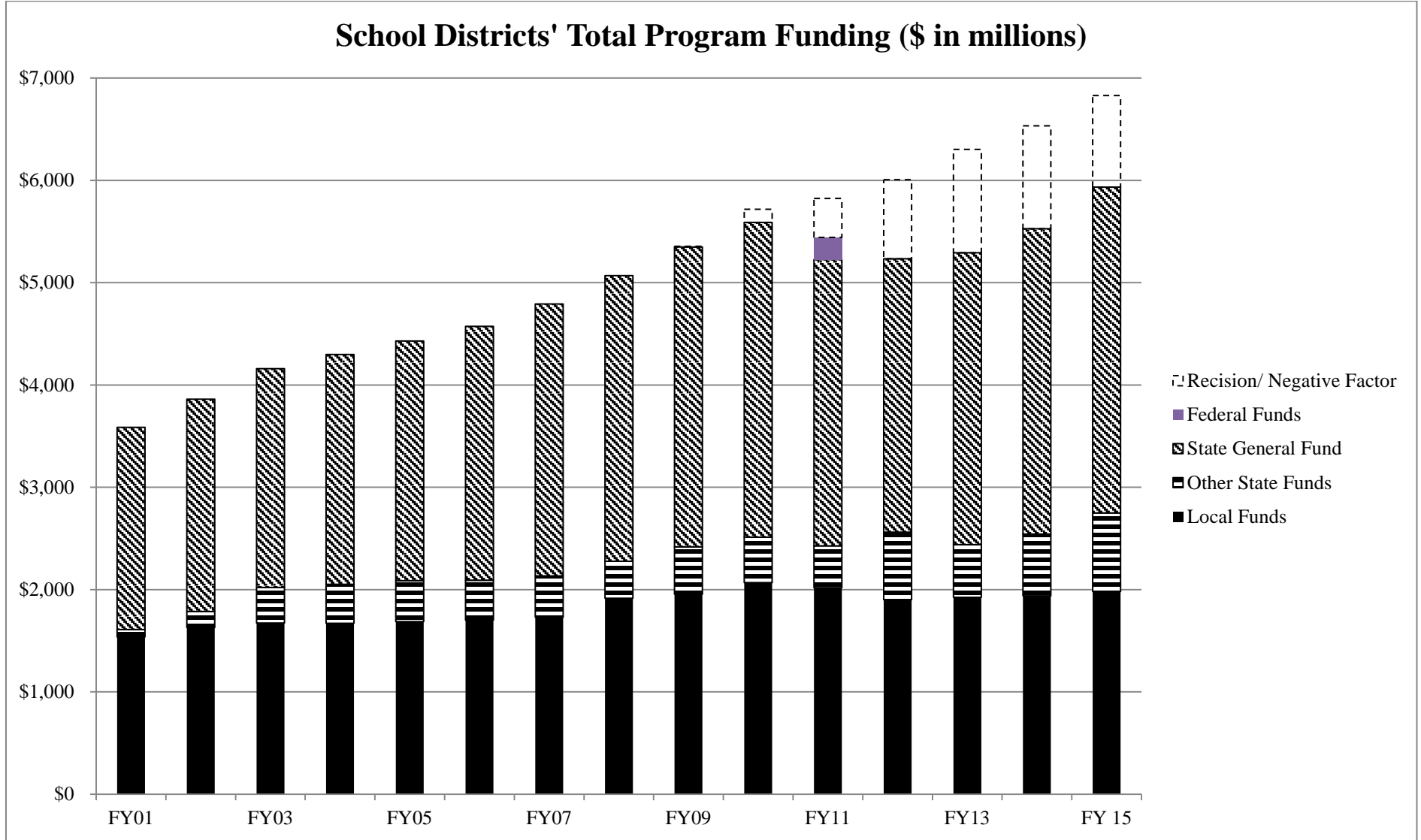
Senate Bill 07-199 changed the method for calculating school district property taxes, thereby allowing property tax revenues to increase at a rate more commensurate with overall funding. Due to the passage of S.B. 07-199 and increases in assessed valuation, the state share of funding (as a percentage of the total program) decreased in FY 2007-08 (to 62.2 percent). Subsequently, due to declines in assessed valuation, the state share has increased and is projected to provide 66.6 percent of total program funding in FY 2014-15.

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

- The number of pupils enrolled in public schools, including children attending: state-supported preschool programs; students enrolled in full-time, on-line programs; and students participating in the ASCENT program;
- The rate of inflation;
- Changes in the relative cost-of-living in various regions of the state;
- The number of at-risk students enrolled in public schools;
- Fluctuations in local property and specific ownership tax revenues, as well as constitutional and statutory provisions that limit property tax revenues; and

- Changes in statutory definitions, procedures, or mathematical factors that impact the calculation of per-pupil funding or state aid for each district.

The graphic on the following page illustrates school districts' total program funding, by fund source, from FY 2000-01 through FY 2014-15. The stacked bar segments outlined with a dotted line illustrate the mid-year recisions required in FY 2008-09 and FY 2009-10 due to insufficient state appropriations, as well as the impact of the negative factor in subsequent fiscal years. The graphic is followed by key data related to school finance funding for the last four fiscal years, as well as appropriations for FY 2013-14 and FY 2014-15.



School Districts' Total Program Funding: Key Data						
Description	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Approp.	FY 2014-15 Approp.
Funded Pupil Count	789,497	798,600	808,139	817,645	830,833	845,136
<i>Annual Percent Change</i>	<i>3.8%</i>	<i>1.2%</i>	<i>1.2%</i>	<i>1.2%</i>	<i>1.6%</i>	<i>1.7%</i>
<i>Change in Denver-Boulder Consumer Price Index for Previous Calendar Year</i>	<i>3.9%</i>	<i>-0.6%</i>	<i>1.9%</i>	<i>3.7%</i>	<i>1.9%</i>	<i>2.8%</i>
Statewide <u>Base</u> Per Pupil Funding	\$5,508	\$5,530	\$5,635	\$5,843	\$5,954	\$6,121
<i>Annual Percent Change</i>	<i>8.3%</i>	<i>0.4%</i>	<i>1.9%</i>	<i>3.7%</i>	<i>1.9%</i>	<i>2.8%</i>
Statewide <u>Average</u> Per Pupil Funding	\$7,078	\$6,814	\$6,474	\$6,480	\$6,652	\$7,021
<i>Annual Percent Change</i>	<i>6.3%</i>	<i>-3.7%</i>	<i>-5.0%</i>	<i>0.1%</i>	<i>2.7%</i>	<i>5.5%</i>
Total Program Funding¹	\$5,587,765,303	\$5,441,412,219	\$5,232,445,847	\$5,297,963,176	\$5,526,933,749	\$5,933,444,389
<i>Annual Percent Change</i>	<i>10.2%</i>	<i>-2.6%</i>	<i>-3.8%</i>	<i>1.3%</i>	<i>4.3%</i>	<i>7.4%</i>
<u>Local Share</u> of Total Program Funding	\$2,068,895,672	\$2,018,856,003	\$1,900,524,532	\$1,918,248,885	\$1,938,833,489	\$1,979,937,820
<i>Annual Percent Change</i>	<i>8.0%</i>	<i>-2.4%</i>	<i>-5.9%</i>	<i>0.9%</i>	<i>1.1%</i>	<i>2.1%</i>
Federal Funds allocated based on School Finance Act formula		\$216,358,164				
<u>State Share of Total Program Funding</u>	\$3,518,869,631	\$3,206,198,052	\$3,331,921,314	\$3,379,714,291	\$3,588,100,260	\$3,953,506,569
<i>Annual Percent Change</i>	<i>11.6%</i>	<i>-8.9%</i>	<i>3.9%</i>	<i>1.4%</i>	<i>6.2%</i>	<i>10.2%</i>
<i>State Share as Percent of Districts' Total Program Funding</i>	<i>63.0%</i>	<i>58.9%</i>	<i>63.7%</i>	<i>63.8%</i>	<i>64.9%</i>	<i>66.6%</i>

¹ For FY 2009-10, these figures exclude \$129,813,999 that was rescinded mid-year due to insufficient funds. For FY 2010-11 through FY 2014-15, figures reflect total program funding after application of the negative factor.

Categorical Programs

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

However, Section 17 of Article IX of the Colorado Constitution requires the General Assembly to increase total state funding for all categorical programs annually by at least the rate of inflation plus one percent for FY 2001-02 through FY 2010-11, and by at least the rate of inflation for subsequent fiscal years. For example, in calendar year 2013 the percentage change in the Denver-Boulder consumer price index was 2.8 percent, so the General Assembly was required to increase state funding for categorical programs by at least that amount (\$7,528,064) for FY 2014-15.

The General Assembly determines on an annual basis how to allocate the required increase among the various categorical programs. Since FY 2000-01, the General Assembly has increased annual state funding for categorical programs by \$136.1 million. In certain fiscal years, the General Assembly elected to increase state funding by more than the minimum, constitutionally-required amount, resulting in appropriations that are now \$61.3 million higher than the minimum amount that would have otherwise been required.

The following table details the allocation of the \$136.1 million increase since FY 2000-01 among categorical programs. For details concerning the allocation of the funding increase provided for FY 2014-15, please see the Assistance to Public Schools, Categorical Programs section.

Increases in State Funding for Categorical Programs Since FY 2000-01				
Long Bill Line Item	FY 2000-01 Appropriation	FY 2014-15 Appropriation	Total Increase in Annual Appropriation of State Funds Since FY 2000-01	
Special Education - Children with Disabilities	\$71,510,773	\$160,981,786	\$89,471,013	125.1%
English Language Proficiency Program	3,101,598	16,739,145	13,637,547	439.7%
Public School Transportation	36,922,227	54,217,347	17,295,120	46.8%
Career and Technical Education Programs	17,792,850	24,983,788	7,190,938	40.4%
Special Education - Gifted and Talented Children	5,500,000	11,910,269	6,410,269	116.6%
Expelled and At-risk Student Services Grant Program	5,788,807	7,493,560	1,704,753	29.4%
Small Attendance Center Aid	948,140	959,379	11,239	1.2%
Comprehensive Health Education	600,000	1,005,396	405,396	67.6%
Total	\$142,164,395	\$278,290,670	\$136,126,275	95.8%

Appropriation Highlights – 2014 Legislative Session

Department of Education						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$4,562,558,440	\$3,100,348,494	\$808,055,536	\$28,629,576	\$625,524,834	561.6
SB 13-193	150,093	150,093	0	0	0	1.0
SB 13-217	17,580	17,580	0	0	0	0.2
SB 13-260	85,524,410	0	85,524,410	0	0	0.0
HB 13-1257	120,093	0	120,093	0	0	1.0
HB 14-1234	(1,475,128)	(45,523)	(1,584,111)	95,747	58,759	0.0
HB 14-1250	3,467,768	1,733,884	0	1,733,884	0	0.0
HB 14-1251	55,437,495	51,637,093	3,800,402	0	0	0.0
HB 14-1336	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$4,705,800,751	\$3,153,841,621	\$895,916,330	\$30,459,207	\$625,583,593	563.8
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$4,705,800,751	\$3,153,841,621	\$895,916,330	\$30,459,207	\$625,583,593	563.8
Total program adjustment	194,385,748	198,660,657	(4,274,909)	0	0	0.0
BEST program cash grants	45,000,000	0	45,000,000	0	0	0.0
Annualize prior year legislation	10,951,934	(1,575,265)	(204,703)	(1,585,901)	14,317,803	0.2
BEST lease payment increase	8,000,000	0	8,000,000	0	0	0.0
Categorical programs increase	7,528,064	0	7,528,064	0	0	0.0
State assessments	3,845,283	75,600	3,769,683	0	0	0.0
Core network and IT refresh	3,002,696	3,002,696	0	0	0	4.6
Early literacy assessment tool	2,679,484	0	2,679,484	0	0	0.0
Centrally appropriated line items	2,162,584	396,637	527,165	204,158	1,034,624	0.0
At-risk supplemental aid	1,254,731	0	1,254,731	0	0	0.0
Spanish language arts assessment	826,046	0	826,046	0	0	0.0
State support for English language learners	311,682	311,682	0	0	0	4.1
Start smart nutrition program	225,000	150,000	(75,000)	150,000	0	0.0
Hold-harmless full-day kindergarten	193,644	0	193,644	0	0	0.0
IT common policy adjustments	185,639	185,639	0	0	0	0.0
College and career readiness	170,845	170,845	0	0	0	1.8
Salary increase for CSDB teachers	126,671	126,671	0	0	0	0.0
Educator perception	100,000	100,000	0	0	0	0.0
Indirect cost assessment	95,948	0	(89,805)	40,165	145,588	0.0
Informational funds adjustment	(3,571,036)	0	0	1,215,017	(4,786,053)	0.0
Annualize prior year budget actions	(214,389)	452,783	(619,945)	(14,700)	(32,527)	0.3
Other	(946)	(215,779)	(10,946)	225,779	0	0.0

Department of Education						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 14-1336	\$4,983,060,379	\$3,355,683,787	\$960,419,839	\$30,693,725	\$636,263,028	574.8
SB 14-075	68,921	68,921	0	0	0	0.0
SB 14-124	4,000,000	0	2,000,000	2,000,000	0	1.2
SB 14-150	5,000,000	0	5,000,000	0	0	1.0
SB 14-215	2,500,000	0	2,500,000	0	0	1.0
HB 14-1085	1,920,000	960,000	0	960,000	0	1.0
HB 14-1102	1,903,178	0	1,903,178	0	0	1.0
HB 14-1118	261,561	0	261,561	0	0	0.3
HB 14-1156	791,471	791,471	0	0	0	0.0
HB 14-1175	50,000	50,000	0	0	0	0.0
HB 14-1202	142,750	142,750	0	0	0	0.0
HB 14-1276	250,000	0	250,000	0	0	0.3
HB 14-1292	179,052,176	0	179,052,176	0	0	0.0
HB 14-1298	72,000,495	0	44,500,495	27,500,000	0	1.2
HB 14-1326	7,000	7,000	0	0	0	0.0
HB 14-1376	144,216	144,216	0	0	0	0.2
HB 14-1382	<u>47,659</u>	<u>47,659</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$5,251,199,806	\$3,357,895,804	\$1,195,887,249	\$61,153,725	\$636,263,028	582.0
Increase/(Decrease)	\$545,399,055	\$204,054,183	\$299,970,919	\$30,694,518	\$10,679,435	18.2
Percentage Change	11.6%	6.5%	33.5%	100.8%	1.7%	3.2%

⁷¹ Includes General Fund and General Fund Exempt.

FY 2013-14 Appropriation - Mid-year Adjustments

House Bill 14-1234 provides supplemental appropriations to adjust the appropriations included in the FY 2013-14 Long Bill (S.B. 13-230). House Bill 14-1250 provides additional funding for specific school districts that experienced increased costs as a result of the September 2013 floods or experienced significant decreases in per pupil funding as a result of unexpected declines in local revenues or changes in pupil counts. House Bill 14-1251 increases total state and local funding that is distributed to public schools through the School Finance Act by \$18.5 million to cover the costs of higher than anticipated student counts, thereby avoiding a mid-year decrease in average per pupil funding. Local tax revenues are \$36.9 million lower than anticipated for FY 2013-14, so H.B. 14-1251 increases appropriations of state funds by \$55.4 million to support the increased student counts and offset the reduction in local funds.

FY 2014-15 Appropriation Highlights

Total program adjustment: The appropriation increases total state and local funding that is distributed to public schools through the School Finance Act by \$406.5 million (7.4 percent), increasing average per pupil funding to \$7,021 (5.5 percent). Local tax revenues for school finance are anticipated to increase by \$41.1 million, so appropriations of state funds increase by \$365.4 million (through the Long Bill, H.B. 14-1292, H.B.

14-1298, S.B. 14-075, and H.B. 14-1326). This increase in state funding includes an increase of \$198.7 million General Fund and \$166.7 million cash funds.

BEST program cash grants: The appropriation includes \$45.0 million cash funds from the Public School Capital Construction Assistance Fund for cash grants under the Building Excellent Schools Today (BEST) Program. Beginning in FY 2014-15, the program's cash grants are subject to annual legislative appropriation pursuant to S.B. 14-112.

Annualize prior year legislation: The appropriation includes adjustments related to prior year legislation, including an increase of \$14.3 million federal funds associated with H.B. 13-1006 (Breakfast After the Bell).

BEST lease payment increase: The appropriation includes an increase of \$8.0 million cash funds spending authority from the Public School Capital Construction Assistance Fund for the purpose of making payments on lease-purchase agreements entered into by the State Treasurer.

Categorical programs increase: The appropriation increases total state funding for categorical programs by \$9.4 million cash funds from the State Education Fund, including: (1) \$7.5 million to increase state funding for categorical programs by 2.8 percent as required by Section 17 (1) of Article IX of the State Constitution; and (2) \$1.9 million specifically for special education programs for gifted and talented children (appropriated in H.B. 14-1102).

State assessments: The appropriation includes an increase of \$3.8 million total funds (including \$75,600 General Fund and \$3.8 million cash funds from the State Education Fund) to address additional costs associated with administering the statewide student assessment program.

Core network and IT refresh: The appropriation includes an increase of \$3.0 million General Fund and 4.6 FTE to improve the Department's information technology systems, including: (1) \$1.4 million for one-time costs to replace outdated computing hardware and network equipment; (2) \$0.5 million and 4.6 FTE to add information technology staff; (3) \$0.6 million for ongoing hardware maintenance and software licensing; and (4) \$0.5 million to purchase additional contract services.

Early literacy assessment tool: The appropriation includes \$2.7 million cash funds from the State Education Fund to provide ongoing funding for the early literacy assessment tool (ELAT) originally approved through H.B. 12-1345.

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; shift differential; vehicle lease payments; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; and Capitol complex leased space.

At-risk supplemental aid: The appropriation includes an increase of \$1.3 million cash funds to fully fund the formula for at-risk supplemental aid.

Spanish language arts assessment: The appropriation includes an increase of \$0.8 million cash funds from the State Education Fund to allow the Department to administer the existing Spanish language arts assessment in FY 2014-15 while developing a new assessment that is aligned to the current academic standards. The Department would administer the new assessment statewide beginning in FY 2015-16.

State support for English language learners: The appropriation includes an increase of \$27.9 million total funds and 4.6 FTE (including \$311,682 General Fund and 4.1 FTE through the Long Bill and \$27.6 million and 0.5 FTE through H.B. 14-1298) to provide additional support and technical assistance for school districts' English language learner (ELL) programs outside of the English language proficiency categorical program.

Start smart nutrition program: The appropriation includes an increase of \$225,000 total funds (including \$150,000 General Fund) to support anticipated growth in the Start Smart program in FY 2014-15.

Hold-harmless full-day kindergarten: The appropriation increases funding for certain districts for full-day kindergarten based on changes in per pupil funding.

IT common policy adjustments: The appropriation includes adjustments to the payments made to the Governor's Office of Information Technology for the provision of information technology services.

College and career readiness: The appropriation includes an increase of \$170,845 General Fund and 1.8 FTE to provide additional technical support to school districts regarding recent college and career readiness education reforms, including: Individual Career and Academic Plans (ICAPs); concurrent enrollment programs; innovation status; and new statewide graduation guidelines.

Salary increase for CSDB teachers: The appropriation includes an increase of \$126,671 General Fund for salary increases for teachers employed at the CSDB based on current law (Section 22-80-106.5, C.R.S.) requiring CSDB to compensate teachers based on the El Paso School District 11 salary schedule and salary policy from the previous school year.

Educator perception: The appropriation includes \$100,000 General Fund to support the administration of the Teaching, Empowering, Leading, and Learning (TELL) Survey.

Indirect cost assessment: The appropriation includes a net increase in the Department's indirect cost assessment.

Informational funds adjustment: The appropriation includes a net decrease in funds reflected for informational purposes only.

Annualize prior year budget actions: The appropriation includes changes to reflect the out year impact of funding decisions made through the FY 2013-14 appropriation, including annualization of the FY 2013-14 salary survey and merit pay among other changes.

Other: The appropriation includes other minor adjustments.

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

DEPARTMENT OF GOVERNOR - LIEUTENANT GOVERNOR – STATE PLANNING AND BUDGETING

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

Department Budget: Recent Appropriations

Funding Source	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
General Fund	\$10,613,728	\$18,524,704	\$26,567,386	\$34,366,530
Cash Funds	23,692,996	33,007,504	37,122,540	41,625,618
Reappropriated Funds	136,717,444	149,228,302	165,570,329	202,523,283
Federal Funds	<u>23,791,753</u>	<u>5,618,193</u>	<u>6,755,621</u>	<u>6,428,227</u>
Total Funds	\$194,815,921	\$206,378,703	\$236,015,876	\$284,943,658
Full Time Equiv. Staff	1,046.8	1,036.1	1,060.9	1,071.6

General Factors Driving the Budget

Funding for this department consists of 12.1 percent General Fund, 14.6 percent cash funds, 71.1 percent reappropriated funds, and 2.3 percent federal funds. Some of the major factors driving the Department's budget are discussed below.

Energy Efficiency and Renewable Energy Resource Development Initiatives

The Colorado Energy Office (CEO) has historically been funded with federal moneys associated with weatherization projects and petroleum violation escrow funds (PVE) awarded to the State beginning in the early 1980s. PVE is a fixed source of funding, with a total allocation to Colorado of \$70.5 million. In preparation for the depletion of PVE funds, CEO migrated funding for its programs to alternative sources, such as limited gaming tax revenue, which were later eliminated due to the influx of federal moneys from the American Recovery and Reinvestment Act of 2009 (ARRA). Under federal guidelines, the Office exhausted the ARRA moneys by the end of FY 2011-12.

To address the future of the Office, H.B. 12-1315 (Becker/Steadman) changed the statutory mission of CEO from promoting renewable energy and energy efficiency to encouraging all sources of energy development. Additionally, it created the Clean and Renewable Energy Cash Fund and the Innovative Energy Fund. The Clean and Renewable Energy Cash Fund receives an annual transfer of \$1.6 million from the General Fund from FY 2012-13 through FY 2016-17, while the Innovative Energy Fund receives an annual transfer of \$1.5 million from the Severance Tax Trust Fund from FY 2012-13 through FY 2016-17.

Economic Development Programs

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

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

Gaming Transfers to OEDIT per S.B. 13-133	
Travel and Tourism Promotion Fund	\$15,000,000
Bioscience Discovery Evaluation*	5,500,000
Creative Industries	2,000,000
Film, TV, and Media	500,000

*Per H.B. 13-1001, for FY 2014-15 and beyond, these moneys shall instead be transferred to the Advanced Industries Acceleration cash fund created in Section 24-48.5-117, C.R.S.

In addition to limited gaming tax revenue, the legislature provided OEDIT with \$5.0 million General Fund for FY 2014-15 to provide new job creation incentives for companies relocating to Colorado and expanding in Colorado, \$5.0 million General Fund to accelerate the development of advanced industries in the state, and \$5.0 million General Fund for FY 2014-15 to provide job creation incentives for the film industry.

It is important to note that OEDIT is also responsible for implementing the State's Job Growth Incentive Tax Credit program established via H.B. 09-1001 (Rice/Heath). The incentive provides a State income tax credit equal to 50.0 percent of Federal Insurance Contributions Act taxes (FICA) paid by the business on the net job growth for each calendar year in the credit period. Businesses need to create at least 20 new jobs in Colorado, with an average yearly wage of at least 110.0 percent of the county average wage rate based on where the business is located, and all new jobs must be maintained for at least one year after the positions are hired to qualify. For FY 2011-12 and FY 2012-13, potential tax credits of \$50.1 million were conditionally approved by the Economic Development Commission. This amount is based on 5,302 projected jobs created for an average annual salary of \$76,713. Final approval is based on a completed contract and tax credits are not granted until jobs are created and maintained for one year. While this does not impact State appropriations, it does decrease the amount of General Fund revenue available to the State for appropriations.

Statewide Information Technology Consolidation

In May of 2007, the Governor issued Executive Order D 016 067 to begin centralizing the management of executive branch information technology resources in the Governor's Office of Information Technology (OIT). The purpose was to address infrastructure, purchasing, project planning and delivery, asset management, and strategic leadership needs. During the 2008 legislative session, the General Assembly passed and the Governor signed S.B. 08-155 (Cadman/Kerr, A.) that consolidated the responsibility for information technology oversight of most of the State's executive branch agencies in OIT.

Specifically, S.B. 08-155 transferred several information technology functions and staff positions from various State agencies to OIT in FY 2008-09. The largest single agency transfer involved moving the Division of

Information Technology from the Department of Personnel, along with its 178.8 FTE, to OIT. The Division of Information Technology transfer included the General Government Computer Center (GGCC), telecommunications coordination, public safety communications planning and maintenance, and Statewide information technology management and support functions. Additionally, the Office's FY 2008-09 appropriation included the transfer of 33.4 FTE from various State agencies to OIT as part of the migration of agency chief information officers to OIT.

Senate Bill 08-155 also allowed for the transfer of other information technology employees from State agencies to OIT between July 1, 2008 and July 1, 2012. Per statutory authority, the State Chief Information Officer, department executive directors, and department chief information officers jointly identified the additional positions and functions affiliated with the management and administration of each agency's IT resources and enterprises to be transferred to OIT. The Department's FY 2010-11 appropriation included a transfer of 680.7 FTE and \$57.7 million from state agencies to OIT.

Funding historically dedicated to the associated information technology staff in specific State agencies and programs continues to be appropriated to those agencies in order for them to maintain consistency of program, state, and federal funding streams and reporting standards. Agencies make payments to OIT for their share of information technology staff payroll costs, including centrally appropriated items and personal services expenses.

The OIT budget has also been driven by phases one and two of the Colorado Benefits Management System (CBMS) modernization project begun with the passage of H.B. 12-1339 (Becker/Lambert). The bill reappropriated funds to OIT from the Department of Human Services and the Department of Health Care Policy and Financing, and implemented a system of oversight for the project.

CBMS Modernization Project Appropriations to OIT	
FY 2011-12	\$8,950,260
FY 2012-13	12,279,762
FY 2013-14	14,571,587
FY 2014-15	35,342,773
Total	\$71,144,382

The following table summarizes total appropriation levels for OIT for FY 2008-09 through FY 2014-15. This period includes the Office's budget from the beginning of the consolidation of information technology personnel resources through the full implementation of the personnel consolidation.

Office of Information Technology - Appropriation Change from FY 2008-09 through FY 2014-15							
	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
FTE	227.3	218.8	898.8	902.8	897.5	920.0	925.9
Change	n/a	(3.7%)	310.8%	0.4%	(0.6%)	2.5%	0.6%
Appropriation	\$46,808,750	\$44,974,711	\$121,981,006	\$125,669,817	\$136,339,882	\$151,424,250	\$186,446,064
Change	n/a	(3.9%)	171.2%	3.0%	8.5%	11.1%	23.1%

Appropriation Highlights – 2014 Legislative Session

Governor - Lieutenant Governor - State Planning and Budgeting						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$223,462,739	\$19,858,574	\$38,584,806	\$158,263,738	\$6,755,621	1,057.9
SB 13-004	4,588	0	0	4,588	0	0.0
SB 13-039	10,993	0	0	10,993	0	0.0
SB 13-060	2,972	0	0	2,972	0	0.0
SB 13-120	2,960	0	0	2,960	0	0.0
SB 13-180	7,104	0	0	7,104	0	0.0
SB 13-188	51,800	0	0	51,800	0	0.0
SB 13-224	2,972	0	0	2,972	0	0.0
SB 13-250	521,850	0	0	521,850	0	1.5
SB 13-251	35,774	0	0	35,774	0	0.0
SB 13-276	300,000	0	300,000	0	0	0.0
SB 13-280	25,900	0	0	25,900	0	0.0
HB 13-1001	(2,463,016)	0	(2,463,016)	0	0	0.0
HB 13-1002	200,000	200,000	0	0	0	0.0
HB 13-1003	218,750	200,000	18,750	0	0	0.0
HB 13-1004	1,500,000	1,500,000	0	0	0	0.0
HB 13-1031	108,000	0	0	108,000	0	0.0
HB 13-1071	604	0	0	604	0	0.0
HB 13-1079	99,673	99,673	0	0	0	1.5
HB 13-1110	68,212	0	0	68,212	0	0.0
HB 13-1111	5,180	0	0	5,180	0	0.0
HB 13-1119	7,800	0	0	7,800	0	0.0
HB 13-1135	31,672	0	0	31,672	0	0.0
HB 13-1193	300,000	0	300,000	0	0	0.0
HB 13-1240	26,714	0	0	26,714	0	0.0
HB 13-1271	529,800	0	0	529,800	0	0.0
HB 13-1301	215,000	215,000	0	0	0	0.0
HB 13-1317	88,500	0	0	88,500	0	0.0
SB 14-129	4,120	0	0	4,120	0	0.0
HB 14-1203	7,000,000	3,500,000	0	3,500,000	0	0.0
HB 14-1235	3,345,215	694,139	382,000	2,269,076	0	0.0
HB 14-1336	<u>300,000</u>	<u>300,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$236,015,876	\$26,567,386	\$37,122,540	\$165,570,329	\$6,755,621	1,060.9
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$236,015,876	\$26,567,386	\$37,122,540	\$165,570,329	\$6,755,621	1,060.9

Governor - Lieutenant Governor - State Planning and Budgeting						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
CBMS modernization project, Phase II	40,159,304	0	0	40,159,304	0	0.0
Advanced industries increase	5,000,000	5,000,000	0	0	0	0.0
Film incentives increase	5,000,000	5,000,000	0	0	0	0.0
Secure Colorado, Phase II	4,100,000	0	0	4,100,000	0	0.0
Service management ecosystem	3,455,000	0	0	3,455,000	0	0.0
Centrally appropriated line items	2,993,938	449,917	181,884	2,790,699	(428,562)	0.0
Economic development incentives	2,986,236	2,986,236	0	0	0	0.0
Elimination of redundant applications	2,960,000	0	0	2,960,000	0	0.0
Tourism promotion	2,000,000	2,000,000	0	0	0	0.0
IT common policy adjustments	1,710,609	1,187,319	0	501,537	21,753	0.0
Public safety radio communications operating increase	1,116,397	0	0	1,116,397	0	0.0
Customer service technology true-up	715,468	0	0	715,468	0	0.0
Capitol Complex network resiliency	660,000	0	0	660,000	0	0.0
Disabled parking enforcement education	499,000	499,000	0	0	0	0.0
Broadband mapping program	428,866	428,866	0	0	0	0.0
Minority and Women Owned Business Office	400,000	400,000	0	0	0	1.8
Continuous improvement and planning program (Lean)	397,965	397,965	0	0	0	0.0
Youth corrections educational opportunities	377,539	0	0	377,539	0	3.6
Aerospace strategic plan implementation and champion	300,000	300,000	0	0	0	0.0
IT technical development	256,620	0	0	256,620	0	0.0
Cyber crime initiative	228,225	0	0	228,225	0	1.8
Procurement Technical Assistance Center increase	220,000	220,000	0	0	0	0.0
Economic Gardening Pilot Project	100,000	100,000	0	0	0	0.0
Indirect cost assessment	91,243	0	(59,790)	17,744	133,289	0.0
Benefits utilization services application	60,122	0	0	60,122	0	0.0
Legal services adjustment	40,587	40,587	0	0	0	0.0
Fund source adjustment	0	(100,908)	0	100,908	0	0.0
Annualize prior year legislation	(23,189,029)	(6,360,554)	4,299,250	(21,127,725)	0	0.5
Annualize prior year budget actions	(12,927,464)	(7,592,167)	(365,124)	(4,916,299)	(53,874)	0.0
HB 14-1336	\$276,156,502	\$31,523,647	\$41,178,760	\$197,025,868	\$6,428,227	1,068.6
SB 14-005	16,480	0	0	16,480	0	0.0
SB 14-012	13,764	0	0	13,764	0	0.0
SB 14-014	4,092	0	0	4,092	0	0.0
SB 14-030	824	0	0	824	0	0.0
SB 14-036	4,120	0	0	4,120	0	0.0
SB 14-041	4,120	0	0	4,120	0	0.0

Governor - Lieutenant Governor - State Planning and Budgeting						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
SB 14-075	104,030	0	0	104,030	0	0.0
SB 14-087	43,260	0	0	43,260	0	0.0
SB 14-130	6,203	0	0	6,203	0	0.0
SB 14-166	171,600	86,600	0	85,000	0	0.0
SB 14-172	20,960	0	0	20,960	0	0.0
SB 14-194	6,077	0	0	6,077	0	0.0
SB 14-215	190,097	0	190,097	0	0	2.0
SB 14-223	(1,000,000)	(1,000,000)	0	0	0	0.0
HB 14-1012	80,307	0	80,307	0	0	0.5
HB 14-1029	4,120	0	0	4,120	0	0.0
HB 14-1034	4,120	0	0	4,120	0	0.0
HB 14-1066	6,592	0	0	6,592	0	0.0
HB 14-1093	200,000	100,000	0	100,000	0	0.0
HB 14-1100	97,850	0	0	97,850	0	0.0
HB 14-1203	7,000,000	3,500,000	0	3,500,000	0	0.0
HB 14-1311	106,283	106,283	0	0	0	0.5
HB 14-1317	1,387,841	0	0	1,387,841	0	0.0
HB 14-1326	412	0	0	412	0	0.0
HB 14-1350	226,454	50,000	176,454	0	0	0.0
HB 14-1360	53,560	0	0	53,560	0	0.0
HB 14-1367	<u>33,990</u>	<u>0</u>	<u>0</u>	<u>33,990</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$284,943,658	\$34,366,530	\$41,625,618	\$202,523,283	\$6,428,227	1,071.6
Increase/(Decrease)	\$48,927,782	\$7,799,144	\$4,503,078	\$36,952,954	(\$327,394)	10.7
Percentage Change	20.7%	29.4%	12.1%	22.3%	(4.8%)	1.0%

FY 2013-14 Appropriation - Mid-year Adjustments

Senate Bill 14-129 adds \$4,120 reappropriated funds to provide information technology services related to changes made to the State laws governing the use of marijuana; H.B. 14-1203 adds \$3.5 million General Fund to the Public Safety Communications Trust Fund and reappropriates these funds to OIT for the replacement of legacy radio equipment and hardware at radio tower sites that are part of the Digital Trunked Radio System; H.B. 14-1235 provides supplemental appropriations for legal services associated with the Cooke, et al. v. Hickenlooper court case and various information technology projects; and H.B. 14-1336 adds \$0.3 million General Fund for a budgeting efficiency study and an information technology disaster recovery study.

FY 2014-15 Appropriation Highlights

CBMS modernization project, Phase II: The appropriation includes an increase of \$40.2 million reappropriated funds transferred from the Departments of Health Care Policy and Financing and Human Services for the second phase of the Colorado Benefits Management System (CBMS) modernization project.

The appropriation provides funding for a variety of ongoing operating expenses and new projects tailored to assist counties and the Departments of Health Care Policy and Financing and Human Services in administering public assistance programs.

Advanced industries increase: The appropriation includes an increase of \$5.0 million General Fund for the Advanced Industries Acceleration program to expand and improve these industries in the state.

Film incentives increase: The appropriation includes an increase of \$5.0 million General Fund for performance-based film incentives. The appropriation also includes a footnote providing the Office of Economic Development and International Trade with authority to expend moneys appropriated for FY 2014-15 for the film incentives program through June 30, 2016.

Secure Colorado, Phase II: The appropriation includes an increase of \$4.1 million reappropriated funds for the second year of the State's three-year information security and risk management strategic plan implementation. This program supports the State's enterprise cyber security program, and protects the State's collection of data. The moneys originate from fees charged to State agencies for services provided by OIT.

Service management ecosystem: The appropriation includes an increase of \$3.5 million reappropriated funds to purchase and implement tools that link together operational information created by OIT through its delivery of services to State agencies and the public. The moneys originate from fees charged to State agencies for services provided by OIT.

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: State contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental State contributions to the Public Employees' Retirement Association (PERA) pension fund; shift differential; vehicle lease payments; workers' compensation; legal services; payment to risk management and property funds; and Capitol complex leased space.

Economic development incentives: The appropriation includes an increase of \$3.0 million General Fund to maintain the prior-year level of funding for economic development incentives for companies relocating to Colorado or adding jobs in Colorado.

Elimination of redundant applications: The appropriation includes an increase of \$3.0 million reappropriated funds to consolidate or eliminate redundant information technology tools across all State executive branch agencies. The moneys originate from fees charged to State agencies for services provided by OIT.

Tourism promotion: The appropriation includes an increase of \$2.0 million General Fund to maintain the prior-year level of funding to promote tourism in the state.

IT common policy adjustments: The appropriation includes adjustments to the payments made to the Governor's Office of Information Technology for the provision of information technology services.

Public safety radio communications operating increase: The appropriation includes an increase of \$1.1 million reappropriated funds to increase operating appropriations to address existing, ongoing infrastructure needs of the State-owned assets of the state's public safety radio communications network. The moneys originate from fees charged to State agencies for services provided by OIT.

Customer service technology true-up: The appropriation includes an increase of \$0.7 million reappropriated funds transferred from the Department of Health Care Policy and Financing to improve technology available to the Customer Contact Center for responding to client inquiries.

Capitol Complex network resiliency: The appropriation includes an increase of \$0.7 million reappropriated funds to upgrade and/or replace network infrastructure that is past its standard lifespan. The moneys originate from fees charged to State agencies for services provided by OIT.

Disabled parking enforcement education: The appropriation includes an increase of \$499,000 General Fund to provide education and outreach to local government entities on the enforcement of disabled parking laws.

Broadband mapping program: The appropriation includes an increase of \$0.4 million General Fund to map broadband availability throughout the state, develop statewide data standards for public safety, assist local governments to develop and implement regional broadband plans, and integrate broadband technologies throughout various State and local agencies.

Minority and Women Owned Business Office increase: The appropriation includes an increase of \$0.4 million General Fund and 1.8 FTE to develop and implement a strategy for the Minority and Women Owned Business Office.

Continuous improvement and planning program (Lean): The appropriation includes an increase of \$0.4 million General Fund to continue the implementation of Lean operational process improvements in executive branch agencies.

Youth corrections educational opportunities: The appropriation includes an increase of \$0.4 million reappropriated funds transferred from the Department of Human Services and 3.6 FTE to upgrade and/or replace network infrastructure at the agency's Division of Youth Corrections' facilities.

Aerospace strategic plan implementation and champion: The appropriation includes an increase of \$0.3 million General Fund to employ an aerospace champion and develop and implement related initiatives.

IT technical development: The appropriation includes an increase of \$0.3 million reappropriated funds to provide training opportunities for OIT staff. The moneys originate from fees charged to State agencies for services provided by OIT.

Cyber crime initiative: The appropriation includes an increase of \$0.2 million reappropriated funds transferred from the Department of Public Safety and 1.8 FTE to create a Cyber Crime Task Force between the Colorado Bureau of Investigation (CBI), the Office of Prevention and Security, and OIT.

Procurement Technical Assistance Center increase: The appropriation includes an increase of \$0.2 million General Fund to provide funding to the Procurement Technical Assistance Program.

Economic Gardening Pilot Project: The appropriation includes an increase of \$0.1 million General Fund to continue the economic gardening pilot project implemented by the state's small business development centers.

Indirect cost assessment: The appropriation includes an increase of \$91,243 total funds in the Department's indirect cost assessment.

Benefits utilization services application: The appropriation includes an increase of \$60,122 reappropriated funds transferred from the Department of Health Care Policy and Financing to support the Benefits Utilization Services application (BUS) used to assess eligibility for long-term services and supports by documenting a Medicaid client's activity level and ongoing medical needs.

Legal services adjustment: The appropriation includes an increase of \$40,587 General Fund for anticipated expenses of the *Cooke, et al. v. Hickenlooper* court case begun during FY 2013-14. The case is a challenge to two bills passed during the 2013 legislative session, H.B. 13-1224 (Capacity Limitations on Ammunition Magazines) and H.B. 13-1229 (Background Checks Prior to the Transfer of a Firearm).

Fund source adjustment: The appropriation refinances an appropriation of \$0.1 million General Fund with \$0.1 million reappropriated funds for costs associated with the OIT's workload increase related to the creation of the Joint Technology Committee. The moneys originate from fees charged to State agencies for services provided by OIT.

Annualize prior year legislation: The appropriation includes a decrease of \$23.2 million total funds, including \$6.7 million General Fund, and an increase of 0.5 FTE for the second year impact of legislation. The changes include:

- An increase of \$62,619 reappropriated funds and 0.5 FTE for changes to current law concerning the sentencing of individuals convicted of drug-related offenses enacted via S.B. 13-250;
- A decrease of \$14.6 million reappropriated funds for the conclusion of the first phase of the CBMS modernization project begun via H.B. 12-1339; and
- A decrease of \$1.5 million General Fund to eliminate one-time funding for the Colorado First customized job training program included in H.B. 13-1004.

Annualize prior year budget actions: The appropriation reduces \$12.9 million total funds, including \$7.6 million General Fund, for the second year impact of budget actions. The changes include:

- A decrease of \$3.0 million General Fund to eliminate one-time funding for economic development incentives;
- A decrease of \$2.9 million reappropriated funds to eliminate one-time funding associated with various information technology projects related to the delivery of the State's unemployment insurance program;
- A decrease of \$2.0 million General Fund to eliminate one-time funding for tourism promotion; and
- A decrease of \$1.4 million reappropriated funds to eliminate one-time funding associated with the migration of the State's network to a new platform.

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

DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

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

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

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

Department Budget: Recent Appropriations

Funding Source	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
General Fund ¹	\$1,698,937,482	\$1,853,401,062	\$2,067,258,413	\$2,264,471,263
Cash Funds	886,393,498	936,836,405	986,463,698	952,277,490
Reappropriated Funds	8,576,440	7,174,145	10,483,522	7,782,578
Federal Funds	<u>2,589,886,684</u>	<u>2,804,733,050</u>	<u>3,592,923,500</u>	<u>4,652,324,132</u>
Total Funds	\$5,183,794,104	\$5,602,144,662	\$6,657,129,133	\$7,876,855,463
Full Time Equiv. Staff	312.5	327.1	358.3	390.9

¹ Includes General Fund Exempt

General Factors Driving the Budget

Funding for this department consists of 28.7 percent General Fund, 12.1 percent cash funds, 0.1 percent reappropriated funds, and 59.1 percent federal funds. Some of the major factors driving the Department's budget are discussed below.

Medical Services Premiums

The Medical Services Premiums section provides funding for the health care services of individuals qualifying for the Medicaid program. Health care services include both acute care services (such as physician visits, prescription drugs, and hospital visits) and long-term care services (provided within nursing facilities and community settings). The Department contracts with health care providers through fee-for-service and managed care organizations (MCOs) in order to provide these services to eligible clients. Total costs for the program are driven by the number of clients, the costs of providing health care services, and the utilization of health care services.

Medical Service Premiums Enrollment and Per Capita Expenditure Assumptions					
	Total	Children	Adults	Elderly	Disabled
FY 2013-14					
Caseload	838,872	439,355	257,344	65,055	77,117
Per Capita	\$4,734.07	\$1,735.16	\$4,246.37	\$14,452.80	\$15,248.51
Expenditures	\$3,971,281,974	\$762,353,703	\$1,092,777,874	\$940,226,764	\$1,175,923,633
Supplemental Payments	<u>\$870,601,231</u>				
TOTAL	\$4,841,883,205				
FY 2014-15					
Caseload	1,003,612	476,585	376,910	68,239	81,878
Per Capita	\$4,854.82	\$1,643.27	\$4,684.62	\$15,063.27	\$15,823.74
Expenditures	\$4,872,353,980	\$783,158,744	\$1,765,682,145	\$1,027,902,328	\$1,295,610,763
Supplemental Payments	<u>\$843,823,028</u>				
Subtotal: HB 14-1336	\$5,716,177,008				
SB 14-130	\$1,057,300				
SB 14-151	\$165,000				
HB 14-1045	\$6,820,477				
HB 14-1357	<u>\$297,985</u>				
TOTAL	\$5,724,517,770				
Dollar Difference					
Caseload	164,740	37,230	119,566	3,184	4,760
Per Capita	\$120.74	(\$91.89)	\$438.25	\$610.47	\$575.22
Expenditures	\$901,072,006	\$20,805,041	\$672,904,271	\$87,675,564	\$119,687,130
Supplemental Payments	<u>(\$26,778,203)</u>				
Subtotal: HB 14-1336	\$874,293,803				

Medical Service Premiums Enrollment and Per Capita Expenditure Assumptions					
	Total	Children	Adults	Elderly	Disabled
Percent Difference					
Caseload	19.6%	8.5%	46.5%	4.9%	6.2%
Per Capita	2.6%	-5.3%	10.3%	4.2%	3.8%
Expenditures	22.7%	2.7%	61.6%	9.3%	10.2%
Supplemental Payments	-3.1%				
Subtotal: HB 14-1336	18.1%				

Behavioral Health Capitation Payments

With a few exceptions (*e.g.*, non-citizens), Medicaid clients are eligible for behavioral health services. Behavioral health services are provided to Medicaid clients through a statewide managed care or "capitated" program. Under capitation, the Department contracts with regional entities, known as behavioral health organizations (BHOs), to provide or arrange for behavioral health services for clients within their geographic region who are eligible for and enrolled in the Medicaid program. In order to receive services through a BHO, a client must have a covered diagnosis and receive a covered service or procedure that is medically necessary. The Department pays a pre-determined monthly amount for each Medicaid client who is eligible for behavioral health services within a BHO's geographic area. The "per-member-per-month" rates paid to a BHO are unique for each Medicaid eligibility category in each geographic region. These rates are adjusted annually based on historical rate experience and recent encounter data (*i.e.*, statewide average costs by diagnosis category).

Capitated behavioral health program expenditures are affected by caseload changes, rate changes, and changes to the Medicaid State Plan or waiver program that affect the diagnoses, services, and procedures that are covered for Medicaid clients. Caseload changes include changes in Medicaid eligibility, as well as demographic and economic changes that affect the number of individuals eligible within each category. The State's share of expenditures is also affected by changes in the federal match rate for various eligibility categories.

For FY 2014-15, capitation payments represent 97.6 percent of the total funds appropriated to the Department for behavioral health community programs. The following table details recent expenditure and caseload trends for Medicaid Behavioral Health Capitation Payments.

Medicaid Behavioral Health Capitation Payments						
	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
	Actual	Actual	Actual	Actual	Adjusted Appropriation	Appropriation
Capitation Payments	\$226,620,818	\$249,352,665	\$273,376,614	\$301,303,046	\$397,201,020	\$543,737,807
Annual Dollar Change	\$10,759,881	\$22,731,847	\$24,023,949	\$27,926,432	\$95,897,974	\$146,536,787
Annual Dollar % Change	5.0%	10.0%	9.6%	10.2%	31.8%	36.9%
Caseload	479,185	540,456	598,322	659,104	813,498	976,687
Annual Caseload Change	61,435	61,271	57,866	60,782	154,394	163,189
Annual Caseload % Change	14.7%	12.8%	10.7%	10.2%	23.4%	20.1%

As indicated in the table above, the rate of caseload growth outpaced the rate of expenditure growth from FY 2009-10 through FY 2011-12. In FY 2012-13 this trend began to reverse, and the rate of expenditure growth is

anticipated to outpace the rate of caseload growth in both FY 2013-14 and FY 2014-15. This trend reversal is due to: (a) an increase in the proportion of adults within the overall caseload; (b) the implementation of an enhanced substance use disorder benefit as part of this program effective January 1, 2014; and (c) general increases in rates over time.

Office of Community Living

Division of Intellectual and Developmental Disabilities

Funding for Emergencies and Individuals Waiting for Services

Developmental disability waiver services are not subject to standard Medicaid State Plan service and duration limits. As part of the waiver, Colorado is allowed to limit the number of waiver program participants which has resulted in a large number of individuals being unable to immediately access the services they need. The General Assembly is not required to appropriate funds for services for individuals waiting for services, but has made the policy decision to provide additional funds for waiver services in past years. These funds have been used for individuals who experience emergency situations (i.e. the death of their care giver, or loss of a home) or are waiting for services.

In FY 2013-14 the General Assembly approved funding for 811 children's extensive support service enrollments. This appropriation provided enough funding to enable all children who qualify for services through the children's extensive support waiver to receive services. For FY 2014-15 the General Assembly appropriated funding sufficient to provide services to all adults seeking support living services (i.e. non-residential community-based services for adults). The table on the following page shows how many enrollments, since FY 2008-09, have been funded for individuals who are either waiting for services or required services due to an emergency situation.

Fiscal Year	Number of New Enrollments Funded		
	Adult Comprehensive	Waiver Supported Living Services	Children's Extensive Support
FY 2008-09	260	200	0
FY 2009-10	0	0	0
FY 2010-11	0	0	0
FY 2011-12	30	0	0
FY 2012-13	47	30	0
FY 2013-14	267	7	811
FY 2014-15	<u>40</u>	<u>2,040</u>	<u>0</u>
Total	510	2,277	811

The following table summarizes the total enrollments and average cost per enrollment for FY 2014-15.

FY 2014-15 Appropriations for IDD Waivers			
Waiver	Enrollment	Total Appropriation	Cost Per Enrollment
Adult Comprehensive	4,820	\$310,561,572	\$64,431.86
Support Living Services			
General Fund Only	692	\$8,118,728	\$11,732.27
Medicaid	5,541	\$62,529,725	\$11,284.92
Children's Extensive Support	1,204	\$24,610,892	\$20,440.94
Case Management			
General Fund Only	692	\$2,356,106	\$3,404.78
Medicaid	11,281	\$26,944,627	\$2,388.50
Total*	12,257	\$435,121,650	

*Total enrollments does not include case management numbers.

Youth with Developmental Disabilities Aging Into Adult Waivers

Youth with intellectual and developmental disabilities (IDD) receive services through the Children's Extensive Support waiver (CES), or the child welfare system, which can include the Children's Habilitation Residential Program waiver (CHRP). Funding for adult services for these youth when they age out of their current services is not required, but the General Assembly has regularly made the decision that once an individual receives services, they should continue to receive those services regardless of age. The CES waiver provides services to youth younger than eighteen years old that are able to remain in their home. Upon turning eighteen, youth receiving CES services are transitioned to the adult supported living waiver (SLS) because of the youth's existing residential support structure. The following table summarizes the number of supported living full program equivalents (FPE)¹ that have been added since FY 2008-09, with the exception of FY 2010-11 when no funding was added for any FPE due to the economic recession.

Cost of Appropriation for new FPE for Youth Aging Off the CES Waiver to Adult Supported Living Waiver				
Fiscal Year	FPE	Total Annual Cost	General Fund	Average Cost for 1 SLS FPE*
FY 2008-09	28	\$584,752	\$292,376	\$20,884
FY 2009-10	29	578,318	289,159	19,942
FY 2010-11	0	0	0	0
FY 2011-12	35	433,615	216,808	12,389
FY 2012-13	50	868,950	434,475	17,379
FY 2013-14	38	619,134	309,567	16,293
FY 2014-15	61	907,131	453,566	14,871
Average (excluding FY 10-11)	48	\$665,317	\$332,659	\$16,960

*Includes cost of services and case management.

¹ One full program equivalent (FPE) is representative of one full year of services for one individual.

Youth with IDD in the Child Welfare System

The child welfare system provides services to youth with an IDD through age twenty-one. Upon turning twenty-one, youth will no longer qualify for child welfare services. Most youth do not have an existing support structure to access, and the General Assembly has made it a policy to provide funding for these youth with intellectual and developmental disabilities to transition to the adult comprehensive waiver. The following table summarizes the number of supported living FPE that have been added since FY 2008-09, with the exception of FY 2010-11 when no funding was added for any FPE due to the economic recession.

Appropriation for new FPE for Youth Aging Out of Foster Care to Adult Comprehensive Waiver				
	FPE	Total Annual Cost	General Fund	Average Cost for 1 Comprehensive FPE*
FY 2008-09	45	\$4,211,460	\$2,105,730	\$93,588
FY 2009-10	37	3,425,127	1,712,564	92,571
FY 2010-11	0	0	0	0
FY 2011-12	66	4,167,900	2,083,950	63,150
FY 2012-13	46	3,734,004	1,867,002	81,174
FY 2013-14	50	3,635,500	1,817,750	72,710
FY 2014-15	55	3,744,895	1,872,448	68,089
Average (excluding FY 10-11)	50	\$3,819,814	\$1,909,907	\$78,547

*Includes the cost of services and case management.

House Bill 14-1368 changes the age at which youth with IDD transition from the child welfare system. The bill requires the State transition all youth over the age of eighteen from the child welfare system to the intellectual and developmental disabilities system by 2016. The bill also establishes a structure going forward which transitions youth from the child welfare system to the adult system by the time they turn eighteen.

Indigent Care Program

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

Colorado Indigent Care Program				
	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Appropriation
Safety Net Provider Payments	\$288,633,447	\$299,175,424	\$311,296,186	\$311,296,186
Clinic Based Indigent Care	6,119,760	6,119,760	6,119,760	6,119,760
Pediatric Specialty Hospital	<u>11,799,938</u>	<u>11,799,938</u>	<u>11,799,938</u>	<u>13,455,012</u>
TOTAL	\$306,553,145	\$317,095,122	\$329,215,884	\$330,870,958
General Fund	8,959,849	8,959,849	8,959,849	9,639,107
Cash Funds	144,316,724	149,587,712	155,648,093	153,307,474
Federal Funds	153,276,572	158,547,561	164,607,942	167,924,377

Colorado Indigent Care Program				
	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Appropriation
Total Funds Change		10,541,977	12,120,762	1,655,074
Percent Change		3.4%	3.8%	0.5%

Children's Basic Health Plan

The Children's Basic Health Plan (marketed by the Department as the Children's Health Plan *Plus* and abbreviated as CHP+) compliments the Medicaid program, providing low-cost health insurance for children and pregnant women in families with slightly more income than Medicaid eligibility criteria allow. Annual membership premiums are variable based on income, with an example being \$75 to enroll one child in a family earning 205 percent of the federal poverty guidelines. Coinsurance costs are nominal. Federal funds pay 65.0 percent of the program costs not covered by member contributions and state funds pay the remaining 35.0 percent as a match. CHP+ typically receives approximately \$28 million in revenue from the tobacco master settlement agreement and the remaining state match comes from the General Fund.

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

Children's Basic Health Plan Enrollment and Per Capita Expenditure Assumptions				
	Total	Children		Pregnant Women
		Medical	Dental	
FY 2013-14				
Caseload	66,112	65,102	65,102	1,010
Per Capita	\$2,702.13	\$2,324.13	\$209.54	\$13,560.41
Expenditures	\$178,643,441	\$151,305,712	\$13,641,715	\$13,696,014
Retroactive payments	<u>\$17,088,233</u>			
TOTAL	\$195,731,674			
FY 2014-15				
Caseload	74,113	73,116	73,116	997
Per Capita	\$2,657.50	\$2,280.31	\$258.50	\$11,360.94
Expenditures	\$196,955,000	\$166,727,446	\$18,900,694	\$11,326,860
Retroactive payments	<u>\$2,747,385</u>			
Subtotal: HB 14-1336	\$199,702,385			
HB 14-1213	<u>\$129,831</u>			
TOTAL	\$199,832,216			
Dollar Difference				
Caseload	8,001	8,014	8,014	(13)
Per Capita	(\$44.64)	(\$43.82)	\$48.96	(\$2,199.47)
Expenditures	\$18,311,559	\$15,421,734	\$5,258,979	(\$2,369,154)
Retroactive payments	<u>(\$14,340,848)</u>			
Subtotal: HB 14-1336	\$3,970,711			

Children's Basic Health Plan Enrollment and Per Capita Expenditure Assumptions				
	Total	Children		Pregnant Women
		Medical	Dental	
Percent Difference				
Caseload	12.1%	12.3%	12.3%	(1.3%)
Per Capita	(1.7%)	(1.9%)	23.4%	(16.2%)
Expenditures	10.3%	10.2%	38.6%	(17.3%)
Retroactive payments	(83.9%)			
Subtotal: HB 14-1336	2.0%			

Medicare Modernization Act State Contribution

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

Medicare Modernization Act				
	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Appropriation
State Contribution	<u>\$93,582,494</u>	<u>\$101,817,855</u>	<u>\$105,091,301</u>	<u>\$104,007,505</u>
General Fund	62,939,212	52,136,848	67,020,439	99,304,985
Federal Funds	30,643,282	49,681,007	38,070,862	4,702,520
State Contribution change		\$8,235,361	\$3,273,446	(\$1,083,796)
Percent		8.8%	3.22%	(1.03%)
General Fund change		(\$10,802,364)	\$14,883,591	\$32,284,546
Percent		(17.16%)	28.55%	48.17%

Department of Human Services Medicaid-Funded Programs

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

Appropriation Highlights – 2014 Legislative Session

Department of Health Care Policy and Financing						
	Total Funds	General Fund ^{1/1/2}	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	6,195,287,695	2,071,307,480	1,029,835,723	8,483,522	3,085,660,970	337.9
SB 13-166	100,000	100,000	0	0	0	0.0
SB 13-167	2,155,054	(1,018,559)	2,096,086	0	1,077,527	0.9
SB 13-200	315,141,256	(123,209)	(154,578,421)	0	469,842,886	19.0
SB 13-232	0	(2,000,000)	0	2,000,000	0	0.0
SB 13-242	33,858,405	(738,262)	11,244,171	0	23,352,496	1.3
SB 13-264	1,000,000	500,000	0	0	500,000	0.0
SB 13-276	(163,649)	0	(80,953)	0	(82,696)	(1.0)
HB 13-1117	0	0	0	0	0	0.0
HB 13-1152	(9,735,708)	(4,867,854)	0	0	(4,867,854)	0.0
HB 13-1314	0	0	0	0	0	0.0
HB 14-1236	39,975,365	(488,469)	68,023,135	0	(27,559,301)	0.0
HB 14-1252	(14,344,285)	(7,275,604)	4,500,000	0	(11,568,681)	0.2
HB 14-1336	<u>93,855,000</u>	<u>11,862,890</u>	<u>25,423,957</u>	<u>0</u>	<u>56,568,153</u>	<u>0.0</u>
TOTAL	\$6,657,129,133	\$2,067,258,413	\$986,463,698	\$10,483,522	\$3,592,923,500	358.3
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$6,657,129,133	\$2,067,258,413	\$986,463,698	\$10,483,522	\$3,592,923,500	358.3
Annualizations						
Annualize SB 13-200 Expand Medicaid eligibility	618,864,754	4,576,671	67,713,456	0	546,574,627	0.0
Annualize SB 13-242 Adult dental benefit	52,814,354	(824,906)	11,591,991	0	42,047,269	0.7
Annualize HB 13-1314 IDD transfer	48,640,502	17,303,794	30,802,356	0	534,352	34.5
Annualize HB 14-1252 IDD system capacity	9,855,507	4,729,676	(4,509,430)	0	9,635,261	(4.2)
Annualize substance use disorder benefit	4,124,430	898,349	54,808	0	3,171,273	0.0
Annualize prior year budget decisions	<u>(19,131,644)</u>	<u>7,914,898</u>	<u>(20,716,529)</u>	<u>(925,510)</u>	<u>(5,404,503)</u>	<u>(0.2)</u>
<i>Subtotal - Annualizations</i>	<i>715,167,903</i>	<i>34,598,482</i>	<i>84,936,652</i>	<i>(925,510)</i>	<i>596,558,279</i>	<i>30.8</i>
Enrollment/utilization trends						
Medical service premiums forecast	145,038,837	37,771,888	(105,587,267)	0	212,854,216	0.0
Behavioral health programs forecast	69,016,132	18,412,213	2,379,978	0	48,223,941	0.0
Children's Basic Health Plan forecast	(15,696,420)	1,511,214	(21,857,884)	0	4,650,250	0.0
Medicare drug repayment forecast	<u>(1,083,796)</u>	<u>32,284,546</u>	<u>0</u>	<u>0</u>	<u>(33,368,342)</u>	<u>0.0</u>
<i>Subtotal - Enrollment/utilization trends</i>	<i>197,274,753</i>	<i>89,979,861</i>	<i>(125,065,173)</i>	<i>0</i>	<i>232,360,065</i>	<i>0.0</i>
FMAP change	(13,252)	(31,060,633)	(9,029,319)	(22,801)	40,099,501	0.0

Department of Health Care Policy and Financing						
	Total Funds	General Fund ^{1/1/2}	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Provider rate changes						
Provider rate increase	75,539,995	27,068,173	852,116	0	47,619,706	0.0
Primary care reimbursement	44,427,696	18,565,366	0	0	25,862,330	0.0
Targeted rate increases	27,366,217	9,034,605	258,265	0	18,073,347	0.0
IDD SPAL increase	<u>4,175,622</u>	<u>2,056,181</u>	<u>0</u>	<u>0</u>	<u>2,119,441</u>	<u>0.0</u>
Subtotal - Provider rate changes	151,509,530	56,724,325	1,110,381	0	93,674,824	0.0
Benefit changes						
IDD Supported living services	27,340,323	13,394,025	0	0	13,946,298	0.0
Full denture benefit	26,737,869	0	6,014,018	0	20,723,851	0.0
Remove 5-yr bar on legal immigrants	6,218,357	2,596,598	0	0	3,621,759	0.0
CHP+ oral health benefits	5,340,492	1,334,347	511,597	0	3,494,548	0.0
Family Support restoration	3,406,321	3,406,321	0	0	0	0.0
IDD Increase funded FPE	2,973,374	1,417,598	0	0	1,555,776	0.0
Raise lifetime cap on home modifications	<u>1,015,384</u>	<u>500,000</u>	<u>0</u>	<u>0</u>	<u>515,384</u>	<u>0.0</u>
Subtotal - Benefit changes	73,032,120	22,648,889	6,525,615	0	43,857,616	0.0
Human Services programs	17,939,562	7,100,690	1,230,598	0	9,608,274	0.0
Enroll dual eligibles in ACC	11,039,215	173,111	0	0	10,866,104	0.0
Medicaid health info exchange	5,748,926	1,054,893	0	0	4,694,033	0.0
Eligibility services	5,527,488	2,160,000	(2,160,000)	0	5,527,488	0.0
Dental provider network adequacy	5,000,000	2,500,000	0	0	2,500,000	0.0
Admin contract procurements	4,618,931	1,295,160	991,260	0	2,332,511	0.0
Centrally appropriated line items	2,123,179	816,627	75,915	128,074	1,102,563	0.0
Commission on Family Medicine	2,030,766	1,000,000	0	0	1,030,766	0.0
Leased space	1,756,056	877,533	493	0	878,030	0.0
Utilization-review services	1,691,977	838,378	0	0	853,599	0.0
Customer service technology	715,468	357,734	0	0	357,734	0.0
Statewide IT common policy adjustments	591,410	72,685	0	6	518,719	0.0
Medicaid community living initiative	569,219	281,852	0	0	287,367	0.0
Primary care/specialty collaboration	537,497	221,770	3,371	0	312,356	0.0
Scholarships to use APCD	500,000	500,000	0	0	0	0.0
Pain management capacity program	500,000	246,212	0	0	253,788	0.0
Computer and software renewal	295,711	147,856	0	0	147,855	0.0
Rate setting study	150,000	75,000	0	0	75,000	0.0
IDD Operating/membership funds	147,702	72,732	0	0	74,970	0.0
Hospital backup program	125,000	62,500	0	0	62,500	0.0
Indirect cost assessment	116,606	(116,606)	1,286	108,951	122,975	0.0
Transfer from Public Health	0	2,000,000	0	(2,000,000)	0	0.0
Tobacco tax forecast	(945,700)	(2,609,357)	1,663,657	0	0	0.0
Other adjustments	714,233	247,579	0	10,336	456,318	0.0
HB 14-1336	\$7,855,593,433	\$2,259,525,686	\$946,748,434	\$7,782,578	\$4,641,536,735	389.1

Department of Health Care Policy and Financing						
	Total Funds	General Fund ^{1/2}	Cash Funds	Reappropriated Funds	Federal Funds	FTE
SB 14-012	4,697	2,301	41	0	2,355	0.0
SB 14-014	1,397	684	13	0	700	0.0
SB 14-130	1,081,934	530,056	9	0	551,869	0.0
SB 14-144	75,000	0	0	0	75,000	0.0
SB 14-151	165,000	0	165,000	0	0	0.0
SB 14-159	128,688	128,688	0	0	0	0.0
SB 14-180	55,000	55,000	0	0	0	0.8
SB 14-215	6,363,807	4,000,000	0	0	2,363,807	0.0
HB 14-1045	7,006,802	0	2,424,016	0	4,582,786	1.0
HB 14-1211	51,133	16,533	0	0	34,600	0.0
HB 14-1213	129,831	44,519	0	0	85,312	0.0
HB 14-1317	44,529	21,813	391	0	22,325	0.0
HB 14-1357	297,985	145,983	0	0	152,002	0.0
HB 14-1360	110,000	0	110,000	0	0	0.0
HB 14-1368	<u>5,746,227</u>	<u>0</u>	<u>2,829,586</u>	<u>0</u>	<u>2,916,641</u>	<u>0.0</u>
TOTAL	\$7,876,855,463	\$2,264,471,263	\$952,277,490	\$7,782,578	\$4,652,324,132	390.9
Increase/(Decrease)	\$1,219,726,330	\$197,212,850	(\$34,186,208)	(\$2,700,944)	\$1,059,400,632	32.6
Percentage Change	18.3%	9.5%	(3.5%)	(25.8%)	29.5%	9.1%

^{1/1} Includes General Fund and General Fund Exempt.

^{2/2} Includes \$438,300 in FY 2013-14 and \$423,600 in FY 2014-15 that is not subject to the statutory limitation on General Fund appropriations imposed by Section 24-75-201.1, C.R.S.

FY 2013-14 Appropriation - Mid-year Adjustments

House Bill 14-1236 modified the FY 2013-14 appropriation to reflect the most recent forecasts of expenditures for the Department's health programs, to correct a technical error in the S.B. 13-200 appropriation, to increase funding for county eligibility determination services, for leased space, for the Business Utilization Services information technology system, and for transition costs with new behavioral health organization contracts. House Bill 14-1252 increased system capacity for home- and community-based services for individuals with intellectual and developmental disabilities. House Bill 14-1336 made an adjustment to FY 2013-14 appropriations for the most recent forecasts of expenditures for the Department's health programs and to show federal grant funds awarded for enrolling people dually eligible for Medicaid and Medicare in the Accountable Care Collaborative.

FY 2014-15 Appropriation Highlights

Annualizations: The appropriation includes funding to annualize several prior year budget decisions. The annualizations for S.B. 13-200 (Expand Medicaid eligibility), S.B. 13-242 (Adult dental benefit), H.B. 13-1314 (IDD transfer), H.B. 14-1252 (IDD system capacity), and the FY 2013-14 budget action to add a substance use disorder benefit are shown separately due to the department-wide magnitude.

Enrollment/utilization trends: The appropriation makes adjustments for projected changes in caseload, per capita expenditures, and financing for the Department's various health programs under current eligibility, benefit, and financing policies, including:

- An increase of \$145.0 million, including \$37.8 million General Fund, for Medical Service Premiums;
- An increase of \$69.0 million, including \$18.4 million General Fund, for behavioral health programs;
- A net decrease of \$15.7 million, including an increase of \$1.5 million General Fund, for the Children's Basic Health Plan;
- A net decrease of \$1.1 million, including an increase of \$32.3 million General Fund, for the state's obligation for prescription drugs for people dually eligible for Medicare and Medicaid.

FMAP change: The appropriation adjusts funding to account for an increase in the federal match rate, or Federal Medical Assistance Percentage (FMAP), for non-administrative expenses of Medicaid and CHP+. For federal fiscal year 2014-15, which starts October 1, 2014, the federal match rate for Medicaid will increase from 50 percent to 51.01 percent and for CHP+ from 65 percent to 65.71 percent.

Provider rate changes: The appropriation provides \$151.5 million, including \$56.7 million General Fund, for provider rates, including:

Provider Rate Changes				
	TOTAL	General Fund	Cash Funds	Federal Funds
Across-the-board 2.0 percent increase	\$75,539,995	\$27,068,173	\$852,116	\$47,619,706
Primary care reimbursement	44,427,696	18,565,366	0	25,862,330
Targeted rate increases				
Pediatric hospice services 20% rate increase	246,878	\$120,639	\$434	\$125,805
Extended-hours/after-hours care 10% rate increase	641,597	197,389	5,970	438,238
Transitional living program for brain injury clients 191% rate increase	876,000	412,050	19,380	444,570
Pediatric/developmental assessment 50% rate increase	64,000	30,969	0	33,031
Single entry point case management 10% rate increase	1,229,790	600,951	2,160	626,679
Physician incentives to use ambulatory surgery centers	500,000	153,826	4,653	341,521
Matching incentives to Ambulatory Surgery Centers	500,000	153,826	4,653	341,521
High-Value Specialist Services to 80% of Medicare	11,312,435	3,480,304	105,263	7,726,868
Mammography Reimbursement to 80% of Medicare	94,841	29,178	883	64,780
Assistive Technology Reimbursement Rate to 80% of Medicare	22,037	6,780	205	15,052
Increase Federally Qualified Health Center rates to APM*	7,261,751	2,187,006	114,664	4,960,081
Family planning standardize oral contraceptive rates and 15% increase	1,817,275	286,696	0	1,530,579
Hospice rates	171,539	80,861	0	90,678
Pediatric specialty hospital services	1,655,074	815,000	0	840,074
Graduate medical education services of Denver Health	<u>973,000</u>	<u>479,130</u>	<u>0</u>	<u>493,870</u>
TOTAL	27,366,217	9,034,605	258,265	18,073,347
IDD SPAL increase*	4,175,622	2,056,181	0	2,119,441
TOTAL	\$151,509,530	\$56,724,325	\$1,110,381	\$93,674,824

* APM = Alternative Payment Method; IDD = Intellectual and Developmental Disabilities; SPAL = Spending Plan Authorization Limit

Benefit changes: The appropriation provides \$73.0 million, including \$22.6 million General Fund, for changes in the Medicaid and Children's Basic Health Plan benefit packages, including:

	Benefit Changes			
	TOTAL	General Fund	Cash Funds	Federal Funds
IDD Supported living services	\$27,340,323	\$13,394,025	\$0	\$13,946,298
Full denture benefit	26,737,869	0	6,014,018	20,723,851
Remove 5-yr bar on legal immigrants	6,218,357	2,596,598	0	3,621,759
CHP+ oral health benefits	5,340,492	1,334,347	511,597	3,494,548
Family Support restoration	3,406,321	3,406,321	0	0
IDD Increase funded FPE	2,973,374	1,417,598	0	1,555,776
Raise lifetime cap on home modifications	<u>1,015,384</u>	<u>500,000</u>	<u>0</u>	<u>515,384</u>
TOTAL	\$73,032,120	\$22,648,889	\$6,525,615	\$43,857,616

Human Services programs: The appropriation reflects changes in funding for programs within the Department of Human Services that receive Medicaid funding. The following table summarizes the changes by Department of Human Services division.

Medicaid Fund Changes by Department of Human Services Division				
Division	Total Funds	General Fund	Cash Funds	Federal Funds
Executive Director's Office	\$977,469	\$488,736	\$0	\$488,733
Office of Information Technology	13,967,683	5,159,087	1,230,598	7,577,998
Office of Operations	192,740	96,206	0	96,534
Division of Child Welfare	368,714	181,596	0	187,118
Office of Early Childhood	686,414	338,008	0	348,406
Behavioral Health Services	276,253	138,127	0	138,126
Services for People with Disabilities	1,279,657	604,874	0	674,783
Division of Youth Corrections	190,632	94,056	0	96,576
Total	\$17,939,562	\$7,100,690	\$1,230,598	\$9,608,274

Enroll dual eligibles in ACC: The appropriation provides funding to enroll people dually eligible for Medicaid and Medicare in the Accountable Care Collaborative (ACC) so that they will receive care coordination. The Department has received a federal demonstration grant to pay for a significant portion of the start-up costs and administrative expenses, but additional state funding is required as a match.

Medicaid health info exchange: The appropriation includes funding to increase connections to Colorado's Health Information Exchange network that allows the sharing of health data between providers using different electronic health record systems. The majority of the funds will pay for infrastructure upgrades to increase the data capacity of the health information exchange and to design interfaces for the health information exchange to connect with additional electronic health record systems. A portion of the funding will be used to help providers adopt electronic health record systems and get them connected to the exchange.

Eligibility services: The appropriation reinvests the General Fund saved as a result of lower state matching requirements for eligibility determination services in the following: (1) competitive grants for counties to improve their eligibility determination infrastructure; (2) incentive payments for county eligibility

determination offices that meet timely processing and other performance goals; (3) payments for Medical Assistance sites that provide eligibility determination services on location; (4) consulting services to review statewide eligibility determination payment methods; and (5) temporary backup eligibility services to assist with the potential overflow from the implementation of the Medicaid expansion and the Affordable Care Act. The net result is no change in General Fund expenditures and an increase in federal matching funds. In addition, the appropriation changes the source of state matching funds for certain eligibility services provided by Denver Health from Certified Public Expenditures to the General Fund.

Dental provider network adequacy: The appropriation reinvests a portion of the savings from the change in the federal match rate for Medicaid and CHP+ in incentive payments to dental providers who take additional Medicaid patients. The incentive payments are tiered to award more money for taking more new Medicaid patients.

Admin contract reprocrements: The appropriation provides funding to allow for an overlap between several expiring administrative service contracts and the new contracts to ensure smooth transitions and no loss or delay in services.

Centrally appropriated line items: The appropriation includes funding for centrally appropriated line items such as salary and benefit increases, risk management, legal services, administrative law judge services, and Capitol Complex Leased Space.

Commission on Family Medicine: The appropriation includes an increase in funding for family medicine residency training programs.

Leased space: The appropriation provides money to continue and annualize mid-year action authorizing the Department to move some staff to 303 E. 17th Street.

Utilization-review services: The appropriation provides additional funding for utilization reviews that determine whether services are covered by Medicaid.

Customer service technology: The appropriation provides funding for call center technology to address higher than expected call volume.

IT common policy adjustments: The appropriation includes adjustments to the payments made to the Governor's Office of Information Technology for the provision of information technology services.

Medicaid community living initiative: The appropriation provides funding for counseling nursing home residents regarding community-based living options and a transfer to the Department of Local Affairs for improved oversight of the home modifications benefit. A companion adjustment in the Department of Local Affairs increases funding for housing assistance payments to help Medicaid clients in the Colorado Choice Transitions program move from an institutional setting for care to a community-based setting for care.

Primary care/specialty collaboration: The appropriation provides funding for primary care providers and specialists to acquire and utilize technology that allows remote specialty care consultation.

Scholarships to use APCD: The appropriation provides funding for scholarships to nonprofit and governmental organizations to defray the costs of using the All-Payer Claims Database (APCD) to conduct research.

Pain management capacity program: The appropriation reinvests a portion of the savings from the change in the federal match rate for Medicaid and CHP+ in a program aimed at increasing the capacity of physicians to serve clients in need of pain management.

Computer and software renewal: The appropriation provides on-going funding to replace the Department's desktop computers on a 5-year rotating schedule and renew core software licenses annually.

Rate setting study: The appropriation provides funding for the Department to research and develop a plan for addressing rate disparities that limit client access to cost-effective services.

IDD Operating/membership funds: The appropriation includes funding for membership with the State Employment Leadership Network; membership with the National Core Indicators; and funds for training and travel costs for department staff working in the Division for Intellectual and Developmental Disabilities (IDD).

Hospital backup program: The appropriation includes funding for consulting services to study the Hospital Backup Program (HBU) with an aim of moving patients to lower acuity settings. The HBU serves ventilator-dependent and medically complex clients who need to be discharged from a hospital but require more intensive skilled nursing care than typically available in other settings.

Indirect cost assessment: The appropriation accounts for changes in the statewide indirect cost assessment on the Department.

Transfer from Public Health: The appropriation adjusts fund sources to account for the end of a transfer from the Department of Public Health and Environment that was offsetting the need for General Fund.

Tobacco tax forecast: The appropriation makes adjustments for a change in the forecast of available tobacco tax revenues.

Other adjustments: The appropriation makes various technical adjustments to appropriations.

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

DEPARTMENT OF HIGHER EDUCATION

The Department is responsible for higher education and vocational training programs in the State. The Colorado Commission on Higher Education (CCHE) serves as the central policy and coordinating board for the Department. The Commission is responsible for negotiating performance contracts with public higher education institutions. Financial aid programs also fall under the purview of CCHE. The executive director of CCHE is also the executive director of the Department and appoints the directors of College Assist and CollegeInvest, which are both statutorily authorized state enterprises with responsibilities related to student loans and college savings programs.

The College Opportunity Fund Program provides stipends for undergraduate resident students to attend public colleges and participating private colleges in Colorado. The section also includes appropriations for fee-for-service contracts with public higher education institutions for graduate education and other educational services not covered by the stipends. Tuition, stipend, and fee-for-service spending authority for public higher education institutions is provided in the Governing Boards section.

The Division of Occupational Education oversees Colorado Vocational Act programs, the Area Vocational Schools, federal Perkins technical training programs, and resources for the promotion of job development, job training, and job retraining.

The Department also includes: state subsidies for Local District Junior Colleges; History Colorado; and the Auraria Higher Education Center, which maintains the single shared campus of the Community College of Denver, Metropolitan State College of Denver, and the University of Colorado at Denver and Health Sciences Center.

Department Budget: Recent Appropriations

Funding Source	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
General Fund ^{/1}	\$623,962,700	\$628,569,790	\$659,108,061	\$761,983,052
Cash Funds	1,720,379,975	1,835,273,931	1,933,397,850	2,023,919,592
Reappropriated Funds	550,656,940	552,186,789	576,697,493	634,406,378
Federal Funds	<u>19,014,815</u>	<u>19,113,229</u>	<u>19,290,300</u>	<u>22,433,607</u>
Total Funds	\$2,914,014,430	\$3,035,143,739	\$3,188,493,704	\$3,442,742,629
Full Time Equiv. Staff	21,490.8	21,458.9	22,842.3	23,455.2

/1 Includes General Fund Exempt

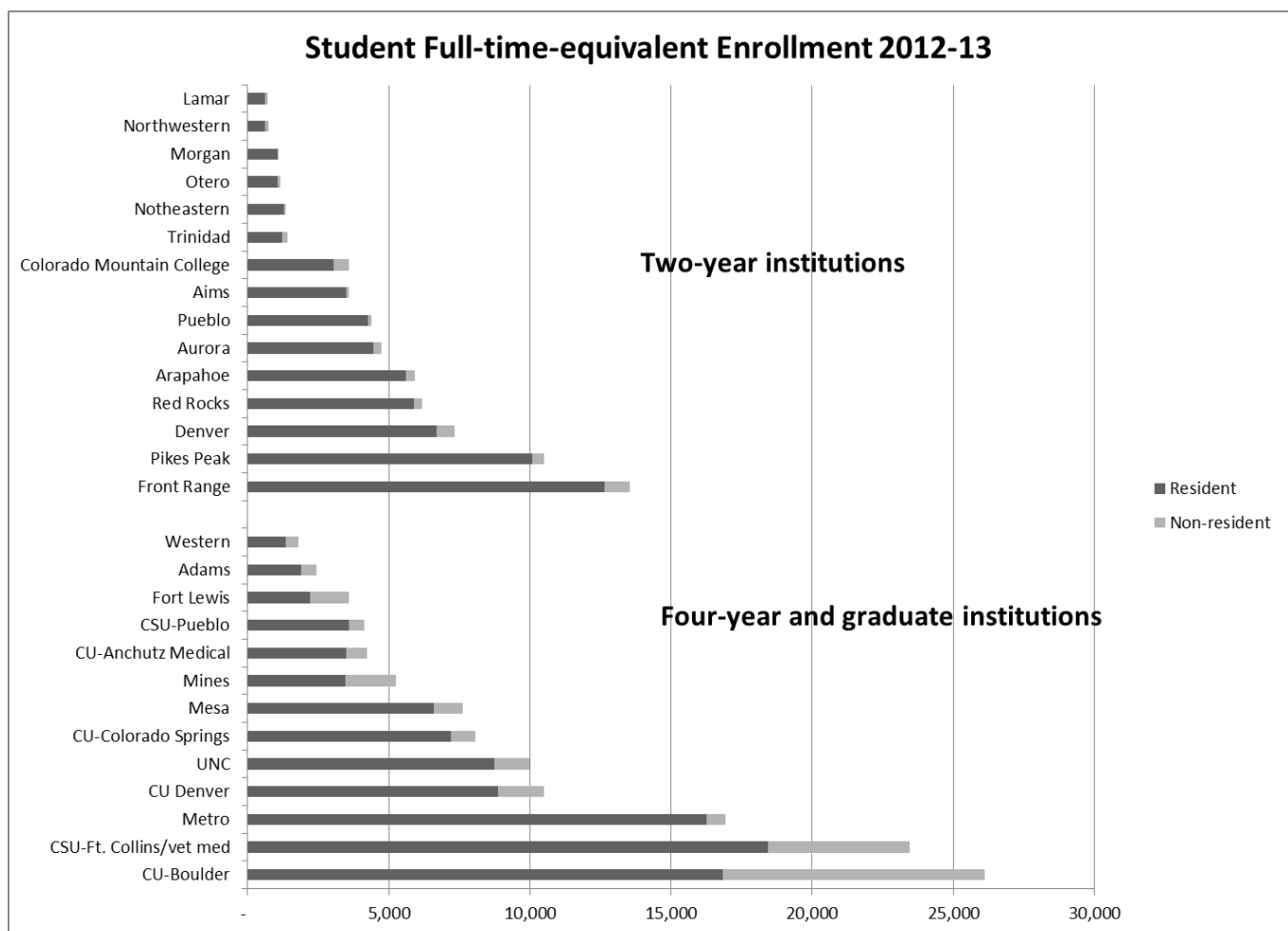
General Factors Driving the Budget

Funding for this department consists of 22.1 percent General Fund, 58.8 percent cash funds, 18.4 percent reappropriated funds, and 0.7 percent federal funds. Some of the major factors driving the Department's budget are discussed below.

Overview and Organization

The public higher education system served about 190,000 full-time equivalent students (FTE) in FY 2012-13, representing about 250,000 individuals. About 35 percent of student FTE attend 2-year and certificate institutions. These include state-operated community colleges, local district junior colleges that receive regional property tax revenues in addition to state funding, and area vocational schools that offer occupational certificates and serve both secondary and post-secondary students. Students attending institutions that offer baccalaureate and higher degrees are concentrated at the University of Colorado, Colorado State University, and Metropolitan State University of Denver. About 15 percent of all students attending Colorado public higher education institutions are not Colorado residents, although the percentage is much greater at some institutions.

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

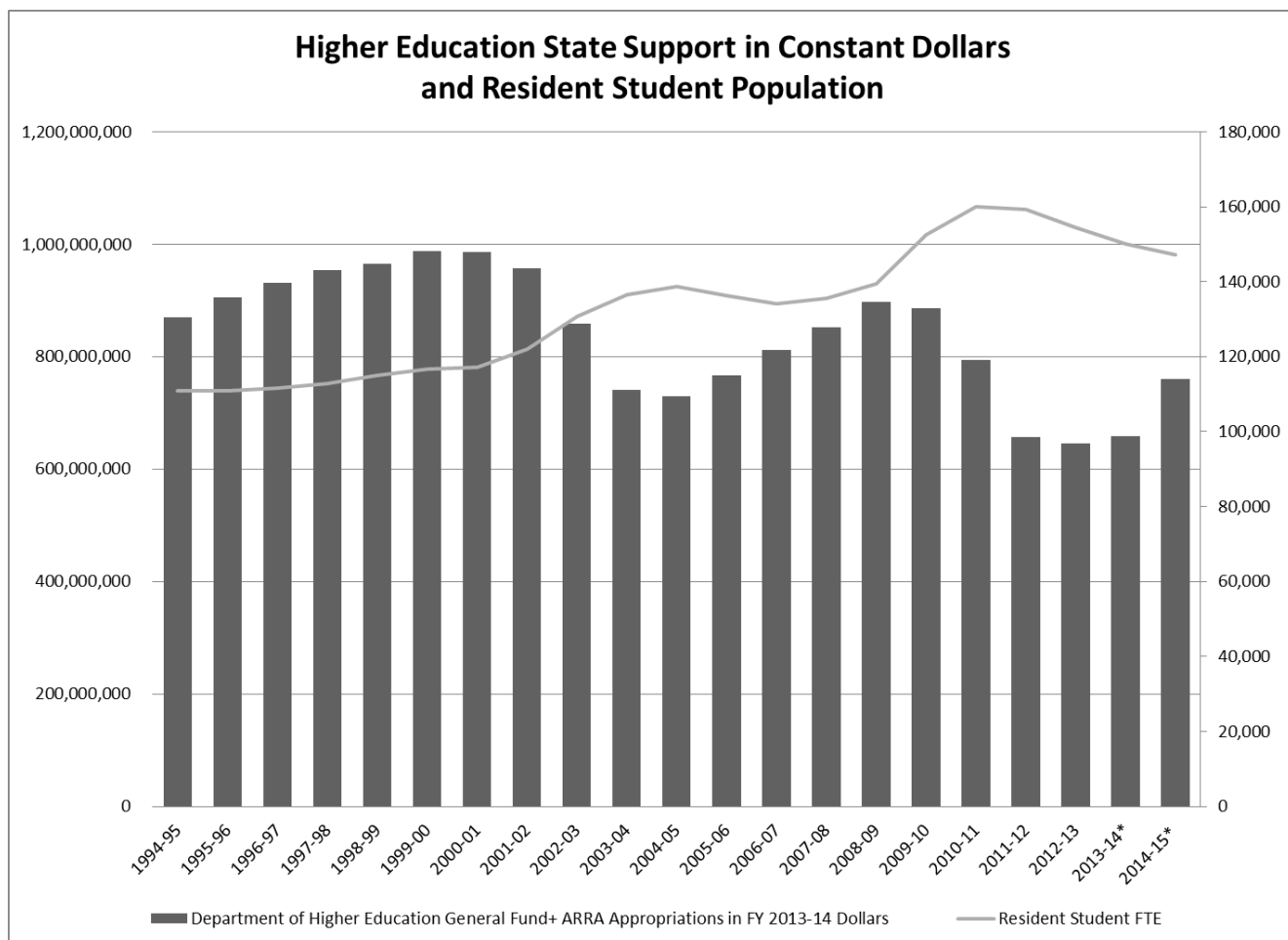


Impact of the Statewide Budget Outlook

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

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

The chart below shows how statewide General Fund support for higher education has declined during economic downturns in FY 2002-03 through FY 2004-05 and again in FY 2008-09 through FY 2011-12. The decreases in General Fund appropriations for higher education were disproportionately larger than decreases for other state agencies during the same time frames. As the economy has improved, funding has increased, including a substantial \$102.9 million General Fund increase for FY 2014-15. As also reflected in the chart, student demand for higher education tends to be higher during recessions and lower as the economy improves.



*For FY 2013-14 and FY 2014-15, reflects nominal appropriations; resident student FTE for these two years are based on Legislative Council Staff projections.

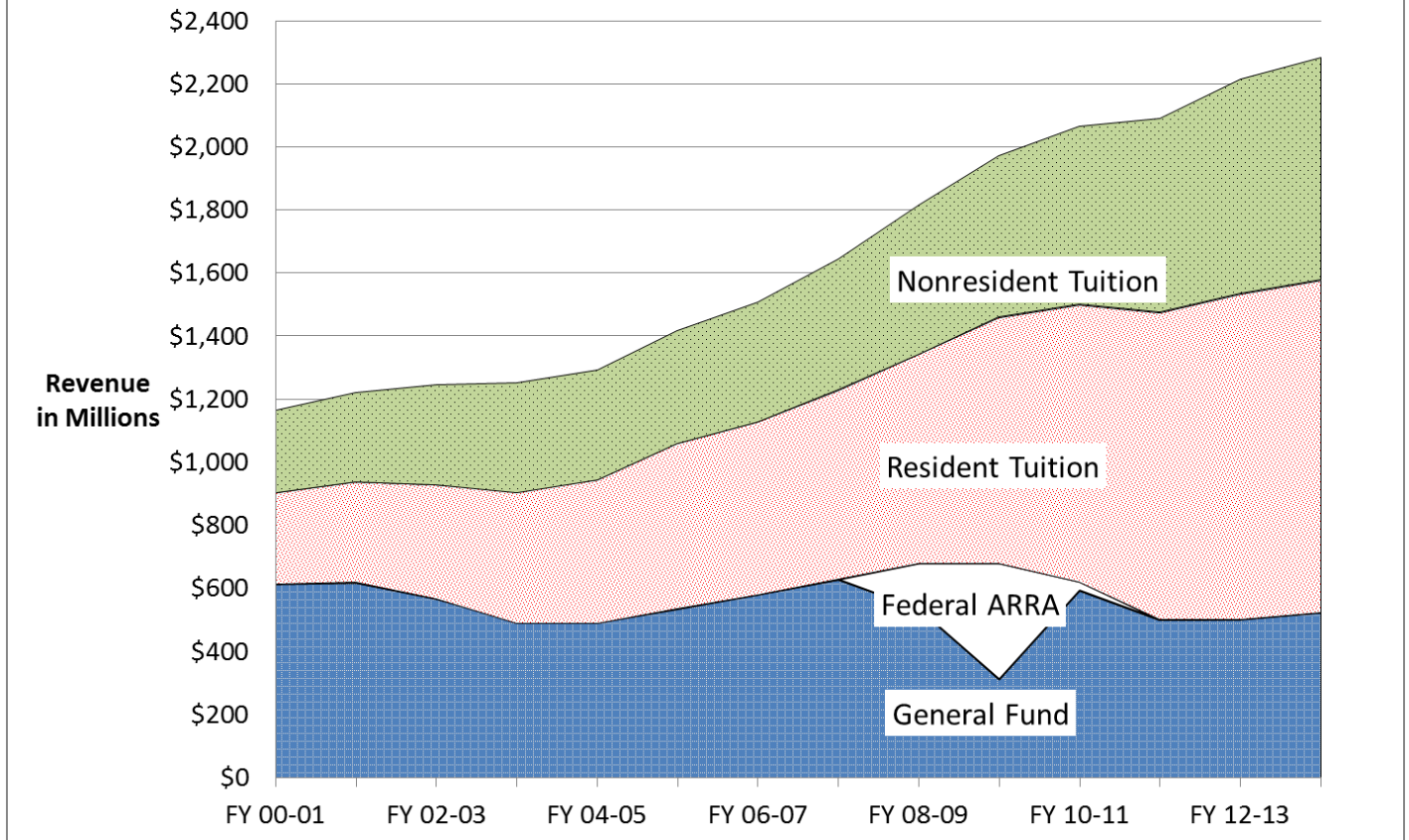
The chart below shows the allocation of the overall increase in General Fund support from FY 2013-14 to FY 2014-15 by governing board and funding category.

Department of Higher Education General Fund Appropriations Increases by Category and Governing Board FY 2013-14 to FY 2014-15				
Governing Boards/Institutions*	FY 2013-14	FY 2014-15	Amount Change	Percentage Change
Adams State University	\$11,561,201	\$12,837,288	\$1,276,087	11.0%
Mesa State University	19,833,811	22,027,251	2,193,440	11.1%
Metropolitan State University	39,230,013	43,681,193	4,451,180	11.3%
Western State Colorado University	9,532,909	10,585,447	1,052,538	11.0%
Colorado State University System	109,847,382	121,978,483	12,131,101	11.0%
Ft. Lewis College	9,540,320	10,594,604	1,054,284	11.1%
University of Colorado System	150,255,639	167,097,810	16,842,171	11.2%
Colorado School of Mines	16,813,547	18,669,456	1,855,909	11.0%
University of Northern Colorado	33,640,060	37,357,027	3,716,967	11.0%
Community College System	123,389,317	137,465,925	14,076,608	11.4%
Local District Junior Colleges	12,650,325	14,044,591	1,394,266	11.0%
Area Vocational Schools	<u>8,091,845</u>	<u>8,983,694</u>	<u>891,849</u>	11.0%
Subtotal - Governing Boards/Institutions	\$544,386,369	\$605,322,769	\$60,936,400	11.2%
Financial Aid	\$111,465,347	\$152,747,922	41,282,575	37.0%
Other	<u>\$3,256,345</u>	<u>\$3,912,361</u>	<u>\$656,016</u>	20.1%
Total - Department of Higher Education	\$659,108,061	\$761,983,052	\$102,874,991	15.6%
*Includes College Opportunity Fund Stipends, Fee-for-Service Contracts, and Grants to Local District Junior Colleges and Area Vocational Schools in all enacted bills				

One reason this budget area is more subject to state-funding adjustments than some others is that there is an alternative funding source: individual tuition payments. Colorado has always expected that individuals and families who benefit from higher education will bear at least some portion of the cost. Policymakers differ in the extent to which they believe higher education should be an individual versus a public responsibility. However, limited state funds and the ability to increase tuition have, together, pushed Colorado (and other states) toward a funding model in which the share of higher education costs borne by individuals and families has increased dramatically while state funding has declined.

The chart below illustrates how tuition, as well as temporary federal American Recovery and Reinvestment Act (ARRA) funds, have augmented and substituted for General Fund revenues for the higher education institutions. As shown, tuition revenue increases have more-than-compensated for declines in General Fund support since FY 2007-08. This chart does not, however, include adjustments for changes in the number of students served or inflationary factors impacting the cost of providing services.

Higher Education Institutions General Fund + Tuition Revenue



As available state funding has again increased, the General Assembly has sought to tie the additional funding to tuition restrictions. For FY 2014-15, the General Assembly paired increases in state funding with a 6.0 percent cap on undergraduate resident tuition increases for FY 2014-15 and FY 2015-16, through S.B. 14-001.

Tuition and Fees

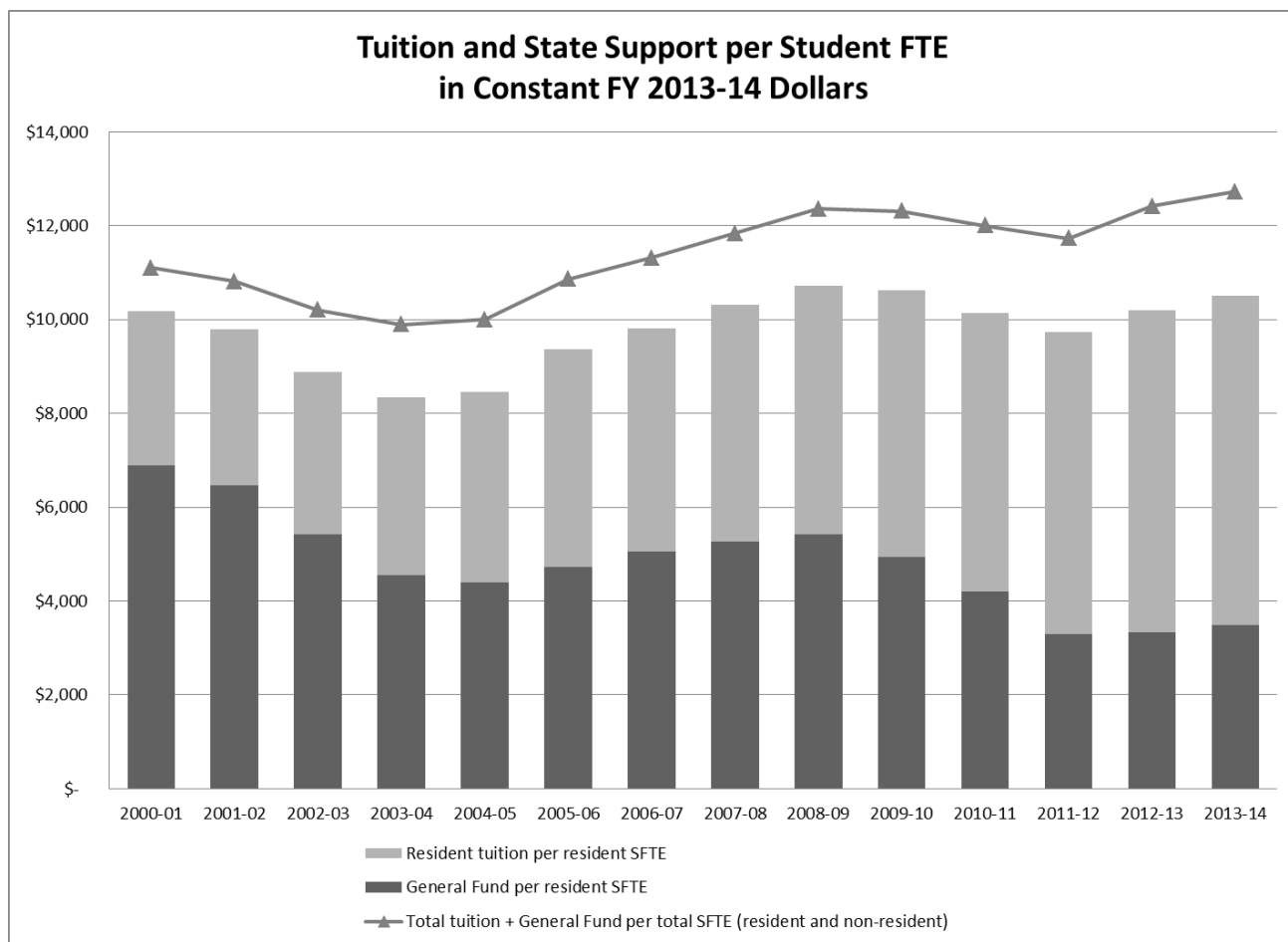
As indicated by the chart above, over time, the share of higher education revenue derived from tuition and fees has increased, while the General Fund share has decreased. Overall public access to higher education is significantly influenced by tuition and fee rates: high rates may discourage participation or may result in high debt loads for those who do participate. Nonetheless, Colorado and other states have often used tuition increases to substitute for higher education General Fund support due to the multiple demands on state General Fund revenue.

The chart below shows the change in General Fund and tuition revenue to the institutions per student since FY 2000-01 after adjusting for inflation (years prior to FY 2013-14 are reflected in FY 2013-14 dollars, based on the Denver-Boulder-Greeley consumer price index/CPI). As shown:

- Overall revenue to the institutions per student (the line on the chart) has increased more rapidly than CPI inflation: there was an increase in per-student revenue of about 15 percent from FY 2000-01 to FY 2013-14

after adjusting for inflation. Total revenue per student is greater than resident revenue per student (the bars on the chart) due to the impact of non-resident tuition revenue. The share of non-resident students has increased over time, effectively subsidizing resident tuition at some institutions.

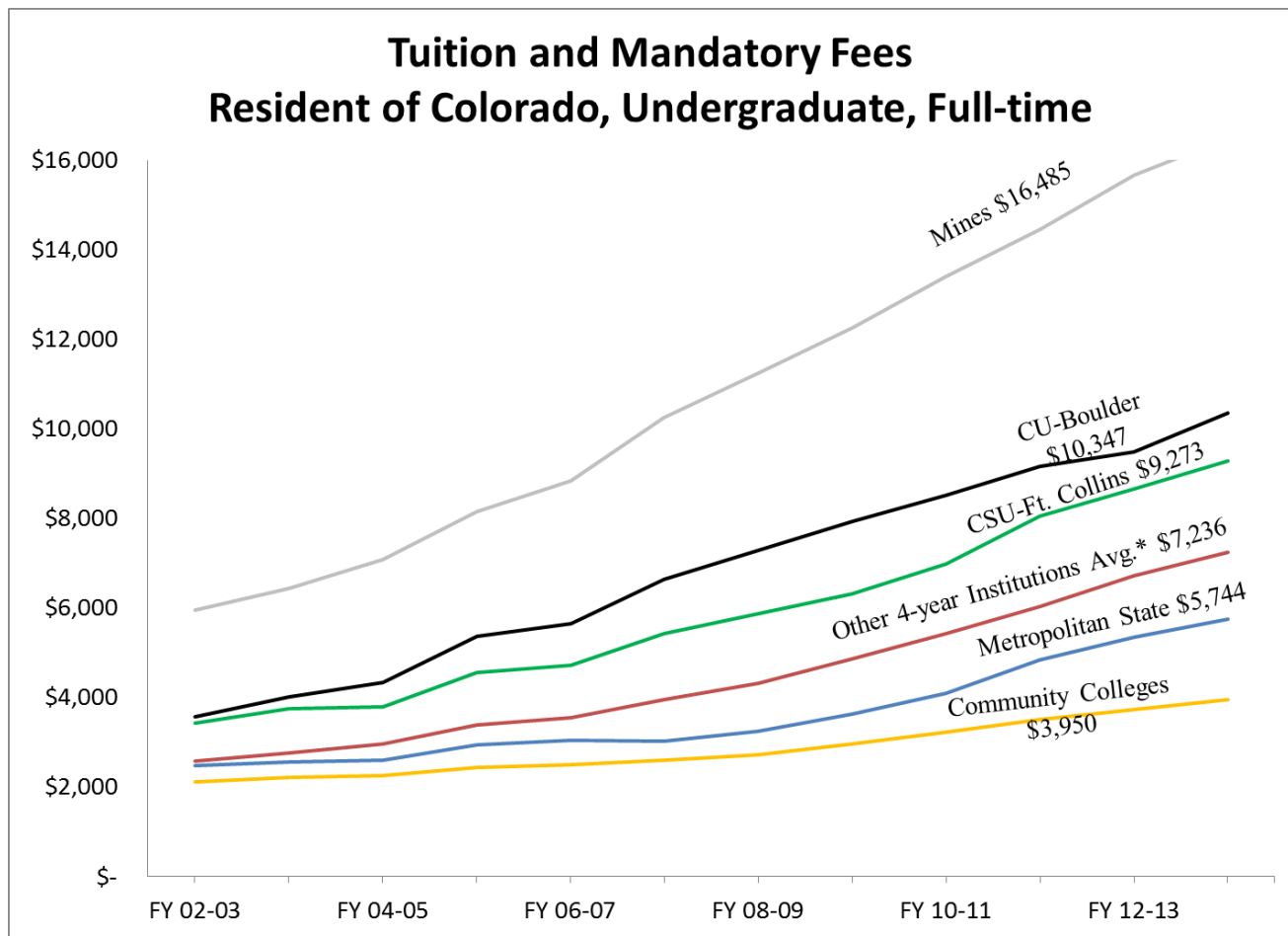
- Projected revenue to the institutions per *resident* student (bars on the chart) increased about 3 percent from FY 2000-01 to FY 2013-14, after adjusting for inflation, but the share covered by the student—as opposed to the General Fund—has changed substantially. In FY 2000-01, the General Fund provided about two-thirds of the revenue per resident student; in FY 2013-14, it provided about one-third.



Senate Bill 10-003 temporarily delegated tuition authority to higher education governing boards from FY 2011-12 through FY 2015-16 (five years). From FY 2011-12 through FY 2013-14, governing boards could increase resident undergraduate tuition rates up to 9.0 percent per year, and could submit a plan to ensure access and affordable tuition for low- and middle-income students to the Commission for permission to implement larger rate increases.

Based on the provisions of S.B. 14-001, for FY 2014-15 and FY 2015-16, institutions are restricted to a 6.0 percent “hard cap” on resident undergraduate tuition rate increases. Beginning in FY 2016-17, the responsibility to set tuition spending authority reverts to the General Assembly [Section 23-5-129 (10), C.R.S.], and the tuition increases used to derive the total spending authority for each governing board will be detailed in a footnote to the Long Bill [Section 23-18-202 (3) (b), C.R.S.].

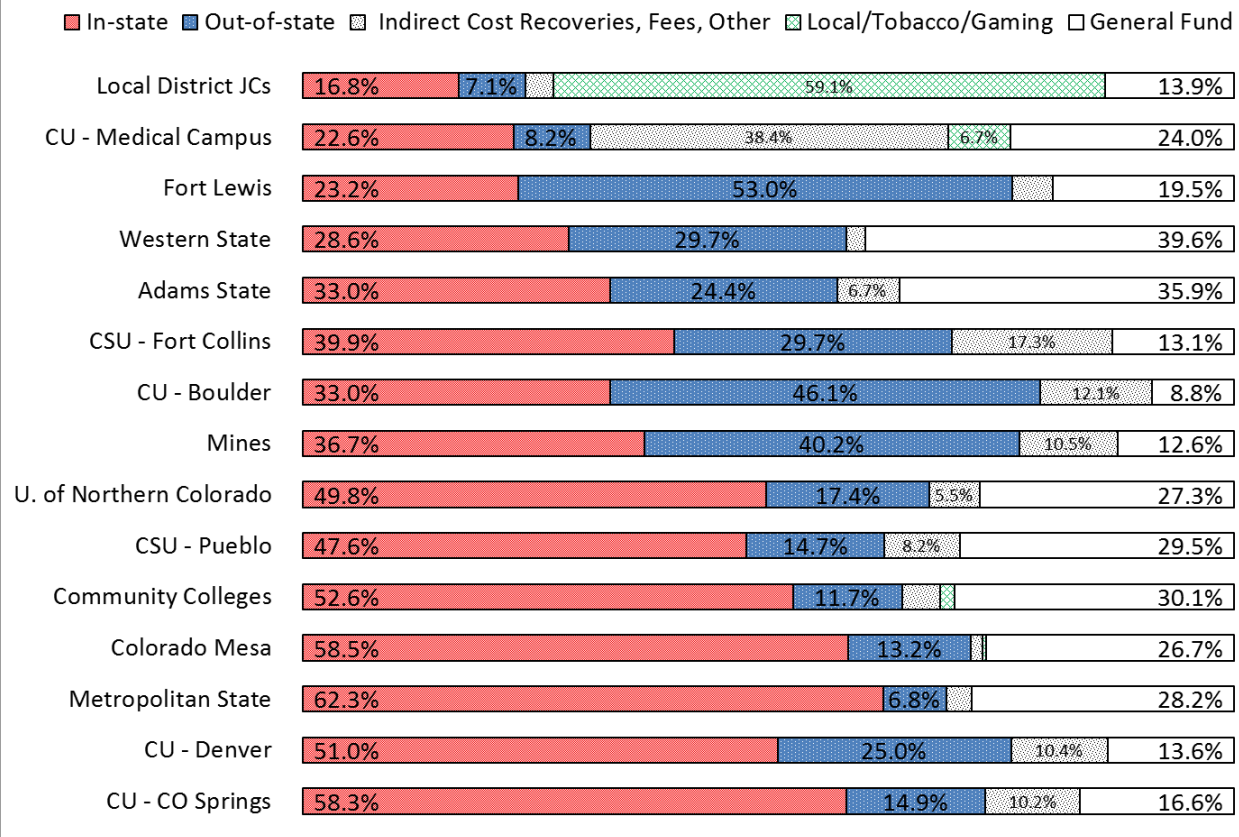
The chart below shows rates through FY 2013-14. All rates are for students who are full-time (30 credit hours per year), beginning their studies, Colorado resident, undergraduate, and taking liberal arts and sciences courses.



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

All institutions have experienced a decrease in state support and have addressed this, at least in part, through higher tuition rates. However, the institutions have different abilities to bring in out-of-state student tuition revenue or to raise tuition above that of other institutions based upon their individual missions and the populations they serve. The chart below compares the revenue mix at various state institutions for educational expenditures reported to the General Assembly in FY 2012-13. Note that this excludes revenue and expenditures for research grants and auxiliary facilities such as dormitories and dining halls.

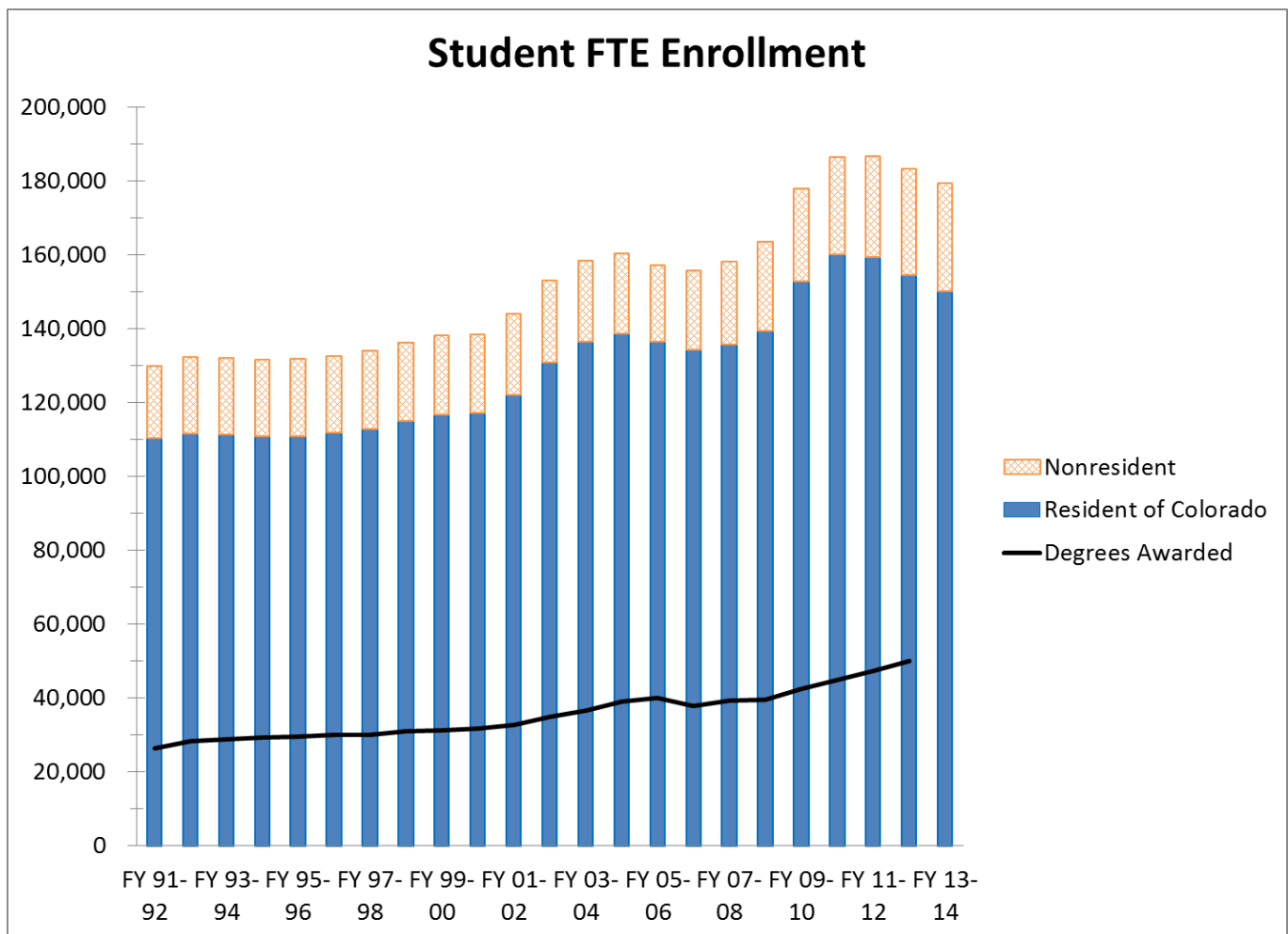
Proportion of Funding from Students vs the State



Enrollment

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

Enrollment tends to be counter-cyclical: when the economy slows, higher education enrollment grows more rapidly. The following chart reports student FTE since FY 1991-92 (excluding Local District Junior College and Area Vocational School data). Thirty credit hours in a year equals one full-time-equivalent student. The chart also includes a trend line for degrees awarded through the most recent year of data (FY 2011-12). This is an unduplicated count of graduates. The relatively modest enrollment growth in the 1990's and significant growth in the 2000's correlate closely with the economic circumstances of the state during those time frames. As the economy began to improve in FY 2012-13 resident enrollment began to decline. Although enrollment is projected to continue to fall in FY 2014-15, overall enrollment levels are unlikely to decline to pre-recession levels.



Personnel

Higher education governing boards are allowed by statute to determine the number of employees they need, but the appropriations reflect estimates provided by the governing boards of the number of employees at their institutions, which for FY 2013-14 are estimated at 22,022.7 FTE. This doesn't include employees of self-supporting auxiliary programs such as food services, book stores, or housing.

Of the amount state-operated institutions spend on education, approximately two-thirds is spent on salaries and benefits and most of this is spent on instructional faculty. Some higher education FTE such as administrative support and maintenance staff are classified staff for whom salaries and benefits are defined by the state personnel system and the policies of the General Assembly. However, the majority of FTE and personal services expenditures are for exempt staff such as faculty for whom governing boards have control of compensation. Four-year institutions that employ tenure-track faculty in high-demand fields may need to offer compensation to professors that is competitive with peer institutions in other states and, in some cases, the private sector. This is a significant cost driver at some institutions. However, four-year institutions have increasingly relied on less-expensive adjunct faculty to limit associated cost increases. At two year institutions, the vast majority of staff are adjunct faculty who carry part-time teaching loads and receive modest compensation.

College Opportunity Fund Program and the Higher Education Funding Model

Colorado uses a method for distributing higher education funding that differs from other states. Instead of appropriating General Fund directly to the institutions for their day-to-day operations, the General Assembly appropriates money into a fund that provides stipends to eligible undergraduate students. In addition, the General Assembly appropriates money for differences in the cost of programs at each institution. This second appropriation for cost differentials gets to the institutions through what are called fee-for-service contracts between the Commission and the governing boards. The sum of stipends and fee-for-service contracts is the state General Fund support provided to each institution for their operations.

The bill that authorized stipends and fee-for-service contracts (S.B. 04-189) also provided a mechanism for designating qualifying state higher education institutions as enterprises under Article X, Section 20 of the Colorado Constitution (TABOR). Revenue, such as tuition, that is generated by enterprises is exempt from the limits imposed by TABOR and has no impact on any refund that may be due pursuant to TABOR. To achieve enterprise status under TABOR, a program must: (1) be a government-owned business; (2) have authority to issue revenue bonds; and (3) receive less than 10 percent of annual revenue from state and local grants. Stipends and fee-for-service contracts are defined in statute as different from a state grant. All of the institutions have been designated as TABOR enterprises.

While there are clear benefits to designating institutions as TABOR enterprises, other benefits of Colorado's funding model have been less certain. Therefore, during the 2014 legislative session, the General Assembly adopted H.B. 14-1319 (Outcomes-based Funding for Higher Education) which modifies the higher education funding structure. This bill requires a substantial portion of total funding still be used for stipends for eligible undergraduate students. However, starting with FY 2015-16, the balance of funding will be allocated through a formula that takes into account institutional roles and missions and performance on outcomes such as student retention and completion. The Colorado Commission on Higher Education will develop the funding model and present it to the General Assembly during the 2015 legislative session.

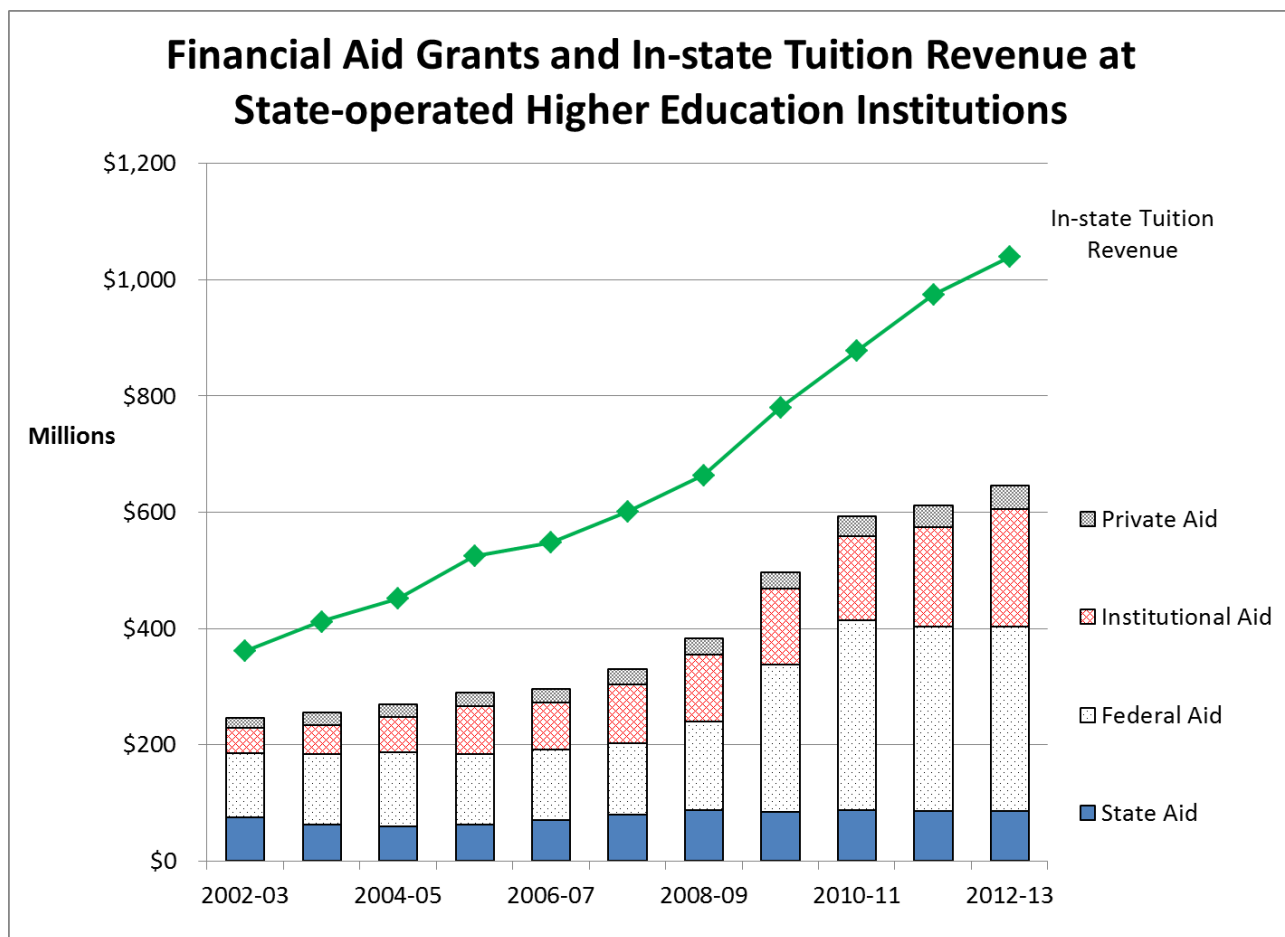
Financial Aid

Of the General Fund appropriations for higher education in FY 2014-15, \$152.7 million (20.0 percent) is for financial aid. The majority of the money goes for need based aid and work study. There are also a number of smaller, special purpose financial aid programs. Financial aid funds are appropriated to the CCHE and then allocated to the institutions, including approximately \$6.7 million in FY 2012-13 for private institutions, based on formulas that consider financial need at the schools, total student enrollment, and program eligibility criteria.

The financial aid funding identified in state appropriations is only a fraction of the total financial aid available. The federal government provides a significant amount of financial aid for students, the vast majority of which is not reflected in the state budget. The majority of federal grants come through the Pell program for the neediest students. Federal legislation increased the maximum Pell grant for a full-time student to \$5,550 in FY 2010-11 and expanded Pell eligibility, resulting in a substantial increase in overall federal funding. However, while the maximum award has been flat since FY 2010-11, eligibility was reduced in FY 2011-12, when year-round Pell grants were eliminated, and FY 2012-13 when the total number of semesters of eligibility was reduced from 18 to 12, access for students who had not yet completed a GED or high school diploma was eliminated, and the income cut-off for assuming a \$0 family contribution was reduced. In FY 2012-13, the families of dependent students receiving a full Pell had an average adjusted gross income of \$17,094 while the average for students receiving any Pell award was \$30,384.

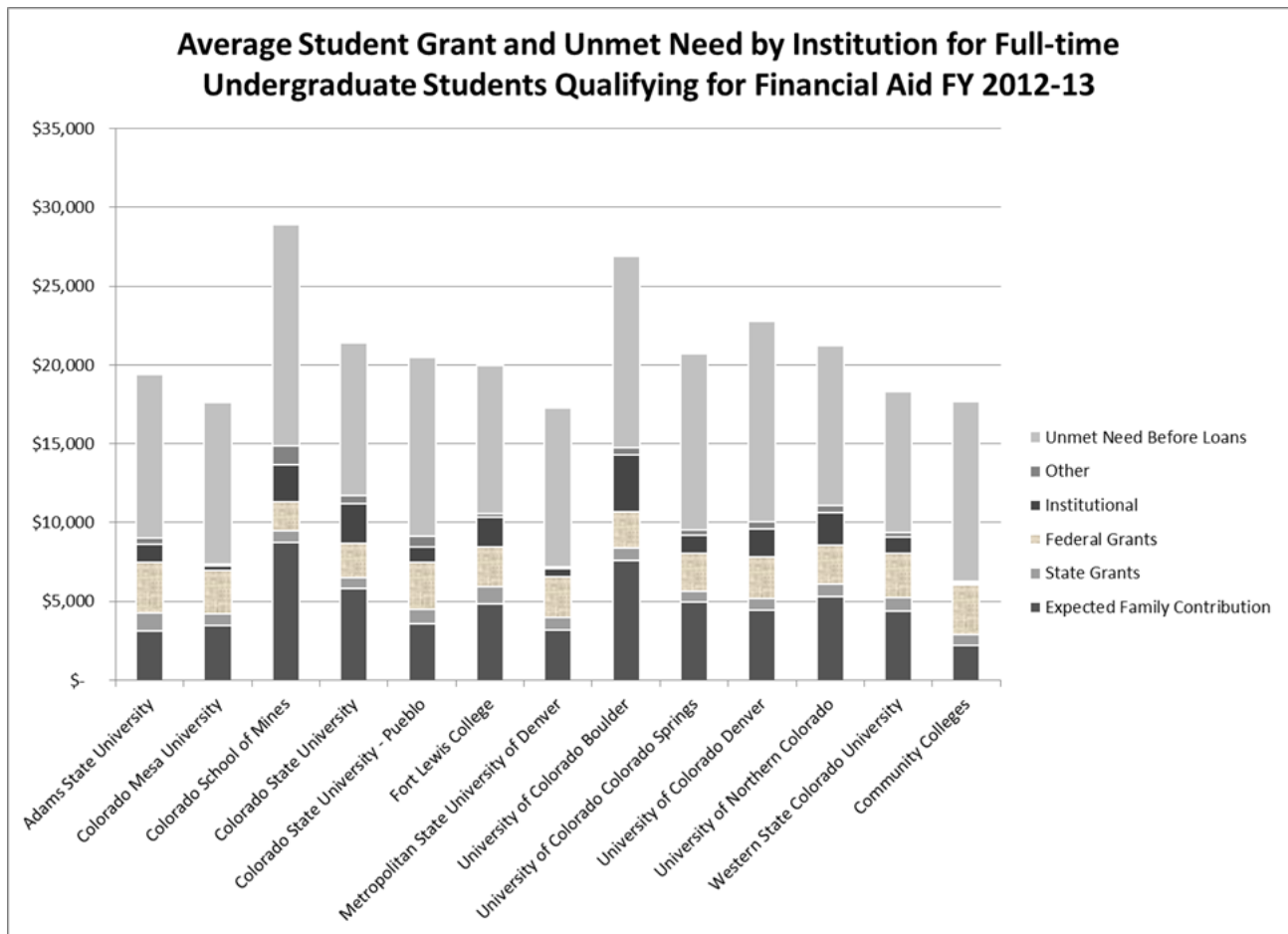
Another source of funding for financial aid is money set aside by the institutions from fundraising and the operating budgets of the schools (largely tuition revenue). There is significant variation in the amount of money available by institution and how students qualify for institutional aid, based on differences in school policies and fundraising. The majority of institutional aid is directed to merit-based aid.

The following graph shows financial aid grants from various sources awarded to students attending state-operated higher education institutions. As an indication of the buying power of financial aid grants, the chart also provides information on total resident tuition revenues collected.



Financial aid pays for expenses related to room, board, transportation, student fees, and learning materials, in addition to tuition. Depending on the institution, these other costs of attendance may dwarf the price of tuition. The total cost of attendance for a resident student in FY 2012-13, including room and board, ranged from \$16,975 at some rural community colleges to \$28,919 at the Colorado School of Mines.

In order to fill the gap between cost of attendance and available grant funds, students typically rely on loans. In addition to grant funds, the federal government provides low-interest guaranteed loans and tax credits and deductions for tuition. Sixty-nine percent of students graduating from public institutions graduated with debt in FY 2012-13. The average debt for students completing a bachelor's degree was \$25,672.



For FY 2014-15, the General Assembly provided a substantial increase in state funding for financial aid: \$41.3 million General Fund (37.0 percent). This increase will have a significant impact for some students, although the overall demand for aid will still far outstrip available funding.

Appropriation Highlights – 2014 Legislative Session

Department of Higher Education						
	Total Funds	General Fund ¹	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$3,230,541,694	\$658,479,148	\$1,978,070,473	\$574,701,773	\$19,290,300	22,840.8
HB 13-1004	1,500,000	0	0	1,500,000	0	0.0
HB 13-1165	1,033,765	559,165	0	474,600	0	1.5
HB 13-1194	110,611	22,621	68,790	19,200	0	0.0
HB 13-1230	3,840	1,920	0	1,920	0	0.0
HB 14-1319	45,207	45,207	0	0	0	0.0
HB 14-1336	<u>(44,741,413)</u>	<u>0</u>	<u>(44,741,413)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$3,188,493,704	\$659,108,061	\$1,933,397,850	\$576,697,493	\$19,290,300	22,842.3
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$3,188,493,704	\$659,108,061	\$1,933,397,850	\$576,697,493	\$19,290,300	22,842.3
Tuition and fee revenue	92,473,723	0	92,473,723	0	0	0.0
Reflect federal GEAR - UP	3,985,637	0	0	0	3,985,637	35.5
Increase AHEC spending authority	1,629,748	0	0	1,629,748	0	0.0
Annualize prior year actions	1,376,340	686,400	0	689,940	0	11.5
Centrally appropriated line items	678,195	0	178,877	146,952	352,366	0.0
Increase History Colorado public outreach	544,964	0	544,964	0	0	0.0
Career and technical education programs	455,484	0	0	455,484	0	0.0
Fort Lewis Native American tuition waiver	375,751	375,751	0	0	0	0.0
Higher education gaming revenue	309,287	0	309,287	0	0	0.0
Colorado Geological Survey adjustment	260,929	6,000	18,384	50,000	186,545	0.0
Dependent Tuition Assistance Program	252,000	252,000	0	0	0	0.0
IT common policy adjustments	198,164	0	190,902	4,719	2,543	0.0
Adjust stipends at private institutions	44,055	44,055	0	0	0	0.0
Reflect projected FTE	0	0	0	0	0	562.9
Indirect cost and fund source adjustments	0	(661,474)	17,786	643,688	0	0.0
Stipend and fee-for-service adjustments	0	0	0	0	0	0.0
Mineral impact grant spending authority	(2,375,531)	0	0	(2,375,531)	0	0.0
History Colorado gaming revenue	(2,181,237)	0	(2,181,237)	0	0	0.0
Colorado First Customized Job Training	(1,500,000)	0	0	(1,500,000)	0	0.0
Occupational education federal funds	(1,383,784)	0	0	0	(1,383,784)	0.0
Tobacco settlement revenue	(524,444)	0	(524,444)	0	0	0.0
New Mexico funding for Cumbres and Toltec Scenic Railroad	(506,500)	0	(506,500)	0	0	0.0

Department of Higher Education						
	Total Funds	General Fund ¹	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Annualize H.B. 14-1319 prior year funds	(45,207)	(45,207)	0	0	0	0.0
HB 14-1336	\$3,282,561,278	\$659,765,586	\$2,023,919,592	\$576,442,493	\$22,433,607	23,452.2
SB 14-001	157,876,365	100,162,480	0	57,713,885	0	0.0
SB 14-211	500,000	250,000	0	250,000	0	0.0
HB 14-1319	804,986	804,986	0	0	0	3.0
HB 14-1384	<u>1,000,000</u>	<u>1,000,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$3,442,742,629	\$761,983,052	\$2,023,919,592	\$634,406,378	\$22,433,607	23,455.2
Increase/(Decrease)	\$254,248,925	\$102,874,991	\$90,521,742	\$57,708,885	\$3,143,307	612.9
Percentage Change	8.0%	15.6%	4.7%	10.0%	16.3%	2.7%

¹ Includes General Fund and General Fund Exempt.

FY 2013-14 Appropriation - Mid-year Adjustments

House Bill 14-1336 adjusted FY 2013-14 tuition and fee cash fund amounts shown for informational purposes to reflect updated projections. It reduced the FY 2013-14 General Fund appropriation for College Opportunity Fund (COF) stipends by \$10,210,587 and increased the General Fund appropriation for COF fee-for-service contracts by the same amount based on updated enrollment data. It also adjusted General Fund exempt amounts. House Bill 14-1319 increased FY 2013-14 appropriations to cover the initial administrative costs for developing a new higher education funding model.

FY 2014-15 Appropriation Highlights

Tuition and fee revenue: The appropriation adjusts the estimated tuition and fee revenue for the governing boards. Tuition and fees are shown for informational purposes. The FY 2013-14 tuition revenue estimates are based on an assumed increase of up to 6.0 percent for resident students and a 6.0 percent increase for non-resident students, based on information available in February 2014.

Reflect federal GEAR-UP: The appropriation places fully “on-budget”, for informational purposes, the federally-funded GEAR-UP program. The majority of the \$5.0 million grant, including associated FTE, had previously been managed through the Governor’s Office, where it was off budget.

Increase AHEC spending authority: The appropriation increases spending authority for the Auraria Higher Education Center (AHEC) for moneys received for operating costs from the three institutions that share the AHEC campus: the University of Colorado at Denver, Metropolitan State University of Denver, and the Community College of Denver.

Annualize prior year actions: The appropriation includes the second-year impact of FY 2013 new legislation and budget actions, including the impact of S.B. 13-033 (In state classification at institutions of higher education), S.B. 13-1165 (Manufacturing career pathway), and several budget initiatives.

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; short-term disability;

supplemental state contributions to the Public Employees Retirement Association (PERA) pension fund; salary survey; merit pay; workers compensation; administrative law judges; payment to risk management and property funds; purchase of services from computer center; management and administration of OIT; information security technology; Colorado state network; and leased space. Centrally appropriated line items in this department support the operations of the Colorado Commission on Higher Education, Department of Higher Education central offices, and History Colorado but do not fund the higher education institutions.

Increase History Colorado public outreach: The appropriation includes an increase of \$544,964 cash funds for operation of the History Colorado Center and regional museums. The funds are from museum earned revenue to be used for business development and public outreach and for electric utility costs at regional museums.

Career and technical education programs: The appropriation includes an increase of reappropriated funds transferred from the Department of Education for secondary career and technical education programs. The reappropriated funds originate as General Fund or State Education Funds in the Department of Education and comply with Constitutional requirements for K-12 education funding increases.

Fort Lewis College Native American Tuition Waiver: The appropriation includes an increase of \$375,751 General Fund for the Fort Lewis College Native American tuition waiver. This increase is mandated by Section 23-52-105 (1) (b) (I), C.R.S., which requires the General Assembly to fund 100 percent of the tuition obligations for qualifying Native American students attending Fort Lewis College. Funding for the tuition waiver is made one year in arrears and is calculated based on the prior year enrollment estimates.

Higher education gaming revenue: The appropriation adjusts estimates of limited gaming funds received by some higher education institutions. These amounts are shown in the Long Bill for informational purposes as funding is based on Constitutionally-mandated distributions.

Colorado Geological Survey adjustment: The appropriation provides increases for the Colorado Geological Survey (CGS) based on estimated increases for personal services and projected grant-funding.

Dependent Tuition Assistance Program: The appropriation includes an increase of \$252,000 General Fund (60 percent) for the Dependent Tuition Assistance Program. Under this program, the State pays tuition and room and board costs for qualified dependents of deceased or permanently disabled national guardsmen, law enforcement officers, or firefighters. The adjustment reflects a projected increase in the number of eligible students and per-student costs. In FY 2012-13, the program served 52.5 students at an average cost of \$9,328 per student.

IT common policy adjustments: The appropriation includes adjustments to the payments made to the Governor's Office of Information Technology for the provision of information technology services.

Adjust stipends at private institutions: The Long Bill appropriation includes an adjustment for Pell-eligible students at participating private institutions who are projected to qualify for a College Opportunity Fund stipend. A further increase is provided in S.B. 14-001. Total funding in both bills provides stipend funding for 1,339 students at private institutions a rate of \$1,125 per student.

Reflect projected FTE: The appropriation adjusts the number of higher education FTE reflected in the Long Bill for informational purposes, based on data provided by the public higher education institutions.

Indirect cost and fund source adjustments: The appropriation includes various fund source adjustments, including adjustments to indirect cost collections, resulting in a decrease of \$661,474 in the General Fund required for this department.

Stipend and fee-for-service adjustments: The Long Bill appropriation increases the appropriation for stipends for students attending public institutions by \$2,820,069 and decreases the appropriation for fee-for-service contracts with public institutions by the same amount to incorporate the projected enrollment of stipend-eligible students. Total funding in the Long Bill and S.B. 14-001 combined provides stipend funding for 130,925 student FTE at a rate of \$2,250 per SFTE and provides funding increases of at least 11.0 percent for each governing board. However, net funding increases in stipend and fee-for-service amounts are included in S.B. 14-001, rather than the Long Bill. For the total General Fund increase by governing board, see Factors Driving the Budget.

Mineral impact grant spending authority: The appropriation removes unused spending authority for Mineral Impact Grants received from the Department of Local Affairs.

History Colorado gaming revenue: The appropriation reduces spending authority for limited gaming funds deposited to the State Historical Fund pursuant to Constitutional allocations.

Colorado First Customized Job Training: The appropriation includes a reduction to eliminate one-time support available in FY 2013-14.

Occupational Education federal funds: The appropriation reduces amounts shown for informational purposes based on reductions in federal support.

Tobacco Settlement revenue adjustment: The appropriation includes a reduction based on the statutory allocation of revenue anticipated to be available from the Tobacco Master Settlement Agreement.

New Mexico funding for Cumbres and Toltec Scenic Railroad: The appropriation reflects a reduction in the New Mexico contribution for the Cumbres and Toltec Scenic Railroad, based on appropriations adopted during the New Mexico legislative session.

Annualize H.B. 14-1319 prior year funds: The appropriation eliminates one-time FY 2013-14 appropriations.

Additional legislation: For additional information, see the “Recent Legislation” section at the end of Part III of this department.

DEPARTMENT OF HUMAN SERVICES

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

Department Budget: Recent Appropriations

Funding Source	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
General Fund	\$619,593,123	\$645,580,781	\$719,197,941	\$782,001,699
Cash Funds	329,545,321	340,677,547	358,243,248	347,236,592
Reappropriated Funds	455,037,280	485,925,073	497,587,819	144,373,402
Federal Funds	<u>649,001,182</u>	<u>615,983,428</u>	<u>612,167,352</u>	<u>627,661,954</u>
Total Funds	\$2,053,176,906	\$2,088,166,829	\$2,187,196,360	\$1,901,273,647
Full Time Equiv. Staff	4,849.6	4,872.8	4,879.0	4,906.1

General Factors Driving the Budget

Funding for this department consists of 41.1 percent General Fund, 18.3 percent cash funds, 7.6 percent reappropriated funds, and 33.0 percent federal funds. Some of the major factors driving the Department's budget are discussed below.

Employee Salaries and Benefits

Consistent with statewide policy, the Department of Human Services receives appropriations for staff salaries, health, life, and dental benefits, and the Public Employees' Retirement Association (PERA) pension fund. Funding for staff salaries and benefits is particularly significant for the Department of Human Services, due to the large number of employees. Many of these employees work in 24-hour institutional facilities such as the mental health institutes, regional centers for people with developmental disabilities, and youth corrections facilities.

Employee salaries and benefits typically drive major annual funding increases, although this growth has been limited in recent years by statewide revenue restrictions.

Summary of Centrally Appropriated Personal Services Increases for the Department of Human Services					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds*	Federal Funds
FY 2013-14 Appropriation					
Health, Life, and Dental	\$29,147,559	\$17,669,591	\$609,233	\$6,940,436	\$3,928,299
Short-term Disability	417,329	259,563	9,412	85,167	63,187
AED	7,726,678	4,724,604	179,431	1,622,310	1,200,333
SAED	6,960,305	4,250,101	161,986	1,464,585	1,083,633
Salary Survey	5,950,587	3,521,881	158,634	1,330,200	939,872
Merit Pay	3,339,994	1,945,332	83,797	753,376	557,489
Shift Differential	<u>4,566,588</u>	<u>3,010,588</u>	<u>0</u>	<u>1,556,000</u>	<u>0</u>
FY 2013-14 Total	\$58,109,040	\$35,381,660	\$1,202,493	\$13,752,074	\$7,772,813
FY 2014-15 Appropriation					
Health, Life, and Dental	\$29,616,816	\$16,454,712	\$656,675	\$8,651,612	\$3,853,817
Short-term Disability	479,976	306,198	9749	91,502	72,527
AED	8,963,349	5,721,235	178,449	1,735,859	1,327,806
SAED	8,403,140	5,365,658	167,296	1,627,368	1,244,818
Salary Survey	5,906,568	3,771,885	120,276	1,126,556	887,851
Merit Pay	2,315,460	1,457,382	41,289	443,366	373,423
Shift Differential	<u>5,115,275</u>	<u>3,366,252</u>	<u>8,486</u>	<u>1,728,870</u>	<u>11,667</u>
FY 2014-15 Total	\$60,800,584	\$36,443,322	\$1,182,220	\$15,405,133	\$7,771,909
Change	\$2,691,544	\$1,061,662	(\$20,273)	\$1,653,059	(\$904)

*The majority of reappropriated funds increases is an increase of Medicaid reappropriated funds which originate in the Department of Health Care Policy and Financing as a mix of General Fund and federal Medicaid funds.

AED = S.B. 04-257 Amortization Equalization Disbursement

SAED = S.B. 06-235 Supplemental Amortization Equalization Disbursement

Community Provider Rates

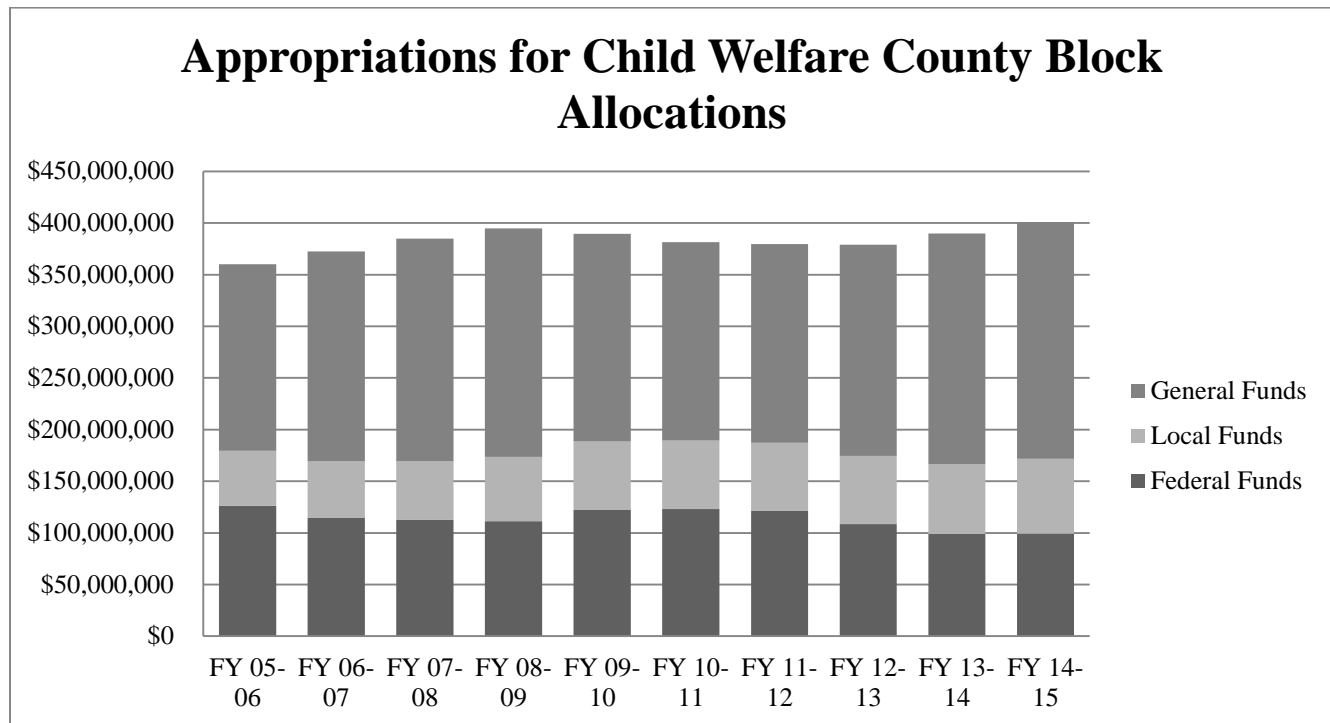
The Department contracts with community providers to provide services to eligible clients. To ensure that community provider arrangements are viable over the long term, the General Assembly has generally awarded annual inflationary increases, also known as cost of living adjustments (COLAs) for community provider programs. The following Department programs have typically received COLAs: County Administration, Child Welfare, Child Care, Mental Health Community Programs, Developmental Disability Services, Vocational Rehabilitation, and community programs in Youth Corrections. For FY 2014-15 the General Assembly approved a 2.5 percent provider rate increase. The following table summarizes the provider rate increases by Division for FY 2014-15.

Summary of Community Provider Rate Increases by Division					
Division	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	Total Funds
Executive Director's Office	\$11,559	\$0	\$8,791	\$0	\$20,350
County Administration	430,608	256,508	0	595,423	1,282,539
Division of Child Welfare	7,432,177	1,949,177	364,478	0	9,745,832
Office of Early Childhood	895,855	233,008	686,414	1,345,347	3,160,624
Behavioral Health Services	2,190,033	16,453	38,693	0	2,245,179
People with Disabilities	54,600	0	0	0	54,600
Division of Youth Corrections	1,252,245	0	36,891	37,431	1,326,567
Total	\$12,267,077	\$2,455,146	\$1,135,267	\$1,978,201	\$17,835,691

Child Welfare Services

County departments of social services receive and respond to reports of potential child abuse or neglect under the supervision of the Department. Appropriations for child welfare programs for FY 2014-15 total \$448.1 million and consist of 55.0 percent General Fund, 22.2 percent federal funds, and 19.5 percent county funds and various cash fund sources. The majority of funds appropriated for child welfare (over 89.5 percent) are made available to county departments as "block allocations" for the provision of child welfare services.

The chart below provides the history of appropriations for county block allocations (appropriations for Child Welfare Services and Family and Children's Programs line items) by fund source.



Counties are required to cover 20 percent of most child welfare costs, and this share is included in county child welfare allocations. In addition, if counties spend more than the capped allocations, they are responsible for covering any shortfall with other funds, which may include federal Temporary Assistance for Needy Families (TANF) block grant funds or county tax revenue.

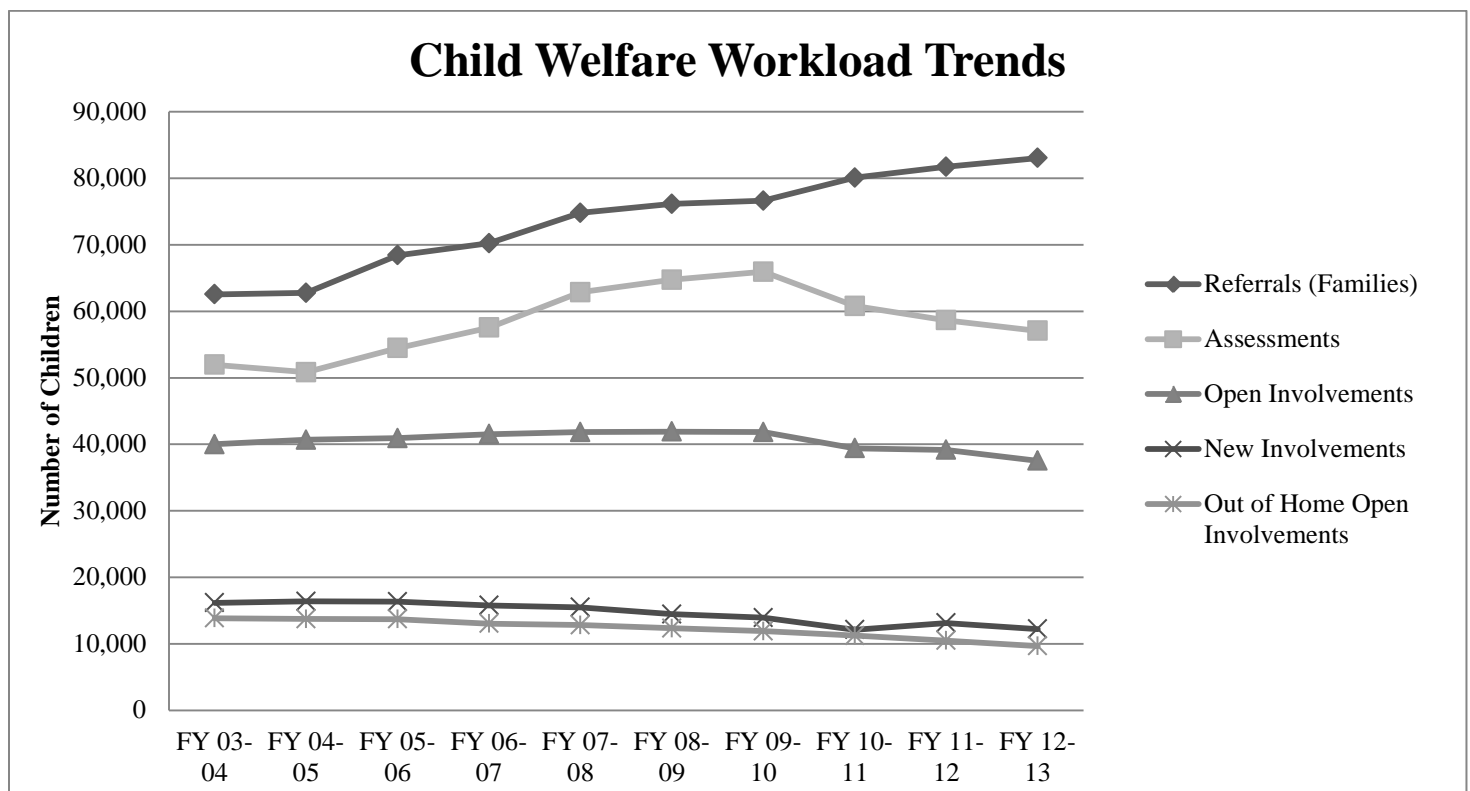
Counties have been able to decrease spending for child welfare services because they have considerable control over their child welfare expenditures. Over the last several years, counties have made significant changes in how they respond to allegations of abuse and neglect and the kinds of services they offer, based on funding constraints and on changes in what is considered to be best practice.

At the county level, expenditures for child welfare services are driven by:

- the number of reports of abuse or neglect received;
- the number of reports that the county determines require further investigation (assessments);
- the number of children requiring child welfare services (open involvements);
- the number of children with open child welfare cases who receive residential services versus alternative services; and
- the costs of the various services provided.

Among these drivers, certain elements are largely beyond county control, such as the number of reports of abuse or neglect, the number of reports that require a child welfare case to be opened based on the severity of an incident and risk to a child, and judicial decisions regarding client placements. Other drivers are within county control, such as the types of services offered and the rates paid for services.

The trends in county child welfare workload are reflected in the chart below.



As shown in the chart, referrals have continued to increase sharply, but the number of open child welfare cases, new child welfare involvements, out-of-home placements, and (as of FY 2010-11) the number of child welfare assessments (investigations) have all declined. The percentage of reports of abuse or neglect that result in county intervention through the child welfare system has declined substantially.

Title IV-E of the federal Social Security Act entitles states to claim a partial reimbursement for the cost of providing foster care, adoption assistance, and kinship guardianship assistance to children who meet federal eligibility criteria. This program provides funds for case management activities, training, data collection, and other program administration costs, in addition to support for monthly payments on behalf of qualifying children. Though increased emphasis is being placed on avoiding out-of-home placements, serving children and families in the home, and reunifying families if this can be done safely, Title IV-E does not provide reimbursement for services provided in order to keep a child in the family home. As a result of a decline in the number of out-of-home placements across the state and other factors, Colorado's Title IV-E revenue has been declining since FY 2006-07. The Department projected that Title IV-E revenue would continue to fall at the rate of 5.0 to 10.0 percent per year due to anticipated ongoing reductions in the use of congregate care placements.

For the first time since 2006, Title IV-E waivers were authorized under the 2011 Child and Family Services Improvement and Innovation Act. Colorado was awarded one of ten waivers from federal Title IV-E spending requirements for fiscal years 2013-14 through 2017-18. This waiver will provide Colorado with a guaranteed stream of capped federal Title IV-E funds for five years for major portions of its Title IV-E revenue stream: foster care maintenance (room and board) and administrative costs for case planning, management, and eligibility-determination. A portion of the revenue stream, related to adoption assistance, training, some other administration costs, and computer systems is excluded and will continue to be reimbursed based on expenditures and federal reimbursement formulas.

Forty-one Colorado counties were awarded a total of \$6.7 million in July 2013 to implement three interventions, including family engagement, permanency roundtables, and kinship supports. The total amount of the award is \$489,140,110 and will be distributed through scheduled quarterly draws beginning July 1, 2013 and continuing through April 1, 2018 for both foster care demonstration maintenance and demonstration administration. To date, the Department has received the full amount for the first and second quarters, totaling \$48.5 million.

Services for People with Developmental Disabilities

Transfer of Community-based Services for Individuals with Intellectual and Developmental Disabilities

House Bill 13-1314 transferred, effective March 1, 2014, funding and administration for community-based services for individuals with intellectual and developmental disabilities (IDD) from the Department of Human Services (DHS) to the Department of Health Care Policy and Financing. The following table summarizes the net FY 2014-15 impacts to the Department's budget. Note the reduction in the Department is offset by an equal increase to the Department of Health Care Policy and Financing. There is a net statewide reduction of reappropriated funds.

Department of Human Services Reductions Related to the Transfer of the Programs for Individuals with IDD							
Division	Reductions	Total Funds	GF	CF	RF*		FTE
					MGF	MFF	
Executive Director's Office	Centrally appropriated line items, and accounting FTE.	(\$462,697)	(\$35,942)	0	(\$213,378)	(\$213,377)	(0.2)
Office of Administrative Solutions	Administrative FTE and vehicle lease payments.	(17,598)	(17,026)	0	(286)	(286)	(0.3)
Community Services for People with Developmental Disabilities	IDD waivers, program administration, family support services, and eligibility determination.	(440,004,220)	(16,758,941)	(30,802,357)	(196,221,461)	(196,221,461)	(34.0)
Total Reduction to DHS		(\$440,484,515)	(\$16,811,909)	(\$30,802,357)	(\$196,435,125)	(\$196,435,124)	(34.5)

*MGF is Medicaid General Fund and originates in HCPF as General Fund, and MFF is Medicaid federal funds which originate in HCPF as federal funds.

Early Intervention Services

Early Intervention Services (EI services) are provided to infants and toddlers, up to age two, with one of the following three conditions:

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

Funding for EI services for FY 2014-15 consists of 45.7 percent General Fund (\$20,403,665), 24.5 percent cash funds from local funds and the Early Intervention Services Trust Fund (\$10,895,900), 11.8 percent Medicaid reappropriated funds (\$5,268,899), and 18.0 percent federal funds (\$8,041,400). As a condition of receiving federal funds, the State is required to provide EI services to all eligible infants and toddlers whose families seek services. The table below provides a breakdown by funding source of appropriations made to the Early Intervention Services and Early Intervention Services Case Management line items in FY 2013-14 and FY 2014-15.

Early Intervention Services and Case Management Annual Appropriation				
Fund Source	FY 2013-14		FY 2014-15	
	Early Intervention Services	Early Intervention Services Case Management	Early Intervention Services	Early Intervention Services Case Management
General Fund	\$17,177,707	\$2,733,049	\$17,558,592	\$2,845,073
Cash Funds	10,895,900	0	10,895,900	0
Medicaid Funds	0	4,582,485	0	5,268,899
Federal Funds	8,041,400	0	8,041,400	0
Subtotal	\$36,115,007	\$7,315,534	\$36,495,892	\$8,113,972
Total Funding	\$43,430,541		\$44,609,864	

Behavioral Health Services

The Department's Office of Behavioral Health administers funding for community-based mental health and substance use-related services (referred to as "behavioral health" services) for indigent individuals who are not eligible for Medicaid. The Department also operates two mental health institutes, which provide inpatient hospitalization for individuals with mental illness.

Community-based Programs and Services

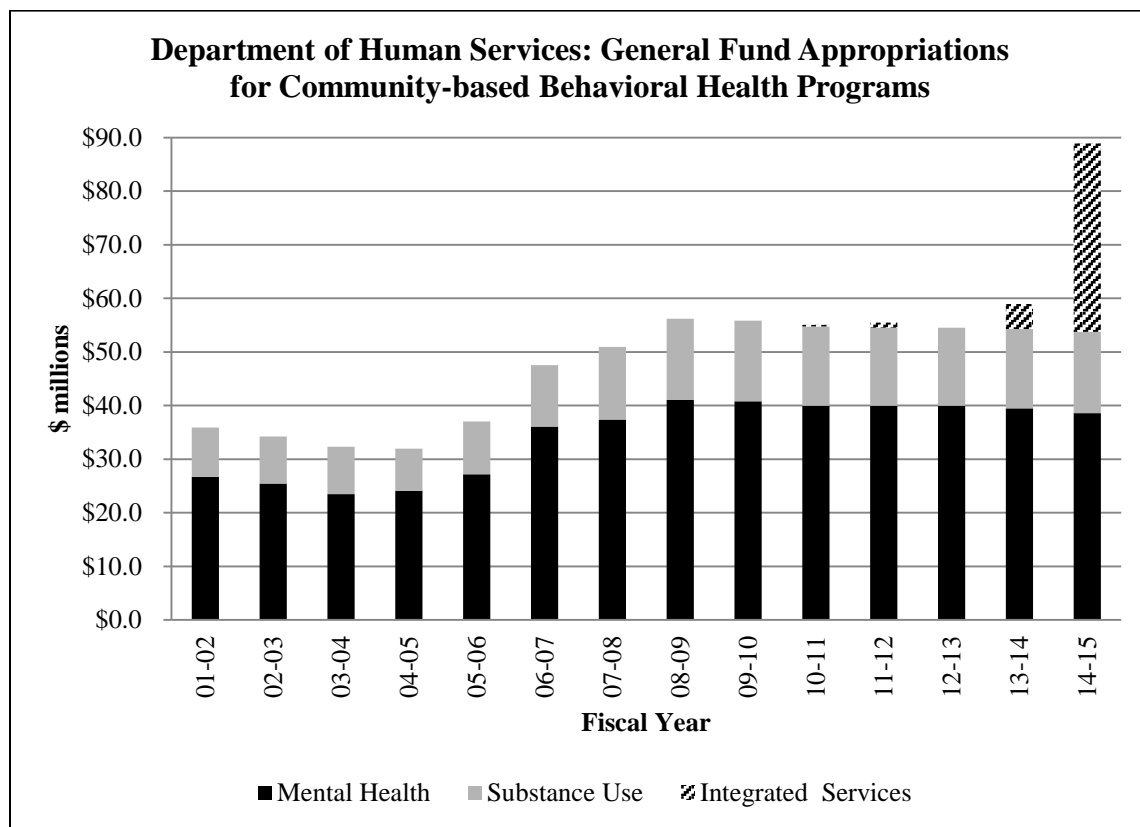
The Office contracts with 17 community mental health centers (CMHCs) across the state to provide mental health services to low income individuals who are not eligible for Medicaid and do not receive mental health care from any other source. Each CMHC is responsible for providing a set of core services, ranging from public education to inpatient services. Each CMHC has access to a certain number of inpatient beds at one of the mental health institutes, and is responsible for managing admissions to the allotted beds for adults within their service area. The Office also contracts with four managed service organizations (MSOs) for the provision of substance use disorder treatment and detoxification services to low income individuals who are not eligible for Medicaid. MSOs subcontract with local treatment providers with locations around the state to deliver these services. In addition, since FY 2010-11, the Department has administered funding for programs that integrate mental health and substance use-related services. While the majority of community-based behavioral health funding is allocated to CMHCs and MSOs, the Department does contract with other organizations to provide certain types of treatment services or services targeting specific populations.

Unlike the Medicaid program, these behavioral health services are not an entitlement. Thus, the number of individuals receiving services and the level of service provided is largely driven by the level of General Fund support available each year. The General Assembly periodically adjusts funding for CMHCs, MSOs, and other community providers to account for inflationary changes and to ensure that programs are viable over the long-term. The rate changes are generally consistent with the common policy adopted by the Joint Budget Committee for a variety of community providers (as discussed above). The following table lists the rate changes for community provider programs administered by the Office from FY 2006-07 through FY 2014-15.

Changes in Community Provider Rates									
	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15
Rate Change	3.25%	1.50%	1.50%	0.00%	-2.00%	0.00%	0.00%	2.00%	2.50%

In addition, the General Assembly periodically makes other adjustments to funding for behavioral health services based on available revenues. The General Assembly also appropriates additional funds for the provision of specific treatment services or services targeting specific populations (*e.g.*, alternative placements for people who would otherwise require hospitalization at a state mental health institute, school-based behavioral health services for children, and services for juvenile and adult offenders).

The following chart depicts General Fund appropriations for community-based behavioral health services from FY 2001-02 through FY 2014-15. The significant increases provided for FY 2013-14 and FY 2014-15 primarily relate to the creation of a statewide behavioral health crisis response system and an effort to expand CMHCs' capacity to deliver emergency behavioral health stabilization services to individuals who are voluntarily or involuntarily committed to the State's behavioral health treatment system.

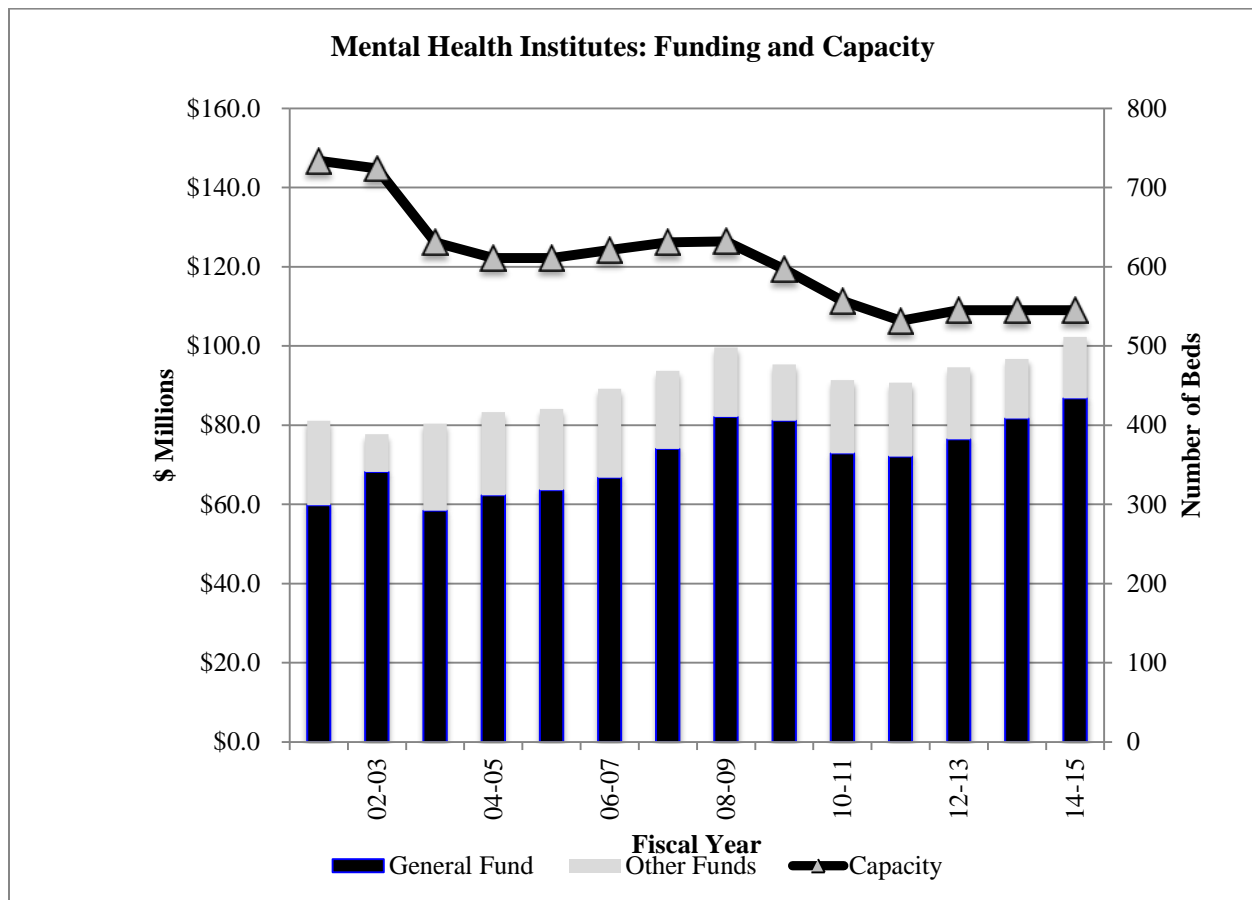


In addition to General Fund appropriations (\$88.9 million for FY 2014-15), the Office administers funds from the federal Mental Health Services Block Grant, the federal Substance Abuse Prevention and Treatment Block Grant, moneys transferred from the Department of Health Care Policy and Financing, moneys transferred from the Judicial Branch, marijuana tax revenues, and tobacco settlement moneys that are credited to the Offender Mental Health Services Fund. These other fund sources are anticipated to provide an additional \$48.2 million to support community-based behavioral health services in FY 2014-15.

Mental Health Institutes

The Department administers and operates two mental health institutes that provide inpatient hospitalization for up to 545 individuals with a serious mental illness; one institute is located in Pueblo and the other is located on the Fort Logan campus in southwest Denver. The institutes serve three populations: (1) individuals with pending criminal charges who require evaluations of competency to stand trial and services to restore competency; (2) individuals who have been found not guilty by reason of insanity; and (3) adults and adolescents who are referred for admission by community mental health centers, county departments of social services, or the Division of Youth Corrections.

The institutes are primarily supported by General Fund appropriations. Other sources of revenue include: patient revenues (including federal Medicare funds and federal Medicaid funds transferred from the Department of Health Care Policy and Financing), and funds transferred from the Department of Corrections (DOC) for food services provided to DOC facilities located on the Pueblo campus. Funding for the institutes is affected by capacity, personnel costs, and operational costs (including medication expenses and the cost of purchasing medical services from local hospitals and medical providers). The graph below depicts changes in the institutes' bed capacity since FY 2001-02, along with associated funding.



As depicted in the above chart, the total capacity of the institutes has declined by 189 beds (34.7 percent) since FY 2001-02. Most recently, the General Assembly approved the closure of the children's, adolescent, and geriatric treatment divisions at Fort Logan (in FY 2009-10) and the closure of the therapeutic residential childcare facility treatment division at Fort Logan (in FY 2011-12). These closures resulted in an ongoing savings of approximately \$4.3 million General Fund.

Division of Youth Corrections

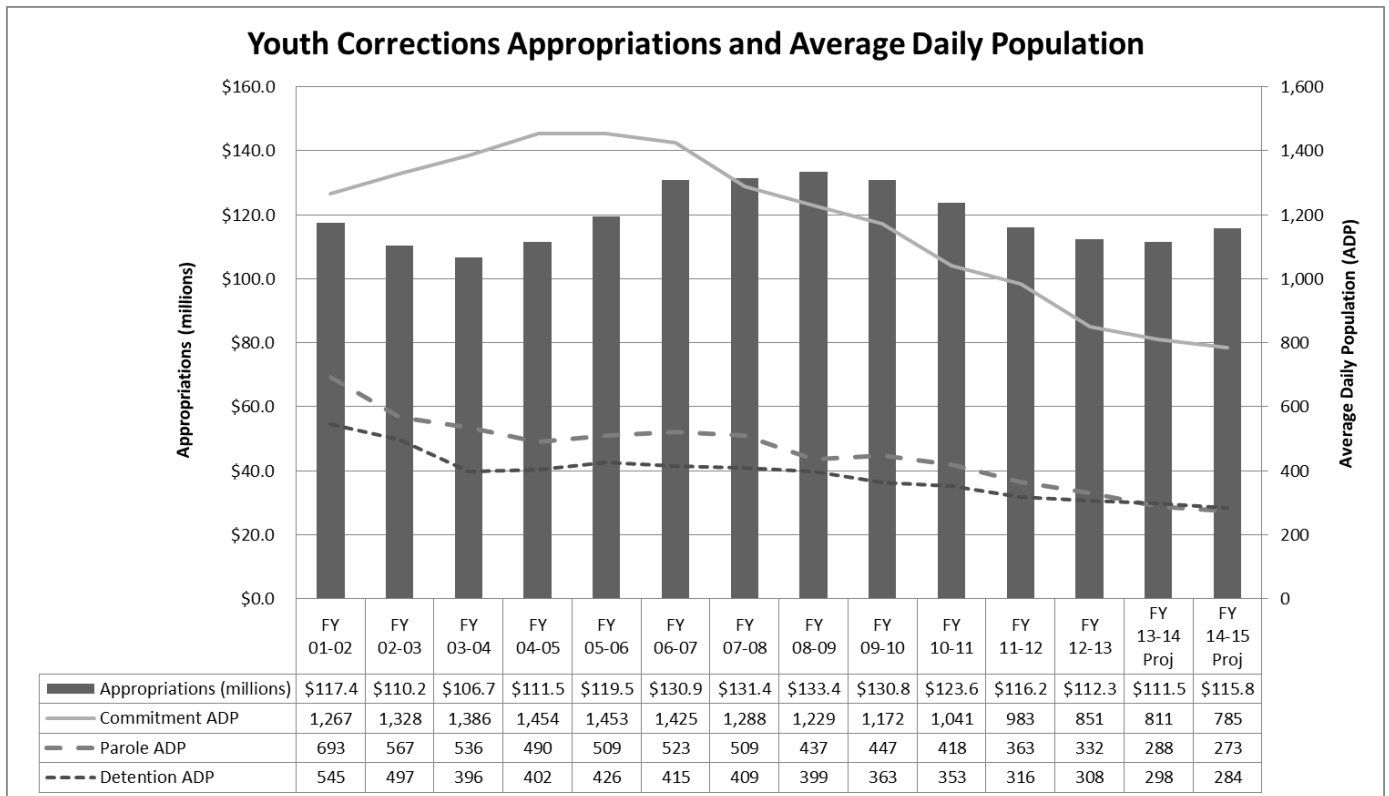
The Division of Youth Corrections provides for the housing of juveniles who are detained while awaiting adjudication (similar to adult jail), or committed for a period of time as a result of a juvenile delinquent adjudication (similar to adult prison). The Division also supervises juveniles during a mandatory parole period following all commitment sentences. The vast majority of the appropriation is from the General Fund. The size of the population of detained, committed and paroled juveniles significantly affects funding requirements. For FY 2013-14, the General Assembly decreased funding to (1) reflect a reduction in the number of youth placed in private contract commitment and detention beds due to lower caseloads, (2) to close five pods (living units) at Division of Youth Corrections facilities, and (3) to consolidate three Front Range juvenile assessment programs for newly committed youth into a single assessment program. All of these decreases were due to the reduced size of the population. However, funding increases and declines have not always aligned with population changes.

- From FY 2000-01 through FY 2003-04, appropriations declined, despite increases in the population of committed youth, in response to state revenue constraints. Parole services and funding for alternatives to secure detention were cut due to a statewide revenue shortfall. For detained (as opposed to committed)

youth, S.B. 03-286 capped the youth detention population at 479, limiting any further funding increases associated with growth in the detention population.

- From FY 2006-07 through FY 2009-10, appropriations remained relatively flat, despite sharp declines in the population of committed youth, based on the redirection of funds within the Division's budget. During this period, savings derived from a reduction in the commitment population were in part used to increase services for youth transitioning to parole, and funding was provided for other program enhancements.
- Beginning in mid-FY 2010-11 and continuing in FY 2011-12, reductions were taken in response to the sharp declines in the population of committed and detained youth, as well as in response to statewide revenue constraints. Division funding was more closely aligned with the youth population, and cuts were taken in parole program services and in funding for alternatives to secure placements. In addition, pursuant to S.B. 11-217, the detention cap was lowered to 422, based on lower arrest rates and a reduction in the number of youth in secure detention.
- For FY 2012-13, the funding was increased to eliminate overcrowding in state facilities and to address some staffing coverage issues, although the population served is projected to continue to decline.
- For FY 2014-15, the General Assembly increased funding for S.B. 91-94 programming by \$2.0 million from the Marijuana Tax Cash Fund.

The following table summarizes appropriations for the Division and the average daily population of youth in commitment, parole, or detention.



Assistance for Low-income Families and Disabled and Elderly Adults

A wide variety of programs to support low-income families and elderly and disabled adults are included in the budget for the Department of Human Services. This includes programs located in the County Administration, Self Sufficiency, Child Care, and Adult Assistance budget sections. Most of these programs are administered at the county level, under the supervision of the Department. The largest share of funding for these programs is from federal sources, including funding shown in the state budget for informational purposes and federal funds that are appropriated by the state General Assembly, pursuant to federal law. The budget also includes some state-funded programs for low-income populations. The sections below describe the budget and caseload trends for some of the most significant programs from a state budget perspective.

Colorado Works and the Temporary Assistance to Needy Families Block Grant

The Colorado Works Program implements the federal Temporary Assistance for Needy Families (TANF) block grant program created in the 1996 welfare reform law (P.L. 104-193). The program provides financial and other assistance to families to enable children to be cared for in their own homes and to assist needy parents in achieving self-sufficiency. Per the 1996 federal law, the State receives a fixed amount of \$136.1 million per year in TANF block grant funds. The majority of the TANF funds received each year (\$128.2 million for FY 2013-14) are appropriated as block allocations to counties for the Colorado Works program. Federal TANF funds are also used by the State and counties to support related programs that assist needy families, including child welfare and child care subsidy programs.

The yearly, fixed amount of TANF block grant funds are not the only TANF moneys received by the State over the past few fiscal years. Colorado was one of 17 states that received funding in addition to its fixed amount in the form of supplemental grants provided to states that meet the criterion of high population growth and/or low historic grants per poor person. However, no federal funding was made available for supplemental grants in recent years, as the moneys were not reauthorized by Congress. As a result, Colorado's federal allocation in addition to the fixed amount of \$136.1 million per year was cut by \$13.6 million in FY 2012-13 and FY 2013-14. Additionally, pursuant to the American Recovery and Reinvestment Act of 2009 (ARRA), Colorado was able to access \$68.0 million in supplemental TANF funds in FY 2008-09 and FY 2009-10 through a combination of the TANF Emergency Fund created through ARRA and the Contingency Fund created in 1996. These enhanced funds, too, were discontinued, although the State does continue to receive moneys from the Contingency Fund at a much lesser level than peak recession fiscal years.

Although federal and State funding available for the Colorado Works program has been flat or declined, the demand for Colorado Works basic cash assistance climbed sharply starting in FY 2008-09 due to the effects of the recession. From FY 2008-09 through FY 2010-11, counties increased spending for the Colorado Works program in response to the increased demand, relying on county-controlled TANF reserves to support higher spending levels. In FY 2011-12, county expenditures fell in response to reduced federal funding. Finally, as State-controlled TANF reserves have been spent down, the General Assembly has refinanced TANF appropriations for child welfare services with General Fund. By FY 2012-13, only \$3.0 million of the Child Welfare appropriation was comprised of TANF funds, and these remaining funds were replaced by General Fund starting in FY 2013-14.

Child Care Assistance Program

The Colorado Child Care Assistance Program (CCCAP) provides subsidized child care for low income families and those transitioning from the Colorado Works program, subject to available appropriations. The majority of appropriations are comprised of federal Child Care Development block grant funds, which are subject to appropriation by the General Assembly under federal law. Funding for CCCAP is allocated to counties, which are responsible for administering the program. In addition to appropriated amounts, counties may transfer a

portion of their TANF block grant funding to support child care programs. Such transfers are not reflected in the appropriation, but are a driver of overall program expenditures.

During the 2014 Session, the General Assembly modified the CCCAP through the passage of S.B. 14-003 and H.B. 14-1317. Senate Bill 14-003 created a grant program to provide funding to counties participating in the existing Cliff Effect Pilot Program, and increased the appropriation to the CCCAP line item by \$2,469,453 total funds, including \$1,269,453 General Fund, and 1.0 FTE FY 2014-15. House Bill 14-1317 aligns eligibility, addresses affordability, improves provider reimbursement rates, and increases access to quality child care in the CCCAP, and increased the appropriation to the CCCAP line item in FY 2014-15 by \$9,922,744 total funds, including \$8,578,187 General Fund.

Old Age Pension Program

The Old Age Pension (OAP) Program, authorized by the State Constitution, provides cash assistance to low-income individuals ages 60 and over. It is funded through excise and State sales taxes which are deposited to the OAP cash fund in lieu of the General Fund. Costs for this program are driven by the size of the benefit and the number of qualified individuals. The General Assembly has limited control over OAP expenditures, as benefit levels are set by the State Board of Human Services, and the funds are continuously appropriated by the State Constitution. The Long Bill appropriation reflects anticipated expenditures and is shown for informational purposes.

Increases in expenditures through FY 2008-09 were driven primarily by cost-of-living (COLA) increases approved by the State Board of Human Services, while the caseload remained flat or declined between 24,000 and 23,000. Between January 2009 and June 2012, no cost-of-living increases were approved. Additionally, expenditures were significantly reduced starting in FY 2010-11 by S.B. 10-1384, which imposed a five year waiting period for most new legal immigrants to become eligible for OAP benefits. Pursuant to H.B. 12-1326, the General Assembly encouraged the State Board of Human Services to provide a COLA increase of 3.7 percent. The Board approved this adjustment effective July 1, 2012, driving an increase of \$6.7 million for FY 2012-13. In December 2012, the Board approved an additional 1.7 percent COLA for the program, effective January 1, 2013, driving an increase of \$1.8 million for FY 2013-14. However, this increase was eclipsed by H.B. 10-1384, which drove a further reduction of \$7.4 million in FY 2013-14.

For FY 2013-14 and FY 2014-15, the legislature provided funding for a 3.0 percent COLA increase (\$1.3 million cash funds for FY 2013-14 and \$2.7 million cash funds for FY 2014-15).

Aid to the Needy Disabled and Home Care Allowance Programs

The Aid to the Needy Disabled (AND) and Home Care Allowance (HCA) programs provide cash assistance for low income individuals with disabilities. For some beneficiaries, these funds supplement federal Supplemental Security Income (SSI) payments. Other beneficiaries either do not qualify for federal SSI or have pending applications for federal SSI. Funding for these programs is comprised of General Fund, county matching funds, and federal reimbursements for payments to individuals who initially receive a State-only subsidy, but are ultimately deemed eligible for federal SSI.

In the last few years, the programs' appropriations have remained relatively flat, and benefits have been adjusted by the Department so that total expenditures remain within appropriated levels. However, some funding adjustments have been required to ensure that the State complies with a federal maintenance-of-effort (MOE) agreement with the Social Security Administration. The MOE applies to state spending for those individuals who receive federal SSI payments. Spending for the population that is not SSI-eligible has been reduced in the past (most notably in FY 2003-04) in response to state revenue shortfalls.

Community Services for the Elderly

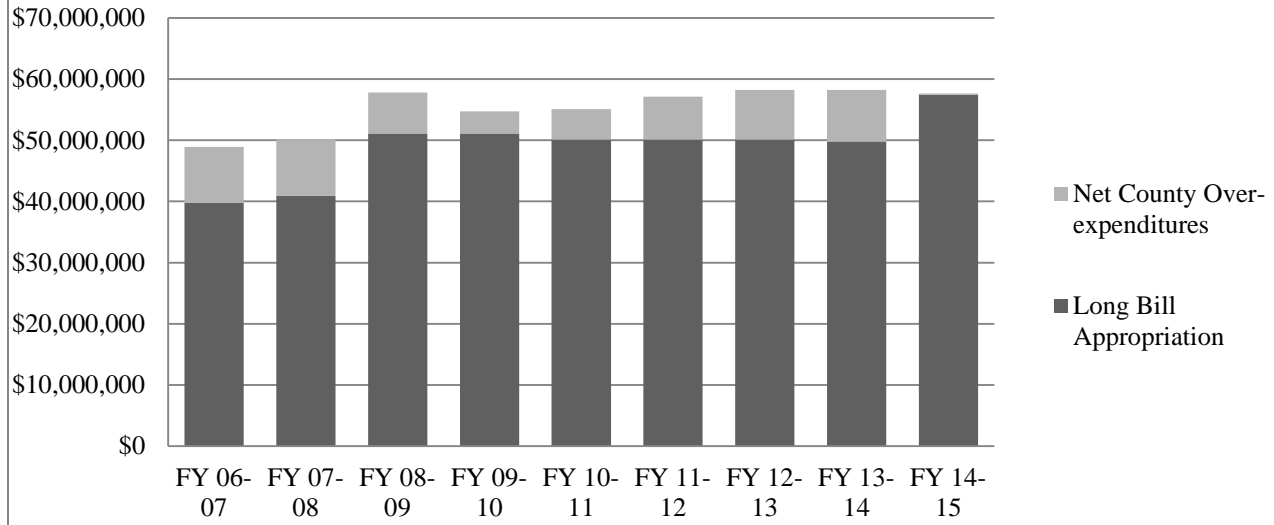
The State distributes State and federal funds to Area Agencies on Aging, which provide a variety of community services for the elderly such as transportation, congregate meals, "meals on wheels," and in-home support services. Funding levels are adjusted based on available federal and State funding. Funding from State sources increased significantly through FY 2008-09 and again in FY 2013-14 based on statutory changes to increase funding from the Older Coloradans Cash Fund, which originates as State sales and excise taxes. Additionally, the General Assembly provided an increase of \$4.5 million General Fund for FY 2014-15 to improve services for seniors and individuals who are blind or visually impaired.

County Administration

The majority of public welfare programs in Colorado are state-supervised and county administered. The County Administration Division includes funding for eligibility determination for the Supplemental Nutrition Assistance Program (food stamps) and some other benefits programs, as well as funding to assist some poorer counties in maintaining program operations. Funding provided by the State for county administration is capped, and county costs and caseload only affect appropriations to the extent the General Assembly chooses to make related adjustments. Many counties supplement state appropriations with county tax revenues.

Funding for the County Administration allocation has been an area of concern for counties due to the rapid growth in food assistance caseload that has occurred since FY 2006-07. In the past seven years, caseload has increased over 100.0 percent, from a monthly average of 250,700 individuals receiving benefits in FY 06-07, to a monthly average of 507,934 individuals receiving benefits in FY 2013-14. During that same period, total issued benefits to SNAP recipients have increased by 163.0 percent, from a monthly average of \$26.3 million to \$69.1 million. The impact of the caseload growth on counties that administer these benefits results in a consistent over-expenditure of the annual allocation by the majority of Colorado's counties. In FY 2012-13, 47 counties, including all of the big 10 counties, over-expended the county administration allocation and contributed a total of \$8.1 million in county-only funds to the administration of all programs included in the Department of Human Services County Administration line item. Consistent with the increase in caseload, this contribution represents a 113.0 percent increase in county over-expenditures since FY 06-07. The FY 2014-15 appropriation to the County Administration line item was increased by \$4.9 million total funds, including \$1.5 million General Fund. The majority of the appropriation, \$2.9 million total funds, is designated as ongoing funds allocated to counties for caseload growth. The remainder of the appropriation, \$2.0 million total funds, is specifically designated to address the backlog in redetermination cases.

Department of Human Services County Administration Line Item



Note: FY 14-15 calculations are based on estimated county expenditures.

Information Technology Systems

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

OITS' FY 2012-13 appropriation for CBMS-related expenditures totaled \$39.9 million total funds (including \$17.6 million General Fund), which equaled 54.9 percent of OITS' full FY 2012-13 appropriation of \$72.6 million. CBMS expenses are driven by standard operating costs, including contract services, personal services, postage, personal computers, hardware/software, network equipment, and printing supplies. OITS' budget has also been driven by phases one and two of the CBMS modernization project begun with the passage of H.B. 12-1339 (Becker/Lambert).

CBMS Modernization Project Appropriations to Human Services	
FY 2011-12	\$8,950,260
FY 2012-13	12,279,762
FY 2013-14	14,571,587
FY 2014-15	35,342,773
Total	\$71,144,382

CBMS is not the only system administered with moneys appropriated to OITS. The following tools support a variety of programs:

- Colorado TRAILS - a statewide system, operational since 2002, that supports activities in the Division of Child Welfare and the Division of Youth Corrections. It provides case management, financial tools, and other resources to users of the program.
- County Financial Management System (CFMS) - the system tracks expenditures by program, by funding source, by county, tracks and allocates administrative costs by program, and tracks expenditures that are estimated to count toward federal maintenance of effort requirements. The system manages over \$1.0 billion in payments annually.
- Child Care Automated Tracking System (CHATS) - a new information technology system for eligibility and payment for the Child Care Assistance Program. The program provides child care subsidies for low-income families, TANF families, and families transitioning from the Colorado Works program.

Appropriation Highlights – 2014 Legislative Session

Department of Human Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$2,163,229,846	\$696,785,662	\$338,613,036	\$517,852,655	\$609,978,493	4,861.3
SB 13-040	99,575	99,575	0	0	0	0.0
SB 13-047	31,100	24,334	0	0	6,766	0.0
SB 13-111	3,171,208	3,171,208	0	0	0	1.0
SB 13-127	0	(2,000,000)	2,000,000	0	0	0.0
SB 13-167	1,867,133	0	0	1,867,133	0	0.0
SB 13-173	70,000	0	0	70,000	0	0.0
SB 13-194	(118,272)	0	(118,272)	0	0	(1.5)
SB 13-200	(651,875)	(651,875)	0	0	0	0.0
SB 13-227	9,000	9,000	0	0	0	0.0
SB 13-255	63,755	63,755	0	0	0	1.0
SB 13-260	43,898	43,898	0	0	0	0.7
SB 13-266	19,792,028	19,792,028	0	0	0	0.9
HB 13-1004	2,400,000	2,400,000	0	0	0	2.0
HB 13-1117	19,904,563	1,453,849	17,602,514	0	848,200	7.5
HB 13-1180	803,330	0	803,330	0	0	0.0
HB 13-1239	133,284	133,284	0	0	0	1.0
HB 13-1241	0	(10,000)	0	10,000	0	0.0
HB 13-1271	529,800	529,800	0	0	0	0.0
HB 13-1291	3,000,000	3,000,000	0	0	0	1.0
SB 14-223	(4,281,893)	(4,281,893)	0	0	0	0.0
HB 14-1238	5,792,822	3,799,925	(657,360)	1,316,364	1,333,893	3.8
HB 14-1252	(23,564,580)	0	0	(23,564,580)	0	0.0

Department of Human Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 14-1336	(5,128,362)	(5,164,609)	0	36,247	0	0.3
TOTAL	\$2,187,196,360	\$719,197,941	\$358,243,248	\$497,587,819	\$612,167,352	4,879.0
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$2,187,196,360	\$719,197,941	\$358,243,248	\$497,587,819	\$612,167,352	4,879.0
CBMS modernization project, Phase II	20,890,838	9,349,319	687,706	7,502,338	3,351,475	0.0
Reverse supplemental	19,834,738	19,834,738	0	0	0	0.0
Community provider rate	17,835,691	12,267,077	2,455,146	1,135,267	1,978,201	0.0
Centrally appropriated line items	11,485,783	6,462,740	354,439	3,105,763	1,562,841	0.0
Annualize prior year budget actions	7,377,260	6,661,195	296,370	97,356	322,339	7.2
Title IV-E waiver demonstration	6,000,000	0	6,000,000	0	0	0.0
Hotline for Child Abuse and Neglect	5,972,259	5,641,150	276,112	0	54,997	5.6
Informational funds adjustment	5,734,803	0	3,485,200	0	2,249,603	38.2
IT common policy adjustments	4,010,268	1,768,510	43,262	59,859	2,138,637	0.0
Increase for senior services	4,000,000	4,000,000	0	0	0	0.0
Food assistance administration	2,857,677	857,303	571,535	0	1,428,839	0.0
Old Age Pension cost of living adjustment	2,680,800	0	2,680,800	0	0	0.0
Investing in early care providers	2,197,194	1,757,755	439,439	0	0	0.0
Food assistance redetermination	2,000,000	600,000	400,000	0	1,000,000	0.0
TANF funding	2,000,000	0	0	0	2,000,000	0.0
Public awareness campaign for child welfare	1,804,050	1,804,050	0	0	0	1.0
Outside medical expenses	1,598,792	1,598,792	0	0	0	0.0
Windows and Microsoft Office upgrade	1,350,909	1,350,909	0	0	0	0.0
Child care licensing staff	1,317,421	1,257,421	60,000	0	0	2.8
County tax base relief	1,181,953	1,181,953	0	0	0	0.0
General, career, and technical education improvements	827,089	827,089	0	0	0	0.0
Correctional Treatment Cash Fund	781,000	0	0	781,000	0	0.0
Independent Living Center increase	722,719	722,719	0	0	0	0.0
Office space repairs	593,067	593,067	0	0	0	0.0
Enhanced parole and transition services	562,275	562,275	0	0	0	0.0
Operating adjustments	533,509	30,746	6,605	480,547	15,611	0.2
Reduce cash fund balance	512,800	0	512,800	0	0	0.0
Increase for blind / visually impaired services	500,000	500,000	0	0	0	0.0
Mental health first aid	483,270	483,270	0	0	0	0.0
Psychiatrist base salary adjustment	448,580	448,580	0	0	0	0.0
Colorado Works evaluation improvement	400,440	0	0	0	400,440	0.0
Talent development and training	357,501	357,501	0	0	0	0.0
Electronic health record system	309,159	309,159	0	0	0	4.5

Department of Human Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Trauma-informed care	254,865	254,865	0	0	0	0.0
Replacement of critical assets	233,083	233,083	0	0	0	0.0
Health Information Management System improvements	229,129	229,129	0	0	0	0.0
Ombudsman funding increase	125,000	125,000	0	0	0	0.0
Early literacy book distribution partnership	100,000	100,000	0	0	0	0.0
Respite Services	100,000	100,000	0	0	0	0.0
Annualize HB 13-1314 IDD transfer	(402,021,548)	(16,811,909)	(30,802,357)	(354,407,282)	0	(34.5)
Annualize prior year legislation	(20,275,761)	(61,577)	(7,627,970)	(12,102,836)	(483,378)	(0.4)
Annualize H.B. 14-1238 (Supplemental Bill)	(14,333,897)	(10,126,037)	(1,434,071)	(1,061,932)	(1,711,857)	(0.6)
DYC caseload adjustment	(1,160,024)	(1,194,865)	0	149,256	(114,415)	0.0
Medical services	(233,545)	(233,545)	0	0	0	0.0
CMP reduction	(100,000)	0	(100,000)	0	0	0.0
Other	(254,846)	(13,956)	(11,880)	(229,010)	0	0.0
HB 14-1336	\$1,879,020,661	\$773,025,447	\$336,536,384	\$143,098,145	\$626,360,685	4,903.0
SB 14-003	2,469,453	1,269,453	0	1,200,000	0	1.0
SB 14-012	1,495,144	1,237,766	247,339	4,697	5,342	0.0
SB 14-014	4,092	976	131	1,397	1,588	0.0
SB 14-021	3,746	3,746	0	0	0	0.0
SB 14-129	38,250	0	38,250	0	0	0.0
SB 14-130	6,203	2,356	(22,130)	24,634	1,343	0.0
SB 14-215	7,600,000	0	7,600,000	0	0	0.0
HB 14-1015	395,270	395,270	0	0	0	1.0
HB 14-1298	68,084	68,084	0	0	0	1.1
HB 14-1317	9,922,744	8,578,187	7,032	44,529	1,292,996	0.0
HB 14-1338	250,000	250,000	0	0	0	0.0
HB 14-1368	<u>0</u>	<u>(2,829,586)</u>	<u>2,829,586</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$1,901,273,647	\$782,001,699	\$347,236,592	\$144,373,402	\$627,661,954	4,906.1
Increase/(Decrease)	(\$285,922,713)	\$62,803,758	(\$11,006,656)	(\$353,214,417)	\$15,494,602	27.1
Percentage Change	(13.1%)	8.7%	(3.1%)	(71.0%)	2.5%	0.6%

FY 2013-14 Appropriation - Mid-year Adjustments

Senate Bill 14-223 reduced the appropriation for the behavioral health services crisis response system by \$4,281,893 to pay for claims resulting from the Lower North Fork Fire. House Bill 14-1238 made midyear supplemental adjustments to the Department's appropriations. House Bill 14-1252 made reductions to the appropriations for the intellectual and developmental disabilities waivers. House Bill 14-1336 made additional adjustments to the funding for the crisis response system.

FY 2014-15 Appropriation Highlights

CBMS modernization project, Phase II: The appropriation includes an increase of \$20,890,838 total funds, including \$9,349,319 General Fund, for the second phase of the Colorado Benefits Management System (CBMS) modernization project. The appropriation provides funding for a variety of ongoing operating expenses and new projects tailored to assist counties, the Department of Human Services, and the Department of Health Care Policy and Financing in administering public assistance programs.

Reverse supplemental: The appropriation includes an increase of \$19,834,738 General Fund to reverse several mid-year FY 2013-14 funding changes to reflect anticipated under expenditures, primarily including \$18.4 million due to a delay in implementing a behavioral health crisis response system.

Community provider rate: The appropriation includes an increase of \$17,835,691 total funds, including \$12,267,077 General Fund, for the 2.5 percent community provider rate increase.

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; shift differential; workers' compensation; legal services; administrative law judges; and payment to risk management and property funds.

Annualize prior year budget actions: The appropriation includes a number of changes to the out year impact of funding decisions made through the FY 2013-14 Long Bill.

Title IV-E waiver demonstration: The appropriation includes an increase of \$6,000,000 cash funds for the implementation of the Title IV-E Waiver Demonstration Project.

Hotline for Child Abuse and Neglect: The appropriation includes an increase of \$5,972,259 total funds, including \$5,641,150 General Fund, and 5.6 FTE for the ongoing development and implementation of the child abuse and neglect hotline reporting system.

Informational funds adjustment: The appropriation includes an increase of cash funds and federal funds appropriated to the State Veterans Nursing Homes total funds reflected in the Long Bill for informational purposes only.

IT common policy adjustments: The appropriation includes adjustments to the payments made to the Governor's Office of Information Technology for the provision of information technology services.

Increase for senior services: The appropriation includes an increase of \$4,000,000 General Fund for senior services delivered by the state's area agencies on aging.

Food assistance administration: The appropriation includes an increase of \$2,857,677 million total funds, including \$857,303 General Fund, to cover administrative costs associated with food assistance caseload growth.

Old Age Pension cost of living adjustment: The appropriation includes an increase of \$2,680,800 from the Old Age Pension cash fund to provide a 3.0 percent cost of living adjustment.

Investing in early care providers: The appropriation includes an increase of \$2,197,194 total funds, including \$1,757,755 General Fund, for grants and technical assistance to providers to improve the quality of child care.

Food assistance redetermination: The appropriation includes an increase of \$2,000,000 total funds, including \$600,000 General Fund, in FY 2014-15, to eliminate the backlog in food assistance redetermination.

TANF funding: The appropriation includes \$2,000,000 federal funds for the Temporary Assistance to Needy Families (TANF) program.

Public awareness campaign for child welfare: The appropriation includes an increase of \$1,804,050 General Fund and 1.0 FTE for the implementation of the public awareness campaign for child welfare.

Outside medical expenses: The appropriation includes an increase of \$1,598,792 General Fund to cover the costs of outside medical care for patients at the institutes.

Windows and Microsoft Office upgrade: The appropriation includes an increase of \$1,350,909 General Fund to upgrade the Department's computer operating systems and the Department's licenses of Microsoft Office.

Child care licensing staff: The appropriation includes an increase of \$1,317,421 total funds, including \$1,257,421 General Fund, and 2.8 FTE for increased child care licensing specialists to improve child care safety.

County tax base relief: The appropriation includes an increase of \$1,181,953 General Fund to fully fund county tax base relief for Tier I, II, and III counties.

General, career, and technical education improvements: The appropriation includes an increase of \$827,089 General Fund to improve educational infrastructure to support general educational needs, and to allow for new career and technical education offerings.

Correctional Treatment Cash Fund: The appropriation includes an increase of \$781,000 reappropriated funds transferred from the Judicial Department from moneys in the Correctional Treatment Cash Fund for the provision of behavioral health services to offenders.

Independent Living Centers increase: The appropriation includes an increase of \$722,719 General Fund for Independent Living Centers.

Office space repairs: The appropriation includes an increase of \$593,067 General Fund to perform building renewal projects to preserve and update administrative spaces at the Colorado Mental Health Institute at Fort Logan.

Enhanced parole and transition services: The appropriation includes an increase of \$562,275 General Fund for the Division to provide a comprehensive array of intensive transition and parole services to improve youth outcomes and reduce recidivism. The funding increase also provides moneys to reduce the time youth are on escape or absconson status.

Operating adjustments: The appropriation includes: (1) an increase of \$519,602 total funds and 0.2 FTE to correspond to budget changes initiated by other agencies including an increase of \$440,073 reappropriated funds transferred from the Department of Corrections (DOC) and 0.2 FTE for the Colorado Mental Health

Institute at Pueblo to provide meals to DOC's facilities on the Pueblo campus, and (2) an increase of \$13,907 total funds, including \$5,147 General Fund, for mail, postage, and envelope expense.

Reduce cash fund balance: The appropriation includes an increase of \$512,800 cash funds to reduce excess balances in four substance use-related cash funds.

Increase for blind / visually impaired services: The appropriation includes an increase of \$500,000 General Fund for support services for individuals who are blind or visually impaired.

Mental health first aid: The appropriation includes an increase of \$483,270 General Fund to expand the availability of mental health first aid instructor and certification courses.

Psychiatrist base salary adjustment: The appropriation includes \$448,580 General Fund to increase salaries for the psychiatrists at the mental health institutes to fill vacant positions and improve retention.

Colorado Works evaluation improvement: The appropriation includes an increase of \$400,440 federal funds from the Temporary Assistance for Needy Families (TANF) block grant to improve research and evaluation capabilities for the Colorado Works program.

Talent development and training: The appropriation includes an increase of \$357,501 General Fund to increase training opportunities for Department staff.

Electronic health record system: The appropriation includes \$309,159 General Fund and 4.5 FTE for personal services and operating expenses to oversee, analyze, and support the design and implementation of an electronic health record system for the mental health institutes.

Trauma-informed care: The appropriation includes an increase of \$254,865 General Fund to implement trauma-informed care practices. Trauma-informed care aims to understand the impact of trauma on behavioral health, and learn how to effectively minimize its effects without causing additional trauma.

Replacement of critical assets: The appropriation includes an increase of \$233,083 General Fund to fund replacement and repairs of essential security and safety equipment throughout the Department's facilities.

Health Information Management System improvements: The appropriation includes an increase of \$229,129 General Fund for fiber optic infrastructure at the State's two mental health institutes and for increased maintenance costs associated with electronic health records at these facilities.

Ombudsman funding increase: The appropriation includes an increase of General Fund for the Child Protection Ombudsman.

Early literacy book distribution partnership: The appropriation includes an increase of \$100,000 General Fund to implement an evidence-based initiative designed to improve early literacy skills.

Respite services: The appropriation includes an increase of \$100,000 General Fund for respite services.

Annualize HB 13-1314 IDD transfer: The appropriation includes a reduction to reflect the transfer of the Division for Intellectual and Developmental Disabilities to the Department of Health Care Policy and Financing pursuant to H.B. 13-1314.

Annualize prior year legislation: The appropriation includes a reduction of \$20,275,761 total funds, including a reduction of \$61,577 General Fund, for the second year impact of legislation.

Annualize HB 14-1238 (Supplemental Bill): The appropriation includes a reduction of \$14,333,907 total funds, including a reduction of \$10,126,037 General Fund for the second year impact of FY 2013-14 supplemental adjustments.

DYC caseload adjustment: The appropriation includes a decrease of \$1,160,024 total funds, including \$1,194,865 General Fund, for the purchase of contract placements in accordance with the opening of an assessment unit at Mount View begun in FY 2013-14 and the caseload projections for FY 2014-15 produced by the Department of Public Safety's Division of Public Safety.

Medical services: The appropriation includes a reduction of \$233,545 General Fund (compared to the adjusted FY 2013-14 appropriation) for institute expenditures related to contract medical staff, contract medical services, catastrophic medical expenses, and related ancillary services.

CMP reduction: The appropriation includes a reduction of \$100,000 in cash fund spending authority for the Collaborative Management Program (CMP).

Other: The appropriation includes other minor adjustments.

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

JUDICIAL DEPARTMENT

The Judicial Department consists of the Supreme Court, the Court of Appeals, district courts, the Denver probate and juvenile courts, and all county courts except the Denver county court. The Judicial Department also supervises juvenile and adult offenders who are sentenced to probation, and it includes four independent agencies. The Office of the State Public Defender (OSPD) and the Office of Alternate Defense Counsel (OADC) provide legal representation for indigent criminal defendants. Such cases are first assigned to the OSPD, and cases are referred to the OADC if the OSPD has an ethical conflict of interest. The Office of the Child's Representative oversees the provision of legal services to children entitled to legal representation at state expense. Finally, the Independent Ethics Commission provides advice and guidance on ethics-related matters concerning public officers, members of the General Assembly, local government officials, and government employees.

Department Budget: Recent Appropriations

Funding Source	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
General Fund	\$338,455,642	\$353,411,788	\$387,197,626	\$444,077,692
Cash Funds	114,437,763	134,221,003	139,499,079	135,792,639
Reappropriated Funds	15,599,598	19,319,022	25,814,561	30,648,095
Federal Funds	<u>5,210,298</u>	<u>4,425,000</u>	<u>4,425,000</u>	<u>4,425,000</u>
Total Funds	\$473,703,301	\$511,376,813	\$556,936,266	\$614,943,426
Full Time Equiv. Staff	4,174.7	4,269.6	4,358.7	4,528.3

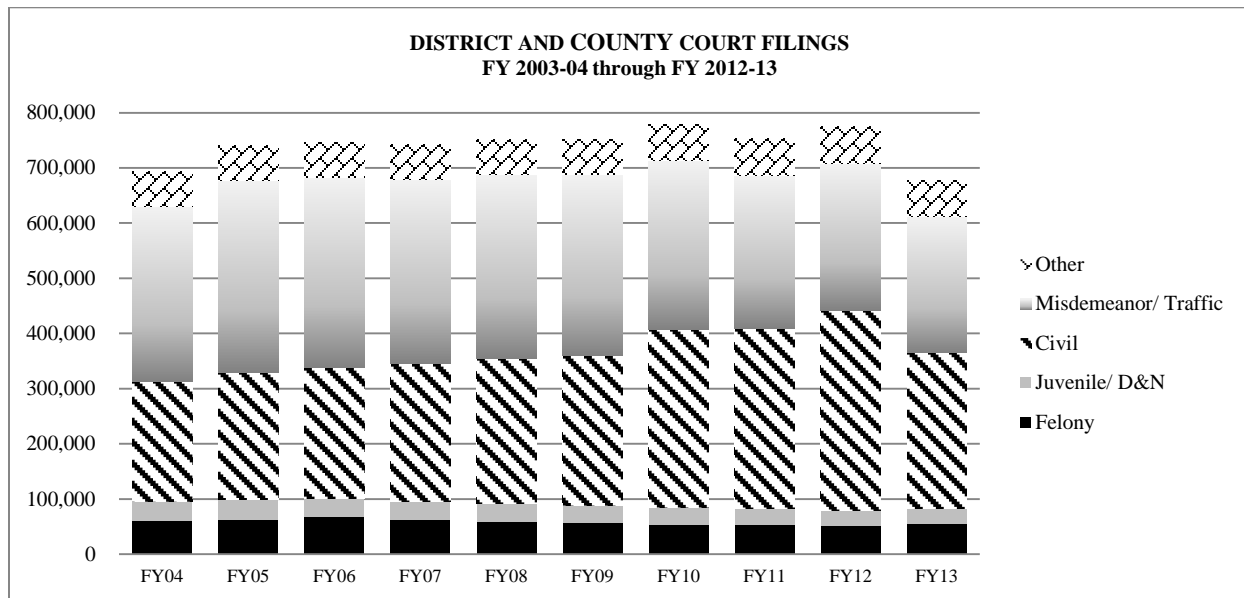
General Factors Driving the Budget

Funding for this department consists of 72.2 percent General Fund, 22.1 percent cash funds, 5.0 percent reappropriated funds, and 0.7 percent federal funds. Cash funds primarily include: various docket fees and surcharges that support court operations; fees paid by individuals sentenced to probation; and attorney licensing fees that are used by the Supreme Court to regulate the practice of law in Colorado.

The main factor driving the budget for the Judicial Department is caseload. Judges, attorneys, probation officers, and support staff can only manage a certain number of cases each year. As the caseload grows, so does the need for resources if the Department is to continue fulfilling its constitutional and statutory duties in a timely and professional manner. Caseloads are generally driven by: (1) population changes; (2) changes in the state's economic climate (which can affect the number of civil filings for cases such as foreclosures and collections, as well as the crime rate and the proportion of clients who are financially eligible for state-funded legal representation); and (3) changes in state laws and sentencing provisions. Workload is also impacted by the types of cases filed, as some cases require more time and resources than others.

Case Filings and the Need for Court Staff

In FY 2012-13, approximately 681,000 cases were filed in the state court system, including 446,255 (65.5 percent) in county courts, 231,188 (33.9 percent) in district and water courts, 2,539 in the Court of Appeals, and 1,457 in the Supreme Court. The following chart depicts the number of cases filed annually in county and district courts (collectively called "trial courts") since FY 2003-04, by case type. Cases are depicted using the following categories: felony; juvenile/ dependency and neglect; civil; misdemeanor/ traffic; and other.



From FY 2003-04 through FY 2011-12, the total number of trial court case filings increased by 11.8 percent, with a compound annual growth rate of 1.4 percent. The most significant increase occurred in civil cases, and in particular cases concerning tax liens and foreclosures. This trend reversed in FY 2012-13, when trial court case filings declined overall by 12.5 percent (more than 96,000 cases). This decline primarily included: a 21.9 percent decrease in civil cases (including a decrease of 57,496 tax lien and foreclosure cases); and a 7.8 percent decrease in misdemeanor and traffic cases (a decline of 20,858 cases).

In addition, felony criminal cases increased by 6.1 percent (2,186 cases) in FY 2012-13 – the first increase in seven years. Generally, tax lien, foreclosure, misdemeanor, and traffic cases do not require a significant amount of judge and court staff time, so the impact of increases or decreases in the numbers of these case types is less significant than depicted in the above chart. In contrast, changes in the number of felony criminal cases have a significant impact on judge and court staff workload.

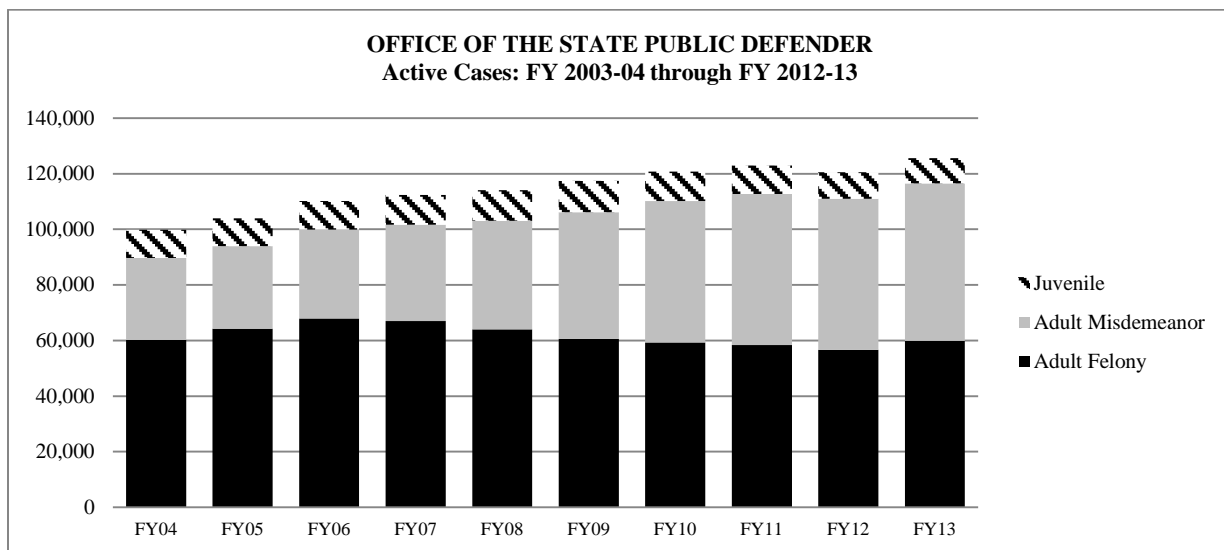
In response to caseload increases, the General Assembly periodically passes legislation to increase the number of judges within the state court system. Most recently, H.B. 14-1050 added two district court judges and the associated court support staff for the 19th judicial district (Arapahoe, Douglas, Elbert, and Lincoln counties).

Caseload Impacts Unique to Independent Agencies

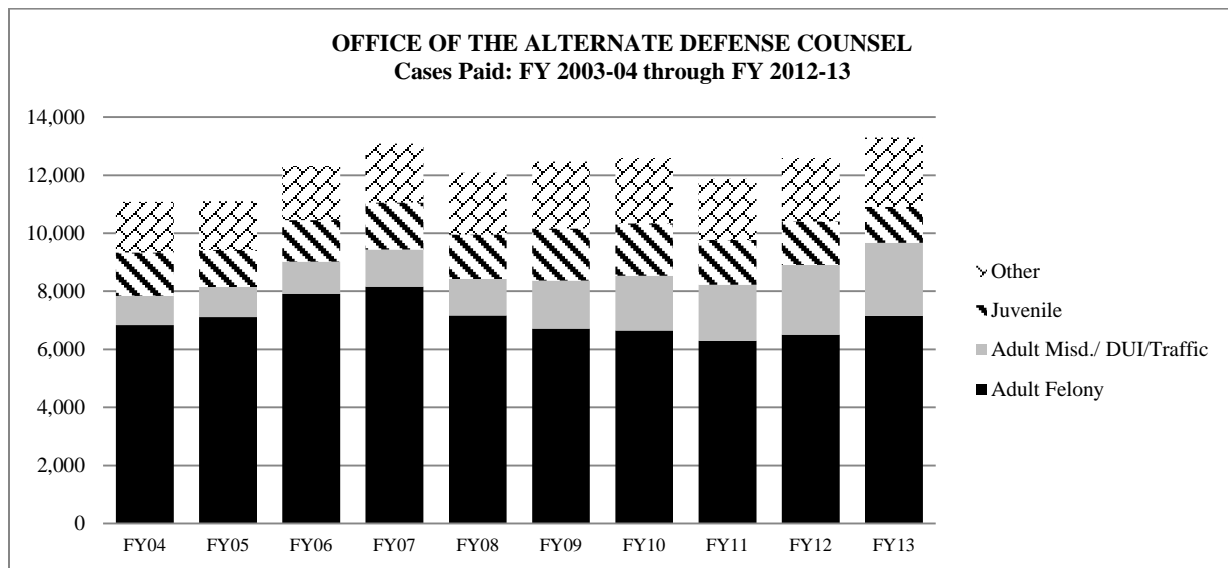
The three independent agencies that provide legal representation are affected in different ways by changes in the number of cases filed, based on the clients they represent.

The *Office of the State Public Defender (OSPD)* represents criminal defendants who have inadequate financial resources to pay for their own defense. The OSPD's caseload is affected by the number and types of cases filed, as well as the proportion of clients who are eligible for state-funded representation. As in the court system, more complicated cases consume more resources than simpler cases: felonies require more time than misdemeanors, and homicides require more time than assaults or robberies. Thus, the number of felony cases is the primary factor driving OSPD staffing needs.

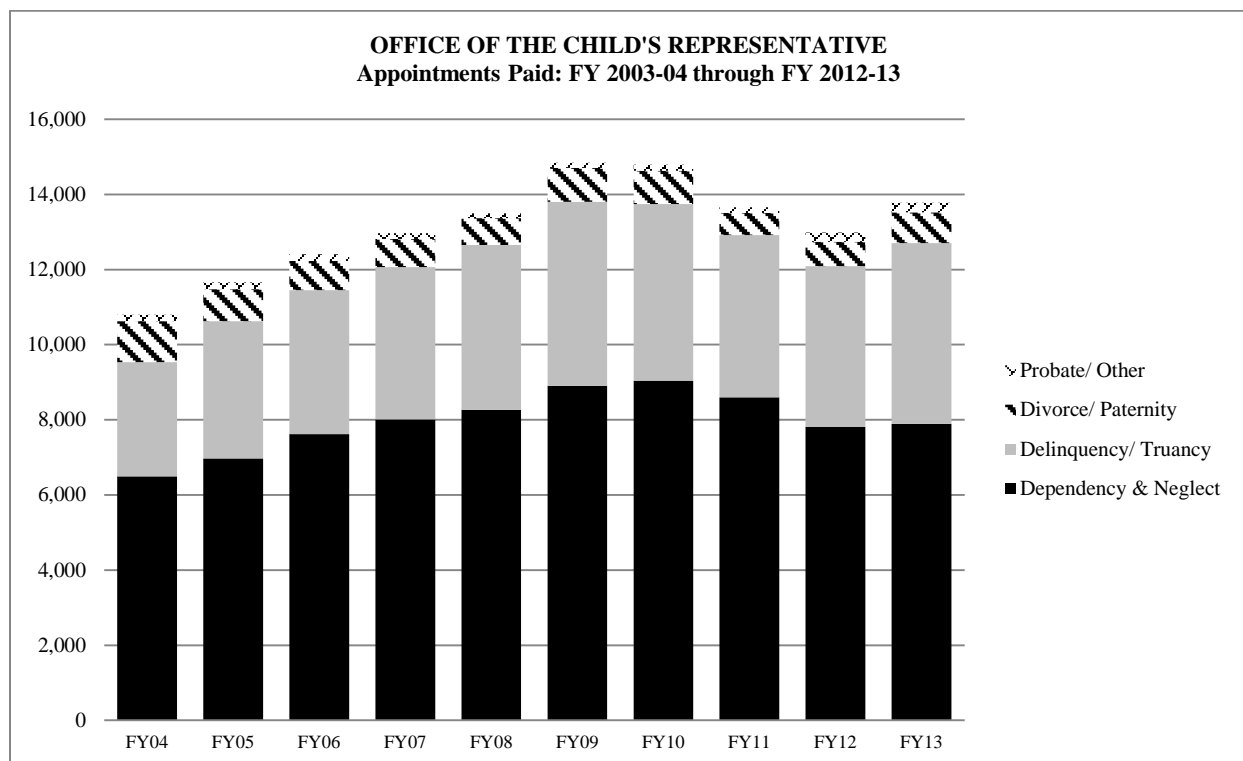
As illustrated in the chart below, the total number of cases requiring public defender involvement has increased since FY 2003-04, reaching 125,606 active cases in FY 2012-13. In FY 2012-13, both the number of adult felony cases and the number of adult misdemeanor cases increased (by 3,260 and 2,232 cases, respectively).



The *Office of the Alternate Defense Counsel (OADC)* contracts with private attorneys to represent indigent defendants in cases where the OSPD has an ethical conflict of interest in providing legal representation. Similar to the OSPD, certain types of cases (*e.g.*, death penalty cases) are more expensive than others; these cases require more hours of attorney time and a higher hourly rate. As illustrated in the chart at the top of the next page, the OADC's overall caseload is more variable than that of the OSPD. The OADC paid for legal representation in 13,290 cases in FY 2012-13. Similar to the OSPD, the number of adult felony and misdemeanor/traffic cases increased in FY 2012-13 (by 651 and 106 cases, respectively).



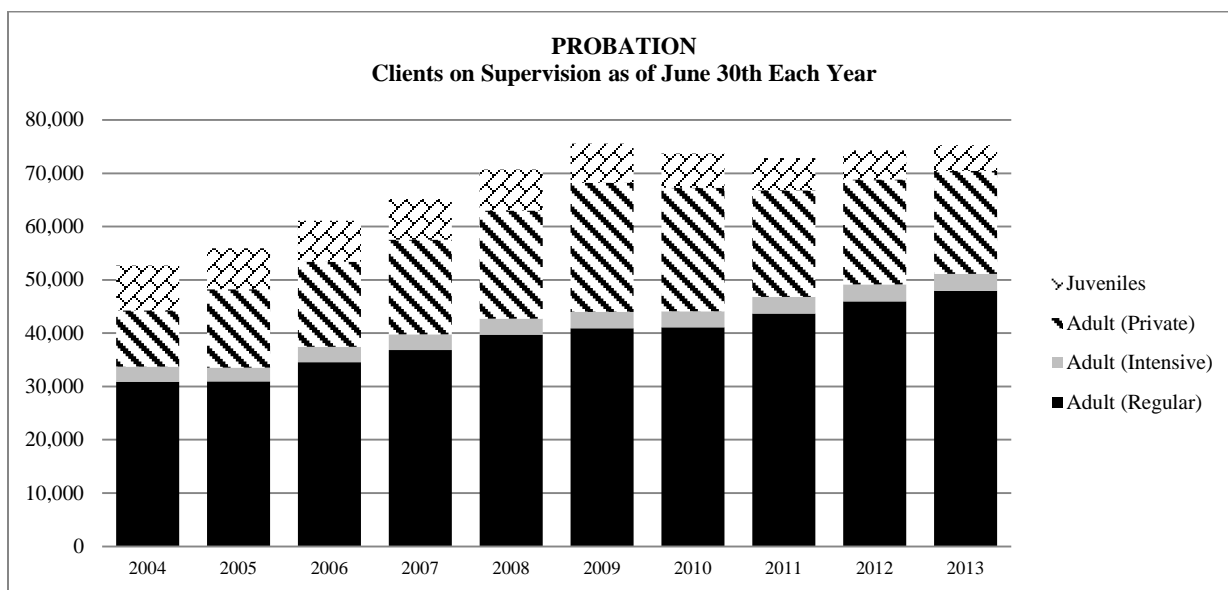
The *Office of the Child's Representative (OCR)* is responsible for providing legal representation for children involved in the court system due to abuse or neglect, delinquency, truancy, high conflict divorce, alcohol or drug abuse, mental health issues, and probate matters. The OCR paid for legal representation in 13,778 court appointments in FY 2012-13. The OCR's expenditures are primarily driven by the number of dependency and neglect cases, as these account for the most court appointments and require the most attorney time (other than probate cases). As illustrated in the following chart, the overall number of appointments paid increased in FY 2012-13 for the first time in four years.



Probation and Related Services Caseload

Individuals sentenced to probation, as an alternative to incarceration, remain under the supervision of the court. Failure to meet the terms of probation set forth in the court's sentencing order may result in incarceration. Managed by the chief probation officer in each judicial district, approximately 1,150 employees prepare assessments, provide pre-sentence investigation services to the courts, and supervise offenders sentenced to probation. Supervision services are provided based on each offender's risk of re-offending.

Funding for probation services is primarily driven by the number and types of offenders sentenced to probation and statutory requirements concerning probation eligibility and supervision time frames. The total number of offenders sentenced to probation increased significantly from 2004 to 2009, and has since stabilized. However, the number of adult offenders who are supervised by state staff (rather than private probation providers) has increased steadily since 2005. The chart below depicts changes in the numbers of adults and juveniles on supervision since 2004. Overall, the number of juvenile and adult offenders who are supervised by state staff increased from 42,118 in June 2004 to 55,944 in June 2013 (32.8 percent). As this number grows, so does the need for probation officers and support staff to adequately supervise offenders.



In addition, the General Assembly appropriates state funds to subsidize the cost of required treatment and services for offenders on probation with inadequate financial resources. In FY 2012-13, nearly half of available state funding was used for substance abuse testing and treatment, and another 21.0 percent was used for sex offender assessment, treatment, and polygraph expenses. From FY 2007-08 to FY 2014-15, state funding for probation treatment and services increased nearly four-fold, from \$8.5 million to \$31.4 million.

Appropriation Highlights – 2014 Legislative Session

Judicial Department						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$546,480,115	\$378,170,241	\$138,070,313	\$25,814,561	\$4,425,000	4,302.1
SB 13-123	533,199	533,199	0	0	0	6.9
SB 13-197	45,742	45,742	0	0	0	0.8
SB 13-250	339,764	339,764	0	0	0	4.8
HB 13-1035	776,974	0	776,974	0	0	8.0
HB 13-1156	425,000	425,000	0	0	0	0.5
HB 13-1160	(362,525)	(362,525)	0	0	0	(6.0)
HB 13-1210	3,795,400	3,795,400	0	0	0	37.9
HB 13-1230	100,000	100,000	0	0	0	0.0
HB 13-1254	32,892	20,629	12,263	0	0	0.5
HB 13-1259	275,399	0	275,399	0	0	3.2
HB 13-1325	12,000	12,000	0	0	0	0.0
HB 14-1239	4,445,176	4,118,176	327,000	0	0	0.0
HB 14-1336	<u>37,130</u>	<u>0</u>	<u>37,130</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$556,936,266	\$387,197,626	\$139,499,079	\$25,814,561	\$4,425,000	4,358.7
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$556,936,266	\$387,197,626	\$139,499,079	\$25,814,561	\$4,425,000	4,358.7
Centrally appropriated line items	20,425,539	17,367,042	3,058,497	0	0	0.0
Annualize prior year legislation	10,292,163	6,947,637	(155,474)	3,500,000	0	56.0
Court-appointed counsel rate increase	7,235,498	7,235,498	0	0	0	0.0
Courthouse capital and infrastructure maintenance	2,462,500	2,462,500	0	0	0	0.0
Informational funds adjustment	2,140,000	0	2,140,000	0	0	0.0
Annualize prior year salary increases	1,404,697	1,258,864	145,833	0	0	0.0
Restitution enforcement	1,289,885	0	1,289,885	0	0	21.0
Family violence justice grants	1,000,000	1,000,000	0	0	0	0.0
IT staff	991,284	991,284	0	0	0	13.0
Appellate staffing	839,684	839,684	0	0	0	14.7
Network bandwidth	812,480	0	812,480	0	0	0.0
Family court facilitators	806,921	806,921	0	0	0	10.0
Correctional Treatment Cash Fund	786,540	812,168	(25,628)	0	0	0.0
Self-represented litigant coordinators	674,132	674,132	0	0	0	11.0
Restorative justice programs	573,870	0	573,870	0	0	0.0
Per-page rate increase for transcripts	332,551	332,551	0	0	0	0.0
Regional technicians for IT support	306,875	306,875	0	0	0	4.0

Judicial Department						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Peer mentoring services	257,680	257,680	0	0	0	0.0
Language access	221,822	221,822	0	0	0	7.0
Caseload/workload increases	168,032	168,032	0	0	0	0.0
Indirect cost assessment	153,480	(153,480)	158,001	148,959	0	0.0
IT common policy adjustments	145,632	145,632	0	0	0	0.0
Probation background checks	55,567	55,567	0	0	0	1.0
Judicial Stabilization Cash Fund shortfall	0	6,727,008	(6,727,008)	0	0	0.0
Annualize prior year budget actions	(3,721,481)	285,985	(4,007,466)	0	0	3.1
Judicial performance	(180,000)	290,000	(470,000)	0	0	0.0
Eliminate one-time funding	(122,531)	(122,531)	0	0	0	0.0
Other	84,839	46,344	(446,080)	484,575	0	0.5
HB 14-1336	\$606,373,925	\$436,154,841	\$135,845,989	\$29,948,095	\$4,425,000	4,500.0
SB 14-190	5,300,000	5,300,000	0	0	0	0.0
HB 14-1023	455,983	455,983	0	0	0	8.0
HB 14-1032	645,102	698,452	(53,350)	0	0	11.7
HB 14-1050	837,824	837,824	0	0	0	8.8
HB 14-1096	1,400,000	700,000	0	700,000	0	1.0
HB 14-1266	<u>(69,408)</u>	<u>(69,408)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(1.2)</u>
TOTAL	\$614,943,426	\$444,077,692	\$135,792,639	\$30,648,095	\$4,425,000	4,528.3
Increase/(Decrease)	\$58,007,160	\$56,880,066	(\$3,706,440)	\$4,833,534	\$0	169.6
Percentage Change	10.4%	14.7%	(2.7%)	18.7%	0.0%	3.9%

FY 2013-14 Appropriation - Mid-year Adjustments

House Bill 14-1239 and H.B. 14-1336 modify FY 2013-14 appropriations, adding the following:

- A total of \$3,883,474 General Fund to address caseload and workload increases, including \$3,041,461 for the Office of the Alternate Defense Counsel and \$842,013 for the Office of the Child's Representative (OCR);
- \$224,130 cash funds from the Restorative Justice Surcharge Fund (which was established in H.B. 13-1254) to allow the Department to distribute surcharge revenues to participating judicial districts and to conduct associated research and data collection efforts; and
- \$140,000 cash funds to better reflect anticipated revenues from various fees and cost recoveries.

These acts also make several other minor and technical changes.

FY 2014-15 Appropriation Highlights

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; vehicle lease payments; workers' compensation; legal services; and payment to risk management and property funds.

Annualize prior year legislation: The appropriation includes an increase of \$10,292,163 total funds for the out-year impact of legislation. The two primary changes include:

- an increase of \$3,428,024 General Fund and 53.2 FTE for H.B. 13-1210 (Right to Legal Counsel in Plea Negotiations); and
- an increase of \$7,202,738 total funds for the second year impact of S.B. 13-250 (Drug Sentencing Changes), including an increase of \$3,702,738 General Fund, \$3,500,000 reappropriated funds, and 3.3 FTE.

Court-appointed counsel rate increase: The appropriation includes funding to increase the hourly rates paid to independent contractors who serve as court-appointed counsel.

Courthouse capital and infrastructure maintenance: The appropriation includes funding to address required infrastructure, courthouse furnishing, and phone system needs in judicial districts.

Informational funds adjustment: The appropriation increases three informational line item appropriations to better reflect anticipated expenditures related to the regulation of the practice of law.

Annualize prior year salary increases: The appropriation reflects the allocation of FY 2013-14 salary increases to each line item that supports employee salaries, and it provides a full 12 months of funding for salary increases awarded in FY 2013-14.

Restitution enforcement: The appropriation includes \$1,289,885 cash funds from the Judicial Collection Enhancement Fund and 21.0 FTE to strengthen the monitoring and enforcement of criminal restitution.

Family violence justice grants: The appropriation adds \$1,000,000 General Fund for grants to organizations that provide legal advice, representation, and advocacy for indigent clients who are victims of family violence.

IT staff: The appropriation includes funding to add staff to allow the Department to develop and implement a large number of critical information technology projects that would otherwise take several years to complete with existing staffing resources.

Appellate staffing: The appropriation includes an increase to allow the Office of the State Public Defender to add staff to reduce the growing backlog of appellate cases.

Network bandwidth: The appropriation includes \$812,480 cash funds from the Judicial Department Information Technology Cash Fund to allow the Department to upgrade and increase network bandwidth capacity to sustain timely operations and customer service.

Family court facilitators: The appropriation includes funding to expand the number of staff in judicial districts who assist with the processing and management of domestic relations cases.

Correctional Treatment Cash Fund: The appropriation adds General Fund to support probation officers who are currently supported by the Correctional Treatment Cash Fund (CTCF). These CTCF moneys are then redirected to expand substance use disorder treatment for offenders.

Self-represented litigant coordinators: The appropriation includes funding to expand the number of staff who coordinate and provide services to assist self-represented parties.

Restorative justice programs: The appropriation adds funding from the Restorative Justice Surcharge Fund for restorative justice programs, pursuant to H.B. 13-1254 (Restorative Justice).

Per-page rate increase for transcripts: The appropriation adds funding to cover the costs of increasing the per-page compensation rate for court employees who prepare transcripts from \$2.35 to \$2.75.

Regional technicians for IT support: The appropriation includes funding to add staff to expand the Department's capacity to provide hardware and software technical assistance and improve information technology services to both internal and public users.

Peer mentoring services: The appropriation adds funding to cover the costs of peer mentoring services for offenders participating in veterans treatment courts.

Language access: The appropriation includes funding to meet the growing need for language interpreter and translation services statewide, including adding 7.0 FTE court interpreters and court translators.

Caseload/workload increases: The appropriation includes funding for the Office of the Child's Representative to cover projected increases in the number of cases requiring court appointments and the number of contractor hours required per appointment.

Indirect cost assessment: The appropriation includes an increase in the amount of total department indirect cost recoveries applied to offset the need for General Fund.

IT common policy adjustments: The appropriation includes adjustments to the payments made to the Governor's Office of Information Technology for the provision of information technology services.

Probation background checks: The appropriation includes funding to add staff to assist in conducting background checks for private probation vendors working under a judicial contract.

Judicial Stabilization Cash Fund shortfall: The appropriation includes a General Fund increase and a decrease in cash fund appropriations from the Judicial Stabilization Cash Fund to address a significant decline in cash fund revenues.

Annualize prior year budget actions: The appropriation includes a number of changes to reflect the out-year impact of funding decisions made through the FY 2013-14 appropriation, including the following significant changes:

- A decrease of \$3,956,958, including \$20,042 General Fund and \$3,936,916, to eliminate one-time funding for courthouse infrastructure and furnishings and capital outlay expenditures related to prior year budget actions; and
- an increase of \$257,384 General Fund and 3.0 FTE to support public access and e-filing system users.

Judicial performance: The appropriation reduces overall funding for the Office of Judicial Performance Evaluation by \$180,000 cash funds to better reflect current program operations and to eliminate funding for a biennial public awareness poll that was funded in FY 2013-14. In addition, the appropriation adds \$290,000 General Fund to replace an equal amount of cash funding from the State Commission on Judicial Performance Cash Fund to address a decline in cash fund revenues.

Eliminate one-time funding: The appropriation eliminates the several supplemental appropriations that were added mid-year for FY 2013-14 and are no longer needed for FY 2014-15.

Other: The appropriation includes other minor adjustments.

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

DEPARTMENT OF LABOR AND EMPLOYMENT

The Department is divided into five divisions:

1. The Executive Director's Office is responsible for providing common services to all divisions including human resources and accounting.
2. The Division of Employment and Training is responsible for the administration and monitoring of the integrity of Colorado's unemployment insurance programs, administration of the workforce development programs and state run one-stop centers, and research and analysis on Colorado's employment trends.
3. The Division of Labor is responsible for ensuring employer compliance with state and federal employment laws.
4. The Division of Oil and Public Safety is responsible for the inspection of: boilers, conveyances, amusement park and carnival rides, distribution centers of petroleum products, storage sites for explosive materials, and monitoring the clean-up of leaking underground storage tanks.
5. The Division of Workers' Compensation is responsible for enforcing workers' compensation laws and for the administration of the Major Medical Insurance and Subsequent Injury Funds.

Department Budget: Recent Appropriations

Funding Source	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
General Fund	\$0	\$0	\$98,519	\$637,353
Cash Funds	60,912,916	60,492,110	65,399,832	66,027,071
Reappropriated Funds	752,426	651,881	650,740	650,740
Federal Funds	<u>96,532,825</u>	<u>96,982,910</u>	<u>97,192,944</u>	<u>100,121,967</u>
Total Funds	\$158,198,167	\$158,126,901	\$163,342,035	\$167,437,131
Full Time Equiv. Staff	1,046.8	1,006.3	1,012.5	1,016.5

General Factors Driving the Budget

Funding for this department consists of 0.4 percent General Fund, 39.4 percent cash funds, 0.4 percent reappropriated funds, and 59.8 percent federal funds. Some of the major factors driving the Department's budget are discussed below.

Unemployment Insurance Programs

The Unemployment Insurance Programs (UI Programs) provide temporary compensation to individuals who are laid off through no fault of their own. Claimants are eligible for weekly benefits, yet are paid on a bi-weekly

basis. Benefit payments range from \$25 to a maximum of \$529 per week. The UI Programs appropriation in the Long Bill reflects the cost of administering the UI Programs. Pursuant to Section 8-77-104 (1), C.R.S., the funds used to pay benefits are not subject to appropriation by the General Assembly, and do not appear in the Long Bill.

The appropriation for the UI Programs accounts for 22.8 percent of the Department's total FY 2014-15 appropriation. Approximately 73.5 percent of the UI Programs appropriation is federal funds. The overall administrative costs of Colorado's UI Programs have increased from FY 2005-06 to FY 2014-15. Decreased availability of federal funds has resulted in state cash funds funding a larger percentage of the administrative costs, as outlined in the following table:

Comparison of UI Program Administrative Expenses FY 2005-06 to FY 2014-15			
Fiscal Year	Total Appropriation	Cash Funds	Federal Funds
FY 2005-06	\$33,746,054	\$6,316,112	\$27,429,942
FY 2014-15	38,213,467	10,109,784	28,103,683
Dollar Change	\$4,467,413	\$3,793,672	\$673,741
Percent Change	13.2%	60.1%	0.2%

Unemployment Insurance claims are paid from the Unemployment Insurance Trust Fund (UITF), which resides in the federal treasury and is maintained by the federal Unemployment Insurance Program. In a healthy economy the number of claims is lower resulting in fewer benefits being paid and a build up of the fund balance. During challenging economic times, the number of claims and benefits paid increases, resulting in a related decrease in the balance of the UITF. The following table outlines annual benefit payment amounts and the associated UITF balance from FY 2010-11 to FY 2014-15:

UI Benefit Payments for FY 2010-11 to FY 2014-15				
Fiscal Year	Benefit Payments	Change from Previous Year	Ending Trust Fund Balance	Change from Previous Year
FY 2010-11 Actual	\$718,876,245	(\$367,850,313)	(\$691,406,458)	(\$508,502,445)
FY 2011-12 Actual	606,531,633	(112,344,612)	(67,983,041)	601,660,142
FY 2012-13 Actual	601,296,250	(5,235,383)	533,677,101	(59,751,980)
FY 2013-14 Estimated*	515,806,110	(85,490,140)	486,417,101	(47,260,000)
FY 2014-15 Projected	495,000,000	(20,806,110)	511,657,101	25,240,000

* as of June 16, 2014

During FY 2009-10 the UITF became insolvent which resulted in Colorado borrowing funds from the federal Unemployment Trust Fund. Borrowed funds are maintained by the federal government in a separate account, other than the UITF. As of June 2012, the outstanding balance on borrowed funds is approximately \$68.0 million. Pursuant to H.B. 12S-1002 the Department is authorized to use bonds to finance the federal debt in order to avoid a federal tax credit reduction for Colorado employers. Colorado employers are currently obligated to pay assessments for the amount and interest owed on the federal debt. Fitch Ratings recently affirmed the 'AA' long-term rating on the unemployment compensation fund special revenue bonds and reports the rating outlook is stable. As of May 31, 2014, the principal balance on the unemployment insurance bonds is just less than \$374.9 million and in FY 2013-14 the state paid \$10.3 million in interest on the bonds.

Federal Funding Levels for Workforce Development Programs

Workforce development programs are funded primarily with pass-through federal funds. These programs provide employment services for businesses and job training and placement services for job seekers through a network of state and county one-stop workforce centers. Workforce Development programs account for 35.0 percent of the total funding for the Department. Workforce Development programs benefitted from additional federal funds made available from FY 2008-09 through FY 2010-11 by the American Recovery and Reinvestment Act.

Workers' Compensation

Colorado employers are required to carry workers' compensation insurance to pay for medical expenses incurred during the treatment of work-related injuries and partial wage replacement. The Division of Workers' Compensation provides services to support this mandate including: customer service, claims resolution, employer and employee education, and cost containment programs. The budget for the Worker's Compensation Division is driven by the number of workers injured in a given year, and the number of hearings requested by an employer, insurance company, or injured worker to determine what benefits should be provided. The Workers' Compensation program offers claims intervention, mediation, pre-hearing conferences, settlement conferences, and arbitration to assist with dispute resolution.

Appropriation Highlights – 2014 Legislative Session

Department of Labor and Employment						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$163,075,888	\$0	\$65,232,204	\$650,740	\$97,192,944	1,011.2
HB 13-1046	23,064	0	23,064	0	0	0.3
HB 13-1124	144,564	0	144,564	0	0	0.0
HB 13-1292	<u>98,519</u>	<u>98,519</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1.0</u>
TOTAL	\$163,342,035	\$98,519	\$65,399,832	\$650,740	\$97,192,944	1,012.5
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$163,342,035	\$98,519	\$65,399,832	\$650,740	\$97,192,944	1,012.5
Centrally appropriated line items	3,037,463	1,192	996,149	0	2,040,122	0.0
IT common policy adjustments	777,466	0	462,364	0	315,102	0.0
Mail, postage, and envelopes	196,336	0	104,623	0	91,713	0.0
Annualize prior year legislation	104,415	155,709	(51,294)	0	0	3.5
Annualize prior year budget actions	(415,017)	0	(897,103)	0	482,086	0.0
Other	4,365	4,365	0	0	0	0.0
HB 14-1336	\$167,047,063	\$259,785	\$66,014,571	\$650,740	\$100,121,967	1,016.0
SB 14-005	333,403	320,903	12,500	0	0	0.0
SB 14-015	<u>56,665</u>	<u>56,665</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.5</u>
TOTAL	\$167,437,131	\$637,353	\$66,027,071	\$650,740	\$100,121,967	1,016.5

Department of Labor and Employment						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Increase/(Decrease)	\$4,095,096	\$538,834	\$627,239	\$0	\$2,929,023	4.0
Percentage Change	2.5%	546.9%	1.0%	0.0%	3.0%	0.4%

FY 2014-15 Appropriation Highlights

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; vehicle lease payments; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; Capitol complex leased space; and statewide indirect cost assessments.

IT common policy adjustments: The appropriation includes adjustments to payments made to the Governor's Office of Information Technology for the provision of technology services and COFRS modernization.

Mail, postage, and envelopes: The appropriation includes adjustments to address increased costs of postage and envelopes.

Annualize prior year legislation: The appropriation includes an increase of \$104,415 total funds for the second year impact of legislation. The changes include:

- An increase of \$93,270 cash funds to implement H.B. 13-1110 (Special Fuel Tax & Electric Vehicle Fee);
- A decrease of \$144,564 cash funds to implement H.B. 13-1124 (Reduce Unemployment Insurance Overpayments); and
- An increase of \$155,709 General Fund to implement H.B. 13-1292 (Keep Jobs in Colorado Act).

Annualize prior year budget actions: The appropriation includes a number of changes to the out year impact of funding decisions made through the FY 2013-14 appropriation including:

- Annualization of the FY 2014-14 salary survey and merit pay; and
- A reduction in the appropriation for Unemployment Insurance Technology Upgrades.

Other: The appropriation includes other minor adjustments.

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

DEPARTMENT OF LAW

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

The Attorney General also has primary authority for: enforcement of consumer protection and antitrust laws; prosecution of criminal appeals and some complex white-collar crimes; the statewide grand jury; training and certification of peace officers; and certain natural resource and environmental matters. The Attorney General and his staff also work concurrently with Colorado's 22 locally elected district attorneys and other local, state, and federal law enforcement authorities to carry out the criminal justice responsibilities and activities of the office.

Department Budget: Recent Appropriations

Funding Source	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
General Fund	\$9,422,208	\$10,452,022	\$12,168,714	\$13,534,300
Cash Funds	10,389,960	10,979,963	12,833,181	15,652,579
Reappropriated Funds	33,059,968	35,476,528	42,227,639	43,031,041
Federal Funds	<u>1,500,064</u>	<u>1,576,165</u>	<u>1,770,364</u>	<u>1,748,411</u>
Total Funds	\$54,372,200	\$58,484,678	\$68,999,898	\$73,966,331
Full Time Equiv. Staff	419.0	432.7	452.5	464.4

General Factors Driving the Budget

Funding for this department consists of 18.3 percent General Fund, 21.2 percent cash funds, 58.2 percent reappropriated funds, and 2.4 percent federal funds. Some of the major factors driving the Department's budget are discussed below.

Legal Services to State Agencies

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

(one rate for attorneys and one rate for legal assistants). The General Assembly provides spending authority to the Department of Law to spend moneys received from other state agencies.

For FY 2014-15, the General Assembly has authorized the Department of Law to spend up to \$39.9 million providing legal services to state agencies (including associated central appropriations). This amount represents 54.0 percent of the Department's total appropriation. As shown in the table below, eight agencies account for more than 80.0 percent of these services. The table also details the total number of hours of legal services provided and the blended hourly rate charged by the Department.

Legal Services to State Agencies: FY 2010-11 to FY 2014-15						
State Department	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Actual	FY 13-14 Approp./ Estim.	FY 14-15 Approp./ Estim.	% of Total
Regulatory Agencies	\$7,485,354	\$7,359,709	\$7,383,603	\$9,767,656	\$11,020,252	27.6%
Natural Resources	3,283,382	3,323,637	3,514,961	4,771,863	5,210,682	13.1%
Revenue	1,738,069	2,864,901	2,740,083	3,616,138	3,959,113	9.9%
Personnel	2,555,590	2,550,581	2,379,484	3,340,835	4,416,143	11.1%
Public Health and Environment	2,021,921	2,275,229	2,393,330	3,093,772	3,632,359	9.1%
Human Services	1,409,467	1,394,458	1,401,843	1,679,424	1,825,645	4.6%
Transportation	1,081,661	1,132,068	956,102	1,496,626	1,626,932	4.1%
Corrections	1,075,919	1,010,582	1,273,306	1,393,342	1,514,655	3.8%
Other agencies 1/	<u>5,158,978</u>	<u>5,198,384</u>	<u>4,446,571</u>	<u>7,005,913</u>	<u>6,715,986</u>	16.8%
Total Expenditures/ Appropriation	\$25,810,341	\$27,109,549	\$26,489,283	\$36,165,569	\$39,921,767	100.0%
<i>% change of total from prior year</i>	<i>3.7%</i>	<i>5.0%</i>	<i>(2.3%)</i>	<i>36.5%</i>	<i>10.4%</i>	
<i>% of total Department of Law appropriations</i>	<i>47.9%</i>	<i>49.9%</i>	<i>45.3%</i>	<i>52.4%</i>	<i>54.0%</i>	
<i>% of total state operating appropriations</i>	<i>0.1%</i>	<i>0.1%</i>	<i>0.1%</i>	<i>0.2%</i>	<i>0.2%</i>	
Blended Legal Rate	\$73.37	\$75.71	\$77.25	\$91.08	\$99.01	
<i>% change from prior year</i>	<i>(2.7%)</i>	<i>3.2%</i>	<i>2.0%</i>	<i>17.9%</i>	<i>8.7%</i>	
Total Hours	349,184	357,139	341,814	387,896	403,209	
<i>% change from prior year</i>	<i>5.8%</i>	<i>2.3%</i>	<i>(4.3%)</i>	<i>13.5%</i>	<i>3.9%</i>	

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

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

Criminal Justice and Appellate

The largest allocation of General Fund in the Department is for the Criminal Justice and Appellate section, which accounts for more than 43.0 percent of General Fund appropriations to the Department for FY 2014-15. More than half of the General Fund in this section is devoted to the Appellate Unit, which represents the State in criminal appeals, and about one-third is devoted to the Special Prosecutions Unit, which investigates and prosecutes a variety of crimes. The following table provides expenditure and workload data for the Appellate Unit. In FY 2013-14, the General Assembly appropriated funding to add 5.5 additional attorney FTE (annualizing to 6.0 FTE in FY 2014-15) to allow the Department to address a growing backlog of criminal appeals cases. The FY 2014-15 appropriation adds an additional administrative assistant to support the expanded Appellate Unit.

Appellate Unit Data: FY 2009-10 to FY 2014-15						
	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Actual	FY 13-14 Approp.	FY 14-15 Approp.
Expenditures/ Appropriations (excluding central appropriations)	\$2,555,197	\$2,646,858	\$2,603,619	\$2,709,335	\$3,240,771	\$3,697,461
FTE	30.7	31.6	30.9	31.3	37.5	38.9
Opening Briefs Received	1,152	1,050	1,171	1,018	n/a	n/a
Answer Briefs Filed	1,054	1,021	894	885	n/a	n/a
Case Backlog	434	398	608	564	n/a	n/a

District Attorneys' Salaries

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

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

The appropriation to the Department of Law for the State's contribution for DA salaries currently accounts for 19.9 percent of total General Fund appropriations to the Department. The following table details recent expenditures/ appropriations for this purpose.

State Expenditures for District Attorney Salaries: FY 2007-08 to FY 2014-15			
Fiscal Year	Expenditures	Annual Increase	Cumulative Increase
2007-08	\$1,315,985	n/a	n/a
2008-09	1,654,605	\$338,620	\$338,620
2009-10	2,096,027	441,422	780,042
2010-11	2,263,229	167,202	947,244
2011-12	2,479,847	216,567	1,163,811
2012-13	2,656,471	176,624	1,340,486
2013-14 (approp.)	2,676,960	20,489	1,360,975
2014-15 (approp.)	2,697,656	20,696	1,381,671

Appropriation Highlights – 2014 Legislative Session

Department of Law						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$66,991,115	\$13,473,403	\$10,800,781	\$40,946,567	\$1,770,364	443.6
SB 13-014	2,318	0	0	2,318	0	0.0
SB 13-026	7,725	0	0	7,725	0	0.0
SB 13-039	11,294	0	0	11,294	0	0.0
SB 13-083	4,635	0	0	4,635	0	0.0
SB 13-151	21,244	0	0	21,244	0	0.0
SB 13-162	5,794	0	0	5,794	0	0.0
SB 13-172	5,021	0	0	5,021	0	0.0
SB 13-180	12,746	0	0	12,746	0	0.0
SB 13-200	24,910	0	0	24,910	0	0.0
SB 13-207	6,180	0	0	6,180	0	0.0
SB 13-219	15,450	0	0	15,450	0	0.1
SB 13-221	69,525	0	0	69,525	0	0.5
SB 13-238	5,794	0	0	5,794	0	0.0
SB 13-241	13,905	0	0	13,905	0	0.0
SB 13-251	7,725	0	0	7,725	0	0.1
SB 13-283	20,000	0	20,000	0	0	0.0
HB 13-1111	16,995	0	0	16,995	0	0.0
HB 13-1180	0	(1,433,351)	1,433,351	0	0	0.0
HB 13-1230	128,662	128,662	0	0	0	1.4
HB 13-1292	46,350	0	0	46,350	0	0.3
HB 13-1317	146,684	0	76,000	70,684	0	0.5

Department of Law						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 14-1240	<u>1,435,826</u>	<u>0</u>	<u>503,049</u>	<u>932,777</u>	<u>0</u>	<u>6.0</u>
TOTAL	\$68,999,898	\$12,168,714	\$12,833,181	\$42,227,639	\$1,770,364	452.5
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$68,999,898	\$12,168,714	\$12,833,181	\$42,227,639	\$1,770,364	452.5
Centrally appropriated line items	1,652,914	570,455	298,607	782,509	1,343	0.0
Provision of legal services	547,024	0	0	547,024	0	3.7
IT common policy adjustments	103,529	87,529	37,366	(30,220)	8,854	0.0
Database administrator	100,357	0	0	100,357	0	1.0
Asset maintenance	74,399	152,909	(113,008)	17,663	16,835	0.0
Consumer protection complaint intake	46,615	0	46,615	0	0	1.0
Appellate administrative assistant	38,111	38,111	0	0	0	0.9
Annualize prior year legislation	28,974	(3,703)	0	32,677	0	0.0
Attorney registration fees	27,088	8,755	1,698	17,535	(900)	0.0
Change in anticipated grant funding	22,743	0	0	22,743	0	0.0
Fund source adjustments	0	153,397	0	(153,397)	0	0.0
Annualize prior year budget actions	(945,315)	(258,819)	7,534	(649,738)	(44,292)	(4.2)
Lowry Range litigation	(727,169)	0	(727,169)	0	0	0.0
CERCLA contracts reduction	(325,000)	0	0	(325,000)	0	0.0
Indirect cost assessment	(76,466)	0	(15,439)	(57,234)	(3,793)	0.0
HB 14-1336	\$69,567,702	\$12,917,348	\$12,369,385	\$42,532,558	\$1,748,411	454.9
SB 14-002	281,952	266,952	15,000	0	0	2.5
SB 14-005	23,225	0	0	23,225	0	0.0
SB 14-029	9,108	0	0	9,108	0	0.0
SB 14-099	18,216	0	0	18,216	0	0.1
SB 14-123	1,612,467	0	1,612,467	0	0	1.4
SB 14-125	9,108	0	0	9,108	0	0.1
SB 14-133	9,057	0	0	9,057	0	0.0
SB 14-172	182	0	0	182	0	0.0
SB 14-188	163,944	0	0	163,944	0	1.0
SB 14-215	1,624,760	0	1,624,760	0	0	3.0
HB 14-1144	350,000	350,000	0	0	0	0.0
HB 14-1199	3,643	0	0	3,643	0	0.0
HB 14-1202	20,000	0	0	20,000	0	0.0
HB 14-1227	56,925	0	0	56,925	0	0.3
HB 14-1319	18,216	0	0	18,216	0	0.0
HB 14-1328	55,741	0	27,324	28,417	0	0.4
HB 14-1329	18,216	0	0	18,216	0	0.1
HB 14-1331	105,653	0	0	105,653	0	0.6
HB 14-1380	3,643	0	3,643	0	0	0.0

Department of Law						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 14-1398	<u>14,573</u>	<u>0</u>	<u>0</u>	<u>14,573</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$73,966,331	\$13,534,300	\$15,652,579	\$43,031,041	\$1,748,411	464.4
Increase/(Decrease)	\$4,966,433	\$1,365,586	\$2,819,398	\$803,402	(\$21,953)	11.9
Percentage Change	7.2%	11.2%	22.0%	1.9%	(1.2%)	2.6%

FY 2013-14 Appropriation - Mid-year Adjustments

House Bill 14-1240 adds \$982,777 reappropriated funds and 6.0 FTE for the provision of legal services to the Governor's Office, the Department of Public Health and Environment, and the Department of Natural Resources. The bill also adds \$503,049 cash funds to support increased litigation expenses associated with the Lowry Range. Finally, the bill reduces \$50,000 reappropriated funds to eliminate the appropriation for Lobato litigation expenses for FY 2013-14.

FY 2014-15 Appropriation Highlights

Centrally appropriated line items: The appropriation reflects adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; short-term disability; salary survey; merit pay; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; vehicle lease payments; workers' compensation; payment to risk management and property funds; and Carr Judicial Center leased space.

Provision of legal services: The appropriation reflects an increase to meet state agencies' anticipated demand for legal services in FY 2014-15.

IT common policy adjustments: The appropriation includes adjustments to the payments made to the Governor's Office of Information Technology (OIT) for the provision of information technology services.

Database administrator: The appropriation includes an increase of \$100,357 reappropriated funds and 1.0 FTE to allow the Department to hire an additional database administrator.

Asset maintenance: The appropriation includes a net increase of \$74,399 total funds, including \$152,909 General Fund, to provide additional resources to support the Department's planned replacement schedule for IT infrastructure.

Consumer protection complaint intake: The appropriation includes \$46,615 cash funds (from custodial funds collected by the Department) and 1.0 FTE to add a complaint intake professional to support the Consumer Fraud Unit and the Antitrust, Tobacco, and Consumer Protection Unit.

Appellate administrative assistant: The appropriation includes an increase of \$38,111 General Fund and 0.9 FTE to support an additional administrative assistant for the Appellate Unit in response to administrative support needs associated with the addition of 6.0 new attorney FTE to the Appellate Unit in FY 2013-14.

Annualize prior year legislation: The appropriation includes a net increase for the second year impact of legislation.

Attorney registration fees: The appropriation reflects an increase of \$27,088 total funds (including \$8,755 General Fund) to pay for increased attorney registration fees in FY 2014-15.

Change in anticipated grant funding: The appropriation includes an anticipated increase of \$22,743 in grant funds reappropriated from the Department of Public Safety.

Fund source adjustments: The appropriation includes an increase in General Fund offset by a decrease in reappropriated funds.

Annualize prior year budget actions: The appropriation includes adjustments related to prior year budget actions including the annualization of the FY 2013-14 salary survey and merit pay among other changes.

Lowry Range litigation: The appropriation includes \$392,400 cash funds (from the State Land Board's Investment and Development Fund) to support trial preparation and litigation expenses related to the Lowry Range. The appropriation is shown as a reduction from the FY 2013-14 adjusted appropriation because of additional funding provided for trial preparation in FY 2013-14.

CERCLA contracts reduction: The appropriation includes a reduction of \$325,000 reappropriated funds to reflect decreased costs.

Indirect cost assessment: The appropriation reflects a net decrease in the Department's indirect cost assessment.

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

LEGISLATIVE BRANCH

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

Department Budget: Recent Appropriations

Funding Source	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
General Fund	\$34,684,832	\$35,963,244	\$38,592,648	\$40,946,462
Cash Funds	184,587	179,065	179,000	179,000
Reappropriated Funds	1,103,816	903,816	1,627,371	903,816
Federal Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Funds	\$35,973,235	\$37,046,125	\$40,399,019	\$42,029,278
Full Time Equiv. Staff	271.0	271.0	272.6	278.6

General Factors Driving the Budget

Funding for this department consists of 97.4 percent General Fund, 0.4 percent cash funds, and 2.2 percent reappropriated funds. Some of the major factors driving the Department's budget are discussed below.

Special Studies or Functions

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

Special Studies	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Estimate	FY 2014-15 Estimate
Property Tax Study	\$540,000	\$580,000	\$600,000	\$630,000
Ballot Analysis	\$474,858	\$1,026,909	\$628,781	\$1,315,000

Appropriation Highlights – 2014 Legislative Session

Legislative Department						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-187 (Legislative Appropriation)	\$35,989,551	\$34,906,735	\$179,000	\$903,816	\$0	271.0
SB 13-230 (Long Bill)	4,228,189	3,509,634	0	718,555	0	0.0
SB 13-007	6,061	6,061	0	0	0	0.1
HB 13-1079	75,247	75,247	0	0	0	1.2
HB 13-1296	5,000	0	0	5,000	0	0.0
HB 13-1299	89,971	89,971	0	0	0	0.3
HB 13-1301	<u>5,000</u>	<u>5,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$40,399,019	\$38,592,648	\$179,000	\$1,627,371	\$0	272.6
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$40,399,019	\$38,592,648	\$179,000	\$1,627,371	\$0	272.6
Salary/benefits/operating adjustments	1,713,838	1,713,838	0	0	0	4.0
Property tax adjustment	30,000	30,000	0	0	0	0.0
Annualize prior year legislation	(478,555)	(5,000)	0	(473,555)	0	0.0
Cost of living study	(250,000)	0	0	(250,000)	0	0.0
Centrally appropriated line items	(179,935)	(179,935)	0	0	0	0.0
HB 14-1293 (Legislative Appropriation)¹	\$38,205,116	\$37,122,300	\$179,000	\$903,816	\$0	276.6
HB 14-1336 (Long Bill)¹	\$3,029,251	\$3,029,251	\$0	\$0	\$0	0.0
SB 14-021	3,366	3,366	0	0	0	0.0
SB 14-115	15,792	15,792	0	0	0	0.0
SB 14-153	87,098	87,098	0	0	0	0.0
SB 14-214	375,000	375,000	0	0	0	0.0
HB 14-1303	135,354	135,354	0	0	0	1.0
HB 14-1395	<u>178,301</u>	<u>178,301</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1.0</u>
TOTAL	\$42,029,278	\$40,946,462	\$179,000	\$903,816	\$0	278.6
Increase/(Decrease)	\$1,630,259	\$2,353,814	\$0	(\$723,555)	\$0	6.0
Percentage Change	4.0%	6.1%	0.0%	(44.5%)	n/a	2.2%

¹The FY 2014-15 Appropriation plus the sum of the appropriation highlights equals the combination of H.B. 14-1293 (Legislative Appropriation) and H.B. 14-1336 (Long Bill).

FY 2014-15 Appropriation Highlights

Salary/benefits/operating adjustments: The increase in appropriation is primarily the result of changes in health, life, and dental insurance benefits; increases for base salary adjustments (including an additional 4.0 FTE in the Office of the State Auditor); increases for ongoing investment in information technology; increases

for the legislative aides program; increases for State Patrol Capitol security; and an increase for dues and joint governmental agencies.

Property tax adjustment: The appropriation includes an increase of \$30,000 General Fund for the audit of county assessor values that the Legislative Council staff is required to complete annually pursuant to Section 39-1-104 (16) (a), C.R.S.

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

Cost of living study: The appropriation includes a decrease of \$250,000 reappropriated funds for a cost of living study. Legislative Council staff, pursuant to Section 22-54-104 (5) (c) (III) (A), C.R.S., is required to certify the cost of living factor for each school district every two years based on a cost of living analysis that is typically conducted through a contract. The appropriation is eliminated for FY 2014-15 as the Legislative Council staff is not required to perform the analysis in FY 2014-15.

Centrally appropriated line items: The appropriation includes a net decrease that is the result of decreases in workers compensation, payments to risk management and property funds, capitol complex maintenance costs, and information technology common policy issues that are offset by increases for amortization equalization disbursement, supplemental amortization equalization disbursement, and legal services.

Additional legislation: For information on additional legislation, see the “Recent Legislation” section at the end of Part III for this department.

DEPARTMENT OF LOCAL AFFAIRS

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

Department Budget: Recent Appropriations

Funding Source	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
General Fund ¹	\$10,379,500	\$11,074,259	\$17,710,455	\$21,655,439
Cash Funds	228,629,982	206,386,363	213,224,629	209,046,119
Reappropriated Funds	7,102,736	7,129,597	8,630,903	9,260,768
Federal Funds	<u>117,319,185</u>	<u>102,623,672</u>	<u>69,956,340</u>	<u>70,295,592</u>
Total Funds	\$363,431,403	\$327,213,891	\$309,522,327	\$310,257,918
Full Time Equiv. Staff	191.1	163.2	164.3	168.4

¹ Includes General Fund Exempt

General Factors Driving the Budget

Funding for this department consists of 7.0 percent General Fund, 67.4 percent cash funds, 3.0 percent reappropriated funds, and 22.7 percent federal funds. Some of the major factors driving the Department's budget are discussed below.

Dedicated Funding Sources

The Department of Local Affairs is responsible for a number of programs with dedicated cash revenue sources. The largest of these include: local government mineral and energy impact assistance (a portion of state severance tax and federal mineral lease revenue distributed to local governments affected by mineral extraction activities); disbursements from the Conservation Trust Fund (a portion of state lottery proceeds distributed to local entities on a formula basis for parks, recreation, and open space purposes); and limited gaming impact grants (a portion of limited gaming tax revenue distributed to communities impacted by gaming activities). Program expenditures fluctuate with changes in the revenue available from these various dedicated funding sources.

Federal Funds

Federal funds comprise over one-fifth (\$70.3 million) of the Department of Local Affairs' FY 2014-15 total appropriation. The Department's federally-funded programs generally do not require state matching funds, and funding is provided at the discretion of the United States Department of Housing and Urban Development (HUD). The major ongoing federal grants that are administered by the Department are:

- HUD Section 8 Rental Assistance (helps low-income families afford rental housing);
- HUD Affordable Housing Development (construction and/or rehabilitation of housing for low- to moderate-income persons);
- HUD Community Development Block Grants (provide funding for community infrastructure, housing, and economic development);
- Health and Human Services Community Services Block Grants (provide funding for services to persons at or below 125.0 percent of the federal poverty guidelines); and
- HUD Emergency Shelter Program (supports homeless prevention activities).

The Department used to administer significant emergency preparedness and training grants provided by the United States Department of Homeland Security, however, House Bill 12-1283 transferred the Department's Division of Emergency Management to the Department of Public Safety beginning in FY 2012-13.

Appropriation Highlights – 2014 Legislative Session

Department of Local Affairs						
	Total Funds	General Fund ^{1/2}	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$302,416,196	\$15,059,717	\$208,770,557	\$8,629,582	\$69,956,340	164.3
SB 13-146	0	(150,000)	150,000	0	0	0.0
SB 13-210	2,788,851	2,788,851	0	0	0	0.0
SB 14-106	4,304,072	0	4,304,072	0	0	0.0
HB 14-1241	<u>13,208</u>	<u>11,887</u>	<u>0</u>	<u>1,321</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$309,522,327	\$17,710,455	\$213,224,629	\$8,630,903	\$69,956,340	164.3
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$309,522,327	\$17,710,455	\$213,224,629	\$8,630,903	\$69,956,340	164.3
Housing development grants and loans	4,163,560	4,163,560	0	0	0	2.7
Medicaid Home Modification Benefit administration	655,521	450,375	0	205,146	0	1.8
Centrally appropriated line items	451,617	281,060	152,154	(93,685)	112,088	0.0
Indirect cost assessment	96,283	0	928	(144,040)	239,395	0.0
Geothermal energy impacts grants	50,000	0	50,000	0	0	0.0
Downtown revitalization technical assistance	4,000	0	0	4,000	0	0.0
Board of Assessment Appeals GF refinance	0	72,936	(72,936)	0	0	0.0
Annualize prior year legislation	(3,869,072)	435,000	(4,304,072)	0	0	0.0
Annualize prior year budget actions	(2,519,179)	(2,391,866)	(2,061)	(119,425)	(5,827)	(1.0)
IT common policy adjustments	(51,282)	29,774	(2,171)	(72,481)	(6,404)	0.0
HB 14-1336	\$308,503,775	\$20,751,294	\$209,046,471	\$8,410,418	\$70,295,592	167.8

Department of Local Affairs						
	Total Funds	General Fund ^{1/2}	Cash Funds	Reappropriated Funds	Federal Funds	FTE
SB 14-153	(352)	0	(352)	0	0	0.0
SB 14-172	<u>1,754,495</u>	<u>904,145</u>	<u>0</u>	<u>850,350</u>	<u>0</u>	<u>0.6</u>
TOTAL	\$310,257,918	\$21,655,439	\$209,046,119	\$9,260,768	\$70,295,592	168.4
Increase/(Decrease)	\$735,591	\$3,944,984	(\$4,178,510)	\$629,865	\$339,252	4.1
Percentage Change	0.2%	22.3%	(2.0%)	7.3%	0.5%	2.5%

^{1/1} Includes General Fund and General Fund Exempt.

^{1/2} Includes \$4,294,753 in FY 2013-14 and \$4,294,753 in FY 2014-15 General Fund that is not subject to the statutory limitation on General Fund appropriations imposed by Section 24-75-201.1, C.R.S.

FY 2013-14 Appropriation - Mid-year Adjustments

Senate Bill 14-106 provided \$4.3 million cash funds from the Local Government Permanent Fund for distribution to municipalities, counties, and divisions of government affected by mineral extraction.

House Bill 14-1241 added \$13,208 total funds including \$11,887 General Fund to the vehicle lease payments line item in the Executive Director's Office.

FY 2014-15 Appropriation Highlights

Housing development grants and loans: The appropriation includes an increase of \$4,163,560 General Fund and 2.7 FTE to expand the availability of affordable housing by providing loans and grants to developers. The Department expects the additional funding to stimulate the construction of 800 affordable housing units, bringing the number of affordable housing units expected to be constructed to 2,480 per year.

Medicaid Home Modification Benefit administration: The appropriation includes an increase of \$655,521 total funds, including \$450,375 General Fund, to administer the existing Medicaid Home Modification Benefit which provides access to a safe and accessible home environment for persons with a disability. The General Fund will provide 75 housing assistance payments (HAPs), and will grow to 225 HAPs by FY 2016-17, to help persons in the Community Choice Transitions program find affordable accommodations.

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

Indirect cost assessment: The appropriation includes a net increase in the Department's indirect cost assessment.

Geothermal energy impacts grants: The appropriation includes an increase of \$50,000 cash fund spending authority for the Division to administer the program for geothermal energy impact grants, as directed by Section 34-63-105, C.R.S., to be provided to state agencies, school districts, and political subdivisions affected by geothermal development and production for planning and providing services necessitated by geothermal energy

development. Currently, no qualified geothermal energy is being produced in Colorado; however, the Geothermal Resource Leasing Fund receives a portion of all revenues paid to the State for geothermal energy developed on federal lands including lease payments (which are paid even when geothermal resources have not been developed).

Downtown revitalization technical assistance: The appropriation includes an increase of \$4,000 reappropriated funds from the Governor's Office of Economic Development and International Trade to eliminate redundant paperwork filed by communities receiving downtown revitalization technical assistance grants.

Board of Assessment Appeals GF refinance: The appropriation includes an increase of \$72,936 General Fund to replace \$72,936 cash fund spending authority from the Board of Assessment Appeals Cash Fund to account for decreased regular tax appeal filing in a non-assessment tax year.

Annualize prior year legislation: The appropriation includes an increase of \$435,000 General Fund for the second year impact of S.B. 13-210 (Employment Conditions for Correctional Officers) which included transitioning Fort Lyon from a prison facility to a supportive residential community for the treatment of chronically homeless people. It also reduces the appropriation for Mineral and Energy Impact Grants by \$4.3 million to reflect the one-time backfill funding provided by S.B. 14-106 (Appropriations from Local Government Permanent Fund).

Annualize prior year budget actions: The appropriation includes a number of changes to reflect the out year impact of funding decisions made through the FY 2013-14 Long Bill including:

- Annualization of FY 2013-14 salary survey and merit pay;
- Annualization of one-time funding provided to assist rural communities dependent on one employer or employing industry; and
- Increases related to low income housing vouchers for behavioral health services, which provide housing subsidies for 107 individuals needing behavioral health services who are on the waitlist for federally funded vouchers or do not qualify for federal vouchers.

IT common policy adjustments: The appropriation includes adjustments to the payments made to the Governor's Office of Information Technology for the provision of information technology services and for COFRS modernization.

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

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

The Department of Military and Veterans Affairs has approximately 5,500 Army and Air National Guard members trained and ready for federal active duty abroad and for preserving life and property during natural disasters and civil emergencies at home in Colorado.

The Department maintains the equipment and facilities for the state military forces; provides for safekeeping of the public arms, military records, relics and banners of the state; assists veterans and National Guard members with benefits claims; maintains the Western Slope Veterans' Cemetery; supports the Civil Air Patrol, Colorado Wing; and assists in fighting the spread of drug trafficking and abuse.

Approximately 95.3 percent of the Department's budget is provided by the federal government, which fully funds the training of National Guard troops and provides the majority of the funding for the construction of armories and other military buildings. Under its cooperative agreements with the federal government, the State provides funding for 50.0 percent of maintenance and utilities costs at the fifteen armories located on state land, and 20.0 or 25.0 percent of those costs at four other facilities.

Department Budget: Recent Appropriations

Funding Source	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
General Fund	\$5,429,298	\$6,692,607	\$7,378,715	\$8,185,530
Cash Funds	1,209,140	1,332,993	1,239,695	1,282,783
Reappropriated Funds	803,509	803,662	800,000	1,100,000
Federal Funds	<u>213,775,024</u>	<u>214,128,024</u>	<u>214,439,842</u>	<u>214,735,872</u>
Total Funds	\$221,216,971	\$222,957,286	\$223,858,252	\$225,304,185
Full Time Equiv. Staff	1,384.9	1,384.9	1,389.6	1,391.2

General Factors Driving the Budget

The primary factors driving the budget are National Guard operations and services provided for veterans. The Department also provides limited assistance to the Colorado Wing of the Civil Air Patrol. Funding for this department consists of 3.6 percent General Fund, 0.6 percent cash funds, 0.5 percent reappropriated funds, and 95.3 percent federal funds. Some of the major factors driving the Department's budget are discussed below.

Colorado National Guard

The primary budget driver for the Colorado National Guard is the "federal force structure" (the number of Guard personnel authorized by the U.S. National Guard Bureau) and the State's ability to fill the force structure,

which, together with the associated facilities maintenance and utilities needs, determine the amount of federal funds flowing into and through the Department. The table below shows the authorized strength and active membership of the Colorado National Guard.

Colorado National Guard Authorized Strength and Membership				
	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
Authorized Strength				
Army National Guard	3,878	4,016	3,987	3,999
Air National Guard	<u>1,531</u>	<u>1,537</u>	<u>1,519</u>	<u>1,553</u>
Total	5,409	5,553	5,506	5,552
Members				
Army National Guard	3,776	4,024	3,988	3,986
Air National Guard	<u>1,498</u>	<u>1,471</u>	<u>1,500</u>	<u>1,543</u>
Total	5,274	5,495	5,488	5,529
Percentage of Slots Filled	97.5%	99.0%	99.7%	99.6%

Division of Veterans Affairs

The primary budget drivers for the Division of Veterans Affairs are the number of veterans who need assistance with federal benefits claims, the amount of Master Tobacco Settlement funds received and disbursed from the Colorado State Veterans Trust Fund, and the operation of the Western Slope Veterans Cemetery in Grand Junction. The primary uses of General Fund in the Division are Veterans Service Operations, which assists veterans with claims before the U.S. Department of Veterans Affairs and administers the County Veterans Service Officer programs with training and other support, and the veterans assistance program, which provides grants to non-profit or governmental entities that provide mental health, family counseling, job training, employment, housing, and other services to veterans.

The table below shows the number of veterans in Colorado registered with the U.S. Department of Veterans Affairs and the number of veterans' claims that the Department has processed from FY 2008-09 through FY 2013-14.

Division of Veterans Affairs Veterans Living in Colorado and Claims Processed by Department						
	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
Colorado Veteran Population (U.S. Dept. of Veterans Affairs)	424,228	421,342	417,834	395,613	390,824	390,824
Claims filed with the State of Colorado	5,201	5,420	5,406	5,937	7,468	9,135

Appropriation Highlights – 2014 Legislative Session

Department of Military and Veterans Affairs						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	<u>\$223,858,252</u>	<u>\$7,378,715</u>	<u>\$1,239,695</u>	<u>\$800,000</u>	<u>\$214,439,842</u>	<u>1,389.6</u>
TOTAL	\$223,858,252	\$7,378,715	\$1,239,695	\$800,000	\$214,439,842	1,389.6
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$223,858,252	\$7,378,715	\$1,239,695	\$800,000	\$214,439,842	1,389.6
Centrally appropriated line items	499,315	214,435	7,240	0	277,640	0.0
Operations and maintenance growth	277,000	277,000	0	0	0	0.0
Veterans cemetery growth	38,773	38,773	0	0	0	0.9
Tobacco revenue forecast adjustment	36,062	0	36,062	0	0	0.0
IT common policy adjustments	15,537	(20,735)	0	0	36,272	0.0
Camp George West utilities transfer	0	0	0	0	0	0.0
Annualize prior year budget actions	(20,754)	(2,658)	(214)	0	(17,882)	0.3
HB 14-1336	\$224,704,185	\$7,885,530	\$1,282,783	\$800,000	\$214,735,872	1,390.8
SB 14-157	600,000	300,000	0	300,000	0	0.0
HB 14-1205	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.4</u>
TOTAL	\$225,304,185	\$8,185,530	\$1,282,783	\$1,100,000	\$214,735,872	1,391.2
Increase/(Decrease)	\$1,445,933	\$806,815	\$43,088	\$300,000	\$296,030	1.6
Percentage Change	0.6%	10.9%	3.5%	37.5%	0.1%	0.1%

FY 2014-15 Appropriation Highlights

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; short-term disability; salary survey; merit pay; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; vehicle lease payments; workers' compensation; legal services; payment to risk management and property funds; and Capitol complex leased space.

Operations and maintenance growth: The appropriation includes an increase of \$277,000 General Fund for increased utilities costs at newly opened armory facilities and to support controlled maintenance projects costs.

Veterans cemetery growth: The appropriation includes an increase of \$38,773 General Fund and 0.9 FTE to fund an additional groundskeeper to support facility maintenance and repair at the Western Slope Veterans' Cemetery in Grand Junction, CO.

Tobacco revenue forecast adjustment: The appropriation includes an increase of \$36,062 cash funds to reflect anticipated transfers from the tobacco settlement forecast.

IT common policy adjustments: The appropriation includes adjustments to the payments made to the Governor’s Office of Information Technology for the provision of information technology services.

Camp George West utilities transfer: The appropriation includes a budget neutral adjustment of funds from Capitol Complex Leased Space to Operating Expenses to support direct billing for utilities expenses at Camp George West.

Annualize prior year budget actions: The appropriation includes changes to reflect the out year impact of funding decisions made through the FY 2013-14 appropriation including:

- Annualization of the FY 2013-14 salary survey and merit pay; and
- Adding 1.0 additional human resources FTE in FY 2013-14.

Additional legislation: For information on additional legislation, see the “Recent Legislation” section at the end of Part III of this department.

DEPARTMENT OF NATURAL RESOURCES

The Department is responsible for developing, protecting, and enhancing Colorado's natural resources for the use and enjoyment of the State's present and future residents and visitors. The Department is comprised of the following divisions:

- Executive Director's Office
- Division of Reclamation, Mining, and Safety
- Oil and Gas Conservation Commission
- State Board of Land Commissioners
- Division of Parks and Wildlife
- Colorado Water Conservation Board
- Water Resources Division (State Engineer's Office)
- Division of Forestry

Department Budget: Recent Appropriations

Funding Source	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
General Fund	\$23,429,407	\$23,768,283	\$25,126,713	\$26,226,310
Cash Funds	190,187,713	209,619,862	215,232,947	192,978,621
Reappropriated Funds	8,480,565	8,641,534	8,778,322	8,026,022
Federal Funds	<u>19,884,955</u>	<u>20,748,282</u>	<u>28,538,422</u>	<u>28,891,314</u>
Total Funds	\$241,982,640	\$262,777,961	\$277,676,404	\$256,122,267
Full Time Equiv. Staff	1,466.1	1,464.1	1,439.1	1,444.0

General Factors Driving the Budget

Funding for this department consists of 10.2 percent General Fund, 75.3 percent cash funds, 3.1 percent reappropriated funds, and 11.3 percent federal funds. Some of the major factors driving the Department's budget are discussed below.

Severance Tax Revenue (Operational Fund)

The availability of severance tax revenues affects funding for many programs in the Department. Pursuant to Section 39-29-108 (2), C.R.S., total severance tax revenues are divided equally between the State Severance Tax Trust Fund and the Local Government Severance Tax Fund, administered by the Department of Local Affairs to provide funding to local governments impacted by mining activities. Of revenues credited to the State Severance Tax Trust Fund, 50.0 percent (or 25.0 percent of total severance tax revenues) are allocated to

the Severance Tax Perpetual Base Fund, used by the Colorado Water Conservation Board for water construction projects. The other 50.0 percent of State Severance Tax Trust Fund revenues (or 25.0 percent of total severance tax revenues) are allocated to the Severance Tax Operational Fund for "programs that promote and encourage sound natural resource planning, management, and development related to minerals, energy, geology, and water".

Severance tax revenues are highly variable and programs supported by the Operational Fund are divided into two tiers to manage the impact of this variability (H.B. 08-1398, Buescher/Johnson). Tier 1 expenditures primarily support employee salaries and on-going costs for programs in the Department. The required reserve for Tier 1 programs is equal to total appropriations for Tier 1 programs in a given fiscal year.

Tier 2 programs generally support grants, loans, research, and construction and the distribution of funding is staggered: 40.0 percent released July 1, 30.0 percent released January 4, and the remaining 30.0 percent released April 1 of a given fiscal year. The required reserve for Tier 2 programs is equal to 15.0 percent of the authorized expenditures for Tier 2 programs in that fiscal year. Tier 2 programs are subject to proportional reductions if revenue projections indicate there are insufficient funds available to support authorized expenditures. However, the March 2014 Legislative Council Forecast shows sufficient revenues to fully fund the final disbursement to Tier 2 programs in FY 2013-14, as well as current appropriations and authorized expenditures in FY 2014-15.

Operational Fund Summary						
	FY 09-10 Actual	FY 10-11 Actual	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Estimate	FY 2014-15 Estimate
Beginning balance	\$68,073,848	\$31,181,533	\$18,439,558	\$25,665,238	\$18,981,012	\$18,170,399
Revenues	<u>10,119,342</u>	<u>35,446,371</u>	<u>50,041,905</u>	<u>32,538,662</u>	<u>49,797,318</u>	<u>64,575,497</u>
Total available	\$78,193,190	\$66,627,904	\$68,481,463	\$58,203,900	\$68,778,330	\$82,745,896
Tier 1 Programs	15,910,585	16,513,233	13,565,154	13,612,136	13,105,577	13,348,727
Tier 2 Programs ^{/1}	20,101,072	31,675,113	25,301,072	25,610,752	37,502,355	38,251,072
Transfer to GF	11,000,000	0	3,950,000	0	0	0
Ending balance	\$31,181,533	\$18,439,558	\$25,665,237	\$18,981,012	\$18,170,398	\$31,146,097
Reserve	18,925,746	21,268,394	17,360,315	17,974,796	18,468,238	18,111,388
Unobligated ^{/2}	12,255,787	(2,828,836)	8,304,922	1,006,216	(297,840)	13,034,709

^{/1} Tier 2 spending in FY 2013-14 and FY 2014-15 is based on the March 2014 Legislative Council Staff Revenue Forecast.

^{/2} Negative "unobligated" fund balances indicate insufficient funds to support expenditures and required reserves.

State Board of Land Commissioners

The State Board of Land Commissioners (State Land Board) manages eight public trusts of land. Total trust revenues have more than tripled over the past ten years, driven by record bonus payments on mineral leases and royalties on oil and gas production. Bonus payments accounted for 80.9 percent of the State Land Board's total revenue in FY 2012-13 but are expected to taper off significantly as the number of available land parcels decreases and payments on the Lowry Range and National Hog Farm bonuses are completed.

The Public School Trust benefiting K-12 education is the largest of the trusts managed by the State Land Board, accounting for 98.7 percent of total trust revenues. House Bill 08-1335 (known as the Building Excellent

Schools Today or BEST act; see Section 22-43.7-104, C.R.S.) significantly changed the distribution of state public school land revenue. Fifty percent of the gross amount of income received during the fiscal year from state public school lands is deposited in the Public School Capital Construction Assistance (PSCCA) Fund for the BEST program. Of the remaining 50.0 percent, roughly \$9.3 million will support State Land Board operations and the Investment and Development Fund in FY 2014-15 and the remainder will be deposited into the Public School Permanent Fund.

School Trust Revenue					
	FY08-09 Actual	FY09-10 Actual	FY10-11 Actual	FY11-12 Actual	FY 12-13 Actual
School Trust-Total Revenues	<u>\$74,023,629</u>	<u>\$66,361,923</u>	<u>\$120,557,802</u>	<u>\$144,738,002</u>	<u>\$123,327,536</u>
Mineral Rental	1,739,678	1,729,683	2,049,480	2,655,179	3,918,821
Mineral Royalties	54,521,085	34,169,303	42,210,215	48,815,542	49,464,902
Mineral Bonuses	3,806,001	14,880,486	62,649,071	78,406,236	53,183,032
Surface Rental	8,305,534	9,157,949	8,222,629	11,390,961	12,396,903
Commercial/Other	5,210,122	6,210,687	5,133,310	3,212,209	4,089,543
Land Sales	3,250	4,095	53,824	22,552	975
Interest and Penalties	381,501	209,720	239,273	235,323	273,360
Timber Sales	56,458	0	0	0	0

Oil and Gas Activity

The Colorado Oil and Gas Conservation Commission (OGCC) is responsible for promoting the exploration, development, and conservation of Colorado's oil and natural gas resources. The level of oil and gas drilling activity, shown in the table below, impacts the OGCC's workload and necessary expenditures:

OGCC Workload Measures						
	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15
Drilling Permits Requested	5,278	4,883	4,541	3,893	4,333	4,300
Well Starts	2,237	2,972	3,109	1,828	1,966	2,000
Active Drilling Rigs	46	67	72	60	66	68
Active Wells	42,324	45,401	47,860	50,909	52,300	54,300
Site Investigations & Remediation Workplans Received	301	588	763	640	540	600
Avg. Inspection Frequency	3.39	2.66	3.16	2.71	2.07	2.24
Hearing Applications	125	255	456	525	566	600
OGCC Expenditures ¹	\$7,238,243	\$7,092,505	\$7,401,858	\$8,365,201	\$11,132,051	\$11,002,960
Total FTE	62.1	65.2	65.4	72.2	95.4	96.3

¹Division-only expenditures include all fund sources; does not include centrally appropriated items funded in the Executive Director's Office. Expenditures for FY 2013-14 and FY 2014-15 reflect the appropriated amounts.

Division of Parks and Wildlife

Senate Bill 11-208 merged the Division of Parks and Outdoor Recreation and the Division of Wildlife into the new Division of Parks and Wildlife (DPW), effective July 1, 2011.

State Parks

The DPW manages 42 state parks and several special purpose programs including the snowmobile program, the off-highway vehicle program, river outfitters regulation, federal grants, aquatic nuisance species control and prevention, and the distribution of trails grants. The level of services at existing state parks and the acquisition and development of new properties are driven by available funding sources. Workload, and some revenue, is driven by visitation. State Parks are expected to have an estimated 11.5 million visitors in FY 2014-15.

State Parks Visitation	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Estimate	FY 2014-15 Estimate
State Parks Visitation	12,233,271	11,501,520	11,699,543	11,500,651
<i>Percent Change</i>	<i>(0.9%)</i>	<i>(6.0%)</i>	<i>1.7%</i>	<i>(1.7%)</i>

Revenues from State Parks include fees, lottery funds, and other state and federal funds. For FY 2013-14, State Parks will receive an estimated \$65.1 million in total revenue. Of this amount, a total of \$27.4 million is estimated to come from park passes and entry fees, permits and user fees, and various other fees; \$25.1 million from Lottery and Great Outdoors Colorado (GOCO) funds; \$5.2 million from federal funds and state grants; \$4.6 million from severance tax funding; and \$2.8 million from interest income and other revenues.

State Park Revenues				
	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Estimate	FY 2014-15 Estimate
Licenses, Passes, Fees, and Permits	\$20,026,117	\$19,125,550	\$19,100,000	\$20,700,000
Registrations	8,557,113	8,295,423	8,300,000	8,580,000
Federal and State Grants	3,814,383	5,161,051	5,200,000	4,500,000
Lottery and Great Outdoors Colorado	22,354,087	25,116,776	25,100,000	26,670,000
Sale of Goods, Services, and Assets	1,965,734	1,627,749	1,600,000	2,000,000
Donations	39,497	59,252	100,000	100,000
Interest Income	613,893	472,324	500,000	700,000
Other Revenues	302,339	650,621	600,000	500,000
General Fund and Severance Tax	<u>5,386,180</u>	<u>4,640,982</u>	<u>4,600,000</u>	<u>5,375,000</u>
Revenues Before Transfers	\$63,059,343	\$65,149,728	\$65,100,000	\$69,125,000
Intra-Agency, Inter-Fund Transfers	<u>10,458,243</u>	<u>\$11,188,486</u>	<u>\$11,200,000</u>	<u>\$11,200,000</u>
Total Revenues	\$73,517,586	\$76,338,214	\$76,300,000	\$80,325,000

Great Outdoors Colorado (GOCO) Board Grants

GOCO awards annual grants to the Division of Parks and Wildlife. Grants for State Parks are used for developing new parks (capital) as well as enhancing and maintaining existing parks (operating). Wildlife grants are used for species protection, habitat development, watchable wildlife, and wildlife education. Pursuant to

Article XXVII of the Colorado Constitution, these grants are not subject to legislative appropriation. The table below shows recent GOCO awards:

Great Outdoors Colorado (GOCO) Board Grants				
	FY 2011-12 Award	FY 2012-13 Award	FY 2013-14 Estimate	FY 2014-15 Estimate
Parks Capital Budget	\$2,047,548	\$17,480,503	\$12,387,381	14,689,578
Parks Operating Budget	<u>4,459,207</u>	<u>4,710,000</u>	<u>4,710,000</u>	<u>5,124,000</u>
Total GOCO Grants for State Parks	\$6,506,755	\$22,190,503	\$17,097,381	\$19,813,578
Wildlife Base Capital Budget	\$2,528,173	\$2,327,000	\$2,327,000	\$727,000
Wildlife Additional Capital Budget	8,300,000	7,300,000	3,200,000	3,800,000
Wildlife Operating Budget	<u>6,273,000</u>	<u>6,273,000</u>	<u>6,273,000</u>	<u>7,273,000</u>
Total Grants for Wildlife	\$17,101,173	\$15,900,000	\$11,800,000	\$11,800,000

Wildlife

The DPW also manages the state's 960 game and non-game wildlife species by issuing fishing and hunting licenses, enforcing wildlife regulations, protecting habitat and native wildlife populations, and managing approximately 1.43 million acres, including 345 state wildlife areas. Funding for Wildlife operations and programs is a mixture of cash funds from license fees, federal funds, Great Outdoors Colorado funds, and various other sources. Hunting and fishing license sales, approximately 2.3 million in FY 2013-14, provide more than half of the funding for wildlife programs. Approximately 61.2 percent of total hunting license sales are from big game species (mainly elk and deer), and 60.0% of all revenues from hunting and fishing license sales come from the sale of non-resident big game hunting licenses. The table below shows Wildlife revenues by category:

Wildlife Revenues				
	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Estimate	FY 2014-15 Estimate
Licenses, Passes, Fees, and Permits	\$76,862,552	\$80,203,643	\$79,225,000	\$80,450,000
Federal and State Grants	25,327,035	28,264,171	24,640,000	25,175,000
Lottery and Great Outdoors Colorado	13,651,460	18,847,618	11,800,000	11,800,000
Sale of Goods, Services, and Assets	795,850	613,360	800,000	800,000
Donations	1,432,276	963,325	1,000,000	1,000,000
Interest Income	452,420	619,755	500,000	\$500,000
Other Revenues	1,027,937	1,439,293	1,100,000	1,100,000
General Fund and Severance Tax	<u>2,907,020</u>	<u>2,611,519</u>	<u>2,850,000</u>	<u>2,850,000</u>
Revenues Before Transfers	\$122,456,550	\$133,562,684	\$121,915,000	\$123,675,000
Intra-Agency, Inter-Fund Transfers	<u>4,888,582</u>	<u>\$5,255,059</u>	<u>\$5,000,000</u>	<u>\$5,000,000</u>
Total Revenues	\$127,345,132	\$138,817,743	\$126,915,000	\$128,675,000

Division of Water Resources (State Engineer's Office)

The Division of Water Resources (DWR) is responsible for the supervision and control of water resources in the state of Colorado (Section 37-80-102 (1) (h), C.R.S.), which includes administration and operation of over 170,000 surface and ground water rights. This includes daily oversight of water allocation to farmers, industries, municipalities, and all other water users within the state. This allocation system operates in accordance with the Doctrine of Prior Appropriation (i.e., those that put the water to use first are entitled to get their water first during periods of water shortage), Colorado Supreme Court decisions, water court decrees, and rules and regulations issued by the State Engineer. The DWR has contractual water delivery obligations for each of its nine compacts, two United States Supreme Court decrees, and interstate water allocation agreements.

The DWR also safeguards the public health of the people of Colorado and protects the ground water in Colorado by setting and enforcing minimum standards through permit applications and inspections for the construction and repair of wells. The DWR oversees approximately 312,000 permitted and decreed wells. Additionally, the dam safety program protects public safety through the regulation of 1,961 jurisdictional dams, including an average of 530 dam inspections annually. The DWR staff also maintains 555 streamflow, ditch and reservoir gages used for administration of water rights and reservoir operations. In order to accomplish these and other work duties, the DWR staff drives approximately 2.1 million miles annually.

Colorado Water Conservation Board Construction Fund

The Colorado Water Conservation Board (CWCB) Construction Fund, created in Section 37-60-121 (1) (a), C.R.S., provides loans and grants for projects that will increase the beneficial consumptive use of Colorado's waters. Sections 37-60-122 (1) (b) and 37-60-121 (1) (b) (IV), C.R.S., authorize the CWCB to make loans up to ten million dollars without General Assembly approval, but limit participation to projects that can repay the CWCB's investment unless specifically authorized by the legislature. The unappropriated balance of moneys in the CWCB Construction Fund and the Severance Tax Trust Fund Perpetual Base Account are continuously appropriated for this purpose. The CWCB Construction Fund also pays for the administrative expenses of the CWCB.

CWCB Construction Fund revenues are from interest earnings, transfers from the Perpetual Base Fund, and Federal Mineral Lease Fund distributions. For FY 2014-15, H.B. 14-1333 appropriated \$5.4 million for various water-related projects, authorized a total of \$131.2 million in loans to special water districts, and provided for the following transfers:

- \$1,575,000 from the Severance Tax Perpetual Base Fund to the CWCB Construction Fund;
- \$1,200,000 from the CWCB Construction Fund to the Litigation Fund; and
- \$500,000 from the CWCB Construction Fund to the Flood and Drought Response Fund.

Colorado Water Conservation Board Construction Fund				
Cash Flow Summary Report Based on March 2014 Legislative Council Staff Revenue Estimate				
	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
	Actual	Actual	Estimate	Estimate
Interest (Loans, Treasury, Miscellaneous)	\$10,093,843	\$7,602,670	\$8,109,909	\$10,263,069
Federal Mineral Lease (FML) Revenues	15,748,096	11,570,160	15,094,507	17,158,714
Other Revenues (including pass-through)	9,880,027	4,478,519	2,603,648	2,603,648
Contingent Transfer of General Fund Surplus pursuant to S.B. 13-236	0	0	0	30,000,000
Animas-La Plata Project	12,000,000	12,000,000	0	0

Colorado Water Conservation Board Construction Fund Cash Flow Summary Report Based on March 2014 Legislative Council Staff Revenue Estimate				
	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
	Actual	Actual	Estimate	Estimate
Rio Grande Cooperative Project	0	15,000,000	15,000,000	0
Chatfield Reservoir Reallocation Project	0	5,000,000	28,000,000	0
Windy Gap Reservoir Bypass Channel Project	0	0	2,000,000	0
Agriculture Emergency Drought Grants	0	1,000,000	1,000,000	\$1,000,000
Long Hollow Reservoir Project	0	0	0	1,575,000
State Gov't Grant – CDPHE (Terrace Irrigation)	0	2,000,000	0	0
Governor's Executive Order for Forest Fires	<u>0</u>	<u>1,582,000</u>	<u>2,500,000</u>	<u>0</u>
Total Revenues	\$47,721,966	\$60,233,349	\$74,308,064	\$62,600,431
Cash Expenditures/CWCB Operating Costs ¹	8,477,462	11,351,692	8,732,100	8,780,100
Non-Reimbursable Expenditures	6,001,119	3,569,871	2,340,000	3,805,000
Transfer to Other CWCB Funds	841,882	21,462,642	413,882	1,700,000
Water Supply Reserve Account and Other Pass-Through	3,473,078	0	0	0
Animas-La Plata Project Expenditure	12,000,000	0	0	0
Animas-La Plata Re-Classify as Investment	0	(12,000,000)	0	0
Rio Grande Cooperative Project Expense	0	0	5,000,000	0
Windy Gap Reservoir Bypass Channel	0	0	2,000,000	0
Long Hollow Reservoir Project	0	0	0	1,575,000
Agriculture Emergency Drought Grants	0	1,000,000	1,000,000	1,000,000
Governor's Executive Order for Forest Fires	<u>0</u>	<u>1,582,000</u>	<u>2,500,000</u>	<u>0</u>
Total Expenditures	\$30,793,541	\$26,966,205	\$21,985,982	\$16,860,100
Net Cash Flow	\$16,928,425	\$33,267,144	\$52,322,082	\$45,740,331

¹Includes cash expenditures for all Long Bill line items less non-reimbursable expenditures, transfers to other CWCB funds for "refreshes", and expenditures related to the Animas-La Plata Water purchase.

Severance Tax Perpetual Base Fund

The Severance Tax Perpetual Base Fund (Section 39-29-109 (2) (a), C.R.S.) receives half of receipts to the State Severance Tax Trust Fund and provides loans or grants for construction, rehabilitation, enlargement, or improvement of water projects. This fund is a revolving loan account, and as such no permanent programs depend on this fund. The table below outlines recent fund activity:

Perpetual Base Account of the Severance Tax Trust Fund Cash Flow Summary Report Based on March 2014 Legislative Council Staff Revenue Estimate				
	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
	Actual	Actual	Estimate	Estimate
Severance Tax Revenues	\$49,859,296	\$32,437,544	\$50,000,000	\$54,767,322
Interest (Loans and Treasury)	<u>6,738,136</u>	<u>7,621,466</u>	<u>5,643,576</u>	<u>6,323,238</u>
Total Revenues	\$56,597,432	\$40,059,010	\$55,643,576	\$61,090,560
Animas-La Plata Project Transfer	12,000,000	12,000,000	0	0
General Fund Transfers	48,100,000	0	0	0
Agriculture Emergency Drought Grants	0	1,000,000	1,000,000	\$1,000,000
Rio Grande Cooperative Project	0	15,000,000	15,000,000	0

Perpetual Base Account of the Severance Tax Trust Fund Cash Flow Summary Report Based on March 2014 Legislative Council Staff Revenue Estimate				
	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Estimate	FY 2014-15 Estimate
Chatfield Reservoir Reallocation Project (2012 Projects Bill)	0	5,000,000	0	0
Chatfield Reservoir Reallocation Project (2013 Projects Bill)	0	0	28,000,000	0
Windy Gap Reservoir Bypass Channel	0	0	2,000,000	0
Long Hollow Reservoir Project	0	0	0	\$1,575,000
Governor's Executive Orders for Forest Fires	0	1,582,000	2,500,000	0
Governor's Energy Office	<u>67,843</u>	<u>28,594</u>	<u>0</u>	<u>0</u>
Total Expenditures	\$60,167,843	\$34,610,594	\$48,500,000	\$2,575,000
Net Cash Flow	(\$3,570,411)	\$5,448,416	\$7,143,576	\$58,515,560

Perpetual Base Account of the Severance Tax Trust Fund Fund Balance Report				
	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Estimate	FY 2014-15 Estimate
Net Cash Assets <u>Less</u> Loan and Non-Reimbursable Obligations	\$58,702,166	\$68,519,357	\$64,219,694	\$11,408,115
New Project Loans	n/a	\$2,020,000	\$23,911,841	\$117,769,000

Appropriation Highlights – 2014 Legislative Session

Department of Natural Resources						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$241,007,024	\$24,978,508	\$178,674,931	\$8,774,311	\$28,579,274	1,438.8
SB 13-181	32,340,000	0	32,340,000	0	0	0.0
SB 13-188	51,800	0	51,800	0	0	0.0
SB 13-202	100,000	0	100,000	0	0	0.0
HB 13-1278	10,417	0	10,417	0	0	0.0
HB 13-1283	4,000,000	0	4,000,000	0	0	0.0
HB 14-1242	<u>167,163</u>	<u>148,205</u>	<u>55,799</u>	<u>4,011</u>	<u>(40,852)</u>	<u>0.3</u>
TOTAL	\$277,676,404	\$25,126,713	\$215,232,947	\$8,778,322	\$28,538,422	1,439.1
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$277,676,404	\$25,126,713	\$215,232,947	\$8,778,322	\$28,538,422	1,439.1
Centrally appropriated line items	6,426,600	1,952,813	5,068,379	(889,787)	295,195	0.0
Division of Water Resources FTE	280,203	280,203	0	0	0	3.7
Additional legal services for OGCC	215,842	0	215,842	0	0	0.0

Department of Natural Resources						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Additional legal services for DWR	178,218	178,218	0	0	0	0.0
CAIC stabilization of funding for salaries	105,540	0	103,951	1,589	0	0.6
DRMS Emergency Response Cost increase	75,000	0	75,000	0	0	0.0
Vehicles for OGCC field staff	45,745	0	45,745	0	0	0.0
Operating adjustment	40,621	1,278	38,478	457	408	0.0
Equipment for DWR Well Enforcement Team	29,503	29,503	0	0	0	0.0
Annualize prior year legislation	(36,669,380)	(148,205)	(36,558,016)	(4,011)	40,852	(0.3)
Annualize prior year budget actions	(1,774,143)	(501,986)	(1,240,074)	(9,683)	(22,400)	0.0
IT common policy adjustments	(1,434,900)	348,455	(790,058)	(928,262)	(65,035)	0.0
Indirect cost assessment	(753,253)	(1,077,397)	(855,255)	1,077,397	102,002	0.0
DPW line item reorganization	(160,000)	0	(160,000)	0	0	0.0
Adjustments to leased space	(120,158)	36,715	(158,743)	0	1,870	0.0
HB 14-1336	\$244,161,842	\$26,226,310	\$181,018,196	\$8,026,022	\$28,891,314	1,443.1
SB 14-188	6,500,000	0	6,500,000	0	0	0.0
HB 14-1333	5,380,000	0	5,380,000	0	0	0.0
HB 14-1356	<u>80,425</u>	<u>0</u>	<u>80,425</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$256,122,267	\$26,226,310	\$192,978,621	\$8,026,022	\$28,891,314	1,444.0
Increase/(Decrease)	(\$21,554,137)	\$1,099,597	(\$22,254,326)	(\$752,300)	\$352,892	4.9
Percentage Change	(7.8%)	4.4%	(10.3%)	(8.6%)	1.2%	0.3%

FY 2013-14 Appropriation - Mid-year Adjustments

House Bill 14-1242 adds \$167,163 total funds and 0.3 FTE for mid-year adjustments to the Department's FY 2013-14 appropriation including: an increase of \$163,944 General Fund for an additional 1,800 legal services hours; an increase of \$80,077 total funds and 0.3 FTE for the Colorado Avalanche Information Center to purchase equipment and permanently fund FTE; an increase of \$15,248 cash funds to provide vehicles for new Oil and Gas Conservation Commission field staff; and a decrease of \$92,106 (including a \$15,739 reduction in General Fund) for a mid-year billing adjustment for vehicle lease payments.

FY 2014-15 Appropriation Highlights

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; shift differential; vehicle lease payments; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; and Capitol complex leased space.

Division of Water Resources FTE: The appropriation includes an increase of \$280,203 General Fund and 3.7 FTE for the DWR Water Administration Program to fund a Chief of Water Information, a Hydrographer, and a Well Technician for the South Platte River Basin, as well as a Subdistrict Coordinator for the Rio Grande Basin.

Additional legal services for OGCC: The appropriation includes an increase of \$215,842 cash funds for the provision of 2,180 additional legal services hours for the Oil and Gas Conservation Commission Enforcement Unit.

Additional legal services for DWR: The appropriation includes an increase of \$178,218 General Fund for the provision of 1,800 additional legal services hours for the Division of Water Resources.

CAIC stabilization of funding for salaries: The appropriation includes an increase of \$105,540 and 0.6 FTE for the Colorado Avalanche Information Center to permanently fund four full-time FTE, purchase two-way satellite radios for forecasters, and fund vehicle lease payments on four vehicles from State Fleet.

DRMS Emergency Response Cost increase: The appropriation includes an increase of \$75,000 cash funds from the Severance Tax Operational Fund to fund the initial response of the Division of Reclamation, Mining, and Safety to any environmental emergencies at mining sites.

Vehicles for OGCC field staff: The appropriation includes an increase of \$45,745 cash funds to continue lease payments on four-wheel drive vehicles for new field inspectors and environmental specialists (10.0 FTE) added to the Oil and Gas Conservation Commission in FY 2013-14.

Operating adjustment: The appropriation includes an increase of \$40,621 total funds for the Department's share of an increase in postage and envelope costs in the Department of Personnel.

Equipment for DWR Well Enforcement Team: The appropriation includes an increase of \$29,503 General Fund to provide the Well Measurement and Enforcement Team with one set of well testing equipment and fund vehicle lease payments on three four-wheel drive vehicles from State Fleet.

Annualize prior year legislation: The appropriation includes a reduction of \$36.7 million total funds for the second year impact of legislation. The primary changes are the elimination of the following:

- \$32.3 million cash funds appropriated in S.B. 13-181 (CWCB Construction Fund Projects); and
- \$4.0 million cash funds appropriated in H.B. 13-1283 (Species Conservation Trust Fund).

Annualize prior year budget actions: The appropriation includes a number of changes to the out year impact of funding decisions made through the FY 2013-14 appropriation including:

- the annualization of the FY 2013-14 salary survey and merit pay;
- a reduction of \$750,000 cash funds for the annualization of the FY 2012-13 two-year appropriation for the State Land Board's asset management system upgrade; and
- a reduction of \$500,000 General Fund for the annualization of one-time funding for wildlife youth and fishing programs.

IT common policy adjustments: The appropriation includes adjustments to the payments made to the Governor's Office of Information Technology for the provision of information technology services.

Indirect cost assessment: The appropriation includes a net decrease in the Department's indirect cost assessment.

DPW line item reorganization: The appropriation includes a decrease of \$160,000 cash funds related to the reorganization and consolidation of 25 Long Bill line items in the Division of Parks and Wildlife to more accurately reflect the functions of program units following the 2011 Parks and Wildlife merger (SB 11-208).

Adjustments to leased space: The appropriation includes net decrease of \$120,158 total funds for a refinance of the leased space line item, including a decrease of \$158,743 cash funds offset by an increase of \$36,715 General Fund.

Additional legislation: For information on additional legislation, see the “Recent Legislation” section at the end of Part III of this department.

DEPARTMENT OF PERSONNEL

The Department of Personnel is responsible for administering the state personnel system, which includes approximately 30,800 full-time-equivalent (FTE) employees, excluding the Department of Higher Education. The Department's responsibilities pertaining to the personnel system include developing the annual employee compensation plan, administering personnel policies for classified employees, administering the state's employee group benefit plans such as health, life, and dental insurance, as well as short-term disability insurance, and providing support to the State Personnel Board, which is responsible for ensuring compliance with the state personnel system as authorized in Sections 13 through 15 of Article XII of the Colorado Constitution. The Department also provides general support services for state agencies such as administering the state's procurement policies, maintaining the state archives and public records, maintaining the buildings in the capitol complex, providing mail services for state agencies, providing document handling services such as printing and copying, administering the state's motor vehicle fleet, and providing administrative law judge services.

Department Budget: Recent Appropriations

Funding Source	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
General Fund	\$4,118,272	\$6,603,153	\$31,439,880	\$6,767,176
Cash Funds	11,790,909	14,205,062	13,628,813	13,231,074
Reappropriated Funds	141,948,754	145,017,102	151,463,339	153,356,689
Federal Funds	0	0	0	0
Total Funds	\$157,857,935	\$165,825,317	\$196,532,032	\$173,354,939
Full Time Equiv. Staff	394.3	396.9	393.1	393.6

General Factors Driving the Budget

Funding for this department consists of 3.9 percent General Fund, 7.6 percent cash funds, and 88.5 percent reappropriated funds. The primary source of reappropriated funds is user fees transferred from other agencies for the provision of statewide services. Some of the major factors driving the Department's budget are discussed below.

Number of State Employees

The Department administers the state's programs related to employee compensation and benefits. Statewide expenditures for these programs are driven by the number of employees, the percentage of employees who choose to participate in optional benefit plans, and the Department's contracts with the benefit providers. The following table shows the number of FTE appropriated statewide, excluding all employees in the Department of Higher Education.

State Employees (excluding Department of Higher Education Employees)								
	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14
Total FTE	29,106.7	30,211.0	31,142.5	31,070.5	31,466.9	30,657.3	30,559.8	30,787.2

The Department's Executive Director serves as the State Personnel Director, and pursuant to Section 24-50-104 (4) (c), C.R.S., submits to the Governor and the Joint Budget Committee of the General Assembly, annual recommendations and estimated costs for salaries and group benefit plans for state employees.

State Fleet Program

Pursuant to Section 24-30-1104 (2) (a), C.R.S., the Division of Central Services administers the state's fleet management program, which purchases vehicles, manages maintenance and repairs, manages the fleet, auctions older vehicles, and manages the state motor pool. The Department acquires private-sector financing for new or replacement vehicles. The leases range from 72 and 120 months, with the exception of State Patrol vehicles, whose leases are for 48 months. Departments are assessed an average vehicle management fee of \$35 per vehicle, per month, to fund the fleet management program's overhead costs. Many of the institutions of Higher Education manage their own vehicle fleets, and this data is not reflected as a part of the Department's totals.

Fleet Management Program						
	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Actual	FY 13-14 Approp.	FY 14-15 Approp.
Total Fleet Management Cost	\$31,924,920	\$36,549,682	\$39,069,420	\$38,778,051	\$44,845,691	\$46,135,776
Fleet Vehicles	5,817	5,903	5,912	5,912	5,932	5,950

Risk Management

The state's Risk Management Program provides insurance coverage to departments and state agencies for workers' compensation and property and liability insurance. The state is self-insured for workers' compensation and liability, and purchases property insurance from a commercial insurer. Appropriations and allocations to state agencies for risk management coverage are calculated using actuarially-determined prospective claims losses. The larger higher education institutions administer their own risk management programs, and for those programs, funds are not included in the following table.

Statewide Risk Management Services - Premiums and Administrative Expenses						
	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Approp.	FY 2014-15 Approp.
Workers' Compensation Premiums and TPA Fees	\$40,945,315	\$35,441,933	\$33,565,516	\$40,447,902	\$41,220,820	\$43,087,676
Property Premiums	8,121,258	7,881,786	7,824,968	7,668,912	7,984,015	7,204,422
Liability Premiums and Legal Services	<u>6,915,373</u>	<u>7,532,919</u>	<u>7,215,260</u>	<u>7,680,580</u>	<u>7,940,300</u>	<u>7,764,857</u>
TOTAL Premiums & Legal	55,981,946	50,856,638	48,605,744	55,797,394	57,145,135	58,056,955
Risk Management Administrative Expense	754,886	888,064	875,926	876,974	1,328,047	1,386,721
Administrative Expense Percentage	1.33%	1.72%	1.77%	1.55%	2.27%	2.33%
Lower North Fork Fire Additional Claims	n/a	n/a	n/a	n/a	25,053,984	n/a
TOTAL Risk Management	\$56,736,832	\$51,744,702	\$49,481,670	\$56,674,368	\$83,527,166	\$59,443,676

Appropriation Highlights – 2014 Legislative Session

Department of Personnel						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$172,942,077	\$9,154,163	\$12,354,837	\$151,433,077	\$0	393.4
SB 13-200	12,122	0	0	12,122	0	0.0
SB 13-276	1,173,976	0	1,173,976	0	0	0.0
SB 13-285	100,000	0	100,000	0	0	0.0
HB 13-1286	(58,777)	(58,777)	0	0	0	(0.8)
HB 13-1292	36,588	36,588	0	0	0	0.0
SB 14-223	7,101,298	7,101,298	0	0	0	0.0
HB 14-1243	2,174,318	2,156,178	0	18,140	0	0.5
HB 14-1336	<u>13,050,430</u>	<u>13,050,430</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$196,532,032	\$31,439,880	\$13,628,813	\$151,463,339	\$0	393.1
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$196,532,032	\$31,439,880	\$13,628,813	\$151,463,339	\$0	393.1
Operating common policy adjustments	1,658,615	0	0	1,658,615	0	0.0
Centrally appropriated line items	431,990	128,002	177,056	126,932	0	0.0
Central collections customer service	389,022	0	389,022	0	0	3.6
Total compensation vendor	300,000	300,000	0	0	0	0.0
Indirect cost assessment	244,479	0	262,038	(17,559)	0	0.0
Legislative audio digitization	175,833	175,833	0	0	0	2.0
Transparency online project modernization	142,235	142,235	0	0	0	0.5
Address confidentiality program resources	60,308	60,308	0	0	0	1.4
Fund source adjustment	0	(12,778)	4,141	8,637	0	0.0
Annualize Lower North Fork Fire funds	(25,053,984)	(25,053,984)	0	0	0	0.0
Annualize prior year funding	(1,349,276)	(282,702)	(1,166,769)	100,195	0	(7.0)
IT common policy adjustments	(291,674)	(254,618)	(15,068)	(21,988)	0	0.0
Other	(48,159)	0	(48,159)	0	0	0.0
HB 14-1336	\$173,191,421	\$6,642,176	\$13,231,074	\$153,318,171	\$0	393.6
SB 14-002	2,618	0	0	2,618	0	0.0
SB 14-014	31,400	0	0	31,400	0	0.0
SB 14-214	125,000	125,000	0	0	0	0.0
HB 14-1170	<u>4,500</u>	<u>0</u>	<u>0</u>	<u>4,500</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$173,354,939	\$6,767,176	\$13,231,074	\$153,356,689	\$0	393.6
Increase/(Decrease)	(\$23,177,093)	(\$24,672,704)	(\$397,739)	\$1,893,350	\$0	0.5
Percentage Change	(11.8%)	(78.5%)	(2.9%)	1.3%	n/a	0.1%

FY 2013-14 Appropriation - Mid-year Adjustments

Senate Bill 14-223 added \$7,101,298 General Fund, H.B. 14-1336 added \$13,050,430 General Fund, and H.B. 14-1243 added \$2,066,518 General Fund for additional claims payments for Lower North Fork Fire claimants. House Bill 14-1243 also added \$89,660 General Fund and 0.5 FTE for legislative audio digitization in State Archives and added \$18,140 reappropriated funds for vehicle replacement lease purchase payments in Fleet Management.

FY 2014-15 Appropriation Highlights

Operating common policy adjustments: The appropriation includes an increase of \$1,658,615 reappropriated funds for policy and base adjustments for workers' compensation, liability, and property programs in Risk Management and for Fleet Management and Capitol Complex.

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; shift differential; vehicle lease payments; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; and Capitol complex leased space.

Central collections customer service: The appropriation includes an increase of \$389,022 cash funds for Collections Services.

Total compensation vendor: The appropriation includes an increase of \$300,000 General Fund to contract the total compensation survey.

Indirect cost assessment: The appropriation includes a net increase in the Department's indirect cost assessment.

Legislative audio digitization: The appropriation includes an increase of \$175,833 General Fund for the digitization of legislative audio records at the State Archives.

Transparency online project modernization: The appropriation includes an increase of \$142,235 General Fund for the implementation of the transparency online project system with the Colorado Operations Resource Engine (CORE).

Address confidentiality program resources: The appropriation includes an increase of \$60,308 General Fund for the Address Confidentiality Program.

Fund source adjustment: The appropriation includes an increase in the amount of statewide indirect cost recoveries applied to offset the need for General Fund.

Annualize Lower North Fork Fire funds: The appropriation includes a reduction of \$25,053,984 General Fund to annualize additional payments for Lower North Fork Fire claims paid in FY 2013-14.

Annualize prior year funding: The appropriation includes the annualization of the FY 2013-14 salary survey and merit pay, other prior year budget actions, and prior year legislation.

IT common policy adjustments: The appropriation includes adjustments to the payments made to the Governor's Office of Information Technology for the provision of information technology services.

Other: The appropriation includes other minor adjustments.

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

DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT

The Department of Public Health and Environment consists of the following eleven divisions:

1) Administration and Support

- Provides department-wide administrative services;
- Houses the Health Disparities Program, which provides grants for health initiatives aimed at reducing and eliminating disparities currently existing in the provision of health services across the state; and
- Houses the Office of Planning and Partnerships which oversees the distribution of state funds to local public health agencies.

2) Center for Health and Environmental Information

- Maintains a database of all Colorado births, deaths, marriages, and divorces;
- Provides birth and death certificates;
- Gathers and analyzes health data for use by public and private agencies; and
- Operates the Medical Marijuana Registry.

3) Laboratory Services

- Provides testing, analysis, and results reporting of laboratory tests on specimens and samples submitted by other divisions, departments, and private clients;
- Includes the following laboratory units:
 - Molecular Sciences and Newborn Screening Units;
 - Public Health Microbiology and Environmental Microbiology Units;
 - Radiation County Facility;
 - Organic and Inorganic Units; and
 - Evidential Breath and Alcohol Testing and Certification Units.

4) Air Pollution Control Division

- Performs statewide air monitoring, pollutant analysis, and air emission modeling;
- Researches the causes and effects of pollution from mobile vehicles and implements strategies aimed at reducing emissions from mobile sources; and
- Permits, monitors, and inspects factories, power plants, and other commercial air pollutant emitters for compliance with air pollutant emissions standards.

5) Water Quality Control Division

- Issues waste water discharge permits and, if necessary, takes enforcement action to ensure compliance with water quality standards;
- Monitors the pollutant levels in rivers, streams, and other bodies of water;
- Conducts surveillance of public and non-public drinking water sources to ensure compliance with federal and state water quality standards; and
- Reviews designs and specifications of new and/or expanding water treatment facilities.

6) Hazardous Materials and Waste Management Division

- Regulates the treatment, storage, and disposal of solid and hazardous waste in Colorado;
- Performs inspections of solid waste facilities;
- Oversees hazardous waste generators, transporters, and storage facilities;
- Regulates commercial radioactive materials in Colorado; and
- Administers the Waste Tire Program.

7) Division of Environmental Health and Sustainability

- Certifies and inspects wholesale food distributors and dairy processors;
- Oversees restaurant, child care facility, and school inspections done by local public health agencies (with a few exceptions where the State is responsible for these inspections);
- Administers the following environmental sustainability programs: the Environmental Leadership Program, the Pollution Prevention Program, and the Pharmaceutical Take-Back Program;
- Administers the Recycling Resources Opportunity Program; and
- Administers the Animal Feeding Operations Program.

8) Disease Control and Environmental Epidemiology Division

- Responsible for identifying, containing, controlling, and tracking the spread of communicable diseases, with a focus on: hepatitis, tuberculosis, sexually transmitted infections, and HIV/AIDS;
- Operates the Immunization Program which includes the Immunization Outreach Program, the Colorado Immunization Information System, and grants to local public health agencies for operation of immunization clinics; and
- Assesses the threat risk from environmental contaminants on human health, and when needed, takes action to contain and/or nullify these threats.

9) Prevention Services Division

- Administers the Tobacco Education, Prevention, and Cessation Program and the Cancer, Cardiovascular Disease, and Chronic Pulmonary Disease Prevention, Early Detection, and Treatment Program;
- Operates the Breast and Cervical Cancer Screening Program;
- Operates programs for children with special needs and the Genetics Counseling Program;
- Administers the School-Based Health Centers Program;
- Administers injury and suicide prevention programs;
- Operates the Primary Care Office and Oral Health Program; and
- Administers the following two federal food assistance programs:
 - Women, Infant and Children Program; and
 - Child and Adult Care Food Program.

10) Health Facilities and Emergency Medical Services Division

- Enforces through certification and inspections the standards for the operation of health care facilities, including hospitals and nursing facilities; and
- Inspects and certifies emergency medical and trauma service providers.

11) Office of Emergency Preparedness and Response

- Works with local agencies and other state departments to ensure Colorado is prepared for, and able to respond to, a variety of natural and man-made disasters; and
- Coordinates a statewide network of laboratories, local agencies, hospitals, and other resources that can be utilized during disaster response.

Department Budget: Recent Appropriations

Funding Source	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
General Fund ¹	\$27,473,436	\$31,142,676	\$54,127,441	\$63,968,977
Cash Funds	124,269,359	160,084,332	152,000,369	160,444,430
Reappropriated Funds	28,977,004	32,343,375	29,645,685	35,574,429
Federal Funds	<u>266,186,228</u>	<u>245,427,880</u>	<u>291,273,870</u>	<u>291,317,631</u>
Total Funds	\$446,906,027	\$468,998,263	\$527,047,365	\$551,305,467
Full Time Equiv. Staff	1,260.9	1,223.2	1,239.3	1,265.0

¹ Includes General Fund Exempt.

General Factors Driving the Budget

Funding for the Department for FY 2014-15 consists of 11.6 percent General Fund (including appropriations from the General Fund Exempt account), 29.1 percent cash funds, 6.5 percent reappropriated funds, and 52.8 percent federal funds. Some of the major factors driving the budget are reviewed below.

Health Information Systems

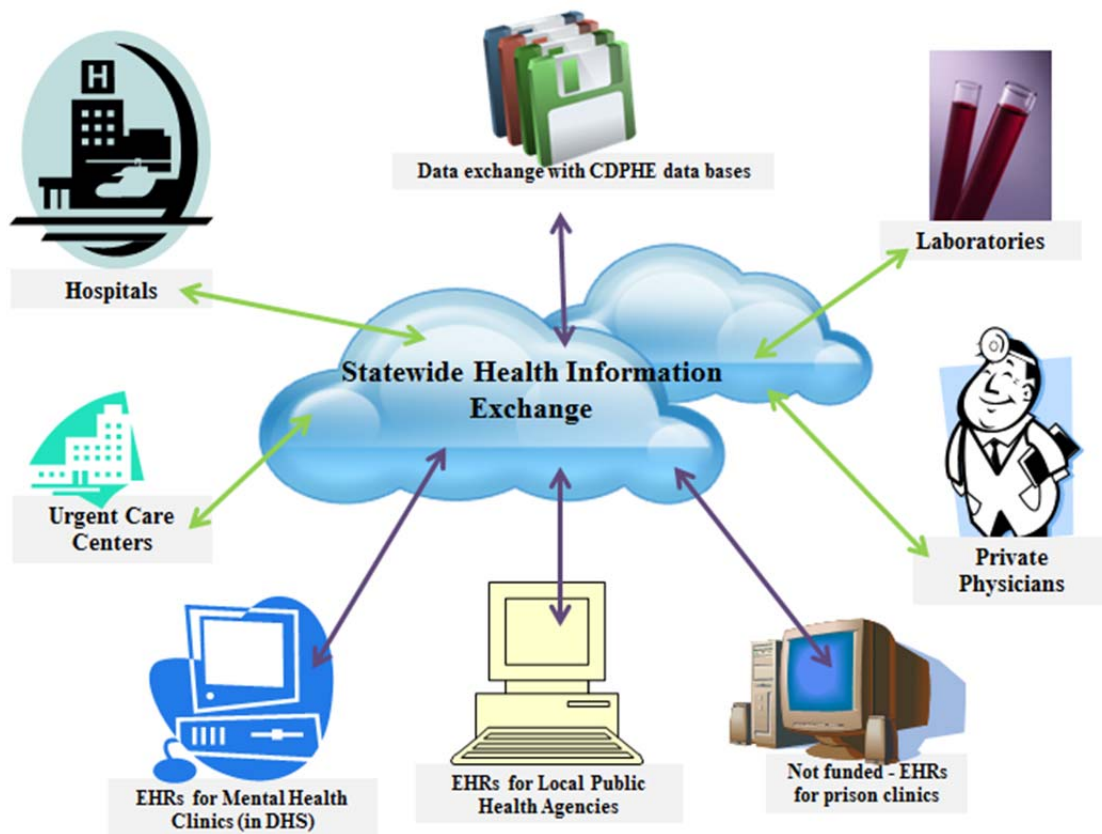
For FY 2014-15 the General Assembly approved funding in the Department of Health Care Policy and Financing and the Department of Public Health and Environment for the development of a statewide health information exchange (HIE). The HIE enables providers, hospitals, laboratories and other health care organizations to use approved standards to securely submit clinical information to various state public health systems and programs. This increases timeliness, completeness and provider compliance with public health reporting requirements. For example, HIE is currently being used to deliver electronic newborn screening results to multiple hospitals and providers in the community.

The Department of Health Care Policy and Financing is utilizing a 90.0 percent federal funds matching rate available through the 2009 American Recovery and Reinvestment Act (ARRA) of 2009 known as the Health Information Technology for Economic and Clinical Health (HITECH) Act, to pay for costs of the HIE that will be used by Medicaid eligible providers. Both Medicaid and non-Medicaid providers will be able to access the HIE. Additional interfaces will be developed to support bi-directional flow of information from the HIE to the following non-Medicaid Department of Public Health and Environment programs:

- Immunization reporting to the Colorado Immunization Information System;

- Electronic laboratory reporting of communicable diseases to the Colorado Electronic Disease Reporting System;
- Syndromic surveillance reporting; and
- Cancer Case Reporting to the CDPHE Cancer Registry.

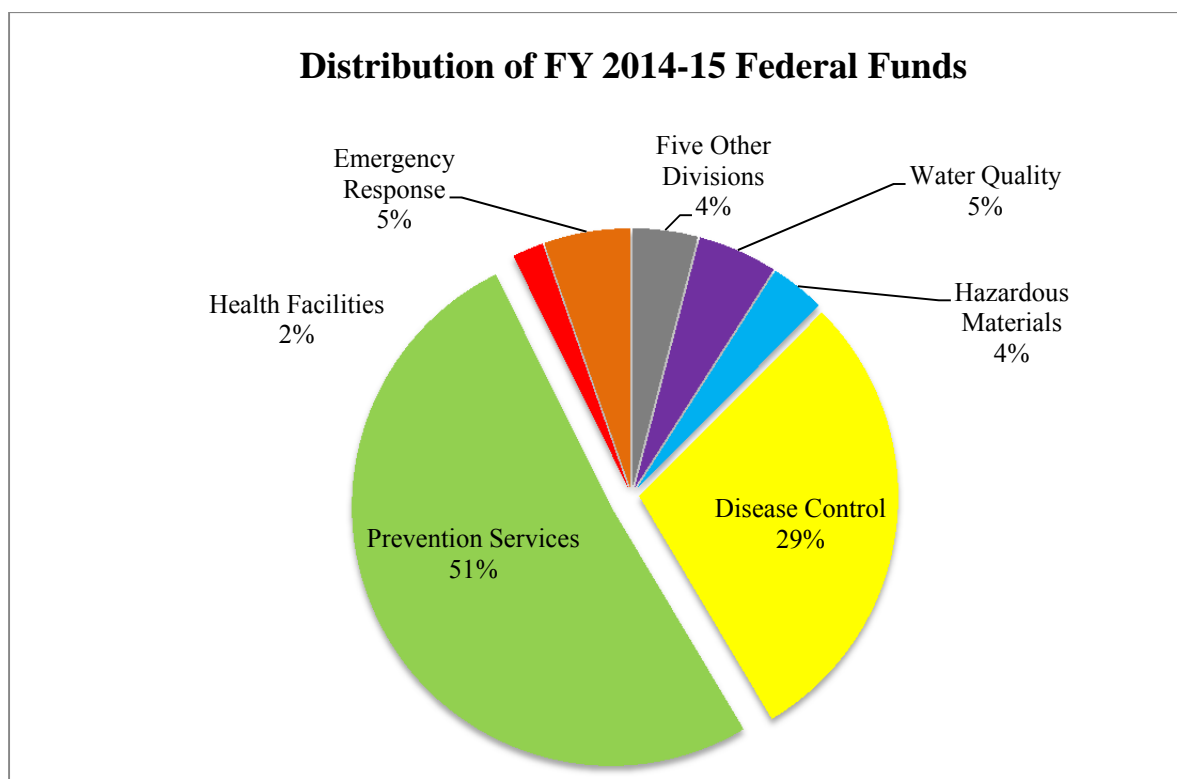
Since these new interfaces will not be exclusively utilized by Medicaid providers, the portion of development costs not eligible for the Medicaid match will be paid for by General Fund. The General Assembly included \$533,516 General Fund for the Department of Public Health and Environment in the FY 2014-15 Long Bill for these costs. The following graphic illustrates all of the components of the HIE.



For FY 2014-15 the General Assembly also appropriated \$3.3 million General Fund to the Department of Public Health and Environment for the first year development costs of electronic health record systems for all local public health agencies. These electronic health record systems will connect with the HIE being developed by the Department of Health Care Policy and Financing.

Federal Funds

Federal funds account for 55.9 percent of the Department's FY 2014-15 total appropriation. The Department receives federal funds from multiple federal agencies ranging from the Environmental Protection Agency to the Department of Health and Human Services. The majority of the federal funds in the Department's Long Bill are shown for informational purposes only because the General Assembly does not have the authority to control the Department's use of federal funds. The numbers in the FY 2014-15 Long Bill are based on the amount of federal funds received in the most recent actual year (FY 2012-13) to align the FY 2014-15 appropriation with a reasonable estimate of what the Department will actually receive. The following graphic illustrates the distribution of federal funds in FY 2014-15.



Within the Prevention Services Division, the majority of the federal funds are for the Women, Infant and Children Program (WIC), and the Adult and Child Food Care Program (CACFP). Overall, the federal funds appropriated for these two programs account for approximately one fourth of total funding for the Department (\$118.0 million federal funds out of \$551.0 million total funds in FY 2014-15). Within the Disease Control and Environmental Epidemiology Division, 57.0 percent of the federal funds are for the purchase of immunizations, and 19.2 percent of the federal funds are from the Ryan White Comprehensive AIDS Resources Emergency Act. The Ryan White Act funds are used for primary care and support services for individuals living with HIV and AIDS who lack health insurance and the financial resources to pay for their care.

Amendment 35 Tobacco Tax Moneys

Amendment 35 was approved by voters in 2004 and imposed a \$0.64 tax on each pack of cigarettes sold in Colorado and related taxes on other tobacco products. Within the Department, Amendment 35 tax revenues support the following programs:

- Tobacco Education, Prevention, and Cessation Program;
- Health Disparities Grant Program;
- Cardiovascular, Pulmonary, and Chronic Disease Grant Program; and
- Breast and Cervical Cancer Screening Program¹.

Appropriations for these programs are driven by the amount of revenue generated by the tax each fiscal year and are distributed by the constitutionally and statutorily defined formula. Appendix G includes additional details for the amount of Amendment 35 revenue appropriated to each department in the FY 2014-15 Long Bill.

¹ House Bill 14-1045 eliminated the statutory requirement that a portion of the funding for the Breast and Cervical Cancer Program be transferred to the Department of Health Care Policy and Financing for associated treatment costs.

Water Infrastructure Funding

During the 2013 Session, the General Assembly passed H.B. 13-1191 (Nutrient Grant Domestic Wastewater Treatment Plant) which appropriated \$15.0 million General Fund to the Water Quality Control Division for grants to local governments for planning, design, construction and improvements to domestic wastewater treatment works which are needed to ensure compliance with the Water Quality Control Commission's nutrients management control regulation. The funding provided through H.B. 13-1191 was one-time. During the 2014 Session, the General Assembly appropriated an additional \$2.0 million for wastewater improvement.

In addition, the General Assembly passed H.B. 14-1002 (Water Infrastructure Natural Disaster Grant Fund) which created the continuously-appropriated Natural Disaster Grant Fund for grants to local governments, including local governments accepting grants on behalf of and in coordination with not-for-profit public water systems, to recover from the September 2013 floods. The General Assembly appropriated \$17.0 million General Fund to the Natural Disaster Grant Fund for these purposes.

Programs Funded with Marijuana Tax Cash Fund

The legalization of marijuana by voters in 2012 and subsequent voter approval of new taxes on recreational marijuana resulted in the passage of S.B. 14-215 (Disposition of Legal Marijuana Related Revenue) which created the Marijuana Tax Cash Fund (Fund) and outlined approved uses of the Fund. For the Department of Public Health and Environment, S.B. 14-215 allowed the Fund to be used for three purposes: (1) a prevention and education campaign about the appropriate and legal use of marijuana as approved by the voters in 2012; (2) administration of health surveys regarding marijuana and other drug use; and (3) monitoring the health effects of marijuana, including changes in drug use patterns and the emerging science and medical information relevant to the health effects associated with marijuana use. For FY 2014-15 the Department received a total of \$6,403,742 cash funds and 5.2 FTE from the Marijuana Tax Cash Fund. Of that amount \$5,500,181 and 3.7 FTE is for the marijuana prevention and education campaign, and \$903,561 and 1.5 FTE is for health surveys.

Indirect Cost Assessments

Indirect cost assessments paid by the cash- and federally-funded programs within each Division are used to cover the costs of the department-wide services (like budgeting, human resources, information technology services, and risk management costs). Indirect cost recoveries ensure that General Fund dollars are not subsidizing the provision of central services to cash- and federally-funded programs. The calculation of the FY 2014-15 indirect cost assessments utilized a new methodology to more accurately capture each division's indirect costs and included a 3.0 percent reserve for FY 2014-15. The new methodology accounted for the increases in the centrally appropriated costs such as health, life, and dental insurance, information technology costs, and legal services. These increases combined with the 3.0 percent reserve resulted in an increase of \$4.1 million in budgeted indirect cost assessments for FY 2014-15.

Appropriation Highlights – 2014 Legislative Session

Department of Public Health and Environment						
	Total Funds	General Fund ^{1/2}	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$527,884,495	\$39,423,458	\$166,674,257	\$29,677,710	\$292,109,070	1,239.6
SB 13-011	4,021	0	4,021	0	0	0.1
SB 13-050	204,593	0	204,593	0	0	0.0
SB 13-219	61,491	0	61,491	0	0	0.5
SB 13-222	68,054	68,054	0	0	0	1.0
SB 13-225	41,402	41,402	0	0	0	0.6
SB 13-232	0	0	0	0	0	0.0
SB 13-255	456,966	456,966	0	0	0	4.0
SB 13-283	307,542	0	307,542	0	0	4.0
HB 13-1117	(19,904,563)	(1,453,849)	(17,602,514)	0	(848,200)	(7.5)
HB 13-1191	15,000,000	15,000,000	0	0	0	0.0
HB 13-1239	(133,284)	(133,284)	0	0	0	(2.0)
HB 13-1317	87,615	0	87,615	0	0	1.0
HB 14-1244	<u>2,969,033</u>	<u>724,694</u>	<u>2,263,364</u>	<u>(32,025)</u>	<u>13,000</u>	<u>(2.0)</u>
TOTAL	\$527,047,365	\$54,127,441	\$152,000,369	\$29,645,685	\$291,273,870	1,239.3
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$527,047,365	\$54,127,441	\$152,000,369	\$29,645,685	\$291,273,870	1,239.3
Indirect cost assessment	4,122,053	0	2,117,052	(31,369)	2,036,370	0.0
Water infrastructure	4,000,000	2,000,000	2,000,000	0	0	0.0
Centrally appropriated line items	3,375,853	426,504	2,128,904	795,884	24,561	0.0
EHR system	3,274,079	3,274,079	0	0	0	0.0
Transfer to RREO Fund	3,000,000	1,500,000	1,500,000	0	0	0.0
Medical inflation	1,047,078	198,020	108,245	0	740,813	0.0
IT common policy adjustments	736,136	(237,424)	(872,692)	3,625,120	(1,778,868)	0.0
HIE funding	533,516	533,516	0	0	0	0.0
Transfer IDD survey staff	460,461	0	0	460,461	0	5.0
Appropriation of fund balance	391,454	0	391,454	0	0	0.0
Transfer to Department of Public Safety	101,667	0	0	52,034	49,633	0.0
Marijuana lab certification	86,167	0	0	86,167	0	0.8
Risk based contract monitoring	79,816	0	0	79,816	0	1.0
Base adjustments	50,000	0	50,000	50,000	(50,000)	(0.0)
FMAP adjustment	19,706	0	0	19,706	0	0.0
Department of Law CERCLA costs	12,768	0	12,768	0	0	0.0
Annualize prior year legislation	(14,686,099)	(14,959,518)	273,419	0	0	(1.4)
Amendment 35 revenue adjustment	(2,356,423)	(14,700)	(2,341,723)	0	0	0.0

Department of Public Health and Environment						
	Total Funds	General Fund ^{/1/2}	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Annualize prior year budget actions	(2,136,858)	(852,074)	(1,969,432)	680,925	3,723	1.4
Eliminate HCPF transfer	(2,000,000)	0	(2,000,000)	0	0	0.0
Informational funds adjustment	(982,471)	0	0	0	(982,471)	5.7
Cash fund adjustments	(248,483)	0	(248,483)	0	0	0.0
Waste tire revenue adjustment	(84,767)	0	(84,767)	0	0	0.0
Tobacco settlement revenue adjustment	(21,753)	0	(21,753)	0	0	0.0
HB 14-1336	\$525,821,265	\$45,995,844	\$153,043,361	\$35,464,429	\$291,317,631	1,251.8
SB 14-029	84,045	0	84,045	0	0	0.9
SB 14-050	49,161	49,161	0	0	0	0.8
SB 14-051	34,120	0	34,120	0	0	0.6
SB 14-073	20,000	0	20,000	0	0	0.0
SB 14-088	73,972	73,972	0	0	0	0.9
SB 14-180	(55,000)	(55,000)	0	0	0	0.0
SB 14-187	400,000	400,000	0	0	0	0.0
SB 14-192	30,986	0	30,986	0	0	0.4
SB 14-215	6,587,169	0	6,587,169	0	0	5.2
HB 14-1002	17,000,000	17,000,000	0	0	0	1.0
HB 14-1042	14,423	0	14,423	0	0	0.3
HB 14-1045	0	0	0	0	0	0.0
HB 14-1207	55,000	5,000	50,000	0	0	0.0
HB 14-1352	882,343	500,000	382,343	0	0	1.0
HB 14-1360	<u>307,983</u>	<u>0</u>	<u>197,983</u>	<u>110,000</u>	<u>0</u>	<u>2.1</u>
TOTAL	\$551,305,467	\$63,968,977	\$160,444,430	\$35,574,429	\$291,317,631	1,265.0
Increase/(Decrease)	\$24,258,102	\$9,841,536	\$8,444,061	\$5,928,744	\$43,761	25.7
Percentage Change	4.6%	18.2%	5.6%	20.0%	0.0%	2.1%

/1 Includes \$438,300 General Fund Exempt in FY 2013-14 and \$423,600 in FY 2014-15.

/2 Includes \$438,300 in FY 2013-14 and \$423,600 in FY 2014-15 that is exempt from the statutory limit on state General Fund appropriations pursuant to Section 24-75-201.1, C.R.S.

FY 2013-14 Appropriation - Mid-year Adjustments

House Bill 14-1244 adds \$3.0 million total funds for mid-year adjustments to the Department's FY 2013-14 appropriation including: an increase of \$2.0 million total funds, of which \$540,000 is General Fund and \$1.46 million is cash funds, for the Front Range Air Pollution and Photochemistry Experiment; an increase of \$0.9 million cash funds for indirect cost assessments; an increase of \$0.2 million General Fund for legal services related to the Toxicology Unit in the State Laboratory; and increases for other common policy adjustments.

FY 2014-15 Appropriation Highlights

Indirect cost assessment: The appropriation includes an increase in the Department's indirect cost assessment.

Water infrastructure: The appropriation includes the transfer of \$2.0 million General Fund to the Nutrients Grant Fund and an associated appropriation of \$2.0 million cash funds from the Nutrients Grant Fund for water and waste water facility infrastructure improvements to comply with water nutrient regulations.

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; shift differential; vehicle lease payments; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; and Capitol complex leased space.

EHR system: The appropriation includes a General Fund increase for the first year of developing and implementing an electronic health records (EHR) system for local public health agencies.

Transfer to RREO Fund: The appropriation includes an appropriation of \$1.5 million General Fund to the Recycling Resources Economic Opportunity Fund (RREO) and an associated appropriation from the Fund of \$1.5 million.

Medical inflation: The appropriation includes an increase for a 4.6 percent medical inflation rate applied to medical supplies and medical laboratory supplies and a 6.9 percent medical inflation rate applied to pharmaceutical costs.

IT common policy adjustments: The appropriation includes adjustments to the payments made to the Governor's Office of Information Technology for the provision of information technology services.

HIE funding: The appropriation includes a General Fund increase for non-Medicaid eligible costs associated with the Department of Health Care Policy and Financing request to build a Health Information Exchange (HIE) which will enable state, local, and private providers to access a patient's medical records regardless of the location of services.

Transfer IDD survey staff: The appropriation includes an increase of Medicaid reappropriated funds and 5.0 FTE for the transfer of health survey staff for providers and group homes serving individuals with intellectual and development disabilities (IDD) from the Department of Health Care Policy and Financing. There is an associated reduction in the Department of Health Care Policy and Financing.

Appropriation of fund balance: The appropriation includes a one-time appropriation of the fund balance in the Health Disparities Program Grant Fund to enable the Program to use excess reserve funds for grants.

Transfer to Department of Public Safety: The appropriation includes an increase for Medicaid and Medicare funds transferred to the Department of Public Safety for health safety code surveys/

Marijuana lab certification: The appropriation includes a reappropriated funds increase for the certification of marijuana labs as required by statute.

Risk based contract monitoring: The appropriation includes funding for 1.0 FTE to evaluate and develop a Department-wide plan for improving and standardizing grant program processes and to implement the plan.

Base adjustments: The appropriation includes a transfer of \$50,000 General Fund and 0.5 FTE to the Disease Control and Environmental Epidemiology Division to consolidate staff responsible for disease control and surveillance and an increase of \$50,000 cash funds from the Animal Feeding Operations Fund to offset the loss of federal funds.

FMAP adjustment: The appropriation includes an increase for the enhanced Federal Medical Assistance Program (FMAP) match rate Colorado will receive beginning October 1, 2014, for the Colorado Quitline.

Department of Law CERCLA costs: The appropriation includes an increase in cash funds that are transferred to the Department of Law for work related to contaminated site maintenance and cleanup and a net zero change to adjust the appropriation of dollars for work related to the federal Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) based on work load.

Annualize prior year legislation: The appropriation includes a reduction of cash funds for the second- or third-year impact of legislation.

Amendment 35 revenue adjustment: The appropriation includes an adjustment based on the FY 2014-15 projection of Amendment 35 tobacco tax revenue.

Annualize prior year budget actions: The appropriation includes a number of changes to reflect the out year impact of funding decisions made through the FY 2013-14 Long Bill.

Eliminate HCPF transfer: The appropriation includes a reduction of cash funds transferred to the Department of Health Care Policy and Financing.

Informational funds adjustment: The appropriation includes a reduction of federal funds reflected in the Long Bill for informational purposes only.

Cash fund adjustment: The appropriation includes a reduction of cash funds for which the Department no longer requires spending authority.

Waste tire revenue adjustment: The appropriation includes a reduction of waste tire cash funds based on the projection of FY 2014-15 waste tire revenue.

Tobacco settlement revenue adjustment: The appropriation includes an adjustment based on revenue projected to be available from the tobacco master settlement agreement.

Additional legislation: For information on additional legislation, see the “Recent Legislation” section at the end of Part III of this department.

DEPARTMENT OF PUBLIC SAFETY

The Department consists of six divisions: Executive Director's Office; Colorado State Patrol; Division of Fire Prevention and Control; Division of Criminal Justice; Colorado Bureau of Investigation; and Division of Homeland Security and Emergency Management. The Department also administers the Colorado Integrated Criminal Justice Information System, which is funded in the Executive Director's Office.

The Colorado State Patrol promotes safety and protects human life by enforcing traffic laws on state highways. In support of its highway safety plan, the State Patrol coordinates the "Alive at 25" defensive driving training program for students ages 15 to 24, and operates a free hotline for motorists to report aggressive drivers, drunk drivers, and other hazards.

The Division of Fire Prevention and Control, created in H.B. 12-1283, combined the Office of Fire Safety and the wildfire-related powers and duties of the state forest service previously housed in the Colorado State University. The Division is tasked with fire code enforcement, training, certification, and wildfire preparedness, response, suppression, coordination, and management.

The Division of Criminal Justice assists with policy formation, conducts criminal justice research, administers grants for law enforcement and community crime control programs, addresses the needs of crime victims, manages community corrections programs, and sets standards for the treatment of sex and domestic violence offenders.

The Colorado Bureau of Investigation assists state and local law enforcement in investigating crime and enforcing criminal laws, investigates organized crime, maintains fingerprint records and DNA profiles, operates the statewide crime reporting program, and arranges for scientific laboratory services and facilities.

The Division of Homeland Security and Emergency Management, created in H.B. 12-1283, consists of three offices: Office of Emergency Management, Office of Prevention and Security, and Office of Preparedness. The Division is tasked with consolidating and restructuring the state's homeland security and disaster preparedness and response functions through better coordination of emergency management, homeland security, and public health entities in the state.

Department Budget: Recent Appropriations

Funding Source	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
General Fund	\$82,727,973	\$86,452,085	\$168,464,555	\$133,598,400
Cash Funds	129,681,033	156,169,131	166,495,597	175,885,160
Reappropriated Funds	24,480,944	27,132,877	26,975,529	33,284,468
Federal Funds	<u>29,559,518</u>	<u>53,355,759</u>	<u>55,237,146</u>	<u>58,435,885</u>
Total Funds	\$266,449,468	\$323,109,852	\$417,172,827	\$401,203,913
Full Time Equiv. Staff	1,354.0	1,562.3	1,618.2	1,688.3

General Factors Driving the Budget

Funding for this Department consists of 33.3 percent General Fund, 43.8 percent cash funds, 8.3 percent reappropriated funds, and 14.6 percent federal funds. Some of the major factors driving the Department's budget are discussed below.

Colorado State Patrol

Highway supervision needs, and the State Patrol's budget, depend largely on highway usage. The State Patrol enforces traffic laws on approximately 9,100 miles of state and federal highways and 58,700 miles of county roads. It also operates special safety programs for hazardous materials transport and for commercial vehicles.

Colorado State Patrol Workload Measures				
	CY 2011 Actual	CY 2012 Actual	CY 2013 Actual	CY 2014 Estimate
Fatal and Injury Crashes Investigated by CSP	3,421	3,580	3,591	3,412
Persons Killed in Crashes Investigated by CSP	272	277	294	280
Total Incident Count ¹	880,491	819,712	881,497	918,672

¹ Includes every call received and/or dispatched by Communications Center staff.

The State Patrol receives a portion of Highway Users Tax Fund (HUTF) revenues for supervision of state highways. The HUTF provides 31.9 percent of the Department budget and 74.7 percent of the State Patrol budget for FY 2014-15. HUTF revenue sources include gas and special-fuel taxes, driver's license fees, motor vehicle title and registration fees, fines, license plate fees, and passenger-mile taxes. The distribution to the State Patrol is taken "off-the-top," before the formula allocation of HUTF to the state highway fund, counties, and cities. State statute limits the off-the-top HUTF appropriations for highway supervision to a maximum 6.0 percent annual growth, regardless of any increase or decrease in overall highway-related revenues.

Community Corrections

The primary factor driving the Division of Criminal Justice's General Fund budget is the cost of the State's community corrections programs. Community corrections facilities, also called halfway houses, are operated by local governments, private providers, and non-profits. They provide convicted offenders with supervision and structure in both residential and nonresidential settings. There are three types of community corrections placements: diversion placements for offenders sentenced directly to community corrections in lieu of a prison sentence; transition placements for offenders who have served a sentence in the Department of Corrections and are released to a residential community corrections bed in preparation for parole; and parole placements for offenders who are required to spend part of their time on parole in a community corrections facility. Residential community corrections offenders are placed either in standard residential programs or, if they have high needs, in more expensive specialized programs that deal with substance abuse, mental illness, and other problems. The additional cost of a specialized program, over and above the standard residential rate, is called a differential. The following table summarizes the number of placements of each type in recent years.

Community Corrections Population, Rates, and Expenditures	FY10-11 Actual	FY11-12 Actual	FY12-13 Actual	FY13-14 Estimate	FY14-15 Approp.
Average daily population (ADP) in Community Corrections	4,382.2	4,242.9	4,097.4	3,951.5	4,114.0
Residential ADP	3,301.2	3,224.5	3,247.4	3,134.9	3,282.0
Nonresidential ADP	1,081.0	1,018.4	850.0	816.6	832.0
Percentage of ADP that is residential	75.3%	76.0%	79.3%	79.3%	79.8%
Percentage of residential ADP in:					
Diversion	45.5%	45.8%	48.9%	53.7%	53.1%
Transition	51.4%	50.0%	45.2%	40.1%	40.9%
Parole	3.1%	4.2%	5.9%	6.2%	6.0%
In specialized programs ¹	13.3%	16.0%	18.3%	17.3%	20.1%
Daily residential rate for a standard bed ²	\$37.74	\$37.74	\$37.74	\$38.68	\$44.04
Percent change	0.0%	0.0%	0.0%	2.5%	13.9%
Average daily differential for specialized programs ³	\$21.93	\$22.54	\$23.13	\$32.80	\$36.00
Percent change	(2.4%)	2.8%	2.6%	41.8%	9.8%
Daily non-residential rate	\$5.12	\$5.12	\$5.12	\$5.25	\$6.03
Percent change	0.0%	0.0%	0.0%	2.5%	14.9%
Total Community Corrections GF Expenditures (\$ million)	\$51.7	\$51.4	\$53.6	\$56.9	\$63.3
General Fund Expenditure Change	3.6%	(0.7%)	4.4%	6.1%	11.3%

¹Diversion + transition + parole = 100%. A portion of each of these populations is in specialized programs.

²For FY14-15, the daily residential rate for a standard bed includes an average of \$2.70 per offender per day that is received as a facility payment.

³The average differential is a weighted average of differentials for the various types of specialized residential programs. This average changes when rates change or when the mix of offenders in specialized programs changes. Since rates did not change from FY 10-11 to FY 12-13, all changes of the average daily differential over that period reflect shifting usage.

Division of Fire Prevention and Control

The Division of Fire Prevention and Control, created in H.B. 12-1283, incorporated the Office of Fire Safety and wildfire-related powers and duties of the state forest service previously housed in the Colorado State University. The Division is tasked with fire code enforcement, training, certification, and wildfire preparedness, response, suppression, coordination, and management.

School Construction and Inspection Program				
	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Estimate
Number of Inspections Conducted by Division and by local fire departments	2,033	2,033	1,460	2,000
Number of construction inspections conducted by the division	1,071	1,075	764	850
Number of fire inspectors certified	361	375	523	530

Health Facility Construction and Inspection Program				
	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Estimate
Certificates of Compliance Issued*	n/a	2,400	596	600
Building plan reviews conducted by division	n/a	200	206	200
Construction inspections conducted by division	n/a	500	288	300

* The initial increase in Certificates of Compliance (COC) issued in FY 2012-13 is a result of the transfer of health facility safety inspection functions to the Department through H.B. 12-1268. The Health Facility Inspection Program issued an initial COC for every licensed health facility in FY 2012-13. Moving forward, facilities are inspected every 3-5 years.

Colorado Bureau of Investigation (CBI)

The Colorado Bureau of Investigation provides information technology, laboratory, and investigative services to local, state, and federal law enforcement agencies upon request. Pursuant to Section 24-33.5-412 (1) (a), C.R.S., the CBI is charged with assisting any sheriff, chief of police, district attorney, head of a state agency, or chief law enforcement officer in the investigation and detection of crime and in the enforcement of the criminal laws of the State. The CBI is also charged with assisting any district attorney with preparing the prosecution of any criminal case in which the Bureau had participated in the investigation of such case. As such, the CBI does not have direct control over the number of submissions to its laboratories by local enforcement agencies. Although violent and property crime rates reported have decreased, local law enforcement agencies and district attorneys have increased the demand on the CBI for forensic DNA analysis.

The *CBI laboratory* analyzes DNA, fingerprint, firearms and tool marks, physiological fluids, chemical, document, and digital evidence, as well as trace evidence and shoe and tire track evidence. In addition, the CBI field investigators investigate crime scenes, upon the request of local, state, and federal law enforcement agencies. The CBI also maintains the statewide criminal history and fingerprint repositories and facilitates the sharing of criminal history information with all Colorado law enforcement agencies. In addition, House Bill 14-1340 requires the CBI to operate a state toxicology laboratory on or before July 1, 2015, to assist local law enforcement agencies in the enforcement of laws for driving under the influence (DUI) of alcohol or drugs.

The *Colorado Crime Information Center (CCIC)* provides information to law enforcement agencies on warrants, case status, stolen property, vehicle registration, known offenders, and drivers licenses. The CCIC maintains system hardware and software, including a statewide telecommunications network connecting more than 500 client law enforcement agencies to the CCIC. The CCIC provides criminal identification checks online, criminal background checks, and fingerprint-based criminal background checks and also operates the state's "instacheck" criminal background check program for the firearms industry. The budget is driven primarily by information technology enhancement needs and by the expansion of statutory requirements.

Colorado Bureau of Investigation Workload Measures				
	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Estimate
Total Laboratory Specimens Analyzed	101,163	116,528	117,358	120,878
Total Civil Fingerprint and Name Checks	448,938	481,543	458,632	472,000
Total Criminal Fingerprints Processed	226,612	216,491	209,738	216,000
Total Instant Criminal Background Checks	274,738	436,553	290,275	329,202

Colorado Integrated Criminal Justice Information System (CICJIS)

CICJIS is a collaborative effort to transfer data among agencies electronically and to match arrest information with case dispositions. The budget is driven largely by technological advances, which can enhance system capabilities.

Division of Homeland Security and Emergency Management

The Division of Homeland Security and Emergency Management, created in H.B. 12-1283, consists of three offices: Office of Emergency Management, Office of Prevention and Security, and Office of Preparedness. The Division is tasked with consolidating and restructuring the state's homeland security and disaster preparedness and response functions through better coordination of emergency management, homeland security, and public health entities in the state.

Federal Grant Distributions to Local Governments				
	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Estimate
Office of Emergency Management	\$15,179,990	\$12,856,476	\$29,969,472	\$20,000,000
Office of Preparedness	<u>12,882,416</u>	<u>14,998,868</u>	<u>10,524,903</u>	<u>9,000,000</u>
Total Grants Payments	\$28,062,406	\$27,855,344	\$40,494,375	\$29,000,000

Disaster Emergency Fund

Section 24-33.5-706, C.R.S., asserts the "policy of the state that funds to meet disaster emergencies shall always be available." This provision indicates that first recourse shall be funds regularly appropriated to state and local agencies. In addition, the Governor may (with the concurrence of the Disaster Emergency Council) make funds available from the Disaster Emergency Fund. This Fund consists of moneys appropriated thereto by the General Assembly; and unexpended moneys remain in the Fund at fiscal year-end. If moneys in the Fund are insufficient, the Governor may (again, with the concurrence of the Council) "transfer and expend moneys appropriated for other purposes".

When the Governor transfers funds in order to reimburse local governments or citizens for costs associated with disasters, or to match federal disaster aid, such transfers generally flow through the Disaster Emergency Fund.

Section 24-77-104, C.R.S., directs the State to establish a disaster emergency reserve and to establish such reserve in the general appropriation bill or a separate bill. The TABOR reserve (Moneys in the State's TABOR reserve may only be used for declared emergencies; "emergency" excludes economic conditions or revenue shortfalls).

State Emergency Reserve Pursuant to Section 24-77-104, C.R.S.					
	FY 2010-11 H.B. 10-1376	FY 2011-12 S.B. 11-209	FY 2012-13 H.B. 12-1335 / S.B. 13-230	FY 2013-14 S.B. 13-230	FY 2014-15 H.B. 14-1336
Major Medical Insurance Fund	94,000,000	92,500,000	92,500,000	83,000,000	83,000,000
Wildlife Cash Fund	100,000,000	100,000,000	34,000,000	34,000,000	34,000,000
Unclaimed Property Tourism Promotion Trust Fund	0	0	5,000,000	5,000,000	5,000,000
Perpetual Base Account of the Severance Tax Fund	0	0	33,000,000	33,000,000	33,000,000
CWCB Construction Fund	0	0	33,000,000	33,000,000	33,000,000

State Emergency Reserve Pursuant to Section 24-77-104, C.R.S.					
	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
	H.B. 10-1376	S.B. 11-209	H.B. 12-1335	S.B. 13-230	H.B. 14-1336
			/ S.B. 13-230		
Controlled Maintenance Trust Fund	0	0	23,000,000	48,000,000	68,328,000
State Properties	<u>70,700,000</u>	<u>98,800,000</u>	<u>102,200,000</u>	<u>93,600,000</u>	<u>105,172,000</u>
Total Emergency Reserve	\$264,700,000	\$291,300,000	\$322,700,000	\$329,600,000	\$361,500,000

In September 2013 the State experienced historic flooding with significant costs in life, property, and infrastructure. The Governor has currently encumbered \$91.5 million from the Disaster Emergency Fund (DEF) for the September 2013 floods. The Governor intends to encumber an additional \$20.0 million from the Disaster Emergency Fund for the September 2013 floods for a total of \$111.5 million. The table below shows the sources of revenues the Governor anticipates using for State costs related to the September 2013 floods.

Sources of Revenue to the Disaster Emergency Fund for the September 2013 Floods	
DEF Balance	\$2,550,000
FY 2012-13 CMTF* Transfer to the DEF	2,850,000
FY 2013-14 CMTF Transfer to the DEF	36,100,000
FY 2013-14 General Fund Appropriation to the DEF	<u>70,000,000</u>
Total revenues to the DEF	\$111,500,000

* Controlled Maintenance Trust Fund (CMTF); Disaster Emergency Fund (DEF).

The table below provides a summary of the estimated Disaster Emergency Fund expenses for flood relief as of May 1, 2014, and descriptions of the programs for which the State has incurred expenses. Data is still being collected on the extent of the losses so the numbers provided below are subject to change.

Estimated Disaster Emergency Fund Expenses for the September 2013 Floods		
	Total Expenses	State Share of Expense
Emergency Response - Category A and B ^{/1}	\$25,000,000	\$10,000,000
Emergency Response - Other Than Category A and B	5,000,000	2,000,000
Individual Assistance	70,000,000	1,250,000
Public Assistance	340,000,000	45,500,000
Community Development Block Grant Disaster Assistance (First Round)	62,800,000	0
Emergency Watershed Protection	13,000,000	3,625,000
Unfunded Emergency Watershed Protection Projects	124,000,000	16,500,000
Hazard Mitigation Grant Program	45,000,000	6,875,000
Disaster Recovery Positions	4,000,000	4,000,000
Equipment	500,000	500,000
State Advance Program	20,000,000	20,000,000
Other Programs	<u>N/A</u>	<u>1,750,000</u>
Total	\$709,300,000	\$112,000,000

/1 Category A: Debris Removal; Category B: Emergency Protective Measures.

The table below summarizes all revenues, encumbrances, and expenses in the Disaster Emergency Fund since July 1, 2010. The DEF has a cash balance of \$135.3 million; after encumbrances; the fund balance is \$654,000.

Disaster Emergency Fund – Summary of Disaster Events (as of March 24, 2014)

Beginning DEF Balance -- July 1, 2010								5,492,381		5,492,381
Disaster Events	FY of Occurrence	EO ENCUMBRANCE	EO REVENUE TRANSFERS	TOTAL EXPENSES	REIMBURSEMENTS	TOTAL IMPACT, CASH	FUND BALANCE, CASH	LIQUIDATED ENCUMB. OR BOOKED RECEIVABLE	REMAINING ENCUMBRANCE	FUND BALANCE, ACCRUED
Four Mile	2011	5,200,000	-	(1,851,350)	-	(1,851,350)	3,641,031	(3,348,650)	-	3,641,031
Reservoir Road	2011	3,000,000	2,900,000	(2,016,982)	1,377,173	2,260,191	5,901,222	(2,360,191)	-	5,901,222
Indian Gulch	2011	1,500,000	1,500,000	(864,547)	567,380	1,202,833	7,104,055	(1,202,833)	-	7,104,055
Four Mile and Reservoir Water Quality	2011	900,000	900,000	(900,000)	-	-	7,104,055	-	-	7,104,055
Crystal	2011	1,700,000	1,700,000	(1,088,975)	789,467	1,400,492	8,504,547	(1,400,492)	-	8,504,547
Bear and Purgatorie / Las Animas Fires	2011	2,500,000	2,500,000	(914,020)	-	1,585,980	10,090,527	-	1,585,980	8,504,547
Miscellaneous	2011	-	-	260,052	-	260,052	10,350,579	-	260,052	8,504,547
Navajo	2012	200,000	200,000	(24,624)	-	175,376	10,525,955	-	175,376	8,504,547
Shell Complex	2012	1,100,000	1,100,000	(289,938)	-	810,062	11,336,017	-	810,062	8,504,547
Duckett	2012	1,900,000	1,900,000	(1,941,363)	157,961	116,598	11,452,615	-	116,598	8,504,547
Track	2012	1,450,000	1,450,000	(604,202)	-	845,798	12,298,413	-	845,798	8,504,547
Stranded Motorist	2012	1,020	-	(1,020)	-	(1,020)	12,297,393	-	-	8,503,527
Lower North Fork	2012	3,865,000	-	(395,957)	-	(395,957)	11,901,436	-	3,469,043	4,638,527
Hewlett Gulch	2012	1,000,000	1,000,000	(548,924)	-	451,076	12,352,512	-	451,076	4,638,527
High Park	2012	25,000,000	23,000,000	(10,098,400)	3,122,300	16,023,900	28,376,412	(6,877,700)	11,146,200	9,516,227
Stuart Hole	2012	200,000	200,000	(40,782)	-	159,218	28,535,630	-	159,218	9,516,227
Springer	2012	1,000,000	1,000,000	(345,057)	-	654,943	29,190,573	-	654,943	9,516,227
Waldo Canyon	2012	6,370,000	6,175,000	(2,880,852)	715,701	4,009,849	33,200,421	(2,989,299)	1,215,549	12,310,526
Weber	2012	2,135,000	2,135,000	(285,913)	-	1,849,087	35,049,508	-	1,849,087	12,310,526
Flagstaff	2012	2,500,000	2,500,000	(440,827)	-	2,059,173	37,108,681	-	2,059,173	12,310,526
Pine Ridge	2013	500,000	500,000	(469,047)	-	30,953	37,139,634	-	30,953	12,310,526
Bull Basin	2013	200,000	200,000	(8,641)	-	191,359	37,330,993	-	191,359	12,310,526
Powell Complex	2013	210,000	210,000	(193,411)	-	16,589	37,347,582	-	16,589	12,310,526
Highway 13	2013	150,000	150,000	(141,007)	-	8,993	37,356,575	-	8,993	12,310,526
Wetmore	2013	3,515,000	3,515,000	(387,528)	-	3,127,472	40,484,047	-	3,127,472	12,310,526
High Park and Waldo Flooding	2013	200,000	200,000	(133,798)	-	66,202	40,550,249	-	66,202	12,310,526
Roatcap	2013	250,000	-	(39,831)	-	(39,831)	40,510,418	-	210,169	12,060,526
Fern Lake	2013	13,000	-	(7,846)	-	(7,846)	40,502,572	-	5,154	12,047,526
Cedar Knob	2013	110,000	-	(20,669)	-	(20,669)	40,481,903	-	89,331	11,937,526
Big Meadows	2013	50,000	-	(1,108)	-	(1,108)	40,480,795	-	48,892	11,887,526
Royal Gorge	2013	1,500,000	1,500,000	(11,753)	-	1,488,247	41,969,041	-	1,488,247	11,887,526
Black Forest	2013	13,000,000	6,200,000	(4,059,826)	-	2,140,174	44,109,216	-	8,940,174	5,087,526
Klickus	2013	150,000	-	(31,303)	-	(31,303)	44,077,912	-	118,697	4,937,526
East Peak	2013	3,000,000	-	(2,066,300)	-	(2,066,300)	42,011,612	(1,266,300)	(332,600)	3,203,826
West Fork	2013	12,500,000	12,500,000	(4,119,684)	-	8,380,316	50,391,928	-	8,380,316	3,203,826
Lime Gulch	2013	550,000	550,000	(66,654)	-	483,346	50,875,274	-	483,346	3,203,826
El Paso County Flooding	2014	400,000	400,000	(343,711)	-	56,289	50,931,563	-	56,289	3,203,826
Red Canyon	2014	2,000,000	2,000,000	(260,078)	-	1,739,922	52,671,486	-	1,739,922	3,203,826
September Flooding	2014	91,500,000	88,950,000	(6,345,015)	-	82,604,985	135,276,471	-	85,154,985	653,826
ENDING FUND BALANCE								135,276,471		653,826

Appropriation Highlights – 2014 Legislative Session

Department of Public Safety						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$332,885,649	\$90,128,524	\$161,806,324	\$25,776,057	\$55,174,744	1,575.1
SB 13-007	255,443	255,443	0	0	0	2.5
SB 13-083	4,635	0	0	0	4,635	0.0
SB 13-123	184,902	15,000	169,902	0	0	3.0
SB 13-138	68,398	68,398	0	0	0	1.0
SB 13-283	154,034	0	154,034	0	0	0.0
HB 13-1020	6,351,002	6,351,002	0	0	0	0.0
HB 13-1031	260,114	260,114	0	0	0	2.8
HB 13-1129	739,591	739,591	0	0	0	6.0
HB 13-1163	167,067	167,067	0	0	0	0.2
HB 13-1195	9,020	9,020	0	0	0	0.1
HB 13-1228	0	(1,032,376)	1,032,376	0	0	0.0
HB 13-1229	1,415,932	0	1,415,932	0	0	24.7
HB 13-1241	434,720	434,720	0	0	0	0.0
HB 13-1317	155,760	0	155,760	0	0	0.7
HB 14-1170	37,500	37,500	0	0	0	0.0
HB 14-1245	73,272,230	71,253,722	1,761,269	199,472	57,767	2.1
HB 14-1336	<u>776,830</u>	<u>(223,170)</u>	<u>0</u>	<u>1,000,000</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$417,172,827	\$168,464,555	\$166,495,597	\$26,975,529	\$55,237,146	1,618.2
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$417,172,827	\$168,464,555	\$166,495,597	\$26,975,529	\$55,237,146	1,618.2
Colorado Firefighting Air Corps	19,672,000	19,672,000	0	0	0	0.0
Annualize prior year budget actions	8,503,244	977,664	7,051,577	189,150	284,853	0.2
Wildfire Preparedness Fund	8,300,000	0	4,150,000	4,150,000	0	0.0
Community provider rate	6,991,441	6,991,441	0	0	0	0.0
Testing evidence of sexual assault	5,236,487	5,236,487	0	0	0	17.3
Align appropriation with revenue	3,763,326	0	(36,674)	(50,000)	3,850,000	0.0
Correctional Treatment Cash Fund	2,385,000	0	0	2,385,000	0	0.0
Centrally appropriated line items	1,959,784	500,573	431,052	1,763,196	(735,037)	0.0
Portable radios	1,343,900	0	1,343,900	0	0	0.0
Central costs for additional staff	995,590	697,214	225,168	73,208	0	0.0
IT common policy adjustments	973,427	3,721,003	(873,801)	(1,884,821)	11,046	0.0
State engine staffing	566,524	566,524	0	0	0	8.0
Sustainability of State Fusion Center	498,667	498,667	0	0	0	0.0
Children's Advocacy Center funding	500,000	500,000	0	0	0	0.0

Department of Public Safety						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Additional Capitol Complex security	300,000	300,000	0	0	0	4.0
Eliminate one-time community corrections funding	223,170	223,170	0	0	0	0.0
World Alpine Ski Championship	178,020	0	178,020	0	0	0.0
Community corrections FTE support	175,803	175,803	0	0	0	2.1
Indirect cost assessment	161,321	0	334,672	(26,108)	(147,243)	0.0
Statewide interoperability	110,266	110,266	0	0	0	1.0
Budget and policy analyst	85,036	85,036	0	0	0	0.9
Cyber-crime initiative	62,365	62,365	0	0	0	0.9
CCIB system funding	25,000	25,000	0	0	0	0.0
Fund source adjustment	0	0	143,913	(139,890)	(4,023)	0.0
Annualize prior year legislation	(82,790,581)	(78,095,850)	(4,434,402)	(199,472)	(60,857)	4.6
Eliminate funding for Subsistence Grace Period Pilot Project	(591,200)	(591,200)	0	0	0	0.0
Other	59,400	0	59,400	0	0	0.0
HB 14-1336	\$396,860,817	\$130,120,718	\$175,068,422	\$33,235,792	\$58,435,885	1,657.2
SB 14-002	48,676	0	0	48,676	0	0.5
SB 14-008	27,175	27,175	0	0	0	0.5
SB 14-027	68,636	0	68,636	0	0	0.3
SB 14-127	589,618	589,618	0	0	0	0.9
SB 14-133	10,544	0	10,544	0	0	0.0
SB 14-153	(1,408)	(1,408)	0	0	0	0.0
SB 14-164	0	0	0	0	0	19.3
SB 14-215	0	0	0	0	0	0.0
HB 14-1037	339,602	339,602	0	0	0	0.6
HB 14-1095	174,357	174,357	0	0	0	1.8
HB 14-1170	984,542	984,542	0	0	0	0.0
HB 14-1273	263,796	263,796	0	0	0	1.8
HB 14-1340	1,796,592	1,100,000	696,592	0	0	5.2
HB 14-1360	<u>40,966</u>	<u>0</u>	<u>40,966</u>	<u>0</u>	<u>0</u>	<u>0.2</u>
TOTAL	\$401,203,913	\$133,598,400	\$175,885,160	\$33,284,468	\$58,435,885	1,688.3
Increase/(Decrease)	(\$15,968,914)	(\$34,866,155)	\$9,389,563	\$6,308,939	\$3,198,739	70.1
Percentage Change	(3.8%)	(20.7%)	5.6%	23.4%	5.8%	4.3%

FY 2013-14 Appropriation - Mid-year Adjustments

House Bill 14-1170 modifies the FY 2013-14 appropriation to provide \$37,500 General Fund to the Department to hire a project manager in FY 2013-14 to supervise the purchase and renovation of a new CBI forensic laboratory in Pueblo.

House Bill 14-1245:

- modifies the FY 2013-14 appropriations for Purchase of Services from Computer Center, Vehicle Lease Payments, and Leased Space;
- moves \$45,671 cash funds to the Executive Director's Office for leased space related to H.B. 12-1283, which transferred fire prevention and suppression functions from the Colorado State Forest Service to the Division of Fire Prevention and Control;
- adds \$60,277 General Fund and 0.6 FTE for additional staff in the State Engine Program;
- corrects technical errors in other bills by (1) moving a \$31,101 General Fund appropriation from the Division of Criminal Justice to the Executive Director's Office and (2) reducing cash fund appropriations to the Division of Criminal Justice by \$64,636;
- provides to the Colorado Bureau of Investigation: (1) \$954,890 General Fund and 1.0 FTE for the Department to continue testing forensic medical evidence of alleged sexual assault pursuant to H.B. 13-1020; (2) \$133,285 total funds, including \$127,730 General Fund, for vehicle lease payments; and (3) \$4,567 cash funds from the Statewide Instant Criminal Background Check Cash Fund;
- provides to the Division of Homeland Security and Emergency Management: (1) \$70.0 million General Fund to the Disaster Emergency Fund; and (2) \$60,729 General Fund and 0.5 FTE for the Colorado Information Analysis Center (CIAC).

House Bill 14-1336:

- provides \$1,000,000 reappropriated funds for traffic control services provided by the Colorado State Patrol to the Department of Transportation;
- corrects a technical error in S.B. 13-230 by reducing the appropriation for community corrections placements by \$223,170 General Fund.

FY 2014-15 Appropriation Highlights

Colorado Firefighting Air Corps: The appropriation provides \$19.7 million General Fund for the Colorado Firefighting Air Corps.

Annualize prior year budget actions: The appropriation includes a number of changes to the out-year impact of funding decisions made through the FY 2013-14 appropriation including the annualization of the FY 2013-14 salary survey and merit pay.

Wildfire Preparedness Fund: The appropriation increases cash funds from the proceeds of insurance premium taxes into the Wildfire Preparedness Fund, and reappropriates the funds for the ongoing funding of wildfire suppression functions within the Division.

Community provider rate: The appropriation provides additional General Fund for community corrections programs.

Testing evidence of sexual assault: The appropriation includes funding for the Department to continue testing forensic medical evidence of alleged sexual assault pursuant to H.B. 13-1020 (Testing Evidence of Alleged Sexual Assault).

Align appropriation with revenue: The appropriation includes an increase that aligns it with expected revenue in the Division of Criminal Justice.

Correctional Treatment Cash Fund: The appropriation provides additional funds from the Correctional Treatment Cash Fund for: (1) forty-eight additional intensive residential treatment (IRT) beds for condition-of-parole offenders with severe substance abuse problems; and (2) additional substance-abuse treatment for offenders who do not require IRT.

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

Portable radios: The appropriation includes funding to replace part of the Colorado State Patrol's portable radios.

Central costs for additional staff: The appropriation includes funding for central costs associated with various increases in staffing throughout the Department.

IT common policy adjustments: The appropriation includes adjustments to the payments made to the Governor's Office of Information Technology for the provision of information technology services.

State engine staffing: The appropriation includes funding for additional staff in the State Engine Program.

Sustainability of State Fusion Center: The appropriation includes a General Fund appropriations increase for the Colorado Information Analysis Center (CIAC).

Children's Advocacy Center funding: The appropriation increases funding for medical exams at Children's Advocacy Centers.

Additional Capitol Complex security: The appropriation includes funding for additional security at the legislative offices located at 1525 Sherman Street in Denver.

Eliminate one-time community corrections funding: The appropriation includes a FY 2014-15 adjustment that is a consequence of the one-time impact of a FY 2013-14 technical correction that affected community corrections.

World Alpine Ski Championship: The appropriation provides one-time funding for lodging and per diem for forty-three members of the Colorado State Patrol (CSP) who will provide traffic enforcement and accident investigation for the 2015 World Alpine Ski Championship.

Community corrections FTE support: The appropriation provides additional funding and FTE for the office that oversees community corrections programs.

Indirect cost assessment: The appropriation includes a net increase in the department's indirect cost assessment.

Statewide interoperability: The appropriation includes funding for a statewide interoperability coordinator and operating funds for the Colorado Statewide Interoperability Executive Council.

Budget and policy analyst: The appropriation includes funding for a Division of Fire Prevention and Control budget analyst.

Cyber-crime initiative: The appropriation provides funding for a cyber-security intelligence analyst at the Office of Prevention and Security.

CCIB system funding: The appropriation increases funding for the Community Corrections Information and Billing (CCIB) system.

Fund source adjustment: The appropriation includes an adjustment to dispatch billing.

Annualize prior year legislation: The appropriation includes a reduction for the second year impact of legislation. In particular:

- The primary change in the Colorado State Patrol is the elimination of \$1.3 million cash funds to replace part of the Colorado State Patrol's portable radios in FY 2013-14 and the elimination of \$704,000 for the purchase of a radio tower in the Raymer area of Weld County provided through H.B. 14-1245.
- The primary change in the Division of Fire Prevention and Control is the elimination of \$3.25 million cash funds from the Wildfire Preparedness Fund provided through S.B. 11-238.
- In the Division of Criminal Justice the annualizations are related to H.B. 13-1129, S.B. 13-283, H.B. 13-1163, and H.B. 13-1195.
- The primary change in the Colorado Bureau of Investigation is the elimination of the one-time \$6.4 million General Fund appropriated in H.B. 13-1020 for the testing of backlog evidence of alleged sexual assault.
- The primary change in the Division of Homeland Security and Emergency Management is the elimination of the one-time \$70.0 million General Fund appropriated in H.B. 13-1245 to the Disaster Emergency Fund.

Eliminate funding for Subsistence Grace Period Pilot Project: The appropriation ends funding for a one-year Subsistence Grace Period Pilot Project for community corrections.

Other: The appropriation includes other minor adjustments.

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

DEPARTMENT OF REGULATORY AGENCIES

The Department of Regulatory Agencies consists of the following ten divisions:

1. Executive Director's Office is responsible for department-wide administrative functions and houses the Office of Policy, Research and Regulatory Reform, which conducts sunrise and sunset reviews.
2. Division of Banking is responsible for enforcement and compliance with banking laws.
3. Civil Rights Division is responsible for enforcing state and federal laws regarding the civil rights of individuals and resolving complaints of rights violations.
4. Office of Consumer Counsel is responsible for representing the rights of businesses and consumers at hearings before the Public Utilities Commission.
5. Division of Financial Services is responsible for enforcing state and federal laws relating to the regulation of credit unions and savings and loan associations.
6. Division of Insurance is responsible for licensing insurance agents and companies.
7. Public Utilities Commission is responsible for regulating utilities throughout the state.
8. Division of Real Estate licenses real estate agents and mortgage brokers and investigates allegations of real estate and mortgage fraud.
9. Division of Professions and Occupations licenses individuals in over fifty professions and occupations.
10. Division of Securities licenses securities agents and investigates allegations of securities misconduct.

Department Budget: Recent Appropriations

Funding Source	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
General Fund	\$1,600,344	\$1,715,818	\$1,703,494	\$1,882,646
Cash Funds	69,765,231	71,586,905	73,652,864	78,674,683
Reappropriated Funds	4,239,807	4,267,189	4,504,371	4,722,507
Federal Funds	<u>1,194,128</u>	<u>1,315,200</u>	<u>1,323,983</u>	<u>1,386,984</u>
Total Funds	\$76,799,510	\$78,885,112	\$81,184,712	\$86,666,820
Full Time Equiv. Staff	592.1	559.9	572.7	587.6

General Factors Driving the Budget

Funding for this department consists of 2.2 percent General Fund, 90.8 percent cash funds, 5.4 percent reappropriated funds, and 1.6 percent federal funds. Some of the major factors driving the Department's budget are discussed below.

Legal Services

Due to the impact on parties involved in many of the Department's regulatory decisions, legal services has been, and will continue to be, a driving factor of the Department's budget. Legal services accounted for 12.7 percent of the Department's FY 2014-15 total appropriation.

Department of Regulatory Agencies Legal Services Expenditures							
	FY 08-09 Actual	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Actual	FY 13-14 Approp.	FY 14-15 Approp.
Legal Services	\$7,396,788	\$7,546,070	\$7,485,354	\$8,007,882	\$8,013,885	\$9,767,656	\$10,992,928
Legal Services Hours	98,493	100,107	102,022	106,835	104,884	107,566	111,341
Change in Hours	n/a	1,614	1,915	4,813	-1,951	2,682	3,775
Percent Change in Hours	n/a	1.6%	1.9%	4.7%	-1.8%	2.6%	3.5%
Percent of Department Total	9.9%	10.2%	10.4%	10.5%	10.3%	12.0%	12.7%

From FY 2008-09 through FY 2012-13, five divisions accounted for 82.6 to 89.9 percent of the Department's legal services.

Legal Services Expenditures by Five Divisions					
	FY 08-09 Actual	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Actual
Professions & Occupations	\$3,378,450	\$3,515,106	\$3,286,424	\$3,336,464	\$3,426,052
PUC + OCC	1,628,649	1,692,850	1,664,076	1,835,306	1,759,139
Real Estate	918,223	906,652	781,201	743,813	594,427
Insurance	<u>706,081</u>	<u>671,086</u>	<u>890,231</u>	<u>787,757</u>	<u>837,152</u>
Top Five Subtotal	6,631,403	6,785,694	6,621,932	6,703,340	6,616,770
Department Total	\$7,396,788	\$7,546,070	\$7,485,354	\$8,007,882	\$8,013,885
Top Five Percent of Total	89.7%	89.9%	88.5%	83.7%	82.6%

Licenses Issued

The Department is responsible for consumer protection and licenses professionals in various industries as part of this mission. The Divisions of Insurance, Real Estate, Professions and Occupations, and Securities issue the majority of individual licenses. Budgets in these divisions are driven primarily by the number of individuals requiring licensure. The following table outlines the number of licenses regulated by these divisions.

Number of Licenses – Divisions of Insurance, Real Estate, Professions and Occupations, and Securities						
	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13
Division of Insurance						
New Producer Licenses	29,511	29,070	25,699	29,789	30,556	30,900
Active Producer Licenses	115,229	118,783	123,204	129,559	128,710	134,951
Division of Real Estate						
Broker & Salesperson	18,292	11,820	10,662	10,660	10,777	9,950
Mortgage Loan Originators	n/a	8,729	4,690	5,013	5,443	7,182
Appraisers	4,447	4,006	3,597	3,365	3,209	3,068

Number of Licenses – Divisions of Insurance, Real Estate, Professions and Occupations, and Securities						
	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13
Division of Professions and Occupations						
New Licenses	30,890	38,900	33,194	34,431	35,210	36,152
Active Licenses	292,584	315,147	324,271	345,026	347,285	366,402
Division of Securities						
Sales Representative License Renewals	143,772	145,347	145,504	153,576	163,818	165,433
Investment Advisor License Renewals	8,458	8,913	9,231	9,522	9,743	10,297

Number of Examinations by the Divisions of Banking and Securities

The deterioration of the financial sector in 2008 increased the workload of the examination sections of the Divisions of Banking, Financial Services, and Securities which have since decreased for the Banking and Financial Services Divisions. Securities examinations increased in FY 2011-12 due to additional oversight requirements in federal law. The following table outlines the changes in the number of examinations conducted by these three divisions since FY 2007-08.

Examinations Conducted by the Divisions of Banking, Financial Services, and Securities							Change Since
	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 07-08
Banking Examinations	196	164	154	195	171	180	-8.2%
Credit Union Examinations	40	33	38	39	34	31	-22.5%
Securities Examination	46	50	66	65	110	175	280.4%

Other Legislation

The General Assembly has passed an average of 13 bills per session over the last nine sessions that increased the Department's regulatory responsibilities. The 2014 Session included 10 bills with appropriations that include an additional 7.0 FTE and \$803,000 cash funds. The following table shows the impact of other legislation on the Department's budget.

Impact of Other Legislation on the DORA Budget						
Session	No. of Bills	General Fund	Cash Funds	Reapprop. Funds	Total	FTE
2006	11	\$0	\$1,088,461	\$194,600	\$1,283,061	7.2
2007	22	42,290	2,670,098	66,962	2,779,350	15.3
2008	19	149,205	2,233,416	0	2,382,621	17.3
2009	10	0	947,305	0	947,305	7.5
2010	13	0	507,245	593,333	1,100,578	6.4
2011	11	0	954,420	0	954,420	6.8
2012	5	0	378,246	0	378,246	2.0
2013	16	0	334,518	0	334,518	12.8
2014	10	0	802,770	0	802,770	7.0
Average	13	\$21,277	\$1,101,831	\$94,988	\$1,218,097	9.1

Appropriation Highlights – 2014 Legislative Session

Department of Regulatory Agencies						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$80,850,194	\$1,703,494	\$73,318,346	\$4,504,371	\$1,323,983	559.9
SB 13-014	8,318	0	8,318	0	0	0.0
SB 13-026	146,353	0	146,353	0	0	2.0
SB 13-039	58,966	0	58,966	0	0	0.6
SB 13-125	(2,400)	0	(2,400)	0	0	0.0
SB 13-151	149,691	0	149,691	0	0	1.9
SB 13-162	259,175	0	259,175	0	0	3.6
SB 13-172	5,021	0	5,021	0	0	0.0
SB 13-180	37,737	0	37,737	0	0	0.2
SB 13-189	5,000	0	5,000	0	0	0.0
SB 13-194	(725,548)	0	(725,548)	0	0	0.0
SB 13-204	2,100	0	2,100	0	0	0.0
SB 13-207	10,020	0	10,020	0	0	0.0
SB 13-221	275,046	0	275,046	0	0	3.5
SB 13-238	5,794	0	5,794	0	0	0.0
SB 13-277	8,756	0	8,756	0	0	0.1
HB 13-1111	<u>90,489</u>	<u>0</u>	<u>90,489</u>	<u>0</u>	<u>0</u>	<u>0.9</u>
TOTAL	\$81,184,712	\$1,703,494	\$73,652,864	\$4,504,371	\$1,323,983	572.7
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$81,184,712	\$1,703,494	\$73,652,864	\$4,504,371	\$1,323,983	572.7
Centrally appropriated line items	2,923,324	45,401	2,695,768	170,041	12,114	0.0
IT common policy adjustments	1,090,981	52,282	1,036,696	0	2,003	0.0
Indirect cost assessment	240,726	0	235,570	0	5,156	0.0
Annualize prior year funding	230,738	11,992	225,120	(1,719)	(4,655)	7.9
Replace FY10-11 CCRD GF Reductions	194,314	145,931	0	0	48,383	0.0
Fund source adjustment	0	(76,454)	26,640	49,814	0	0.0
New vehicles for PUC	0	0	0	0	0	0.0
Operating expenses reduction	(30,000)	0	(30,000)	0	0	0.0
Other	29,255	0	29,255	0	0	0.0
HB 14-1336	\$85,864,050	\$1,882,646	\$77,871,913	\$4,722,507	\$1,386,984	580.6
SB 14-099	18,336	0	18,336	0	0	0.0
SB 14-125	179,777	0	179,777	0	0	2.5
SB 14-133	28,300	0	28,300	0	0	0.3
HB 14-1199	13,560	0	13,560	0	0	0.2
HB 14-1227	109,008	0	109,008	0	0	1.0

Department of Regulatory Agencies						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 14-1283	7,500	0	7,500	0	0	0.0
HB 14-1328	86,518	0	86,518	0	0	0.7
HB 14-1329	39,436	0	39,436	0	0	0.3
HB 14-1331	270,335	0	270,335	0	0	2.0
HB 14-1398	<u>50,000</u>	<u>0</u>	<u>50,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$86,666,820	\$1,882,646	\$78,674,683	\$4,722,507	\$1,386,984	587.6
Increase/(Decrease)	\$5,482,108	\$179,152	\$5,021,819	\$218,136	\$63,001	14.9
Percentage Change	6.8%	10.5%	6.8%	4.8%	4.8%	2.6%

FY 2014-15 Appropriation Highlights

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; vehicle lease payments; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; and Capitol complex leased space.

IT common policy adjustments: The appropriation includes adjustments to the payments made to the Governor's Office of Information Technology for the provision of information technology services.

Indirect cost assessment: The appropriation includes a net increase in the Department's indirect cost assessment.

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

Replace FY10-11 CCRD GF Reductions: The appropriation includes an increase of \$145,931 General Fund and \$48,383 federal funds for the Civil Rights Division representing the replacement of General Fund reductions applied in FY 2010-11.

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

New vehicles for PUC: The appropriation includes a budget neutral transfer of spending authority from the Public Utilities Commission operating expenses line item to the vehicle lease payments line item in the Executive Director's Office and Administrative Services for two additional vehicles, including one for the Investigations and Compliance Unit of the Motor Carrier Safety Program and one for the Gas Pipeline Safety Section.

Operating expenses reduction: The appropriation includes a reduction of \$30,000 cash funds in the Division of Financial Services operating expenses line item.

Other: The appropriation includes other minor adjustments.

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

DEPARTMENT OF REVENUE

The Department of Revenue is organized into three functional groups: Taxation, Motor Vehicles, and Enforcement. The Taxation Business Group collects revenues for state government and for local governments. The Division of Motor Vehicles regulates motor vehicle safety, issues personal identification documents, issues titles and registration documents for motor vehicles, enforces vehicle emission standards, operates the Motorist Insurance Identification Database Program, and regulates commercial vehicles in a separate division. The Enforcement Group regulates limited stakes gambling, alcohol, tobacco, racing events, and motor vehicle dealers, operates the hearings division, and regulates medical and retail marijuana dispensaries, cultivation facilities, and infused products manufacturing facilities. The three functional areas are supported by the Executive Director's Office and Information Technology Division.

The Department is statutorily authorized to contract with cities and counties to collect any tax which it also collects for state government. The Department currently receives and distributes sales and use taxes on behalf of approximately 250 local governments and special districts.

The Department also operates the State Lottery, which accounts for approximately one-third of the Department's annual budget. Lottery proceeds (sales less prizes and expenses) are distributed to the Conservation Trust Fund, Great Outdoors Colorado, Parks and Outdoors Recreation, and the Public School Capital Construction Fund.

Department Budget: Recent Appropriations

Funding Source	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
General Fund	\$72,744,786	\$73,393,521	\$80,547,235	\$101,668,190
Cash Funds	220,685,036	211,976,517	221,039,808	219,053,032
Reappropriated Funds	1,328,287	1,603,334	5,068,713	5,534,457
Federal Funds	<u>723,701</u>	<u>824,388</u>	<u>824,388</u>	<u>824,388</u>
Total Funds	\$295,481,810	\$287,797,760	\$307,480,144	\$327,080,067
Full Time Equiv. Staff	1,372.3	1,249.1	1,253.2	1,322.0

General Factors Driving the Budget

The Department's funding for FY 2014-15 consists of 31.1 percent General Fund, 67.0 percent cash funds, 1.7 percent reappropriated funds, and 0.3 percent federal funds. The Department's primary budget drivers are the state tax structure, population levels, business activity in regulated industries, and technological capabilities. In addition, mineral severance activity and legislative changes related to identification document requirements have increased demands on department staff and systems in recent years.

Taxation Business Group

In FY 2012-13, the Department collected \$9.8 billion in state taxes and fees, including income taxes, sales, use, mileage and fuel taxes, excise taxes, cigarette and tobacco taxes. In addition, another \$1.2 billion in sales taxes were collected on behalf of local governments. Collections are detailed in the following table:

Gross/Net Collections By Tax and Fund Source FY 2012-13		
Type of Tax/Fee Credited To	Gross Collections¹	Net Collections
<u>General Fund</u>		
Alcoholic Beverages	\$46,689,305	\$46,597,444
State Sales Tax	2,187,244,101	2,187,244,101
State Use Tax	229,486,843	229,486,843
Cigarette and Tobacco	197,149,126	197,038,420
Income Tax	7,042,986,136	6,180,665,308
Racing	1,909,700	1,909,700
Regulatory and Business	52,342,774	52,245,181
Other receipts, fees, etc.	<u>49,790,696</u>	<u>49,790,411</u>
Total	\$9,807,598,681	\$8,944,977,408
<u>Highway Users Tax Fund</u>		
Mileage and Fuel Taxes	556,312,434	556,312,434
Vehicle Registrations	226,856,803	226,838,058
Operator's Licenses & Control	32,156,756	32,088,197
All other motor vehicle	266,663,446	266,635,691
Emissions	<u>13,830,710</u>	<u>13,830,710</u>
Total	\$1,095,820,149	\$1,095,705,090
<u>Other Collections</u>		
Gaming Taxes	104,648,585	104,640,420
Severance Taxes	185,198,200	147,730,791
Local Government Sales Tax	1,211,243,734	1,211,161,429
Other special funds	<u>20,453,281</u>	<u>20,307,794</u>
Total	\$1,521,543,800	\$1,483,840,434
Total Collections - All Funds	\$12,424,962,630	\$11,524,522,932

¹ Gross Collections are primarily net of refunds.

The complexity of Colorado's tax structure affects the resources required by the Taxation Business Group and the Central Department Operations and Information Technology Divisions. In addition to collecting state taxes, the Department collects local taxes for most counties, cities and special districts in Colorado, and tracks and distributes the collections monthly to the local governments. Local sales taxes collected include: county lodging, local marketing, regional transportation, football stadium, scientific and cultural, local improvement, mass transit, and short term rental tax.

Colorado's severance tax structure is also particularly complex relative to other states. One significant reason for the complexity of Colorado's severance tax is that it is applied at the mineral interest owner level. This means that producers, working interest owners, royalty interest owners, and those with any other interest in oil and gas produced in Colorado must pay severance taxes on their respective ownership percentage. Since each owner is only responsible for reporting a percentage of the gross income, it is difficult for the Department to verify that the total oil and gas production of a well has been reported.

The most confusing aspect of Colorado's severance tax for both tax collectors and taxpayers is the ad valorem (property) tax credit. The intricacy of local property tax rates contributes to the complexity of the ad valorem tax credit and severance tax collection. There are currently more than 2,600 mill levies in Colorado, and one mineral lease can be subject to several different mill levies if it cuts across jurisdictions, or if it is located in overlapping jurisdictions.

The cost of administering the tax code relative to tax collections has been declining since FY 2002-03, with slight increases in FY 2008-09 and FY 2011-12. The administrative cost of collecting taxes declined from a ten-year high of 1.38 percent in FY 2002-03 to 0.98 percent in FY 2007-08, before increasing in FY 2008-09. A similar increase also occurred during previous economic downturns. The administrative costs of collecting state taxes for the last eleven years are shown in the table below.

Costs of Tax Administration vs Tax Collections			
Fiscal Year	Gross Collections	Administrative Costs	Costs as Percentage of Collections
2002-03	\$7,981,969,628	\$110,484,770	1.38%
2003-04	8,335,854,177	104,393,751	1.25%
2004-05	9,027,369,791	107,948,818	1.20%
2005-06	10,197,697,020	109,003,382	1.07%
2006-07	10,919,575,395	108,895,307	1.00%
2007-08	11,529,208,182	112,484,115	0.98%
2008-09	10,670,993,094	124,495,086	1.17%
2009-10	10,189,039,088	116,073,378	1.14%
2010-11	10,962,892,030	123,740,158	1.13%
2011-12	11,558,460,152	135,556,132	1.17%
2012-13	12,424,962,629	132,923,639	1.07%

Division of Motor Vehicles

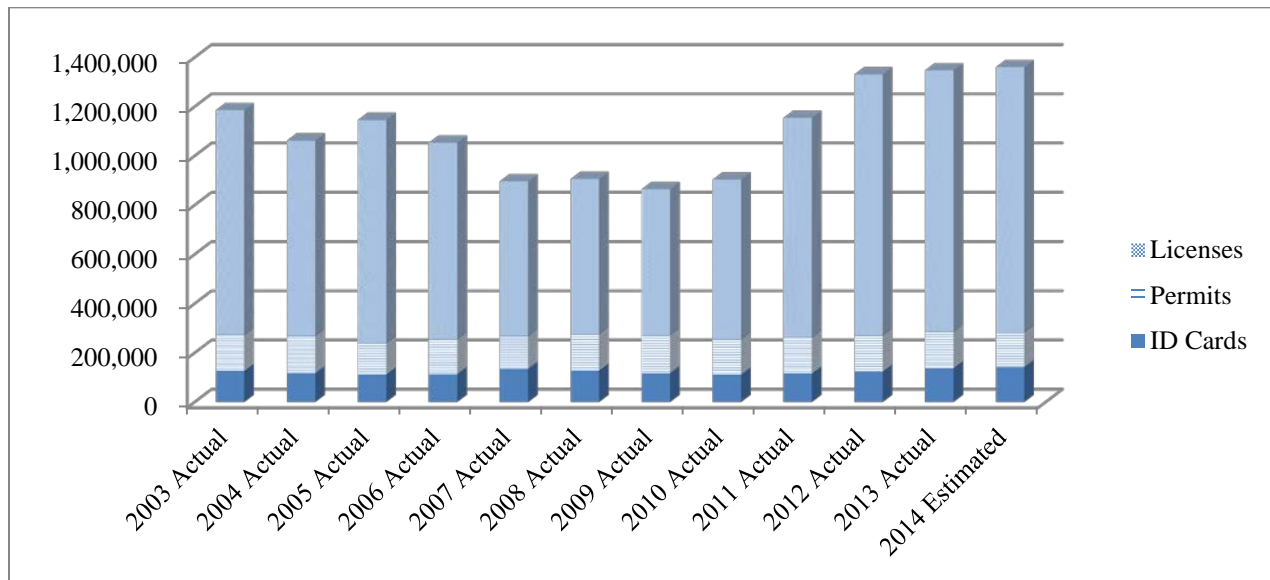
The Division of Motor Vehicles issues driver's licenses and identification cards, maintains driver records and administers administrative sanctions, suspensions, and reinstatements of driver's licenses, regulates commercial driving schools, oversees the State's vehicle emissions program, provides support for the Statewide Vehicle Titling and Registration System (CSTARS), oversees the motorist insurance identification database program, and administers the Ignition Interlock Subsidy Program.

Driver and Vehicle Services

There are more than 3.9 million licensed drivers in Colorado (including regular licenses, permits, and commercial driver's licenses) and there are 611,000 State identification cards in force. There are 56 driver's license offices (36 operated by the State and 20 operated by the counties) that issue driver's licenses and state identification (ID) cards.

Legislation on both the state and federal levels is a significant budget driver for this division. In 2001, the term of a driver's license was increased from five to ten years. The number of driver's licenses issued dropped in FY 2006-07 as the first drivers who were issued ten-year licenses did not have to renew their licenses. As a result of subsequent legislation passed in order to comply with federal law, the State returned to five-year renewals beginning in 2005. Starting in January 2011, the first five-year driver's licenses that were issued starting in 2005, along with the ten-year licenses that were issued in 2001, were due for renewal at the same time, resulting in an increase in the number of documents issued.

Number of Drivers Licenses, Permits and Identification Documents Issued (2003-2013)



At the same time, recent changes in state and federal law have increased transaction times for driver's licenses and ID cards, because the Department has instituted new policies and procedures to insure that those documents are secure and verifiable.

Under Colorado's "Help America Vote Act" (H.B. 03-1356), a person must provide a driver's license or ID number (or be issued a voter registration ID number by the Secretary of State) in order to register to vote. The Act also requires the Department of Revenue to match information in the voter registration database with information in the motor vehicle database and to verify applicable information with the federal social security database.

Senate Bill 07-241 increased driver's license fees and applied the increased revenue to fund the opening of three new driver's license offices in the Front Range and to add 53.0 FTE to staff the new offices and to increase staff at other offices. Senate Bill 09-274 refinanced, for FY 2009-10, \$17 million of General Fund with cash funds from the Licensing Services Cash Fund (to which all driver's license fees were diverted) and with Highway Users Tax Fund (HUTF) "off-the-top" moneys. House Bill 10-1387 extended that refinance for FY 2010-11 and FY 2011-12, refinancing \$20.0 million General Fund with \$20.0 million cash funds each year, including \$3.9 million in HUTF "Off-the-Top" moneys for FY 2010-11 and \$2.3 million for FY 2011-12. House Bill 12-1216 extended that refinancing for three additional years (FY 2012-13, FY 2013-14, and FY 2014-15), saving \$22.7 million General Fund in FY 2012-13. Senate Bill 14-194 makes permanent the driver's license fee transfer to the Licensing Services Cash Fund, while retaining the stipulation in statute that transfers any fund

balance over 16.5 percent from the Licensing Services Cash Fund to the HUTF. Senate Bill 14-194 also allowed the Department beginning July 1, 2015, to raise or lower various DMV fees, except that the Department may not increase fees by more than 20.0 percent before July 1, 2016, or by more than 5.0 percent per year on or after July 1, 2016. Senate Bill 14-194 is estimated to increase cash fund revenues to the DMV by \$5.2 million in FY 2015-16 and by \$6.9 million beginning in FY 2016-17.

In addition to issuing driver's licenses, the Driver and Vehicle Services section is responsible for: managing driver's licensing records; verifying documents presented for identification, including proof of the applicant's legal presence in the United States; identifying and administering administrative sanctions, including all restraints for alcohol related driving offenses; investigating fraud related to driver's licenses and identification cards; providing support and coordination for the motor vehicle registration process; and supervising license plate ordering and distribution.

Vehicle Emissions Program

The Vehicle Emissions Program licenses, regulates and inspects vehicle emissions testing site operators, inspectors, and mechanics; conducts inspections of vehicle emissions testing facilities to insure compliance with statutory requirements; and validates inspector and mechanic performance standards. In FY 2012-13, the Department renewed 81 licenses for stations and 245 for mechanics.

Division of Motor Vehicles				
Vehicle Emissions Licensing				
	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Station Licenses Issued	77	83	75	87
Station Licenses Renewed	39	64	67	81
Mechanic's Licenses Issued	493	579	355	683
Mechanic's Licenses Renewed	182	200	151	245

Titles Program

The Titles Program is responsible for the issuance of legal, negotiable certificates of title to protect the public when purchasing motor vehicles. Program staff review all high-risk title applications to verify that the assignment of ownership has been properly made.

Division of Motor Vehicles				
Title Applications Received				
	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Title Applications Received	1,430,621	1,471,503	1,561,184	1,608,557

Motorist Insurance Identification Database (MIIDB) Program

The Motorist Insurance Identification Database Program helps law enforcement officers verify driver compliance with the State's motor vehicle insurance requirements. The Program is authorized to suspend driving privileges for uninsured motorists. In FY 2012-13, a total of 27,951 restraint actions were taken as a result of citations issued for driving or having an accident without insurance. Funding for the program comes from a \$0.10 surcharge on motor vehicle registration fees.

Ignition Interlock Subsidy Program

The Ignition Interlock Subsidy Program was created to assist first-time drunk driving offenders obtain an ignition interlock device that prevents driving while intoxicated. The subsidy assists those who cannot afford

the devices. The Program is funded by a \$35 fee charged for the reinstatement of a driver's license. Senate Bill 14-194 reduced the reinstatement fee to \$22. House Bill 13-1240 expanded the Ignition Interlock Subsidy Program to persons classified as *persistent* drunk drivers and who do not have the financial means to afford the interlock devices. The primary budget driver is the number of people qualifying for assistance with obtaining an ignition interlock device in order to reinstate their license after a drunken driving conviction.

Enforcement Business Group

The Enforcement Business Group regulates the liquor, tobacco, medical marijuana, racing, gambling (except games of chance operated for charity, which are regulated by the Secretary of State), and automobile sales industries. The Limited Gaming Control Commission approves the Limited Gaming Division budget.

Limited Gaming Division

The Limited Gaming Division licenses and regulates the limited gaming industry, including gaming devices, facilities, personnel, and activities. The Division also enforces the laws contained in the Limited Gaming Act as well as the rules and regulations promulgated by the Colorado Limited Gaming Control Commission (Commission). The Commission has constitutional authority to allocate moneys to the Division. Moneys remaining in the Limited Gaming Fund after the payment of the Division's expenses are distributed according to the Constitution as follows:

- 28.0 percent to the State Historical Society;
- 12.0 percent to the gaming counties (Gilpin and Teller) in amounts proportional to gaming revenues collected in each county;
- 10.0 percent to the gaming cities (Black Hawk, Central City, and Cripple Creek) in amounts proportional to gaming revenues collected in each city; and
- 50.0 percent to the General Fund or such other uses or funds as the General Assembly may provide.

Amendment 50, approved by voter in 2008, expanded limited gaming to include higher limits on bets, extended hours, and new games. The proceeds of expanded gaming, after expenses, are distributed to limited gaming cities (10.0 percent) and counties (12.0 percent), and the state's community colleges (78.0 percent).

State limited gaming revenues, expenses and distributions are detailed in the following table.

Enforcement Business Group					
Limited Gaming Revenues, Expenses, and Distributions					
	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Limited Gaming Revenue	\$97,445,021	\$110,809,510	\$105,949,859	\$103,557,500	\$104,644,974
Commission/Division Expenses	<u>11,251,725</u>	<u>12,372,537</u>	<u>12,097,096</u>	<u>12,305,062</u>	<u>12,872,721</u>
Total Amount Distributed	\$85,281,086	\$96,742,401	\$95,327,351	\$91,197,386	\$92,686,816
Distributions to:					
State General Fund	2,811,210	16,200,000	20,400,269	20,304,942	12,102,134
Local Government Gaming Impact Fund	5,543,271	3,772,780	3,600,806	3,314,827	5,000,000
Department of Transportation	10,127,274	0	0	0	0
Tourism Promotion Fund	15,578,699	14,208,015	12,002,686	11,049,424	15,000,000
State Historical Society	23,878,704	24,867,360	24,195,009	23,127,355	23,633,195
State Council on the Arts Cash Fund	1,200,026	1,121,726	0	0	0
Film Incentives Cash Fund	180,011	407,997	240,054	220,989	500,000

Enforcement Business Group					
Limited Gaming Revenues, Expenses, and Distributions					
	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
New Jobs Incentives Cash Fund	1,400,052	1,291,231	0	0	0
Bioscience Discovery Evaluation Grant Program	4,500,000	5,500,000	4,320,967	3,977,793	5,500,000
Clean Energy Fund	0	0	0	0	0
Office of Economic Development Film Commission	300,000	0	0	0	0
Innovative Higher Ed Research Fund	1,000,000	1,904,251	1,680,376	1,546,920	2,100,000
Creative Industries Cash Fund	0	0	960,215	883,954	2,000,000
<u>Limited Gaming Counties</u>					
Gilpin County	8,196,195	8,720,983	8,544,294	8,196,996	8,364,125
Teller County	2,037,536	1,936,457	1,824,995	1,714,728	1,764,387
<u>Limited Gaming Cities</u>					
City of Black Hawk	6,056,663	6,516,136	6,352,054	6,048,629	6,174,172
Central City	773,499	751,350	768,192	782,200	795,932
City of Cripple Creek	1,697,946	1,613,714	1,520,829	1,428,940	1,470,322
<u>Amendment 50 Distributions</u>					
Limited Gaming Counties	0	951,648	1,069,993	1,031,963	993,906
Limited Gaming Cities	0	793,040	891,661	859,969	828,255
Community College System	0	6,185,713	6,954,952	6,707,757	6,460,388

Liquor and Tobacco Enforcement Division

The Liquor and Tobacco Enforcement Division licenses persons who manufacture, import, distribute or sell alcoholic beverages, regulates the sale and distribution of liquor within the State, and enforces State and Federal laws regarding the sale of tobacco products to minors. The Division enforces the provisions of the liquor, beer, and special events codes. The following table details the enforcement actions the Division has undertaken in the last five fiscal years.

Enforcement Business Group					
Liquor and Tobacco Enforcement Division - Violations Detected					
	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Total liquor licenses in force	15,428	15,429	15,935	13,515	12,816
State administrative actions	320	296	369	278	424
State revocations	\$1	\$0	\$4	\$3	\$0
State suspensions	115	152	163	51	70
State denials	3	1	0	1	1
Division filed court cases	512	466	784	756	1,042
Division assisted local hearings	13	5	6	6	12

Division of Racing Events

The Division of Racing Events licenses and regulates horse racing events, enforcing all laws, rules, and regulations related to racing activities. The Division is responsible for ensuring the health and welfare of horse racing in Colorado.

Hearings Division

The Hearings Division conducts administrative hearings regarding various licenses issued by the Department, including driver's licenses, liquor licenses, horse and dog racing licenses, and motor vehicle dealer's licenses.

Enforcement Business Group					
Hearings Division					
	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Total motor vehicle related hearings ^{/a}	31,293	27,324	23,526	22,710	21,867
Other hearings ^{/b}	<u>62</u>	<u>54</u>	<u>125</u>	<u>119</u>	<u>132</u>
Total hearings	31,355	27,378	23,651	22,829	21,999

^{/a} Includes hearings related to excessive points, express consent, DUI convictions, habitual traffic offender, insurance related restraints, vehicular assault/homicide, controlled substance, underage drinking and driving, and ignition interlock cases.

^{/b} Includes liquor, racing, tax tobacco, vehicle emissions, CDL and 3rd party testers, automobile salespersons, gaming, and marijuana.

Motor Vehicle Dealer Licensing Board

The Motor Vehicle Dealer Licensing Board is responsible for licensing and regulating the sale and distribution of motor vehicles and promulgating consumer protection regulations. Responsibilities include licensing all salespersons and those with ownership interests in new and used auto dealerships.

Enforcement Business Group					
Motor Vehicle Dealer Licensing Board					
	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Total dealer/salesperson licenses issued	20,269	18,308	17,652	18,059	18,699
Complaints received	2,833	1,839	1,525	1,347	1,234
Investigations completed	2,653	1,701	1,595	1,559	1,304
Violations resolved	389	n/a	n/a	n/a	n/a
Violations/Founded complaints	n/a	1,106	858	822	673
Verbal warnings issued	756	483	456	360	326
Written warnings issued	194	122	117	137	175
Criminal summons issued	n/a	45	60	26	22
Cases presented to Dealer Board	n/a	421	186	286	135

Marijuana Enforcement Division

House Bill 10-1284 established the Medical Marijuana Enforcement Division, which is responsible for the licensing and regulation of medical marijuana dispensaries, cultivation facilities, and infused products manufacturing facilities and enforcing state laws and regulations regarding medical marijuana. House Bill 13-1317 renamed the division the Marijuana Enforcement Division and gave the Division responsibility for regulation of *all* marijuana retailers, cultivation facilities, and infused products manufacturers. Senate Bill 14-215 Creates the Marijuana Tax Cash Fund (MTCF) and directs that all sales tax moneys collected by the State starting in FY 2014-15 from retail and medical marijuana to be deposited in the MTCF instead of the Marijuana Cash Fund (MCF). For more information on H.B. 13-1317 and S.B. 14-215, see the "Recent Legislation" section at the end of Part III of this Department. The table below shows an estimate of revenues and expenditures out of the Marijuana Tax Cash Fund.

Marijuana Tax Cash Fund (MTCF) Cash Flow Summary (with LCS March 2014 Revenue Forecast and S.B. 14-215)			
	Appropriation FY 2013-14	Estimate FY 2014-15	Estimate FY 2015-16
Marijuana Revenues Total	\$0	\$86,900,000	\$52,000,000
Retail Marijuana Revenues Sub-total	\$0	\$41,800,000	\$40,100,000
2.9% Sales Tax	0	10,600,000	10,200,000
10% Additional Sales Tax (does not include 15% local share)	0	31,200,000	29,900,000
15% Excise Tax (in excess of \$40 million credited to B.E.S.T.)	0	0	0
Medical Marijuana Revenues Sub-total	\$0	\$45,100,000	\$11,900,000
2.9% Sales Tax	0	11,900,000	11,900,000
Transfer from Marijuana Cash Fund [Section 1]	0	33,200,000	0
Expenses Total	\$0	\$32,918,397	\$23,958,397
Department of Revenue [Section 12(1) (g),(h)]	0	7,600,000	2,900,000
DHS and HCPH for substance abuse programs [Section 2]	0	2,000,000	2,000,000
DPHE research on health effects of marijuana [Sect. 12(1) (c),(d)]	0	320,388	320,388
DPS study law enf. activs. & S.B. 13-230 [Sect. 12(1) (e),(f)]	0	159,983	159,983
Department of Law support to DOR [Sect. 12(1) (a),(b)]	0	76,000	76,000
New Programs [Sect. 13] and Transfers to GF [Sect. 2]	0	22,762,026	18,502,026
Net Cash Flow (Revenues - Expenses)	\$0	\$53,981,603	\$28,041,603
<i>Estimated Fiscal Year Marijuana Tax Revenue.</i>			
<i>Actual Current Year Revenues Used as Appropriations Limit for the Following Fiscal Year.</i>	<i>\$33,200,000</i>	<i>\$53,700,000</i>	<i>\$52,000,000</i>
<i>Maximum Available for Appropriation (beginning with FY 2015- 16, a maximum of 93.5 percent of prior year revenues)</i>	<i>\$0</i>	<i>\$33,200,000</i>	<i>\$50,209,500</i>

State Lottery Division

The State Lottery recorded sales of \$566.3 million in FY 2012-13, and net proceeds of \$135.6 million were distributed to the beneficiaries. The total sales and distributions of net proceeds from the lottery for the last five fiscal years are shown in the table below:

State Lottery Division Sales and Distributions (\$ millions)					
	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Total Sales	\$493.4	\$501.2	\$518.9	\$545.3	\$566.3
<u>Distributions</u>					
Conservation Trust Fund	\$47.8	\$45.2	\$45.3	\$49.3	\$54.2
Great Outdoors Colorado	54.3	56.4	56.0	57.1	59.2
Parks & Outdoor Recreation	12.0	11.3	11.3	12.3	13.6
Public School Capital Construction Fund	5.5	0.1	0.7	4.6	8.6
Total Distributions	\$119.6	\$113.0	\$113.3	\$123.3	\$135.6

Appropriation Highlights – 2014 Legislative Session

Department of Revenue						
	Total Funds	General Fund ¹	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$299,057,894	\$76,836,412	\$216,328,381	\$5,068,713	\$824,388	1,237.6
SB 13-001	60,000	60,000	0	0	0	0.0
SB 13-004	4,588	0	4,588	0	0	0.0
SB 13-060	3,605	0	3,605	0	0	0.0
SB 13-120	3,315	0	3,315	0	0	0.0
SB 13-170	16,000	16,000	0	0	0	0.0
SB 13-221	48,000	48,000	0	0	0	0.0
SB 13-224	8,892	0	8,892	0	0	0.0
SB 13-251	436,292	436,292	0	0	0	0.0
SB 13-280	25,900	0	25,900	0	0	0.0
HB 13-1011	5,000	0	5,000	0	0	0.0
HB 13-1022	5,000	0	5,000	0	0	0.0
HB 13-1042	280,000	280,000	0	0	0	0.0
HB 13-1071	193,489	0	193,489	0	0	0.0
HB 13-1110	254,096	0	254,096	0	0	0.0
HB 13-1119	72,800	0	72,800	0	0	0.0
HB 13-1135	86,672	0	86,672	0	0	0.0
HB 13-1142	1,600	1,600	0	0	0	0.0
HB 13-1153	98,411	98,411	0	0	0	0.4
HB 13-1240	126,834	0	126,834	0	0	1.0
HB 13-1288	80,089	80,089	0	0	0	0.0
HB 13-1317	1,227,026	0	1,227,026	0	0	2.7
HB 13-1318	4,246,090	0	4,246,090	0	0	11.5
SB 14-129	4,120	0	4,120	0	0	0.0
SB 14-161	30,000	30,000	0	0	0	0.0
HB 14-1178	31,000	31,000	0	0	0	0.0
HB 14-1246	2,913,431	2,909,431	4,000	0	0	0.0
HB 14-1336	<u>(1,840,000)</u>	<u>(280,000)</u>	<u>(1,560,000)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$307,480,144	\$80,547,235	\$221,039,808	\$5,068,713	\$824,388	1,253.2
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$307,480,144	\$80,547,235	\$221,039,808	\$5,068,713	\$824,388	1,253.2
Retail marijuana sales tax distribution to local governments	9,191,790	9,191,790	0	0	0	0.0
Customer service enhancements	3,931,086	3,931,086	0	0	0	52.0
Annualize prior year budget actions	3,215,828	1,733,578	1,482,250	0	0	(13.6)

Department of Revenue						
	Total Funds	General Fund ¹	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Funding deficit	2,300,000	6,200,000	(3,900,000)	0	0	0.0
Centrally appropriated line items	1,104,449	(309,390)	733,128	680,711	0	0.0
Replace capitol annex cabling	863,218	863,218	0	0	0	0.0
Driver license examiner reclassification	837,502	837,502	0	0	0	0.0
Pre-release services	254,260	0	0	254,260	0	3.7
Indirect cost assessment	211,862	458,496	222,593	(469,227)	0	0.0
Auto industry license system	188,440	0	188,440	0	0	0.0
Marijuana lab certification in DPHE	86,187	0	86,187	0	0	0.0
Gambling Payment Intercept Cash Fund	29,000	0	29,000	0	0	0.0
Annualize prior year legislation	(3,143,205)	(3,416,871)	273,666	0	0	21.4
IT common policy adjustments	(2,030,355)	(723,553)	(1,306,802)	0	0	0.0
Forecast adjustments	(700,000)	(700,000)	0	0	0	0.0
Appropriation restructure	(153,954)	(153,954)	0	0	0	0.0
Central department operations realignment	(148,136)	0	(148,136)	0	0	0.0
HB 14-1336	\$323,518,116	\$98,459,137	\$218,700,134	\$5,534,457	\$824,388	1,316.7
SB 14-014	2,534,094	2,534,094	0	0	0	0.5
SB 14-030	824	0	824	0	0	0.0
SB 14-036	10,040	0	10,040	0	0	0.0
SB 14-041	5,778	0	5,778	0	0	0.0
SB 14-073	58,710	58,710	0	0	0	0.0
SB 14-075	116,858	12,828	104,030	0	0	0.0
SB 14-087	43,260	43,260	0	0	0	0.0
SB 14-194	191,651	191,651	0	0	0	2.7
SB 14-215	0	0	0	0	0	0.0
HB 14-1003	30,900	30,900	0	0	0	0.0
HB 14-1006	14,811	14,811	0	0	0	0.0
HB 14-1012	16,480	16,480	0	0	0	0.0
HB 14-1029	84,147	66,689	17,458	0	0	0.0
HB 14-1034	5,202	0	5,202	0	0	0.0
HB 14-1066	67,856	61,264	6,592	0	0	0.0
HB 14-1072	61,381	61,381	0	0	0	0.6
HB 14-1100	97,850	0	97,850	0	0	0.0
HB 14-1228	(73,145)	0	(73,145)	0	0	0.0
HB 14-1326	412	0	412	0	0	0.0
HB 14-1327	73,725	73,725	0	0	0	0.9
HB 14-1350	43,260	43,260	0	0	0	0.0
HB 14-1352	43,867	0	43,867	0	0	0.6
HB 14-1361	100,000	0	100,000	0	0	0.0
HB 14-1367	<u>33,990</u>	<u>0</u>	<u>33,990</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$327,080,067	\$101,668,190	\$219,053,032	\$5,534,457	\$824,388	1,322.0

Department of Revenue						
	Total Funds	General Fund ¹	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Increase/(Decrease)	\$19,599,923	\$21,120,955	(\$1,986,776)	\$465,744	\$0	68.8
Percentage Change	6.4%	26.2%	(0.9%)	9.2%	0.0%	5.5%

¹ Includes \$19,309,431 in FY 2013-14 and \$24,891,790 in FY 2014-15 that is not subject to the statutory limitation on General Fund appropriations imposed by Section 24-75-201.1, C.R.S.

FY 2013-14 Appropriation - Mid-year Adjustments

Senate Bill 14-129 provides \$4,120 cash funds to the Department of Revenue for FY 2013-14 for payments to the Governor's Office of Information Technology for updates to the Department's Driver License System.

Senate Bill 14-161 provides \$30,000 General Fund to the Department of Revenue for FY 2013-14 for modifications to the voter registration system.

House Bill 14-1178 provides \$31,000 General Fund to the Department of Revenue for FY 2013-14 for programming of the state tax administration software.

House Bill 14-1246 provides \$4,000 cash funds to the Department of Revenue for FY 2013-14 for direct and indirect costs associated with the administration of the Gaming Payment Intercept Act, and provides \$2,909,431 General Fund to create a mechanism for distribution of retail marijuana sales tax collections to local governments for informational purposes pursuant to Section 39-28.8-203 (1) (a) (V), C.R.S.

House Bill 14-1336 decreases the FY 2013-14 appropriation by \$1,840,000 total funds, including \$280,000 General Fund provided in H.B. 13-1042 (Marijuana Business Tax Deduction for computer programming) and \$1,560,000 cash funds provided in H.B. 13-1318 (Retail Marijuana Tax Implementation for computer programming).

FY 2014-15 Appropriation Highlights

Retail marijuana sales tax distribution to local governments: The appropriation includes a \$9.2 million General Fund increase in order to reflect the distribution of retail marijuana sales tax collections to local governments. The appropriation is for informational purposes pursuant to Section 39-28.8-203 (1) (a) (V), C.R.S.

Customer service enhancements: The appropriation provides 52.0 FTE for additional driver services personnel and funding for an expansion of wait-less queuing and data management technology to 43 driver license offices in the Division of Motor Vehicles for FY 2014-15.

Annualize prior year budget actions: The appropriation includes a number of changes to the out year impact of funding decisions made through the FY 2013-14 Long Bill, including annualizations of the FY 2013-14 salary survey and merit pay.

Funding deficit: The appropriation provides General Fund to the Division of Motor Vehicles to account for a projected shortfall in revenues to the Licensing Services Cash Fund.

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

Replace capitol annex cabling: The appropriation includes one-time funding totaling \$863,218 General Fund for FY 2014-15 to replace the data network cabling in the Capitol Annex located at 1375 Sherman Street from Category-3 cabling to Category-5 cabling.

Driver license examiner reclassification: The appropriation provides funding for the Division to re-classify 177 positions in the Driver License Examiner class series to Technician and General Professional class series.

Pre-release services: The appropriation provides funding for dedicated Division of Motor Vehicles personnel to help obtain identification documents for offenders under the custody of the Department of Corrections prior to their release.

Indirect cost assessment: The appropriation includes a net increase in the department's indirect cost assessment.

Auto industry licensing system: The appropriation provides funding for the implementation of an integrated licensing, accounting, and imaging software system for the Auto Industry Division (AID) which regulates the motor vehicle and power sports industry.

Marijuana lab certification in DPHE: The appropriation provides funding for the Department of Public Health and Environment (DPHE) to certify marijuana laboratories.

Gambling Payment Intercept Cash Fund: The appropriation includes an increase of \$29,000 cash funds from the Gambling Payment Intercept Cash Fund for the direct and indirect costs associated with the administration of the Gambling Payment Intercept Act pursuant to Section 24-35-605.5 (2) (b) (II), C.R.S.

Annualize prior year legislation: The appropriation includes changes for the second year impact of various legislation.

IT common policy adjustments: The appropriation includes adjustments to the payments made to the Governor's Office of Information Technology for the provision of information technology services.

Forecast adjustments: The appropriation includes adjustments to the Cigarette Tax Rebate line item, the Old Age Heat and Fuel and Property Tax Assistance Grant line item, and the Retail Marijuana Retail Sales Tax Distribution to Local Governments line item based on a March 2014 Revenue Forecast.

Appropriation restructure: The appropriation reorganizes the Long Bill structure for the Division of Motor Vehicles.

Central department operations realignment: The appropriation eliminates the Central Department Operations Division by moving part of the existing appropriations (\$6.6 million total funds and 44.0 FTE) into the Executive Director's Office and part of the appropriations (\$3.5 million total funds and 23.0 FTE) into the

Taxpayer Services Division in the Taxation Business Group. The net impact of the realignment is a reduction of \$148,136 cash funds.

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

DEPARTMENT OF STATE

The Secretary of State is one of five independently elected constitutional officers of the State. As the chief executive officer of the Department of State, the Secretary of State administers Colorado's elections laws, manages the statewide voter registration database, and administers funds received through the federal Help America Vote Act, regulates charitable solicitations, charitable gaming, and notaries public. As the State's primary record keeper, the Secretary of State collects, stores, and provides public access to annual reports, articles of incorporation, liens, and other documents filed according to state laws and the Uniform Commercial Code. The Department is comprised of the following divisions: (1) Administration; (2) Information Technology Services; (3) Elections Division; and (4) Business and Licensing Division.

Department Budget: Recent Appropriations

Funding Source	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
General Fund	\$0	\$0	\$0	\$0
Cash Funds	20,514,081	20,458,878	23,406,861	22,136,875
Reappropriated Funds	0	0	0	0
Federal Funds	0	0	0	0
Total Funds	\$20,514,081	\$20,458,878	\$23,406,861	\$22,136,875
Full Time Equiv. Staff	127.9	133.0	139.0	137.3

General Factors Driving the Budget

Funding for this department consists of 100.0 percent cash funds, primarily from business filing fees deposited into the Department of State Cash Fund. The other funding source for the Department is Federal Elections Assistance Fund, which supports the federal Help America Vote Act (HAVA) program. Moneys in the Federal Elections Assistance Fund are continuously appropriated and included in the budget for informational purposes only. Some of the major factors driving the Department's budget are discussed below.

Information Technology Services

The Information Technology Services division provides technical services, development, and support to the Department, including the electronic filing and online services that are offered to the public by the Business and Licensing Division. Its functions also include: (1) ensuring the Department is compliant with rules and policies as set forth by the Colorado Information Security Act; and (2) managing the State of Colorado Registration and Elections system (SCORE), which is the statewide computerized voter registration system. The Division's budget drivers include keeping up with the information technology system requirements for an expanding population of registered voters, changes in federal and state law, and the number of businesses required to file reports with the Department.

Elections Division

Pursuant to Section 1-1-107 (1), C.R.S., the Secretary of State is the State's Chief Election Official with the responsibility to:

- Supervise the conduct of primary, general, congressional vacancy, and statewide ballot issue elections;
- Enforce the provisions of Title 1 (Elections);
- Make, with the assistance of the Attorney General, uniform interpretations of Title 1;
- Coordinate the responsibilities of the State under the federal National Voter Registration Act of 1993; and
- Serve as the Chief State Election Official within the meaning of the federal Help America Vote Act of 2002.

The Department also collects, stores, and provides access to disclosure statements filed by public officials and lobbyists under Colorado's Sunshine Law and Fair Campaign Practices Act.

Department of State Elections Program Internal Expenditures						
	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15
	Actual	Actual	Actual	Actual	Approp.	Approp.
Personal Services	\$1,409,092	\$1,828,723	\$1,725,146	\$2,277,610	\$1,962,427	\$2,118,433
Operating Expenses	<u>164,008</u>	<u>160,379</u>	<u>235,173</u>	<u>378,427</u>	<u>199,299</u>	<u>200,389</u>
Total Internal Expenditures	\$1,573,100	\$1,989,102	\$1,960,319	\$2,656,037	\$2,161,726	\$2,318,822

The Local Election Reimbursement line item reimburses counties for a portion of the costs related to conducting and election with one or more statewide ballot issues. Section 1-5-505.5 (3), C.R.S., requires the Secretary of State to reimburse counties for the costs of running an election with a statewide issue. Those counties with fewer than 10,000 active registered voters at a rate of \$0.90 per active registered voter, and counties with more than 10,000 active registered voters are reimbursed at a rate of \$0.80 per active registered voter.

The Initiative and Referendum line item provides funding for the costs of verifying signatures on ballot and initiative petitions. When verifying signatures on petitions, Section 1-40-116, C.R.S. requires the Secretary of State to use a random sampling method of verification, verifying no less than 5.0 percent of the signatures. If the random sampling of signatures shows that the number of valid signatures on the petition is sufficient for the initiative to be placed on the ballot, the signatures are approved. If the sampling does not show a sufficient number of signatures, then each signature must be verified, driving up the costs for performing this task.

Department of State Elections Program External Expenditures						
	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15
	Actual	Actual	Actual	Actual	Approp.	Approp.
Initiative and Referendum	\$149,420	\$40,493	\$184,253	\$208,143	\$150,000	\$250,000
Local Election Reimbursement	<u>0</u>	<u>1,666,033</u>	<u>1,541,360</u>	<u>2,226,707</u>	<u>2,504,036</u>	<u>2,004,036</u>
Total External Expenditures	\$149,420	\$1,706,526	\$1,725,613	\$2,434,850	\$2,654,036	\$2,254,036

The appropriation for the Initiative and Referendum line item is normally set at \$150,000 for fiscal years ending in even numbers and \$250,000 for fiscal years ending in odd numbers. The odd numbered fiscal years include general elections which generally have more petitions to verify. In some years, petitions are turned in early, and/or if line-by-line signature verification is required, the Department may need an additional appropriations to enable it to verify signatures.

Appropriation Highlights – 2014 Legislative Session

	Department of State					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$21,372,884	\$0	\$21,372,884	\$0	\$0	135.0
HB 13-1101	25,160	0	25,160	0	0	0.0
HB 13-1135	26,640	0	26,640	0	0	0.0
HB 13-1138	91,760	0	91,760	0	0	0.0
HB 13-1167	74,592	0	74,592	0	0	0.0
HB 13-1303	1,317,181	0	1,317,181	0	0	4.0
HB 14-1247	<u>498,644</u>	<u>0</u>	<u>498,644</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$23,406,861	\$0	\$23,406,861	\$0	\$0	139.0
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$23,406,861	\$0	\$23,406,861	\$0	\$0	139.0
Centrally appropriated line items	492,555	0	492,555	0	0	0.0
Indirect cost assessment	21,971	0	21,971	0	0	0.0
Annualize prior year funding	(1,754,015)	0	(1,754,015)	0	0	(1.8)
IT common policy adjustments	<u>(273,610)</u>	<u>0</u>	<u>(273,610)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
HB 14-1336	\$21,893,762	\$0	\$21,893,762	\$0	\$0	137.2
SB 14-153	(2,816)	0	(2,816)	0	0	0.0
SB 14-161	150,154	0	150,154	0	0	0.0
HB 14-1369	<u>95,775</u>	<u>0</u>	<u>95,775</u>	<u>0</u>	<u>0</u>	<u>0.1</u>
TOTAL	\$22,136,875	\$0	\$22,136,875	\$0	\$0	137.3
Increase/(Decrease)	(\$1,269,986)	\$0	(\$1,269,986)	\$0	\$0	(1.7)
Percentage Change	(5.4%)	0.0%	(5.4%)	0.0%	0.0%	(1.2%)

FY 2013-14 Appropriation - Mid-year Adjustments

House Bill 14-1247 modified FY 2013-14 appropriations that include: an additional \$448,644 cash funds for election night reporting representing an acceleration of payments to be made in the current fiscal year which were originally requested and approved as out-year payments; a \$500,000 transfer of cash funds spending authority from Information Technology Services to the Elections Division for Local Election Reimbursement; and an additional \$50,000 cash funds for the Elections Division operating expenses for spending authority for a grant received for improving elections administration.

FY 2014-15 Appropriation Highlights

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-

term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; shift differential; vehicle lease payments; workers' compensation; legal services; administrative law judges; and payment to risk management and property funds.

Indirect cost assessment: The appropriation includes a net increase in the Department's statewide indirect cost assessment.

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

IT common policy adjustments: The appropriation includes adjustments to the payments made to the Governor's Office of Information Technology for the provision of information technology services.

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

DEPARTMENT OF TRANSPORTATION

The Department of Transportation (CDOT) is responsible for operating and maintaining Colorado's 23,106 lane-mile state highway system, including more than 3,437 bridges, and maintaining the aviation system plan, under the policy direction of the eleven-member Transportation Commission. The Department's responsibilities include managing highway construction projects, implementing the State's Highway Safety Plan, repairing and maintaining roads, providing technical support to local airports regarding aviation safety, and administering the reimbursement of aviation fuel tax revenues and discretionary grants to local airports. The Department's section of the Long Bill corresponds with legislative authority over particular areas of the Department's budget and does not exactly match the Department's administrative organization.

Most policy and budget authority for the Department rests with the Transportation Commission, pursuant to Section 43-1-113 (1), C.R.S. Funds controlled by the Transportation Commission are reflected for informational purposes in three Long Bill line items: Construction, Maintenance, and Operations; the High Performance Transportation Enterprise (created by S.B. 09-108); and the Statewide Bridge Enterprise (created by S.B. 09-108). These line items represent the "non-appropriated" portion of the budget and are included in the Long Bill as estimates of the anticipated revenues available to the Commission.

The General Assembly appropriates funding to two Long Bill line items: Administration (primarily from the State Highway Fund) and the First Time Drunk Driving Offenders Account (created pursuant to H.B. 08-1194 and funded with driver's license reinstatement fees connected with alcohol-related driving offenses). Finally, the General Assembly has statutory oversight of revenue-raising measures and approval of the Governor's appointments to the Transportation Commission.

Department Budget: Recent Appropriations

Funding Source	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
General Fund	\$0	\$0	\$0	\$700,000
Cash Funds	699,088,197	706,181,582	759,829,076	748,363,814
Reappropriated Funds	4,886,656	3,763,059	19,775,304	19,773,476
Federal Funds	<u>404,145,023</u>	<u>409,409,045</u>	<u>488,142,984</u>	<u>514,360,141</u>
Total Funds	\$1,108,119,876	\$1,119,353,686	\$1,267,747,364	\$1,283,197,431
Full Time Equiv. Staff	3,315.5	3,308.8	3,317.5	3,326.9

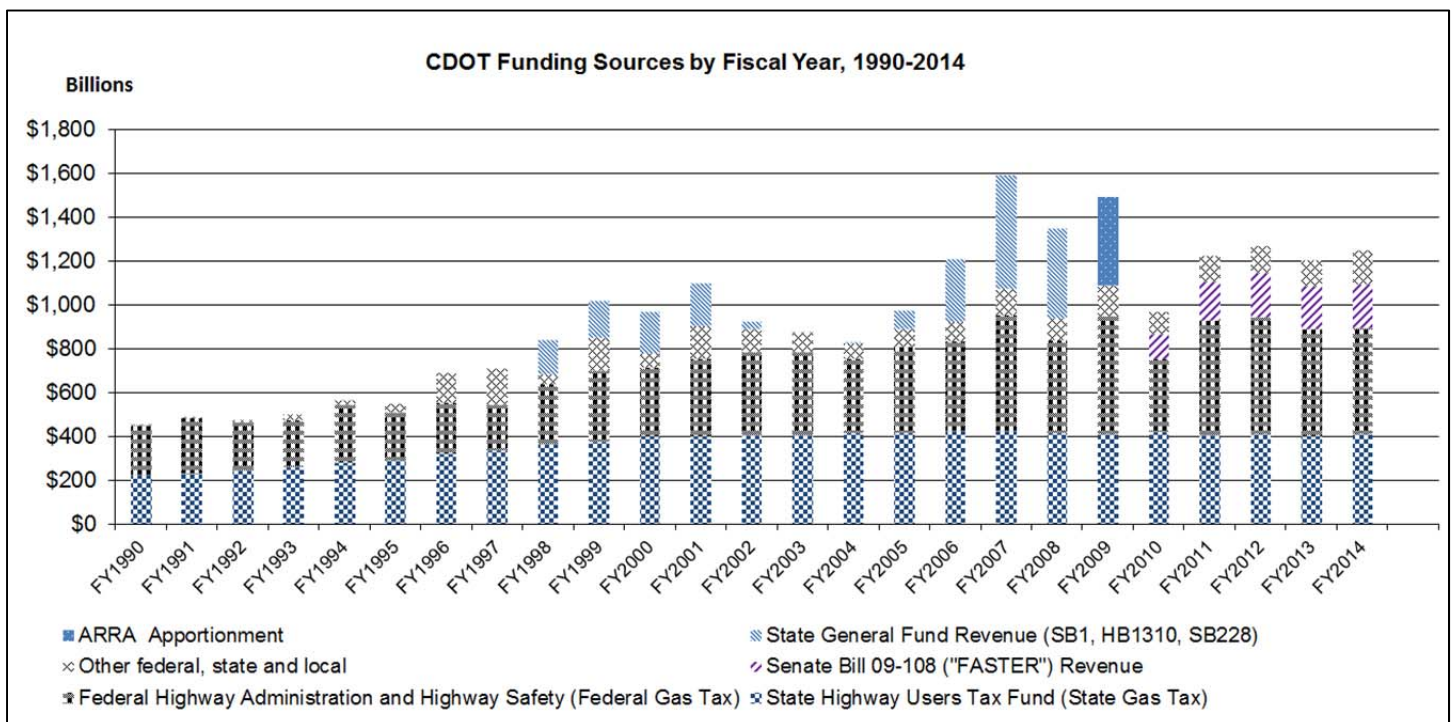
General Factors Driving the Budget

Funding for this department consists of 0.1 percent General Fund, 58.3 percent cash funds, 1.5 percent reappropriated funds, and 40.1 percent federal funds. Some of the major factors driving the Department's budget are discussed below.

Highway Users Tax Fund (HUTF) Revenues and S.B. 09-108

The primary source of state revenue for the Department is the Highway Users Tax Fund (HUTF). The major source of revenue for the HUTF is the State's motor fuel tax, which generates approximately two-thirds of the annual revenue collections for the HUTF. The remainder comes from motor vehicle registrations and other fees. The Department receives approximately half of the State's total HUTF collections. Fluctuations in HUTF revenues resulting from changes in behavior (e.g., increasing or decreasing vehicle miles of travel, which affects fuel tax revenues) or policies affect the revenues available to the Department.

The following chart displays total revenue from all sources for CDOT (including General Fund transfers to the HUTF, which are discussed on the next page) since FY 1989-90. Total state funding for the Department has fluctuated substantially, primarily as a result of changes in the amount of General Fund transferred to the HUTF. Non-General Fund HUTF revenues have remained relatively flat over the same time period, with the exception of a significant jump in FY 2009-10 related to fees, fines, and surcharges authorized in S.B. 09-108 (also known as FASTER).



The Department estimates that FASTER fees, fines, and surcharges will generate \$163.2 million in revenues for the Department in FY 2014-15. This includes \$57.1 million in the HUTF for highway purposes, \$15.0 million in the HUTF for transit purposes (including \$5.0 million for local entities), and \$91.1 million in the State Bridge Enterprise Fund (collected through bridge safety surcharges authorized in the act and provided to the Statewide Bridge Enterprise).

General Fund Expenditures for Highway Construction

Since 1997, the General Assembly has passed a variety of legislation to assist in the completion of transportation projects. This legislation has provided additional funds to the State Highway Fund from General Fund sources, including: (1) Capital Construction Fund appropriations (which originate in the General Fund); (2) diversions of sales and use taxes from the General Fund to the Highway Users Tax Fund (S.B. 97-001); (3)

Limited Gaming Fund appropriations (which use cash funds that would otherwise be credited to the Clean Energy Fund); and (4) two-thirds of the year-end General Fund surplus (H.B. 02-1310). Additional legislation (H.B. 99-1325) has permitted the Department to issue bonds to accelerate projects and to use future federal and state revenues to repay bondholders over time.

Transfers from the General Fund to the State Highway Fund under the legislation discussed above have fluctuated with the economy. For example, economic conditions precluded most such transfers from FY 2002-03 through FY 2004-05, although there were limited transfers under H.B. 02-1310 in FY 2003-04 and FY 2004-05. As shown in the table below, transfers pursuant to S.B. 97-001 and H.B. 02-1310 increased in FY 2006-07 (a total of \$520.2 million) and FY 2007-08 (a total of \$407.2 million), but declined to \$88.0 million in FY 2008-09.

General Fund Diversions to the HUTF Pursuant to S.B. 97-001 and H.B. 02-1310 (\$ millions)									
Legislation	FY 02	FY 03	FY 04	FY 05	FY 06	FY 07	FY 08	FY 09	Totals
S.B. 97-001	\$35.2	\$0.0	\$0.0	\$0.0	\$220.4	\$229.0	\$241.0	\$59.0	\$784.6
H.B. 02-1310	<u>n/a</u>	<u>n/a</u>	<u>5.6</u>	<u>81.2</u>	<u>65.3</u>	<u>291.2</u>	<u>166.2</u>	<u>29.0</u>	<u>638.5</u>
Totals	\$35.2	\$0.0	\$5.6	\$81.2	\$285.7	\$520.2	\$407.2	\$88.0	\$1,423.1

Senate Bill 09-228 repealed the transfers of General Fund associated with S.B. 97-001 and H.B. 02-1310, making transfers from the General Fund to the HUTF subject to annual appropriation by the General Assembly. Senate Bill 09-228 requires that 2.0 percent of General Fund revenues be transferred to the HUTF in a five-year block when certain conditions are met; these conditions have not been triggered prior to FY 2014-15. The five-year block of transfers is subject to a trigger based on growth in statewide personal income. Because personal income increased by less than 5.0 percent from calendar year 2011 to calendar year 2012, the entire five-year block of transfers has been postponed until the first state fiscal year in which the personal income trigger is met. Based on projections by CDOT, the Governor's Office of Strategic Planning and Budgeting, and Legislative Council, personal income growth is expected to increase by 5.0 percent during FY 2014-15 and therefore transfers required by S.B. 09-228 are expected to begin in FY 2015-16.

Availability of Federal Funds

The Department receives federal funding for four basic purposes, including:

- highways (Federal Highway Administration (FHWA) funds);
- highway safety (National Highway Traffic Safety Administration (NHTSA) funds);
- transit (Federal Transit Administration (FTA) funds); and
- aviation (Federal Aviation Administration (FAA) funds).

Federal Funding

Federal funds provide a significant share of the Department's resources (40.1 percent of the Department's actual appropriations for FY 2014-15), and fluctuations in the availability of federal funds affect the Department's annual budgetary outlook. The availability of federal funds is determined by multi-year federal authorization bills. In July 2012, the Federal government enacted the Moving Ahead for Progress in the 21st Century Act (MAP-21) to authorize and fund transportation projects.

Some of the major provisions of MAP-21 are summarized below:

- Provides spending authority through September 30, 2014 and extends the three federal motor fuel taxes that support the Highway Trust Fund through September 30, 2016.
- Continues existing funding levels with a small inflationary adjustment. Colorado's federal highway apportionments are estimated to be \$517.0 million in FFY 2013 and \$522.4 million in FFY 2014. By comparison, Colorado's apportionment in FFY 2012 was \$517.0 million.
- Consolidates 90 federal transportation programs into 30 programs, providing state department of transportations with more discretion.
- Increases funding for the Transportation Infrastructure Finance and Innovation Act (TIFIA) for innovative financing from \$122 million in FFY 2012 to \$750 million in FFY 2013 and \$1.0 billion in FFY 2014.
- Streamlines environmental reviews and removes administrative barriers, allowing states more responsibility with regard to environmental regulations.

The Department's total share of federal funds has fluctuated in recent years, increasing from \$359.7 million in FY 2000-01 to \$957.4 million in FY 2008-09, but declining to \$369.0 million in FY 2010-11 (see table below). Of note, the Department received \$404.2 million in FY 2008-09 and \$12.5 million in FY 2009-10 as a result of the American Recovery and Reinvestment Act (ARRA). In recent years, federal budgetary conditions, including the depletion of the surplus in the federal Highway Trust Fund, have resulted in "obligation limits" that reduce the State's portion of federal funding below the full amounts authorized in law.

Federal Program ¹	Federal Funding to CDOT (\$ millions)								
	FY 06-07 Actual	FY 07-08 Actual	FY 08-09 Actual	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Actual	FY 13-14 Estimated	FY 14-15 Estimated
FHWA	\$527.6	\$533.9	\$536.9	\$568.8	\$349.3	\$472.0	\$514.3	\$471.4	\$476.5
FTA	10.9	10.2	13.9	13.3	13.2	12.8	15.7	16.0	16.0
FAA	0.2	0.3	0.3	0.3	0.2	0.3	0.3	0.3	0.3
NHTSA	3.4	8.1	2.1	6.3	6.3	7.1	7.9	1.7	6.5
ARRA	<u>0.0</u>	<u>0.0</u>	<u>404.2</u>	<u>12.5</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total	\$542.1	\$552.5	\$957.4	\$601.2	\$369.0	\$492.2	\$538.2	\$489.4	\$499.3

¹ The acronyms used are: FHWA – Federal Highway Administration; FTA – Federal Transit Administration; FAA – Federal Aviation Administration; NHTSA – National Highway Traffic Safety Administration; ARRA – American Recovery and Reinvestment Act of 2009.

As of June 17, 2014, U.S. Transportation Secretary Anthony Foxx made a statement conveying the seriousness of the state of the federal Highway Trust Fund. According to his statement, the Highway Trust Fund will be depleted during the month of August, a full month before MAP-21 is scheduled to expire. While recent reports from Congress suggest increasing the federal fuel tax for the first time in two decades is on the table, funding from the Highway Trust Fund will be uncertain until Congress acts.

Appropriation Highlights – 2014 Legislative Session

Department of Transportation						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	<u>\$1,267,747,364</u>	<u>\$0</u>	<u>\$759,829,076</u>	<u>\$19,775,304</u>	<u>\$488,142,984</u>	<u>3,317.5</u>
TOTAL	\$1,267,747,364	\$0	\$759,829,076	\$19,775,304	\$488,142,984	3,317.5
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$1,267,747,364	\$0	\$759,829,076	\$19,775,304	\$488,142,984	3,317.5
Updated revenue projections	15,566,898	0	(10,617,738)	2,290	26,182,346	0.0
Annualize prior year budget actions	490,864	0	475,023	15,841	0	0.0
IT common policy adjustments	82,772	0	47,961	0	34,811	0.0
Restoration of funding and associated FTE	0	0	0	0	0	9.3
Transfer OIT budget from CM&O to Administration	0	0	0	0	0	0.0
Net offset of centrally appropriated line items	(1,387,920)	0	(1,365,809)	(22,111)	0	0.0
Centrally appropriated line items	(7,826)	0	(9,978)	2,152		
HB 14-1336	\$1,282,492,152	\$0	\$748,358,535	\$19,773,476	\$514,360,141	3,326.8
HB 14-1161	5,279	0	5,279	0	0	0.1
HB 14-1301	<u>700,000</u>	<u>700,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$1,283,197,431	\$700,000	\$748,363,814	\$19,773,476	\$514,360,141	3,326.9
Increase/(Decrease)	\$15,450,067	\$700,000	(\$11,465,262)	(\$1,828)	\$26,217,157	9.4
Percentage Change	1.2%	n/a	(1.5%)	(0.0%)	5.4%	0.3%

FY 2014-15 Appropriation Highlights

Updated revenue projections: The appropriation reflects updated estimates of revenue to the State Highway Fund and projections of federal transportation distributions.

Annualize prior year budget actions: The appropriation includes changes to reflect the out year impact of funding decisions made through the FY 2013-14 Long Bill including increases to reflect salary survey and merit pay awarded in FY 2013-14.

IT common policy adjustments: The appropriation includes adjustments to the payments made to the Governor's Office of Information Technology for the provision of information technology services and COFRS modernization.

Restoration of funding and associated FTE: The appropriation includes an increase of \$1,590,194 and 14.5 FTE and an offsetting decrease to the Construction, Maintenance, and Operations (CM&O) line to provide

flexibility to the Department of Transportation to proactively hire personnel for positions in the Administration line. During the economic downturn, the Department made prudent operating decisions that included intentionally not filling certain vacant positions. The General Assembly acted to eliminate these positions from the Administration line, which has placed the Department at a disadvantage when filling newly vacant positions. This budget action provides the Department with flexibility to fill positions it needs the most. The offsetting decrease in the CM&O line makes the decision budget neutral to the overall Department.

Transfer OIT budget from CM&O to Administration: The appropriation includes an increase of \$2,365,290 cash funds to properly align Department expenditures with Section 43-1-113(2) (c) (III), C.R.S., which requires the Administration line pay costs for centralized data processing. OIT recently expanded control of the Department's IT infrastructure and services that were not previously considered centralized data processing are now included. The appropriation includes an offset of the changes in the Construction, Maintenance, and Operations line, which makes it budget neutral to the entire Department.

Net offset of budget decisions in Administration section: The appropriation includes offsetting adjustments in the Construction, Maintenance, and Operations line for budget decisions in the Administration section including: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; shift differential; vehicle lease payments; workers' compensation; legal services; payment to risk management and property funds; Capitol complex leased space; and payments to OIT.

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

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

DEPARTMENT OF THE TREASURY

The State Treasurer is one of five independently elected constitutional officers of the state. The Department of the Treasury is responsible for the following primary duties: (1) acts as the state's banker and investment officer, providing investment, accounting, and cash management services and preparing related reports; (2) administers the Unclaimed Property Program; (3) reimburses local governments for property tax revenues foregone due to the senior citizen and disabled veteran property tax exemption; (4) provides short-term, interest-free financing to school districts by issuing tax and revenue anticipation notes and making loans from the General Fund; (5) assists charter schools with long-term financing by making direct bond payments; (6) distributes Highway Users Tax Fund (HUTF) revenues to counties and municipalities; (7) distributes federal mineral leasing funds received for the state's share of sales, bonuses, royalties, and rentals of public lands within Colorado; and, (8) pursuant to S.B. 12-150, manages certain state public financing transactions.

Department Budget: Recent Appropriations

Funding Source	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
General Fund ¹	\$7,903,000	\$109,314,351	\$106,058,124	\$121,626,076
Cash Funds	358,523,119	369,594,954	327,651,424	317,145,060
Reappropriated Funds	0	0	0	0
Federal Funds	0	0	0	0
Total Funds	\$366,426,119	\$478,909,305	\$433,709,548	\$438,771,136
Full Time Equiv. Staff	31.5	31.5	31.9	31.9

¹ FY 2011-12 and FY 2012-13 include General Fund Exempt.

General Factors Driving the Budget

The General Fund appropriation primarily supports the senior citizen and disabled veterans property tax exemption and tax reimbursements for property destroyed by a natural cause, with the remainder covering department administrative expenses. The Department's cash fund appropriation includes: (a) transaction fee revenue, which supports department administrative expenses; (b) moneys in the Unclaimed Property Trust Fund, which support the Unclaimed Property Program; and (c) distributions from the Highway Users Tax Fund to counties and municipalities. The Department's funding for FY 2014-15 consists of 27.7 percent General Fund and 72.3 percent cash funds.

Senior Citizen and Disabled Veteran Property Tax Exemption

Section 3.5 of Article X of the Colorado Constitution grants a property tax exemption to qualifying senior citizens and disabled veterans. A senior citizen is eligible for the property tax exemption if the property owner-occupier is at least 65 years of age on the assessment date and has occupied the residence for at least ten years, or is the surviving spouse of a person who previously qualified for the exemption. A disabled veteran is eligible for the property tax exemption if the owner-occupier has a 100.0 percent service-connected disability (as

determined by the U.S. Department of Veterans Affairs) on the assessment date. The value of the property tax exemption is 50.0 percent of the first \$200,000 of actual property value for qualifying homeowners. The State Treasurer is required to reimburse local governments for the resulting loss of property tax revenues. The Constitution grants the General Assembly the power to raise or lower the maximum amount of residence value that is exempt from taxation.

For tax year 2002, the exemption was limited to the first \$200,000 of actual residence value. The General Assembly lowered this amount from \$200,000 to \$0 for tax years 2003, 2004, and 2005, thereby eliminating the associated state expenditures for corresponding fiscal years. State payments resumed in FY 2006-07. The General Assembly passed several bills during the 2009 and 2010 sessions that reduced the senior citizen exemption to \$0 for FY 2009-10, FY 2010-11 and FY 2011-12. These bills left in place the exemption for disabled veterans. No bills were passed during the 2014 session reducing the exemption from those defined in statute.

State payments to local governments are subject to the Taxpayer's Bill of Rights (TABOR) limitation on fiscal year spending,¹ but are not subject to the statutory restriction on General Fund appropriations pursuant to Section 24-75-201.1 (1) (a) (II) through (IV), C.R.S. Estimated General Fund expenditures for the property tax exemption are included in the Department of Treasury's budget for informational purposes.

Senior Citizen and Disabled Veteran Homestead Property Tax Exemption					
	FY 2010-11 Actual	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Projected
Senior Citizens /a	\$0	\$0	\$100,821,732	\$107,723,840	**
Disabled Veterans	<u>1,574,580</u>	<u>1,756,475</u>	<u>1,906,309</u>	<u>\$2,083,129</u>	<u>**</u>
Total	\$1,574,580	\$1,756,475	\$102,728,041	\$109,806,969	\$118,400,000

/a The Senior Citizen Exemption was not available for FY 2009-10 through FY 2011-12. The numbers reported for exemptions granted refer to the number that county assessors had approved. County assessors continued taking applications for the exemption throughout the period where the exemption was set at \$0.

Property Tax Reimbursements for Property Destroyed by a Natural Cause

In the 2014 Session, the General Assembly passed H.B. 14-1001 providing a property tax reimbursement for real or business property listed on a single schedule that was destroyed by a natural cause. As defined in Section 39-1-102 (8.4), C.R.S, a natural cause includes a fire, explosion, flood, tornado, action of the elements, act of war or terror, or similar cause beyond the control of and not caused by the property owner. This property tax reimbursement is for tax years beginning on or after January 1, 2013, and is subject to reimbursement from the state in an amount equal to the property tax liability applicable to the destroyed property in the property tax year in which the natural cause occurred. Upon receipt of a report from a county treasurer verifying the total amount of property tax in the county eligible for reimbursement, the State Treasurer shall issue a reimbursement warrant to the applicable county treasurer for the total amount. Funds made available for this property tax reimbursement are subject to annual appropriation by the General Assembly.

¹ The provision specified that voter approval of the measure constituted a voter-approved revenue change, thereby allowing the TABOR limit for FY 2001-02 to increase by \$44.1 million. The provision further specified that such an amount should be included for the purpose of calculating subsequent fiscal year spending limits. However, by the time the State was required to pay the first year reimbursement in April 2003, state revenues no longer exceeded the TABOR limit. Thus, this measure never increased the State's TABOR limit.

Highway Users Tax Fund Disbursements

The Department distributes revenues from the Highway Users Tax Fund (HUTF) to counties and municipalities for use on local transportation projects pursuant to statutory formulas in Sections 43-4-207 and 208, C.R.S. The amounts anticipated to be distributed to counties and municipalities are reflected as cash funds appropriations within the Special Purpose section of the Long Bill for informational purposes. The following table details recent distributions of HUTF revenues, as well as projections for FY 2013-14 and FY 2014-15.

Highway Users Tax Fund (HUTF) Revenues and Distributions (\$ Millions)						
	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
	Actual \a	Actual \a	Actual \a	Actual \a	Estimated \b	Projected \b
<u>Total Revenues</u>	\$920.9	\$938.4	\$943.3	\$937.5	\$957.9	\$956.5
<i>Annual Percent Change</i>	6.8%	1.9%	0.5%	-0.6%	2.2%	-0.1%
<u>Treasury Distributions</u>						
Counties	\$182.9	\$185.4	\$187.1	\$184.7	\$188.8	\$188.6
Municipalities	125.0	127.3	127.4	126.4	\$129.2	\$129.1

\a Values have been updated to correspond with the final general ledgers for the Department of Treasury's Fund 405.

\b Treasury applied Legislative Council's forecasted percentage increase against the FY 2012-13 actual revenue and against Treasury's distributions to counties and municipalities.

Appropriation Highlights – 2014 Legislative Session

Department of the Treasury						
	Total Funds	General Fund¹	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$495,535,754	\$131,492,404	\$364,043,350	\$0	\$0	31.9
SB 13-234	(25,321,079)	(25,321,079)	0	0	0	0.0
HB 13-1115	(36,511,694)	0	(36,511,694)	0	0	0.0
HB 14-1248	<u>6,567</u>	<u>(113,201)</u>	<u>119,768</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$433,709,548	\$106,058,124	\$327,651,424	\$0	\$0	31.9
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$433,709,548	\$106,058,124	\$327,651,424	\$0	\$0	31.9
Senior Citizen and Disabled Veteran Property Tax Exemption	13,200,000	13,200,000	0	0	0	0.0
Centrally appropriated line items	102,808	30,985	71,823	0	0	0.0
LexisNexis Accurint research service	30,300	0	30,300	0	0	0.0
Investment tools	8,503	8,503	0	0	0	0.0

Department of the Treasury						
	Total Funds	General Fund ¹	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Highway Users Tax Fund adjustment	(10,488,719)	0	(10,488,719)	0	0	0.0
Annualize prior year budget actions	(7,361)	112,407	(119,768)	0	0	0.0
IT common policy adjustments	(5,771)	(5,771)	0	0	0	0.0
HB 14-1336	\$436,549,308	\$119,404,248	\$317,145,060	\$0	\$0	31.9
HB 14-1001	<u>2,221,828</u>	<u>2,221,828</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$438,771,136	\$121,626,076	\$317,145,060	\$0	\$0	31.9
Increase/(Decrease)	\$5,061,588	\$15,567,952	(\$10,506,364)	\$0	\$0	0.0
Percentage Change	1.2%	14.7%	(3.2%)	n/a	n/a	(0.0%)

¹ Includes General Fund amounts (\$105,200,000 for FY 2013-14 and \$118,400,000 for FY 2014-15) for reimbursements for the Senior Citizen and Disabled Veteran Property Tax Exemption that are exempt from the statutory limit on state General Fund appropriations pursuant to Section 24-75-201.1 (1) (a) (III) (A), C.R.S.

FY 2013-14 Appropriation - Mid-year Adjustments

House Bill 14-1248 includes a \$119,768 decrease in General Fund offset by an increase in cash funds from Cash Management Transaction Fees; and an increase of \$6,567 General Fund to cover the increased cost of investment tools.

FY 2014-15 Appropriation Highlights

Senior Citizen and Disabled Veteran Property Tax Exemption: The appropriation reflects an increase in payments to local governments to offset the local property tax revenues that will be foregone for tax year 2014.

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; workers' compensation; legal services; payment to risk management and property funds; and Capitol complex leased space.

LexisNexis Accurant research service: The appropriation includes a \$30,300 increase in cash funds for the purchase of the Accurant Research Service to improve claims processing and auditing in the Unclaimed Property Program.

Investment Tools: The appropriation includes an \$8,503 increase in General Fund for costs associated with the Bloomberg and BondEdge investment tools used by the Department's investment officers.

Highway Users Tax Fund adjustment: The appropriation reflects a decrease in the projected disbursements of Highway Users Tax Fund (HUTF) revenues to counties and municipalities.

Annualize prior year budget actions: The appropriation includes adjustments for the out-year impact of funding decisions made through the FY 2013-14 appropriation, including:

- The annualization of the FY 2013-14 salary survey and merit pay;
- The fund source adjustment made through H.B. 14-1248; and
- The annualization of investment tool funding appropriated through H.B. 14-1248.

IT common policy adjustments: The appropriation includes adjustments to the payments made to the Governor’s Office of Information Technology for the provision of information technology services.

Additional legislation: For information on additional legislation, see the “Recent Legislation” section at the end of Part III of this department.

CAPITAL CONSTRUCTION

This section summarizes state agency capital construction and controlled maintenance projects. Many of the appropriations are from the Capital Construction Fund. The primary source of revenue to the Capital Construction Fund is transfers and appropriations from the General Fund.

Department Budget: Recent Appropriations

Appropriations for Capital Construction and Controlled Maintenance Projects ¹				
Funding Source	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
Capital Construction Funds ²	\$50,514,800	\$63,100,367	\$188,069,493	\$364,420,213
Cash Funds	114,933,910	87,351,635	86,298,813	116,124,738
Reappropriated Funds	0	8,626,790	7,113,670	8,566,515
Federal Funds	<u>79,302,008</u>	<u>12,088,026</u>	<u>2,266,990</u>	<u>3,722,025</u>
Total Funds	\$244,750,718	\$171,166,818	\$283,748,966	\$492,833,491

¹ Does not include appropriations and transfers to the Capital Construction Fund or Controlled Maintenance Trust Fund. See Part III Department Details for Capital Construction for this information.

² For FY 2014-15, includes \$135,335,748 CCF conditioned on receipt of sufficient FY 2013-14 General Fund surplus revenue.

General Factors Driving the Budget

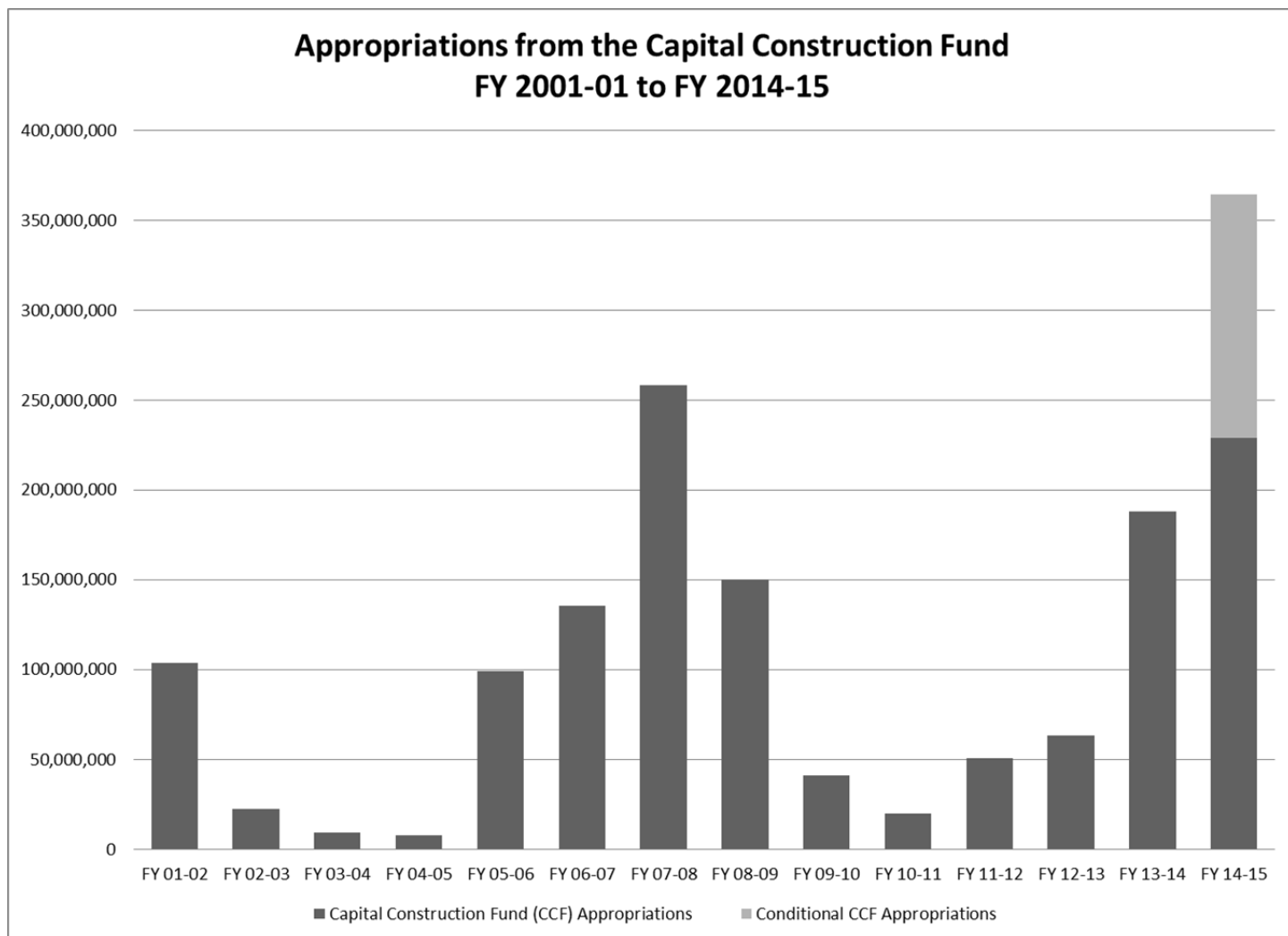
Revenue Available for Capital Construction

The Capital Construction Fund provides the primary source of capital construction funding for most state departments. The amount appropriated is based on the recommendations of the Capital Development Committee and the most recent forecast of revenues available for capital construction given constitutional and statutory constraints on the budget. For FY 2013-14 and FY 2014-15, Capital Construction Fund appropriations were supported entirely by one-time, discretionary General Fund and State Historical Fund transfers to the Capital Construction Fund authorized in S.B. 13-236 and H.B. 14-1342.

A unique element of the FY 2014-15 Capital Construction Fund appropriation is that \$135.3 million of the total is conditioned upon FY 2013-14 surplus General Fund receipts. Pursuant to Section 24-75-220, C.R.S., the State Controller will make a preliminary determination of FY 2013-14 surplus General Fund revenue by September 15, 2014. On that date, 90 percent of any surplus funds that are projected to be available for conditional capital construction projects will be transferred to the Capital Construction Fund to fund specified projects based on a statutory prioritization order. The balance will be transferred on the date the Comprehensive Annual Financial Report for FY 2013-14 is published. If surplus revenue is insufficient, the conditional projects will not be funded or only some will be funded based on the prioritization order.

In some years, statutory triggers authorize automatic transfers to the Capital Construction Fund to support regular (non-conditional) appropriations. For example, H.B. 02-1310 provided automatic transfers to the Capital Construction Fund and the Highway Users Tax Fund of surplus General Fund revenue. These transfers

were replaced in S.B. 09-228. Pursuant to S.B. 09-228, Section 24-75-219, C.R.S., authorizes five years of transfers to the Capital Construction Fund of 0.5 percent of total General fund revenues for two years followed by 1.0 percent for three years. While these transfers were originally authorized to begin in FY 2012-13, they are delayed until a personal income trigger is met. Transfers begin in the first fiscal year in which, for the calendar year that ends before the start of the fiscal year (e.g., CY 2014 for FY 2015-16), personal income increases by at least 5.0 percent. They are reduced or eliminated if excess state funds are required to be refunded to taxpayers pursuant to Section 20 of Article 10 of the State Constitution. The trigger was not met and therefore no automatic transfers were provided in FY 2013-14 or FY 2014-15. Automatic transfers are currently projected to begin in FY 2015-16.



Other sources of revenue for capital construction projects include Tobacco Master Settlement Agreement revenue, various cash funds administered by the Department of Higher Education and the Department of Natural Resources, federal funds, and, in some years, the Corrections Expansion Reserve Fund. Higher education projects that are funded entirely through cash funds and federal funds are not included in state appropriation bills. Higher education cash funds projects that exceed \$2.0 million are, however, subject to legislative oversight through the Capital Development Committee and, under certain circumstances, the Joint Budget Committee.

Appropriation Highlights – 2014 Legislative Session

Capital construction projects are typically classified in two categories: state-funded projects that are largely supported by the Capital Construction Fund and cash-funded projects that are appropriated in the Long Bill but do not include moneys from the Capital Construction Fund and are separately prioritized by the Capital Development Committee. For FY 2014-15 a third category, conditional capital construction projects, was established. This category consists of projects that will be funded by the Capital Construction Fund if sufficient FY 2013-14 surplus General Fund revenue is received. All FY 2014-15 capital construction appropriations, including the conditional appropriations, are included in H.B. 14-1336.

FY 2014-15 Capital Construction Appropriations - H.B. 14-1336					
	Total	Capital Construction Funds	Cash Funds	Reappropriated Funds	Federal Funds
State-funded Projects by Fund Source	\$271,870,812	\$229,084,465	\$41,343,347	\$0	\$1,443,000
Conditional State-funded Projects by Fund Source ^{/1}	144,998,942	135,335,748	9,303,169	0	360,025
Cash-funded Projects by Fund Source	<u>75,963,737</u>	<u>0</u>	<u>65,478,222</u>	<u>8,566,515</u>	<u>1,919,000</u>
Total Capital Construction Appropriations	\$492,833,491	\$364,420,213	\$116,124,738	\$8,566,515	\$3,722,025

/1 Projects that will only be funded if there is sufficient FY 2013-14 surplus General Fund revenue, pursuant to Section 24-75-220, C.R.S.

State-funded Projects

The table below identifies the state-funded capital construction projects appropriated in the FY 2014-15 Long Bill (H.B. 14-1336) and the sources of funds used for these projects, including a transfer of \$225.5 million from the General Fund to the Capital Construction Fund authorized in H.B. 14-1342. This does not include projects appropriated in H.B. 14-1336 but conditioned on receipt of surplus FY 2013-14 General Fund revenues pursuant to H.B. 14-1342. These additional projects are described separately below.

State-funded Capital Construction Projects and Revenue Sources (excludes conditional appropriations)					
	Capital Construction Fund Projects Total	Capital Construction Fund ^{/1}	Fund Source		
			Cash Funds: Fitzsimons Trust Fund	Cash Funds: Local Matching Funds	Federal Funds: Matching Funds
Revenue Sources for State-funded Projects					
Uncommitted Capital Construction Fund balance from prior year	\$1,391,000	\$1,391,000	\$0	\$0	\$0
Capital Construction Fund Interest (projection of FY 2013-14 earnings)	1,200,000	1,200,000	0	0	0
Tobacco Master Settlement distribution	7,297,620	0	7,297,620	0	0
Federal match for veterans nursing home project	1,443,000	0	0	0	1,443,000
Federal Mineral Lease Revenue (none available)	0	0	0	0	0
Local cash funds contributions (gifts, grants and donations, institutional funds)	34,045,727	0	0	34,045,727	0

State-funded Capital Construction Projects and Revenue Sources (excludes conditional appropriations)					
	Fund Source				
	Capital Construction Fund Projects Total	Capital Construction Fund ¹	Cash Funds: Fitzsimons Trust Fund	Cash Funds: Local Matching Funds	Federal Funds: Matching Funds
General Fund transfer to Capital Construction Fund (H.B. 14-1342)	225,493,465	225,493,465	0	0	0
State Historical Fund transfer to Capital Construction Fund (H.B. 14-1342)	<u>1,000,000</u>	<u>1,000,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Funds Available for Construction	\$271,870,812	\$229,084,465	\$7,297,620	\$34,045,727	\$1,443,000
<u>Long Bill Appropriations</u>					
<i>Lease Purchase and Certificate of Participation Payments</i>					
Lease purchase of academic facilities at Fitzsimons	\$14,290,738	\$6,993,118	\$7,297,620	\$0	\$0
Lease purchase of Colorado State Penitentiary II	18,587,556	18,587,556	0	0	0
Lease purchase of various higher education academic buildings	18,426,771	18,426,771	0	0	0
<i>Controlled Maintenance</i>					
Level I (life safety) controlled maintenance	25,746,381	25,746,381	0	0	0
<i>Information Technology Projects</i>					
IT Systems Replacement, Division of Motor Vehicles, Dept. of Revenue	41,021,167	41,021,167	0	0	0
Electronic Health Record and Pharmacy System Replacement, Dept. of Human Services	9,849,610	9,849,610	0	0	0
Offender Management Information System, Dept. of Corrections	5,796,000	5,796,000	0	0	0
Digital Trunked Radio System, Software Upgrade, Governor's Office of Information Technology	3,636,760	3,636,760	0	0	0
<i>Higher Education Projects</i>					
Meyer Hall Replacement, Colorado School of Mines	14,600,000	14,600,000	0	0	0
Auraria Library Renovation, Auraria Higher Education Ctr	17,848,307	17,848,307	0	0	0
Health Professions and Science Building, Arvada Campus, Red Rocks Community College	22,532,288	10,000,000	0	12,532,288	0
Visual and Performing Arts Complex, University of Colorado at Colorado Springs	34,695,438	13,281,999	0	21,413,439	0
Berndt Hall Reconstruction, Fort Lewis College	10,000,000	10,000,000	0	0	0
<i>Other State Projects</i>					
Laboratory Space per House Bill 13-1020, Dept. of Public Safety	7,200,000	7,200,000	0	0	0
Capitol Complex Leased Space Maintenance Request	5,400,000	5,400,000	0	0	0
Multi-Use Support Building, Youthful Offender System, Dept. of Corrections	4,897,755	4,897,755	0	0	0
Veterans Memorial Cemetery Expansion, Dept. of Military and Veterans Affairs	4,564,922	4,564,922	0	0	0
Suicide Risk Mitigation, Department of Human Services	4,478,533	4,478,533	0	0	0

State-funded Capital Construction Projects and Revenue Sources (excludes conditional appropriations)					
	Fund Source				
	Capital Construction Fund Projects Total	Capital Construction Fund¹	Cash Funds: Fitzsimons Trust Fund	Cash Funds: Local Matching Funds	Federal Funds: Matching Funds
Resident Support Areas and Security Upgrades, Various State Veterans Nursing Homes, Dept. of Human Services	2,871,500	1,428,500	0	0	1,443,000
Facility Refurbishment for Safety, Risk Mitigation, and Modernization, Division of Youth Corrections, Department of Human Services	1,100,000	1,100,000	0	0	0
Capitol Chambers Renovation, Department of Personnel (State Historical Fund Transfer to CCF)	1,000,000	1,000,000	0	0	0
Pearce McAllister Renovation, History Colorado	843,876	843,876	0	0	0
Program and Master Planning, Colorado Mental Health Institutes, Department of Human Services	815,000	815,000	0	0	0
Lebanon Mill Dam Restoration, History Colorado	768,210	768,210	0	0	0
Highway Construction Projects, CDOT (GF exempt)	500,000	500,000	0	0	0
Georgetown Loop Business Capitalization Program, History Colorado	<u>400,000</u>	<u>300,000</u>	<u>0</u>	<u>100,000</u>	<u>0</u>
Total Appropriations	\$271,870,812	\$229,084,465	\$7,297,620	\$34,045,727	\$1,443,000

1/ Includes a General Fund Exempt transfer.

Conditional State-funded Projects

The table below identifies the state-funded capital construction projects appropriated in the FY 2014-15 Long Bill (H.B. 14-1336) that are conditioned on the receipt of sufficient FY 2013-14 surplus General Fund revenue. A Long Bill footnotes identifies these appropriations as conditional, and H.B. 14-1342 details the conditions under which surplus FY 2013-14 General Fund revenue is transferred to the Capital Construction Fund and the prioritization of the projects if revenue is sufficient to fund some but not all of them.

Conditional State-funded Capital Construction Projects and Revenue Sources in H.B. 14-1342 priority order				
	Conditional Capital Construction Fund Projects Total	Fund Source		
		Capital Construction Fund (Conditional)	Cash Funds: Local Matching Funds	Federal Funds: Matching Funds
<u>Revenue Sources for Conditional State-funded Projects</u>				
General Fund transfer to Capital Construction Fund, conditioned on surplus FY 2013-14 General Fund revenue	\$135,335,748	\$135,335,748	\$0	\$0
Local cash and federal matching funds	<u>9,663,194</u>	<u>0</u>	<u>9,303,169</u>	<u>360,025</u>
Funds Conditionally Available for Construction	\$144,998,942	\$135,335,748	\$9,303,169	\$360,025
<u>Long Bill Conditional Appropriations in Priority Order</u>				
Auraria Library Renovation, Auraria Higher Education Center	\$5,000,000	\$5,000,000	\$0	\$0
Berndt Hall Reconstruction, Fort Lewis College	12,943,742	10,827,755	2,115,987	0
Chemistry Building Addition, Colorado State University	15,000,000	15,000,000	0	0
Ketchum Arts and Sciences Building (Capital Renewal Project), CU Boulder	12,742,240	11,592,712	1,149,528	0
Aviation, Aerospace, and Advanced Manufacturing Building, Metropolitan State University of Denver	5,279,128	5,279,128	0	0
Tomlinson Library Addition and Renovation, Colorado Mesa University	24,499,756	18,462,102	6,037,654	0
East Campus Renovation, Adams State University	5,843,218	5,843,218	0	0
Quigley Hall Renovation, Western State Colorado University	25,779,853	25,779,853	0	0
Statewide Leave, Time Tracking, and Human Resources Management Systems Modernization, Governor's Office of Information Technology	16,070,000	16,070,000	0	0
Level 2 Controlled Maintenance (through score 14)	<u>21,841,005</u>	<u>21,480,980</u>	<u>0</u>	<u>360,025</u>
Total Conditional Appropriations	\$144,998,942	\$135,335,748	\$9,303,169	\$360,025

Cash-funded Projects

The table below reflects all capital construction projects in H.B. 14-1336 that did not require an appropriation from the Capital Construction Fund. Funding for these projects comes from various sources such as user-fees and grant revenue. Specific sources include, among others, Great Outdoors Colorado grants and lottery proceeds, the Wildlife Cash Fund, the Justice Center Cash Fund, the State Museum Cash Fund, the Highway Users Tax Fund, Correctional Industries revenue, and moneys reappropriated from state agency operating budgets.

Cash-funded Projects					
	Total Funds	Capital Construction Fund	Cash Funds	Reappropriated Funds	Federal Funds
eLicense Implementation, Dept. of Agriculture	\$700,000	\$0	\$700,000	\$0	\$0
Correctional Industries — Miscellaneous Small Projects, Dept. of Corrections	660,000	0	660,000	0	0
Workers' Compensation Mainframe Migration and Modernization Project, Dept. of Labor	5,932,500	0	5,932,500	0	0
Infrastructure and Real Property Maintenance, Wildlife Areas, Dept. of Natural Resources (DNR)	900,000	0	900,000	0	0
Land and Water Acquisitions, Wildlife Areas, DNR	11,300,000	0	11,300,000	0	0
Land and Water Acquisitions, State Parks, DNR	950,000	0	950,000	0	0
New Park Development, DNR	5,261,054	0	5,261,054	0	0
Park Infrastructure and Facilities, DNR	12,632,244	0	10,713,244	0	1,919,000
Brownfields Cleanup Program, Dept. of Public Health and Environment (DPHE)	250,000	0	250,000	0	0
Medical Marijuana Registration System, DPHE	1,117,284	0	1,117,284	0	0
G.R. Carrel Hall Renovation, Dept. of Public Safety (DPS)	545,633	0	545,633	0	0
Motor Carrier Training Facility and Dormitory, DPS	1,200,000	0	1,200,000	0	0
Performance-Based Brake Tester Acquisition and Installation, Dumont Port of Entry, DPS	500,000	0	500,000	0	0
Colorado History Museum Certificate of Participation (COP) Payments	3,121,000	0	3,121,000	0	0
History Colorado, Regional Museum Preservation Projects	700,000	0	700,000	0	0
Ralph L. Carr Judicial Center COP Payment	21,627,507	0	21,627,507	0	0
Colorado Financial Reporting System (COFRS) Modernization	<u>8,566,515</u>	<u>0</u>	<u>0</u>	<u>8,566,515</u>	<u>0</u>
Total - Cash-funded Projects	\$75,963,737	\$0	\$65,478,222	\$8,566,515	\$1,919,000

PART III

DEPARTMENT DETAILS

Department Details

DEPARTMENT OF AGRICULTURE

FY 2013-14 and FY 2014-15 Appropriations by Division and Bill

Department of Agriculture						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Total Appropriation:	\$42,670,244	\$7,723,805	\$29,200,366	\$1,632,203	\$4,113,870	274.1
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Commissioner's Office and Administrative Services	10,830,135	2,556,503	6,388,690	1,503,203	381,739	18.7
Agricultural Services Division	12,567,911	3,464,745	6,705,305	84,000	2,313,861	122.9
Agricultural Markets Division	4,674,306	646,832	3,064,204	45,000	918,270	41.4
Brand Board	4,169,945	0	4,169,945	0	0	59.0
Colorado State Fair	8,422,222	0	8,422,222	0	0	26.9
Conservation Board	2,005,725	1,055,725	450,000	0	500,000	5.2
<u>Breakdown of Total Appropriation by Bill</u>						
SB 13-230	42,649,039	7,702,600	29,176,366	1,632,203	4,137,870	274.1
SB 13-241	21,205	21,205	0	0	0	0.0
HB 14-1232	0	0	24,000	0	(24,000)	0.0
FY 2014-15 Total Appropriation:	\$44,184,405	\$9,311,389	\$29,141,578	\$1,629,526	\$4,101,912	274.1
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Commissioner's Office and Administrative Services	10,702,320	3,017,360	5,885,714	1,500,526	298,720	18.7
Agricultural Services Division	13,610,946	4,302,099	6,848,122	84,000	2,376,725	122.9
Agricultural Markets Division	4,757,649	669,152	3,119,889	45,000	923,608	41.4
Brand Board	4,281,277	0	4,281,277	0	0	59.0
Colorado State Fair	8,806,576	250,000	8,556,576	0	0	26.9
Conservation Board	2,025,637	1,072,778	450,000	0	502,859	5.2
<u>Breakdown of Total Appropriation by Bill</u>						
HB 14-1336	44,184,405	9,311,389	29,141,578	1,629,526	4,101,912	274.1
Increase/(Decrease)	\$1,514,161	\$1,587,584	(\$58,788)	(\$2,677)	(\$11,958)	(0.0)
Percentage Change	3.5%	20.6%	(0.2%)	(0.2%)	(0.3%)	0.0%

Informational Funds: The FY 2014-15 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Agriculture are annotated with the "(I)". For additional information, see Appendix J.

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2014-15 Appropriations containing an (I) notation	\$6,048,892	\$0	\$1,946,980	\$0	\$4,101,912

Detail of Appropriation by Administrative Section

Commissioner's Office and Administrative Services

The Commissioner's Office, in conjunction with the Colorado Agricultural Commission, is responsible for the development and implementation of agricultural policies throughout Colorado. The Administrative Services section provides administrative and technical support for Department programs including accounting, budgeting, and human resources. Funding sources for this division include General Fund, various cash funds, and federal grants. Reappropriated funds are received from various cash funds within the Department for centrally appropriated line items.

Commissioner's Office and Administrative Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$10,820,230	\$2,542,598	\$6,388,690	\$1,503,203	\$385,739	18.7
SB 13-241	13,905	13,905	0	0	0	0.0
HB 14-1232	(4,000)	0	0	0	(4,000)	0.0
TOTAL	\$10,830,135	\$2,556,503	\$6,388,690	\$1,503,203	\$381,739	18.7
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$10,830,135	\$2,556,503	\$6,388,690	\$1,503,203	\$381,739	18.7
Centrally appropriated line items	645,099	543,876	136,033	(2,677)	(32,133)	0.0
IT common policy adjustments	74,528	149,062	(74,534)	0	0	0.0
Annualize prior year budget actions	(729,587)	(178,962)	(495,739)	0	(54,886)	0.0
Base reduction for office consolidation	(107,950)	(39,214)	(68,736)	0	0	0.0
Annualize prior year legislation	(9,905)	(13,905)	0	0	4,000	0.0
HB 14-1336	\$10,702,320	\$3,017,360	\$5,885,714	\$1,500,526	\$298,720	18.7
TOTAL	\$10,702,320	\$3,017,360	\$5,885,714	\$1,500,526	\$298,720	18.7
Increase/(Decrease)	(\$127,815)	\$460,857	(\$502,976)	(\$2,677)	(\$83,019)	0.0
Percentage Change	(1.2%)	18.0%	(7.9%)	(0.2%)	(21.7%)	0.0%

FY 2013-14 Appropriation – Mid-year Adjustments

House Bill 14-1232 decreases the FY 2013-14 appropriation by \$4,000 federal funds to more accurately reflect the collection of indirect costs from this division.

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; shift differential; vehicle lease payments; workers' compensation; legal services; administrative law judges; and payment to risk management and property funds.

IT common policy adjustments: The appropriation includes adjustments to the payments made to the Governor's Office of Information Technology for the provision of information technology services.

Annualize prior year budget actions: The appropriation includes a number of changes to the out year impact of funding decisions made through the FY 2013-14 appropriation including the annualization of FY 2013-14 salary survey and merit pay.

Base reduction for office consolidation: The appropriation includes a decrease of \$107,950 total funds, including a \$39,214 reduction in General Fund, for leased space due to the Department's consolidation of five office locations in the Denver metro area.

Annualize prior year legislation: The appropriation includes a decrease of \$9,905 total funds for the second year impact of legislation. The primary changes are the elimination of the one-time \$13,905 General Fund appropriation in S.B. 13-241 (Industrial Hemp Growers Registration) and the reversal of the prior year adjustment to indirect cost assessments in H.B. 14-1232 (Supplemental Bill).

Agricultural Services Division

This division receives cash funds from license and inspection fees, as well as General Fund, and administers four major Department program areas:

- *Animal Industry* programs monitor the health of livestock and other animals used in various agricultural fields; prevent and control livestock disease; license and inspect pet animal facilities; implement pest control; and investigate animal cruelty claims.
- *Plant Industry* programs manage statewide pest control programs; register pesticides and pesticide applicators; inspect plants and plant byproducts intended for domestic use or international export; oversee the organic certification program; and inspect nursery stock for quality and health.
- *Inspection and Consumer Services* programs ensure compliance with product quality standards through licensing and inspection, the certification of large and small commercial weights and measurements devices, and analysis of fertilizer and animal feed for chemical contaminants.

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

Agricultural Services Division						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$12,486,050	\$3,457,445	\$6,610,744	\$84,000	\$2,333,861	122.9
SB 13-241	7,300	7,300	0	0	0	0.0
HB 14-1232	<u>74,561</u>	<u>0</u>	<u>94,561</u>	<u>0</u>	<u>(20,000)</u>	<u>0.0</u>
TOTAL	\$12,567,911	\$3,464,745	\$6,705,305	\$84,000	\$2,313,861	122.9
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$12,567,911	\$3,464,745	\$6,705,305	\$84,000	\$2,313,861	122.9
Noxious Weed Management Program funding	700,000	700,000	0	0	0	0.0
Annualize prior year budget actions	327,012	144,654	139,494	0	42,864	0.0
Indirect cost assessment	97,884	0	97,884	0	0	0.0
Annualize prior year legislation	(81,861)	(7,300)	(94,561)	0	20,000	0.0
HB 14-1336	<u>\$13,610,946</u>	<u>\$4,302,099</u>	<u>\$6,848,122</u>	<u>\$84,000</u>	<u>\$2,376,725</u>	<u>122.9</u>
TOTAL	\$13,610,946	\$4,302,099	\$6,848,122	\$84,000	\$2,376,725	122.9
Increase/(Decrease)	\$1,043,035	\$837,354	\$142,817	\$0	\$62,864	(0.0)
Percentage Change	8.3%	24.2%	2.1%	0.0%	2.7%	0.0%

FY 2013-14 Appropriation – Mid-year Adjustments

House Bill 14-1232 increases the FY 2013-14 appropriation by \$74,561 total funds to more accurately reflect the collection of indirect costs from this division.

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Noxious Weed Management Program funding: The appropriation includes an increase of \$700,000 General Fund for weed control grants administered by the Noxious Weed Management Program.

Annualize prior year budget actions: The appropriation includes a number of changes to the out year impact of funding decisions made through the FY 2013-14 appropriation including the annualization of FY 2013-14 salary survey and merit pay.

Indirect cost assessment: The appropriation includes a net increase in the division's indirect cost assessment.

Annualize prior year legislation: The appropriation includes a reduction of \$81,861 total funds for the second year impact of legislation. The primary changes are the elimination of the one-time \$7,300 General Fund

appropriation in S.B. 13-241 (Industrial Hemp Growers Registration) and the reversal of prior year adjustments to indirect cost assessments in H.B. 14-1232 (Supplemental Bill).

Agricultural Markets Division

The Agricultural Markets Division is organized into two subdivisions:

- The *Agricultural Markets* subdivision provides support and marketing assistance to Colorado's agricultural businesses competing in local, national, and international arenas by coordinating market orders, promoting Colorado agricultural products, and assisting start-up or expanding food processing companies within the state. The primary sources of funding are the Wine Industry Development Cash Fund, the Agriculture Value-Added Development Cash Fund, and General Fund.
- The *Agricultural Products Inspection* subdivision administers the agricultural products inspection program, which performs mandatory and non-mandatory inspections to determine the grade, size, and quality of fruits and vegetables. This subdivision receives \$200,000 General Fund in addition to cash funds from agricultural products inspection fees.

Agricultural Markets Division						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$4,754,867	\$646,832	\$3,144,765	\$45,000	\$918,270	41.4
HB 14-1232	<u>(80,561)</u>	<u>0</u>	<u>(80,561)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$4,674,306	\$646,832	\$3,064,204	\$45,000	\$918,270	41.4
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$4,674,306	\$646,832	\$3,064,204	\$45,000	\$918,270	41.4
Annualize prior year budget actions	103,343	22,320	75,685	0	5,338	0.0
Annualize prior year legislation	80,561	0	80,561	0	0	0.0
Indirect cost assessment	(100,561)	0	(100,561)	0	0	0.0
HB 14-1336	<u>\$4,757,649</u>	<u>\$669,152</u>	<u>\$3,119,889</u>	<u>\$45,000</u>	<u>\$923,608</u>	<u>41.4</u>
TOTAL	\$4,757,649	\$669,152	\$3,119,889	\$45,000	\$923,608	41.4
Increase/(Decrease)	\$83,343	\$22,320	\$55,685	\$0	\$5,338	(0.0)
Percentage Change	1.8%	3.5%	1.8%	0.0%	0.6%	0.0%

FY 2013-14 Appropriation – Mid-year Adjustments

House Bill 14-1232 decreases the FY 2013-14 appropriation by \$80,561 cash funds to more accurately reflect the collection of indirect costs from this division.

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Annualize prior year budget actions: The appropriation includes a number of changes to the out year impact of funding decisions made through the FY 2013-14 appropriation including the annualization of FY 2013-14 salary survey and merit pay.

Annualize prior year legislation: The appropriation includes an increase of \$80,561 cash funds for the second year impact of legislation. The primary change is the reversal of prior year adjustments to indirect cost assessments in H.B. 14-1232 (Supplemental Bill).

Indirect cost assessment: The appropriation includes a net decrease in the division's indirect cost assessment.

Brand Board

The Brand Board serves the livestock industry and assists the public with problems related to livestock management. This division administers and records livestock brands, and inspects cattle, horse, and alternative livestock brands (such as deer and elk) to verify ownership at the time of sale, transport, or slaughter. The Brand Board is cash funded from the Brand Inspection Fund and the Alternative Livestock Farm Cash Fund. Pursuant to Section 35-41-101 (5) (a), C.R.S., the Brand Board constitutes an enterprise for the purposes of Section 20 of Article X of the State Constitution (TABOR).

	Brand Board					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$4,159,945	\$0	\$4,159,945	\$0	\$0	59.0
HB 14-1232	<u>10,000</u>	<u>0</u>	<u>10,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$4,169,945	\$0	\$4,169,945	\$0	\$0	59.0
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$4,169,945	\$0	\$4,169,945	\$0	\$0	59.0
Annualize prior year budget actions	121,332	0	121,332	0	0	0.0
Annualize prior year legislation	(10,000)	0	(10,000)	0	0	0.0
HB 14-1336	<u>\$4,281,277</u>	<u>\$0</u>	<u>\$4,281,277</u>	<u>\$0</u>	<u>\$0</u>	<u>59.0</u>
TOTAL	\$4,281,277	\$0	\$4,281,277	\$0	\$0	59.0
Increase/(Decrease)	\$111,332	\$0	\$111,332	\$0	\$0	0.0
Percentage Change	2.7%	n/a	2.7%	n/a	n/a	0.0%

FY 2013-14 Appropriation – Mid-year Adjustments

House Bill 14-1232 increases the FY 2013-14 appropriation by \$10,000 cash funds to more accurately reflect the collection of indirect costs from this division.

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Annualize prior year budget actions: The appropriation includes a number of changes to the out year impact of funding decisions made through the FY 2013-14 appropriation including the annualization of FY 2013-14 salary survey and merit pay.

Annualize prior year legislation: The appropriation includes a decrease of \$10,000 cash funds for the second year impact of legislation. The primary change is the reversal of prior year adjustments to indirect cost assessments in H.B. 14-1232 (Supplemental Bill).

Colorado State Fair

The Colorado State Fair Authority, administered by an eleven-member board, plans and operates the annual fair event, as well as non-fair events held at the fairgrounds during the rest of the year. The State Fair is designated as a Type 1 agency pursuant to Section 35-65-401 (1) (a), C.R.S., and is almost entirely cash funded from the Colorado State Fair Authority Cash Fund and the Agriculture Management Fund. Revenue is from fees collected during the state fair and from other non-fair events and funds personal services and operating expenses. Attendance for the 2013 State Fair was 477,966, which was a slight increase from 2012.

Colorado State Fair						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	<u>\$8,422,222</u>	<u>\$0</u>	<u>\$8,422,222</u>	<u>\$0</u>	<u>\$0</u>	<u>26.9</u>
TOTAL	\$8,422,222	\$0	\$8,422,222	\$0	\$0	26.9
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$8,422,222	\$0	\$8,422,222	\$0	\$0	26.9
FFA and 4-H Program funding	250,000	250,000	0	0	0	0.0
Annualize prior year budget actions	134,354	0	134,354	0	0	0.0
HB 14-1336	<u>\$8,806,576</u>	<u>\$250,000</u>	<u>\$8,556,576</u>	<u>\$0</u>	<u>\$0</u>	<u>26.9</u>
TOTAL	\$8,806,576	\$250,000	\$8,556,576	\$0	\$0	26.9
Increase/(Decrease)	\$384,354	\$250,000	\$134,354	\$0	\$0	0.0
Percentage Change	4.6%	n/a	1.6%	n/a	n/a	0.0%

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

FFA and 4-H Program funding: The appropriation includes an increase of \$250,000 General Fund to provide funding to maintain facilities and support Future Farmers of America (FFA) and 4-H youth programs at the Colorado State Fair.

Annualize prior year budget actions: The appropriation includes a number of changes to the out year impact of funding decisions made through the FY 2013-14 appropriation including the annualization of FY 2013-14 salary survey and merit pay.

Conservation Board

The Conservation Board is responsible for providing administrative and fiscal oversight to Colorado's 77 conservation districts. The Board also coordinates federal programs related to natural resource issues, provides guidance on stream bank erosion, and assists farmers and ranchers in implementing a variety of water and energy practices. The primary sources of funding are General Fund, federal grant dollars from the U.S. Department of Agriculture Natural Resources Conservation Service, and cash funds transferred from the Severance Tax Operational Fund.

Conservation Board						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	<u>\$2,005,725</u>	<u>\$1,055,725</u>	<u>\$450,000</u>	<u>\$0</u>	<u>\$500,000</u>	<u>5.2</u>
TOTAL	\$2,005,725	\$1,055,725	\$450,000	\$0	\$500,000	5.2
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$2,005,725	\$1,055,725	\$450,000	\$0	\$500,000	5.2
Annualize prior year budget actions	19,912	17,053	0	0	2,859	0.0
HB 14-1336	<u>\$2,025,637</u>	<u>\$1,072,778</u>	<u>\$450,000</u>	<u>\$0</u>	<u>\$502,859</u>	<u>5.2</u>
TOTAL	\$2,025,637	\$1,072,778	\$450,000	\$0	\$502,859	5.2
Increase/(Decrease)	\$19,912	\$17,053	\$0	\$0	\$2,859	0.0
Percentage Change	1.0%	1.6%	0.0%	n/a	0.6%	0.0%

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Annualize prior year budget actions: The appropriation includes a number of changes to the out year impact of funding decisions made through the FY 2013-14 appropriation including the annualization of FY 2013-14 salary survey and merit pay.

Recent Legislation

2013 Session Bills

S.B. 13-230 (Long Bill): General appropriations act for FY 2013-14.

S.B. 13-241 (Industrial Hemp Growers Registration): Repeals H.B. 12-1099, the Industrial Hemp Remediation Pilot Program in the DPHE, and establishes a registration program in the Department of Agriculture for growers cultivating industrial hemp either commercially or for research and development purposes. Provides \$21,205 General Fund to the Department of Agriculture for program implementation in FY 2013-14.

2014 Session Bills

H.B. 14-1232 (Supplemental Bill): Makes mid-year adjustments to the Department's FY 2013-14 appropriations.

H.B. 14-1336 (Long Bill): General appropriations act for FY 2014-15.

Department Details

DEPARTMENT OF CORRECTIONS

FY 2013-14 and FY 2014-15 Appropriations by Division and Bill

Department of Corrections						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Total Appropriation:	\$770,080,145	\$683,084,333	\$40,092,306	\$45,892,992	\$1,010,514	6,051.6
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Management	202,191,479	195,678,587	5,943,438	276,542	292,912	85.2
Institutions	378,833,466	377,406,757	1,281,910	64,799	80,000	4,611.2
Support Services	37,644,022	36,638,262	505,459	500,301	0	233.8
Inmate Programs	38,975,796	33,396,818	3,426,548	2,059,068	93,362	536.6
Community Services	40,262,410	38,389,056	10,000	1,824,256	39,098	388.3
Parole Board	1,574,853	1,574,853	0	0	0	13.5
Correctional Industries	55,855,156	0	14,181,988	41,168,026	505,142	155.0
Canteen Operation	14,742,963	0	14,742,963	0	0	28.0
<u>Breakdown of Total Appropriation by Bill</u>						
SB 13-230	752,626,223	665,542,718	40,179,999	45,892,992	1,010,514	6,019.2
SB 10-128	28,014	28,014	0	0	0	0.0
HB 10-1081	28,800	28,800	0	0	0	0.0
SB 13-007	56,160	56,160	0	0	0	0.0
SB 13-200	(2,471,751)	(2,471,751)	0	0	0	0.4
SB 13-210	963,168	963,168	0	0	0	0.0
SB 13-250	521,850	521,850	0	0	0	0.0
HB 13-1160	(520,400)	(520,400)	0	0	0	0.0
HB 14-1233	18,848,081	18,935,774	(87,693)	0	0	32.0
FY 2014-15 Total Appropriation:	\$808,028,400	\$720,429,597	\$39,979,286	\$46,380,247	\$1,239,270	6,212.2
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Management	209,795,359	203,145,561	6,080,344	276,542	292,912	96.5
Institutions	394,840,600	393,382,614	1,313,187	64,799	80,000	4,706.0
Support Services	42,621,825	41,334,942	549,697	721,784	15,402	240.5
Inmate Programs	40,689,203	35,812,149	2,824,426	1,959,068	93,560	545.4
Community Services	47,212,858	44,984,504	10,000	2,179,256	39,098	424.6
Parole Board	1,769,827	1,769,827	0	0	0	16.2
Correctional Industries	56,255,766	0	14,358,670	41,178,798	718,298	155.0
Canteen Operation	14,842,962	0	14,842,962	0	0	28.0

Department of Corrections						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<u>Breakdown of Total Appropriation by Bill</u>						
HB 14-1336	798,310,521	710,711,718	39,979,286	46,380,247	1,239,270	6,116.3
SB 10-128	4,482	4,482	0	0	0	0.0
HB 10-1081	28,800	28,800	0	0	0	0.0
HB 13-1154	124,063	124,063	0	0	0	0.0
HB 13-1318	20,816	20,816	0	0	0	0.0
HB 13-1325	20,816	20,816	0	0	0	0.0
SB 14-064	1,565,025	1,565,025	0	0	0	24.0
HB 14-1355	7,953,877	7,953,877	0	0	0	71.9
Increase/(Decrease)	\$37,948,255	\$37,345,264	(\$113,020)	\$487,255	\$228,756	160.6
Percentage Change	4.9%	5.5%	(0.3%)	1.1%	22.6%	2.7%

Informational Funds: The FY 2014-15 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Corrections are annotated with the "(I)". For additional information, see Appendix J.

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2014-15 Appropriations containing an (I) notation	\$16,082,232	\$0	\$14,842,962	\$0	\$1,239,270

Detail of Appropriation by Administrative Section

Management

The Management Division contains the main departmental management functions including the Executive Director's Office, the External Capacity Subprogram, and the Inspector General Subprogram. The Executive Director's Office provides general administrative oversight for the Department. The External Capacity Subprogram reimburses private prisons, local jails, and community programs created pursuant to S.B. 03-252. The External Capacity Subprogram also monitors private prisons. The Inspector General Subprogram is responsible for investigating crimes in prisons. Cash funds and reappropriated funds are primarily from Correctional Industries and Canteen sales revenue, the State Criminal Alien Assistance Program Cash Fund, the Victims Assistance and Law Enforcement fund, and from revenues received for monitoring private prisons that house out-of-state offenders in Colorado.

Management						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$192,833,276	\$186,320,384	\$5,943,438	\$276,542	\$292,912	83.5
SB 13-007	56,160	56,160	0	0	0	0.0
SB 13-200	28,249	28,249	0	0	0	0.4
SB 13-210	28,590	28,590	0	0	0	0.0
HB 13-1160	(520,400)	(520,400)	0	0	0	0.0
HB 14-1233	<u>9,765,604</u>	<u>9,765,604</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1.3</u>
TOTAL	\$202,191,479	\$195,678,587	\$5,943,438	\$276,542	\$292,912	85.2
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$202,191,479	\$195,678,587	\$5,943,438	\$276,542	\$292,912	85.2
Centrally appropriated line items	15,222,626	14,716,130	506,496	0	0	0.0
Community provider rate	2,272,809	2,272,809	0	0	0	0.0
Funding for PREA compliance	224,390	224,390	0	0	0	2.7
IT common policy adjustments	129,974	124,852	5,122	0	0	0.0
Restorative justice	75,000	75,000	0	0	0	1.2
Additional Parole Board staff	63,782	63,782	0	0	0	0.9
Annualize prior year legislation	43,588	43,588	0	0	0	0.6
Communicable disease prevention	33,215	33,215	0	0	0	0.0
Offender IDs	50	50	0	0	0	0.0
Annualize prior year budget actions	(10,394,094)	(10,019,382)	(374,712)	0	0	5.9
Increased offender population	(1,087,073)	(1,087,073)	0	0	0	0.0
Payments to District Attorneys	(143,591)	(143,591)	0	0	0	0.0
HB 14-1336	\$208,632,155	\$201,982,357	\$6,080,344	\$276,542	\$292,912	96.5
SB 14-064	233,096	233,096	0	0	0	0.0
HB 14-1355	<u>930,108</u>	<u>930,108</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$209,795,359	\$203,145,561	\$6,080,344	\$276,542	\$292,912	96.5
Increase/(Decrease)	\$7,603,880	\$7,466,974	\$136,906	\$0	\$0	11.3
Percentage Change	3.8%	3.8%	2.3%	0.0%	0.0%	13.3%

FY 2013-14 Appropriation - Mid-year Adjustments

House Bill 14-1233 makes the following adjustments to the Department's FY 2013-14 appropriation:

- An increase of \$8,639,922 General Fund for increased inmate caseload;
- An increase of \$857,813 General Fund for payments to district attorneys as reimbursement for the cost of prosecuting crimes committed by offenders in state correctional institutions;
- An increase of \$109,752 General Fund for a new fugitive apprehension unit;

- An increase of \$88,511 General Fund for expansion of the Department's Sex Offender Treatment and Management Program; and
- An increase of \$69,606 General Fund and 1.3 FTE for a new security detail for the Executive Director.

FY 2014-15 Appropriation - H.B. 14-1336 (Long Bill) Issue Descriptions

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; shift differential; workers' compensation; legal services; payment to risk management and property funds; leased space; and Capitol Complex leased space.

Community provider rate: The appropriation includes a 2.5 percent community provider rate increase for private prisons, jails, and other facilities that house state inmates.

Funding for PREA compliance: The appropriation increases Federal Prison Rape Elimination Act (PREA) compliance funding.

IT common policy adjustments: The appropriation includes adjustments to the payments made to the Governor's Office of Information Technology for the provision of information technology services.

Restorative justice: The appropriation establishes a restorative justice program within Department facilities.

Additional Parole Board staff: The appropriation adds funding and staff for the Parole Board.

Annualize prior year legislation: The appropriation includes an increase of \$43,588 General Fund for the second and third year impact of the following legislation:

- \$36,915 and 0.6 FTE for S.B. 13-200 (Expand Medicaid Eligibility);
- \$6,598 for S.B. 13-210 (Corrections Officer Staffing Levels); and
- \$75 for H.B. 12-1223 (Earned Time).

Communicable disease prevention: The appropriation establishes a program that will screen all new employees for tuberculosis and provide the new employees with hepatitis B vaccines.

Offender IDs: The appropriation establishes a program that will provide all offenders with identification when they leave prison.

Annualize prior year budget actions: The appropriation includes the following changes due to the out-year impact of funding decision made through the FY 2013-14 appropriation, including:

- An increase of \$289,303 General Fund and 5.9 FTE for a security detail for the Department's Executive Director;
- An increase of \$40,859 General Fund for annualization of the fugitive apprehension unit;
- An increase of \$39,922 General Fund for annualization of a Sex Offender Treatment and Management Program expansion;
- An increase of \$127 General Fund for annualization of added security in prison kitchens; and
- A decrease of \$10,389,593 General Fund and \$374,712 cash funds for annualization of FY 2013-14 salary survey and merit pay.

Increased offender population: The appropriation increases the number of beds in existing state facilities and provides funding for placement of more inmates in private prisons.

Payments to District Attorneys: The appropriation reduces reimbursements to district attorney's for the cost of prosecuting offender crimes that occur in state correctional institutions.

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

Institutions

The Institutions division includes all cost centers directly attributable to the operation of state-owned and operated correctional facilities. Included are costs for utilities, maintenance, housing and security, food, medical, laundry, case management, mental health, and the costs of running the Youthful Offender System. The cash funds are primarily from fees charged for inmate medical costs and utilities costs associated with Correctional Industries programs. The federal funds are primarily from donated U.S. Department of Agriculture foods.

Institutions						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$372,815,796	\$371,389,087	\$1,281,910	\$64,799	\$80,000	4,597.3
SB 10-128	28,014	28,014	0	0	0	0.0
HB 10-1081	28,800	28,800	0	0	0	0.0
SB 13-200	(2,500,000)	(2,500,000)	0	0	0	0.0
SB 13-210	877,862	877,862	0	0	0	0.0
HB 14-1233	<u>7,582,994</u>	<u>7,582,994</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>13.9</u>
TOTAL	\$378,833,466	\$377,406,757	\$1,281,910	\$64,799	\$80,000	4,611.2
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$378,833,466	\$377,406,757	\$1,281,910	\$64,799	\$80,000	4,611.2
Annualize prior year budget actions	8,580,333	8,567,147	13,186	0	0	(0.9)
Increased offender population	2,356,308	2,356,308	0	0	0	38.4
Increased medical and pharmaceutical costs for offenders	2,267,117	2,267,117	0	0	0	0.0
Food service inflation	720,587	720,587	0	0	0	0.0
Offender IDs	441,126	441,126	0	0	0	1.8
Community provider rate	411,569	411,569	0	0	0	0.0
Increase inmate pay	150,000	150,000	0	0	0	0.0
Offender clothing material inflation	150,000	150,000	0	0	0	0.0
Centrally appropriated line items	94,116	75,415	18,701	0	0	0.0
Additional Parole Board staff	5,800	5,800	0	0	0	0.0
Annualize prior year legislation	(2,293,066)	(2,293,066)	0	0	0	0.0

	Institutions					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Five-year statutory appropriations for FY 2014-15	(198,977)	(198,977)	0	0	0	0.0
Eliminate one-time funding for Sterling Water	(185,712)	(185,712)	0	0	0	0.0
Indirect cost assessment	(610)	0	(610)	0	0	0.0
HB 14-1336	\$391,332,057	\$389,874,071	\$1,313,187	\$64,799	\$80,000	4,650.5
SB 10-128	4,482	4,482	0	0	0	0.0
HB 10-1081	28,800	28,800	0	0	0	0.0
HB 13-1154	124,063	124,063	0	0	0	0.0
HB 13-1318	20,816	20,816	0	0	0	0.0
HB 13-1325	20,816	20,816	0	0	0	0.0
SB 14-064	1,320,529	1,320,529	0	0	0	24.0
HB 14-1355	<u>1,989,037</u>	<u>1,989,037</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>31.5</u>
TOTAL	\$394,840,600	\$393,382,614	\$1,313,187	\$64,799	\$80,000	4,706.0
Increase/(Decrease)	\$16,007,134	\$15,975,857	\$31,277	\$0	\$0	94.8
Percentage Change	4.2%	4.2%	2.4%	0.0%	0.0%	2.1%

FY 2013-14 Appropriation - Mid-year Adjustments

House Bill 14-1233 makes the following adjustments to the Department's FY 2013-14 appropriation:

- An increase of \$6,552,835 General Fund for additional inmate medical expenses;
- An increase of \$1,074,264 General Fund and 13.9 FTE for additional inmate caseload;
- An increase of \$185,712 General Fund to provide safe drinking water for Sterling Correctional Facility due temporary water contamination;
- An increase of \$18,850 General Fund for expansion of the Department's Sex Offender Treatment and Management Program;
- An increase of \$14,500 General Fund for a new fugitive apprehension unit;
- An increase of \$8,325 General Fund for a new security detail for the Executive Director; and
- A decrease of \$271,492 General Fund due to technical adjustments;

FY 2014-15 Appropriation - H.B. 14-1336 (Long Bill) Issue Descriptions

Annualize prior year budget actions: The appropriation includes the following changes due to the out-year impact of funding decision made through the FY 2013-14 appropriation:

- An increase of \$8,930,222 General Fund and \$13,186 cash funds for annualization of FY 2013-14 salary survey and merit pay;
- An increase of \$124,375 General Fund and 5.1 FTE for annualization of added security in prison kitchens;
- A decrease of \$362,209 General Fund and 5.7 FTE for annualization of prior bed reductions;
- A decrease of \$55,008 General Fund for annualization of costs associated with closing Fort Lyon correctional facility;
- A decrease of \$19,713 General Fund and 0.3 FTE for annualization of administration cost reductions;

- A decrease of \$18,850 General Fund for annualization of a Sex Offender Treatment and Management Program expansion;
- A decrease of \$14,500 General Fund for annualization of the fugitive apprehension unit;
- A decrease of \$8,845 General Fund for annualization of prior parole caseload changes; and
- A decrease of \$8,325 General Fund for the security detail for the Department's Executive Director.

Increased offender population: The appropriation increases the number of beds in existing state facilities and provides funding for placement of more inmates in private prisons.

Increased medical and pharmaceutical costs for offenders: The appropriation provides increased funding for pharmaceutical and external medical costs for inmates, reflecting an increased inmate population and increased costs per inmate.

Food service inflation: The appropriation increases the appropriation for inmate food, reflecting higher food costs.

Offender IDs: The appropriation establishes a program that will provide all offenders with identification when they leave prison.

Community provider rate: The appropriation includes a 2.5 percent community provider rate increase for contract health care workers, mental health workers, and treatment providers.

Increase inmate pay: The appropriation increases inmate pay.

Offender clothing material inflation: The appropriation increases funding for the raw materials that go into the inmate-made clothing that state prisoners wear, reflecting higher costs for those materials.

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: Capitol complex leased space.

Additional Parole Board staff: The appropriation adds funding and staff for the Parole Board.

Annualize prior year legislation: The appropriation includes a net reduction of \$2,293,066 General Fund for the second and third year impact of the following legislation:

- \$202,584 for S.B. 13-210 (Corrections Officer Staffing Levels);
- \$4,350 for H.B. 12-1223 (Earned Time); and
- (\$2,500,000) for S.B. 13-200 (Expand Medicaid Eligibility).

Five-year statutory appropriations for FY 2014-15: The total appropriation includes \$198,977 of General Fund provided statutorily by six bills enacted during prior legislative sessions: S.B. 10-128, H.B. 10-1081, H.B. 13-1154, H.B. 13-1318, and H.B. 13-1325. The appropriation in H.B. 14-1336 (the Long Bill) is reduced by this amount because the funding is provided by the prior session bills and is not needed in the Long Bill.

Eliminate one-time funding for Sterling Water: The appropriation eliminates one-time funding that provided safe drinking water for Sterling Correctional Facility to replace temporarily contaminated water.

Indirect cost assessment: The appropriation increases the division's indirect cost assessments.

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

Support Services

The Support Services division includes business operations, personnel, offender services, communications, transportation, training, information systems, and facility services. The cash funds and reappropriated funds are primarily from sales revenue from Canteen Operations and Correctional Industries.

Support Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$37,296,222	\$36,195,926	\$599,995	\$500,301	0	233.8
SB 13-250	521,850	521,850	0	0	0	0.0
HB 14-1233	<u>(174,050)</u>	<u>(79,514)</u>	<u>(94,536)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$37,644,022	\$36,638,262	\$505,459	\$500,301	\$0	233.8
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$37,644,022	\$36,638,262	\$505,459	\$500,301	\$0	233.8
IT common policy adjustments	3,508,575	3,500,552	(7,379)	0	15,402	0.0
Annualize prior year budget actions	495,712	493,556	2,156	0	0	(0.6)
Centrally appropriated line items	295,429	245,968	49,461	0	0	0.0
Annualize prior year legislation	64,644	64,644	0	0	0	0.0
Funding for PREA compliance	3,469	3,469	0	0	0	0.0
Additional Parole Board staff	2,700	2,700	0	0	0	0.0
Increased offender population	1,546	1,546	0	0	0	0.0
Offender IDs	1,350	1,350	0	0	0	0.0
Indirect cost assessment	0	(221,483)	0	221,483	0	0.0
HB 14-1336	\$42,017,447	\$40,730,564	\$549,697	\$721,784	\$15,402	233.2
SB 14-064	11,400	11,400	0	0	0	0.0
HB 14-1355	<u>592,978</u>	<u>592,978</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7.3</u>
TOTAL	\$42,621,825	\$41,334,942	\$549,697	\$721,784	\$15,402	240.5
Increase/(Decrease)	\$4,977,803	\$4,696,680	\$44,238	\$221,483	\$15,402	6.7
Percentage Change	13.2%	12.8%	8.8%	44.3%	n/a	2.9%

FY 2013-14 Appropriation - Mid-year Adjustments

House Bill 14-1233 makes the following adjustments to the Department's FY 2013-14 appropriation:

- An increase of \$27,950 General Fund for a new fugitive apprehension unit;
- An increase of \$24,477 General Fund for dispatch services from the Department of Public Safety;

- An increase of \$7,313 General Fund for expansion of the Department's Sex Offender Treatment and Management Program;
- An increase of \$844 General Fund for a new security detail for the Executive Director;
- An increase of \$834 General Fund for increased inmate caseload; and
- A decrease of \$140,932 General Fund and \$94,536 cash funds due to a statewide vehicle lease payment true-up.

FY 2014-15 Appropriation - H.B. 14-1336 (Long Bill) Issue Descriptions

IT common policy adjustments: The appropriation includes adjustments to the payments made to the Governor's Office of Information Technology for the provision of information technology services.

Annualize prior year budget actions: The appropriation includes a number of changes due to the out-year impact of funding decision made through the FY 2013-14 appropriation, including:

- An increase of \$468,619 General Fund and \$2,156 cash funds for annualization of FY 2013-14 salary survey and merit pay;
- An increase of \$42,400 General Fund for annualization of the fugitive apprehension unit;
- An increase of \$4,016 General Fund for a security detail for the Department's Executive Director;
- An increase of \$3,442 General Fund for annualization of added security in prison kitchens;
- An increase of \$1,462 General Fund for annualization of a Sex Offender Treatment and Management Program expansion;
- A decrease of \$26,315 General Fund and 0.6 FTE for annualization of administration cost reductions; and
- A decrease of \$68 General Fund for annualization of prior bed reductions.

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: vehicle lease payments.

Annualize prior year legislation: The appropriation includes an increase of \$64,664 General Fund for the second year and third year impact of the following legislation:

- \$62,619 for S.B. 13-250 (Drug Sentencing Changes); and
- \$2,025 for H.B. 12-1223 (Earned Time).

Funding for PREA compliance: The appropriation increases Federal Prison Rape Elimination Act (PREA) compliance funding.

Additional Parole Board staff: The appropriation adds funding and staff for the Parole Board.

Increased offender population: The appropriation increases the number of beds in existing state facilities and provides funding for placement of more inmates in private prisons.

Offender IDs: The appropriation establishes a program that will provide all offenders with identification when they leave prison.

Indirect cost assessment: The appropriation increases the division's indirect cost assessments.

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

Inmate Programs

The Inmate Programs division includes educational, vocational, recreational, and inmate labor programs operated by the Department. This division also includes the Sex Offender Treatment Subprogram, the Drug and Alcohol Treatment Subprogram, and the Volunteers Subprogram. Cash and reappropriated funds are primarily from the Correctional Treatment Cash Fund and sales revenue of the Canteen Operation.

Inmate Programs						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$38,065,354	\$32,493,219	\$3,419,705	\$2,059,068	\$93,362	526.5
HB 14-1233	<u>910,442</u>	<u>903,599</u>	<u>6,843</u>	<u>0</u>	<u>0</u>	<u>10.1</u>
TOTAL	\$38,975,796	\$33,396,818	\$3,426,548	\$2,059,068	\$93,362	536.6
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$38,975,796	\$33,396,818	\$3,426,548	\$2,059,068	\$93,362	536.6
Annualize prior year budget actions	1,170,903	1,085,599	85,304	0	0	3.2
Annualize prior year legislation	1,151,794	1,151,794	0	0	0	2.7
Increased offender population	177,122	164,548	12,574	0	0	2.9
Correctional Treatment Cash Fund increase	100,000	0	0	100,000	0	0.0
Community provider rate	13,390	13,390	0	0	0	0.0
Indirect cost assessment	198	0	0	0	198	0.0
Technical adjustments	(900,000)	0	(700,000)	(200,000)	0	0.0
HB 14-1336	<u>\$40,689,203</u>	<u>\$35,812,149</u>	<u>\$2,824,426</u>	<u>\$1,959,068</u>	<u>\$93,560</u>	<u>545.4</u>
TOTAL	\$40,689,203	\$35,812,149	\$2,824,426	\$1,959,068	\$93,560	545.4
Increase/(Decrease)	\$1,713,407	\$2,415,331	(\$602,122)	(\$100,000)	\$198	8.8
Percentage Change	4.4%	7.2%	(17.6%)	(4.9%)	0.2%	1.6%

FY 2013-14 Appropriation - Mid-year Adjustments

House Bill 14-1233 makes the following adjustments to the Department's FY 2013-14 appropriation:

- An increase of \$842,121 General Fund and 9.0 FTE for expansion of the Department's Sex Offender Treatment and Management Program; and
- An increase \$61,478 General Fund, \$6,843 cash funds, and 1.1 FTE for increased inmate caseload.

FY 2014-15 Appropriation - H.B. 14-1336 (Long Bill) Issue Descriptions

Annualize prior year budget actions: The appropriation includes a number of changes due to the out-year impact of funding decision made through the FY 2013-14 appropriation, including:

- An increase of \$921,195 General Fund and \$87,713 cash funds for annualization of FY 2013-14 salary survey and merit pay;
- An increase of \$209,517 General Fund and 4.0 FTE for annualization of a Sex Offender Treatment and Management Program expansion; and
- A decrease of \$45,113 General Fund, \$2,409 cash funds, and 0.8 FTE for annualization of prior bed reductions.

Annualize prior year legislation: The appropriation includes an increase of \$1,151,794 General Fund and 2.7 FTE for the third year impact of H.B. 12-1223 (Earned Time).

Increased offender population: The appropriation increases the number of beds in existing state facilities and provides funding for placement of more inmates in private prisons.

Correctional Treatment Cash Fund increase: The appropriation provides additional funding for treatment services from the Correctional Treatment Cash Fund.

Community provider rate: The appropriation includes a 2.5 percent community provider rate increase for contract health care workers, mental health workers, and treatment providers..

Indirect cost assessment: The appropriation increases the division's indirect cost assessments.

Technical adjustments: The appropriation reduces funding for educational services to better match projected revenues.

Community Services

The Community Services division includes the Parole Subprogram, the Community Supervision Subprogram (for inmates in community corrections and in the ISP-Inmate program), and the Community Re-entry Subprogram. Other costs associated with residential community corrections placements are appropriated to the Department of Public Safety's Division of Criminal Justice. The reappropriated funds are from the Correctional Treatment Cash Fund.

Community Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$39,442,603	\$37,569,249	\$10,000	\$1,824,256	\$39,098	381.6
SB 13-210	56,716	56,716	0	0	0	0.0
HB 14-1233	<u>763,091</u>	<u>763,091</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6.7</u>
TOTAL	\$40,262,410	\$38,389,056	\$10,000	\$1,824,256	\$39,098	388.3
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$40,262,410	\$38,389,056	\$10,000	\$1,824,256	\$39,098	388.3
Additional parole contract services	1,000,000	1,000,000	0	0	0	0.0
Annualize prior year budget actions	782,235	782,235	0	0	0	3.2

Community Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Correctional Treatment Cash Fund increase	355,000	0	0	355,000	0	0.0
Annualize prior year legislation	329,199	329,199	0	0	0	0.0
Community provider rate	45,042	45,042	0	0	0	0.0
Community services reorganization	0	0	0	0	0	0.0
Centrally appropriated line items	(2,782)	(2,782)	0	0	0	0.0
HB 14-1336	\$42,771,104	\$40,542,750	\$10,000	\$2,179,256	\$39,098	391.5
HB 14-1355	<u>4,441,754</u>	<u>4,441,754</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>33.1</u>
TOTAL	\$47,212,858	\$44,984,504	\$10,000	\$2,179,256	\$39,098	424.6
Increase/(Decrease)	\$6,950,448	\$6,595,448	\$0	\$355,000	\$0	36.3
Percentage Change	17.3%	17.2%	0.0%	19.5%	0.0%	9.3%

FY 2013-14 Appropriation - Mid-year Adjustments

House Bill 14-1233 provided \$763,091 of additional General Fund and 6.7 FTE for a new fugitive apprehension unit.

FY 2014-15 Appropriation - H.B. 14-1336 (Long Bill) Issue Descriptions

Additional parole contract services: The appropriation increases support services for parolees.

Annualize prior year budget actions: The appropriation includes a number of changes due to the out-year impact of funding decision made through the FY 2013-14 appropriation, including:

- An increase of \$851,990 General Fund for annualization of FY 2013-14 salary survey and merit pay;
- A decrease of \$32,738 General Fund and 3.3 more FTE for annualization of the fugitive apprehension unit;
- A decrease of \$6,292 General Fund and 0.1 FTE for annualization of administration cost reductions; and
- A decrease of \$30,725 General Fund for annualization of prior parole caseload changes.

Correctional Treatment Cash Fund increase: The appropriation provides additional funding for treatment services from the Correctional Treatment Cash Fund.

Annualize prior year legislation: The appropriation includes an increase of \$329,199 General Fund for the second and third year impact of the following legislation:

- \$316,111 for H.B. 12-1223 (Earned Time);
- \$13,088 for S.B. 13-210 (Corrections Officer Staffing Levels).

Community provider rate: The appropriation includes a 2.5 percent community provider rate increase for contract health care workers, mental health workers, and treatment providers.

Community services reorganization: The appropriation includes a net zero reorganization of appropriations to the Community Services Division.

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for administrative law judges.

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

Parole Board

The Parole Board has the discretion to grant or deny parole to offenders who have reached their parole eligibility date. The Board must parole offenders when they reach their mandatory parole date. The Board imposes conditions of parole on parolees and it may revoke parole when those conditions are violated.

Parole Board						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	<u>\$1,574,853</u>	<u>\$1,574,853</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>13.5</u>
TOTAL	\$1,574,853	\$1,574,853	\$0	\$0	\$0	13.5
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$1,574,853	\$1,574,853	\$0	\$0	\$0	13.5
Additional Parole Board staff	154,736	154,736	0	0	0	2.7
Annualize prior year budget actions	40,238	40,238	0	0	0	0.0
HB 14-1336	<u>\$1,769,827</u>	<u>\$1,769,827</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>16.2</u>
TOTAL	\$1,769,827	\$1,769,827	\$0	\$0	\$0	16.2
Increase/(Decrease)	\$194,974	\$194,974	\$0	\$0	\$0	2.7
Percentage Change	12.4%	12.4%	n/a	n/a	n/a	20.0%

FY 2014-15 Appropriation - H.B. 14-1336 (Long Bill) Issue Descriptions

Additional Parole Board staff: The appropriation adds funding and staff for the Parole Board.

Annualize prior year budget actions: The appropriation annualizes FY 2013-14 salary survey and merit pay.

Correctional Industries

Correctional Industries manages profit-oriented work programs that provide inmates with on-the-job training while generating revenues to cover costs. Major businesses operated by Correctional Industries include the manufacture of license plates, office furniture, and modular office systems; a print shop; a leather products shop; wildland fire fighting; dog and horse training; and a garment production operation. Correctional Industries sells its products primarily to other government agencies. Correctional Industries is fully supported by cash and reappropriated funds from sales of Correctional Industries products and services. Because Correctional

Industries is an enterprise, its appropriations are exempt from Section 20 of Article X of the State Constitution (TABOR).

Correctional Industries						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	<u>\$55,855,156</u>	<u>0</u>	<u>\$14,181,988</u>	<u>\$41,168,026</u>	<u>\$505,142</u>	<u>155.0</u>
TOTAL	\$55,855,156	\$0	\$14,181,988	\$41,168,026	\$505,142	155.0
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$55,855,156	\$0	\$14,181,988	\$41,168,026	\$505,142	155.0
Indirect cost assessment	225,542	0	1,614	10,772	213,156	0.0
Annualize prior year budget actions	175,068	0	175,068	0	0	0.0
HB 14-1336	<u>\$56,255,766</u>	<u>\$0</u>	<u>\$14,358,670</u>	<u>\$41,178,798</u>	<u>\$718,298</u>	<u>155.0</u>
TOTAL	\$56,255,766	\$0	\$14,358,670	\$41,178,798	\$718,298	155.0
Increase/(Decrease)	\$400,610	\$0	\$176,682	\$10,772	\$213,156	(0.0)
Percentage Change	0.7%	n/a	1.2%	0.0%	42.2%	0.0%

FY 2014-15 Appropriation - H.B. 14-1336 (Long Bill) Issue Descriptions

Indirect cost assessment: The appropriation increases the division's indirect cost assessments.

Annualize prior year budget actions: The appropriation annualizes FY 2013-14 salary survey and merit pay.

Canteen Operation

The Canteen Operation provides personal items for purchase by inmates, including toiletries, snack foods, televisions, phone services, and other approved items. Per court order, all funds remaining after expenses are used to provide inmates with additional educational or recreational resources including library materials and cable television services. The Canteen Operation is fully supported by cash funds from sales of canteen products to inmates. Because Correctional Industries is an enterprise, its appropriations are exempt from Section 20 of Article X of the State Constitution (TABOR). Canteen appropriations are informational pursuant to 17-24-126 (1) C.R.S.

Canteen Operation						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	<u>\$14,742,963</u>	<u>\$0</u>	<u>\$14,742,963</u>	<u>\$0</u>	<u>\$0</u>	<u>28.0</u>
TOTAL	\$14,742,963	\$0	\$14,742,963	\$0	\$0	28.0

Canteen Operation

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$14,742,963	\$0	\$14,742,963	\$0	\$0	28.0
Annualize prior year budget actions	103,646	0	103,646	0	0	0.0
Indirect cost assessment	(3,647)	0	(3,647)	0	0	0.0
HB 14-1336	<u>\$14,842,962</u>	<u>\$0</u>	<u>\$14,842,962</u>	<u>\$0</u>	<u>\$0</u>	<u>28.0</u>
TOTAL	\$14,842,962	\$0	\$14,842,962	\$0	\$0	28.0
Increase/(Decrease)	\$99,999	\$0	\$99,999	\$0	\$0	0.0
Percentage Change	0.7%	n/a	0.7%	n/a	n/a	0.0%

FY 2014-15 Appropriation - H.B. 14-1336 (Long Bill) Issue Descriptions

Annualize prior year budget actions: The appropriation annualizes FY 2013-14 salary survey and merit pay.

Indirect cost assessment: The appropriation decreases the division's indirect cost assessments.

Recent legislation

2013 Session Bills

S.B. 13-007 (Eliminate Repeal of CCJJ): Changes the repeal date for the Colorado Commission on Criminal and Juvenile Justice (CCJJ) from July 1, 2013 to July 1, 2018. Requires the Office of Legislative Legal Services to provide a staff member to attend meetings of the Commission upon request. Makes the following FY 2013-14 General Fund appropriations: \$255,433 to the Department of Public Safety, \$56,100 to the Department of Corrections, and \$6,061 to the Legislative Department.

S.B. 13-200 (Expand Medicaid Eligibility): Enables childless adults or adults without dependent children to qualify for Medicaid if their income is below 133% of the federal poverty level. As a consequence, many Department of Correction's inmates will qualify for Medicaid when they receive inpatient medical care at facilities outside of the Department of Corrections. The bill appropriates \$28,249 General Fund and 0.4 FTE to the Sector's Office for administration and reduces General Fund appropriations for external medical expenses by \$2,500,000.

S.B. 13-210 (Corrections Officer Staffing Levels): Requires the Department to annually report to the General Assembly on corrections officer staffing levels. Requires work periods for correctional officers to be from 7 to 14 days in length and requires payment of overtime when officers work more than 85 hours during a 14 day work period or when they work more than a proportionately smaller threshold if the work period is less than 14 days. Requires the Department to pay time and a half to corrections officers who work 12 or more hours in one 24 hour period for time worked in excess of 8.5 hours. Requires the DOC to:

- Develop criteria for when a corrections officer can work a double shift;

- Provide pay stubs with detailed information; and
- Establish rules that increase staffing flexibility, including but not limited to employee shift substitution, voluntary overtime lists, roving, and pool staff coverage.

Designates a portion of the former Fort Lyon Correctional Facility as a transitional residential community for the homeless. For FY 2013-14, appropriates \$963,168 General Fund to the Department of Corrections and \$2,788,851 General Fund to the Department of Local Affairs. For more information, see the corresponding bill description in the "Recent Legislation" section of the Department of Local Affairs.

S.B. 13-230 (FY 2013-14 Long Appropriations Bill): General appropriations act for FY 2013-14.

S.B. 13-250 (Drug Sentencing Changes): Creates a new felony and misdemeanor drug sentencing structure, assigning each drug crime a new penalty based on new felony and misdemeanor drug sentencing categories. Directs the General Assembly to appropriate at least \$3.5 million in FY 2014-15 to the Correctional Treatment Cash Fund. Requires the Division of Criminal Justice in the Department of Public Safety to collect data on drug cases and issue a report by December 31, 2016. For FY 2013-14, appropriates \$521,850 General Fund to the Department of Corrections and reappropriates This amount to the Office of Information Technology. For more information, see the corresponding bill description in the "Recent Legislation" section of the Judicial Department.

H.B. 13-1154 (Crimes Against Pregnant Women): Creates several new offenses against pregnant women, including unlawful termination of a pregnancy, aggravated vehicular unlawful termination of a pregnancy, and careless driving resulting in unlawful termination of a pregnancy. Includes a 5-year statutory General Fund appropriation to the Department that provides \$124,063 for FY 2014-15, \$121,773 for FY 2015-16, and \$76,655 for FY 2016-17 and FY 2017-18.

H.B. 13-1160 (Consolidate Theft Statutes with New Penalties): Amends the penalties for criminal theft and amends criminal theft to include the existing statutory offenses of theft of rental property and theft by receiving. Repeals the existing statutory offenses of theft of rental property, theft by receiving, fuel piracy, and newspaper theft. These changes, on net, decrease the number of offenders and the duration of their stays in the Department of Corrections. Decreases the FY 2013-14 General Fund appropriation for payments to in-state private prisons by \$520,400. For more information, see the corresponding bill description in the "Recent Legislation" section of the Judicial Department.

H.B. 13-1318 (Retail Marijuana Taxes): Imposes excise and sales taxes on retail marijuana, establishes penalties for failure to pay these taxes, and makes statutory General Fund appropriations to the Department that provide \$20,816 for FY 2014-15 and \$14,987 for FY 2015-16. Requires voter approval, which was received in November 2013. For more information, see the corresponding bill description in the "Recent Legislation" section of the Department of Revenue.

H.B. 13-1325 (Inferences For Marijuana and Driving Offenses): States that in any DUI prosecution, and in any prosecution for vehicular homicide or vehicular assault, if at the time of driving (or within a reasonable time thereafter) the driver's blood contains five nanograms or more of THC (tetrahydrocannabinol) per milliliter such fact gives rise to a permissible inference that the defendant was under the influence of one or more drugs. Appropriates \$12,000 General Fund to the Office of the State Public Defender for FY 2013-14. Makes statutory General Fund appropriations to the Department of Corrections of \$20,816 for FY 2014-15 and \$5,551 for FY 2015-16.

2014 Session Bills

S.B. 14-049 (Public Transportation and Utility Endangerment): Makes the intent to steal or remove materials from a public transportation facility, including freight and passenger trains, a class three felony. Includes a 5-year statutory General Fund appropriation to the Department of Corrections that provides \$21,484 for FY 2015-16, \$42,968 for FY 2016-17, \$64,452 for FY 2017-18, and \$85,935 for FY 2018-19.

S.B. 14-059 (Statute of Limitations for Crimes Related to Sex Crimes): Eliminates the statute of limitations for crimes that accompany a sex offense. Under prior law, sex offenses were not subject to the statute of limitations but accompanying crimes were often subject to the statute of limitations. Thus this bill may lead to added charges against someone who is charged with a sex offense years after the crime took place. The result could be greater time served in prison, but it is impossible to estimate the expenditure increase.

S.B. 14-064 (Use of Isolated Confinement for Offenders with Mental Illness): Prohibits the Department of Corrections from placing a person with serious mental illness in long-term isolated confinement (administrative segregation) unless exigent circumstances are present. Appropriates \$1,565,025 General Fund and 24.0 FTE to the Department for FY 2014-15.

S.B. 14-092 (Insurance Fraud Crime): Creates the crime of insurance fraud and identifies fraudulent actions for persons applying for issuance or renewal of insurance policies, insurance claimants, agents, and brokers. Includes a 5-year statutory General Fund appropriation to the Department that provides \$21,484 for FY 2015-16 and \$19,640 for FY 2016-17.

S.B. 14-161 (Update Uniform Election Code): Updates the state election code and changes several election-related criminal offenses. Includes a 5-year statutory General Fund appropriation to the Department that provides \$21,484 for FY 2015-16 and \$19,640 for FY 2016-17. For more information, see the corresponding bill description in the "Recent Legislation" section of the Department of State.

S.B. 14-163 (Clean up S.B. 13-250 Drug Sentencing): Clarifies and harmonizes statutes for drug offenses enacted under Senate Bill 13-250 (Drug Sentencing Changes).

S.B. 14-176 (Criminal Penalties for Chop Shops): Creates the crime of ownership or operation of an automobile "chop shop" and makes the offense a class 4 felony. Includes a 5-year statutory General Fund appropriation to the Department that provides \$21,484 for FY 2015-16, \$42,968 for FY 2016-17, \$64,452 for FY 2017-18, and \$82,534 for FY 2018-19.

S.B. 14-213 (Statute of Limitations for Vehicular Homicide): Increases the statute of limitations for certain cases of vehicular homicide. For criminal defendants who also leave the scene of the accident, the statute of limitations for both crimes is increased from five years to ten years. General Fund expenditures by the Department of Corrections are projected to increase by \$21,484 annually beginning in FY 2020-21.

H.B. 14-1214 (Increase Penalties for Assault on Emergency Medical Service Providers): Adds emergency medical services personnel to the list of victims that trigger enhanced sentencing for the crimes of first degree murder, first degree assault, and second degree assault when the victim was engaged in his or her official duties and the offender should have reasonably known the person was an emergency medical services provider. Includes a 5-year statutory General Fund appropriation to the Department that provides \$20,052 for FY 2017-18 and \$59,295 for FY 2018-19.

H.B. 14-1233 (Supplemental Bill): Supplemental appropriation to the Department of Corrections to modify FY 2013-14 appropriations included in the FY 2013-14 Long Bill (S.B. 13-230).

H.B. 14-1260 (Penalties for Sex Offense Against a Child Under 12): Requires an indeterminate sentence for a class 2, class 3, or class 4 felony sex offense when the act includes sexual intrusion or sexual penetration against a child under the age of 12 when the offender was an adult and at least ten years older than the child. Department expenditures are likely to rise beginning in FY 2019-20.

H.B. 14-1266 (Value Based Crime Threshold Level Changes): Makes adjustments to the crimes of criminal mischief, fraud by check, defrauding a secured creditor or debtor, unauthorized use of a financial transaction device, computer crime, and aggravated motor vehicle theft. Adjusts the penalties for these crimes based on the value of the goods or property stolen, reclassifies some current felonies as misdemeanors and some current misdemeanors as lower level offenses, including petty offenses. The bill is expected to decrease the Department's General Fund expenditures by a total of \$7,252,911 over the four fiscal years beginning in FY 2015-16.

H.B. 14-1309 (Repurpose DOC Day Surgery Center): Allows the Department to use the day surgery center building at the Denver Reception and Diagnostic Center as an auxiliary medical facility, to amend or modify the related lease purchase agreement, and to make lease purchase payments from any moneys appropriated to the Department.

H.B. 14-1336 (FY 2014-15 Long Appropriations Bill): General appropriations act for FY 2014-15.

H.B. 14-1355 (Reentry Programs for Adult Parolees): Directs the Department to develop and implement initiatives to decrease recidivism, enhance public safety, and increase each offender's chances of achieving success upon his or her release. These initiatives include:

- Programs to help incarcerated offenders prepare for release to the community;
- Efforts to assist each offender's transition from a correctional facility into the community; and
- Operational enhancements, including equipment, training, and programs to supervise offenders in the community.

For FY 2014-15, appropriates \$7,953,877 General Fund and 71.9 FTE to the Department.

Department Details

DEPARTMENT OF EDUCATION

FY 2013-14 and FY 2014-15 Appropriations by Division and Bill

Department of Education						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Total Appropriation:	\$4,705,800,751	\$3,153,841,621	\$895,916,330	\$30,459,207	\$625,583,593	563.8
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Management and Administration	78,789,655	9,885,025	31,583,892	15,909,214	21,411,524	159.4
Assistance to Public Schools	4,602,873,405	3,129,692,568	862,920,438	9,120,117	601,140,282	198.7
Library Programs	9,898,841	4,180,054	337,000	2,350,000	3,031,787	38.1
School for the Deaf and the Blind	14,238,850	10,083,974	1,075,000	3,079,876	0	167.6
<u>Breakdown of Total Appropriation by Bill</u>						
SB 13-230	4,562,558,440	3,100,348,494	808,055,536	28,629,576	625,524,834	561.6
SB 13-193	150,093	150,093	0	0	0	1.0
SB 13-217	17,580	17,580	0	0	0	0.2
SB 13-260	85,524,410	0	85,524,410	0	0	0.0
HB 13-1257	120,093	0	120,093	0	0	1.0
HB 14-1234	(1,475,128)	(45,523)	(1,584,111)	95,747	58,759	0.0
HB 14-1250	3,467,768	1,733,884	0	1,733,884	0	0.0
HB 14-1251	55,437,495	51,637,093	3,800,402	0	0	0.0
HB 14-1336	0	0	0	0	0	0.0
FY 2014-15 Total Appropriation:	\$5,251,199,806	\$3,357,895,804	\$1,195,887,249	\$61,153,725	\$636,263,028	582.0
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Management and Administration	84,574,887	14,117,000	36,149,329	16,999,026	17,309,532	164.4
Assistance to Public Schools	5,141,948,091	3,329,403,791	1,158,391,706	38,247,467	615,905,127	211.9
Library Programs	9,881,787	4,202,204	271,214	2,360,000	3,048,369	38.1
School for the Deaf and the Blind	14,795,041	10,172,809	1,075,000	3,547,232	0	167.6
<u>Breakdown of Total Appropriation by Bill</u>						
HB 14-1336	4,983,060,379	3,355,683,787	960,419,839	30,693,725	636,263,028	574.8
SB 14-075	68,921	68,921	0	0	0	0.0
SB 14-124	4,000,000	0	2,000,000	2,000,000	0	1.2
SB 14-150	5,000,000	0	5,000,000	0	0	1.0
SB 14-215	2,500,000	0	2,500,000	0	0	1.0
HB 14-1085	1,920,000	960,000	0	960,000	0	1.0

Department of Education						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 14-1102	1,903,178	0	1,903,178	0	0	1.0
HB 14-1118	261,561	0	261,561	0	0	0.3
HB 14-1156	791,471	791,471	0	0	0	0.0
HB 14-1175	50,000	50,000	0	0	0	0.0
HB 14-1202	142,750	142,750	0	0	0	0.0
HB 14-1276	250,000	0	250,000	0	0	0.3
HB 14-1292	179,052,176	0	179,052,176	0	0	0.0
HB 14-1298	72,000,495	0	44,500,495	27,500,000	0	1.2
HB 14-1326	7,000	7,000	0	0	0	0.0
HB 14-1376	144,216	144,216	0	0	0	0.2
HB 14-1382	47,659	47,659	0	0	0	0.0
Increase/(Decrease)	\$545,399,055	\$204,054,183	\$299,970,919	\$30,694,518	\$10,679,435	18.2
Percentage Change	11.6%	6.5%	33.5%	100.8%	1.7%	3.2%

General Fund Exempt: Amounts in the General Fund column include appropriations from both the General Fund and General Fund Exempt Account. The General Fund Exempt Account was created by Referendum C, passed by Colorado voters in November 2005. Referendum C allowed the State to retain for FY 2005-06 through FY 2009-10 all revenue collected in excess of the TABOR limit and for FY 2010-11 and subsequent fiscal years all revenues in excess of the TABOR limit but less than the excess state revenues cap. The retained revenue must be placed in the General Fund Exempt Account. The table below shows the amount of General Fund that is appropriated for FY 2013-14 and FY 2014-15 from the General Fund Exempt Account for preschool through twelfth grade education pursuant to Sections 24-77-103.6 (2) (b) and 24-77-104.5 (3), C.R.S.

General Fund Summary	Total General Fund	General Fund	General Fund Exempt
FY 2013-14	\$3,153,841,621	\$2,511,605,664	\$642,235,957
FY 2014-15	\$3,357,895,804	\$2,647,059,847	\$710,835,957

Informational Funds: The FY 2014-15 Long Bill and other legislation indicate when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Education are annotated with the "(I)". For additional information, see Appendix J.

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2014-15 Appropriations containing an (I) notation	\$652,795,330	\$0	\$3,747,563	\$12,784,739	\$636,263,028

Detail of Appropriation by Administrative Section

Management and Administration

This section provides funding for the State Board of Education, the Commissioner of Education, and general department administrative responsibilities including: human resources, budgeting, accounting, information management, assessments, and data analyses. This section also includes funding for the Office of Professional Services, the Division of On-line Learning, activities associated with educator effectiveness, and the State Charter School Institute.

Cash funds primarily include the State Education Fund, the State Public School Fund, the Educator Licensure Cash Fund, the Institute Charter School Assistance Fund, general education development (GED) program fees, and the Public School Capital Construction Assistance Fund. Reappropriated funds consist primarily of indirect cost recoveries, the transfer of funds from various cash- and federally-funded line items, and the transfer of various grants and donations originally appropriated in the Assistance to Public Schools section.

Management and Administration						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$79,947,522	\$9,862,875	\$32,818,415	\$15,913,467	\$21,352,765	157.2
SB 13-193	150,093	150,093	0	0	0	1.0
SB 13-217	17,580	17,580	0	0	0	0.2
SB 13-260	200,000	0	200,000	0	0	0.0
HB 13-1257	120,093	0	120,093	0	0	1.0
HB 14-1234	<u>(1,645,633)</u>	<u>(145,523)</u>	<u>(1,554,616)</u>	<u>(4,253)</u>	<u>58,759</u>	<u>0.0</u>
TOTAL	\$78,789,655	\$9,885,025	\$31,583,892	\$15,909,214	\$21,411,524	159.4
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$78,789,655	\$9,885,025	\$31,583,892	\$15,909,214	\$21,411,524	159.4
State assessments	3,845,283	75,600	3,769,683	0	0	0.0
Core network and IT refresh	3,002,696	3,002,696	0	0	0	4.6
Centrally appropriated line items	2,150,390	384,443	527,165	204,158	1,034,624	0.0
Spanish language arts assessment	826,046	0	826,046	0	0	0.0
IT common policy adjustments	185,639	185,639	0	0	0	0.0
Informational funds adjustment	(3,521,036)	0	0	965,017	(4,486,053)	0.0
Annualize prior year budget actions	(1,079,212)	262,464	(623,644)	(79,363)	(638,669)	0.3
Annualize prior year legislation	(218,195)	(13,492)	(204,703)	0	0	(0.1)
Indirect cost assessment	(39,004)	0	(27,110)	0	(11,894)	0.0
HB 14-1336	\$83,942,262	\$13,782,375	\$35,851,329	\$16,999,026	\$17,309,532	164.2
HB 14-1202	142,750	142,750	0	0	0	0.0
HB 14-1298	298,000	0	298,000	0	0	0.0
HB 14-1376	144,216	144,216	0	0	0	0.2
HB 14-1382	<u>47,659</u>	<u>47,659</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>

Management and Administration						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
TOTAL	\$84,574,887	\$14,117,000	\$36,149,329	\$16,999,026	\$17,309,532	164.4
Increase/(Decrease)	\$5,785,232	\$4,231,975	\$4,565,437	\$1,089,812	(\$4,101,992)	5.0
Percentage Change	7.3%	42.8%	14.5%	6.9%	(19.2%)	3.1%

FY 2013-14 Appropriation – Mid-year Adjustments

House Bill 14-1234 modified the FY 2013-14 appropriation to eliminate funding for the development of a new Spanish literacy assessment and make technical corrections to common policy appropriations for Capitol Complex leased space and salary survey.

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

State assessments: The appropriation includes an increase of \$3.8 million total funds (including \$75,600 General Fund and \$3.8 million cash funds from the State Education Fund) to address additional costs associated with administering the statewide student assessment program.

Core network and IT refresh: The appropriation includes an increase of \$3.0 million General Fund and 4.6 FTE to improve the Department’s information technology systems, including: (1) \$1,422,034 million for one-time costs to replace outdated computing hardware and network equipment; (2) \$515,346 and 4.6 FTE to add information technology staff; (3) \$558,316 for ongoing hardware maintenance and software licensing; and (4) \$507,000 to purchase additional contract services.

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; shift differential; vehicle lease payments; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; and Capitol complex leased space.

Spanish language arts assessment: The appropriation includes an increase of \$826,046 cash funds from the State Education Fund to allow the Department to administer the existing Spanish language arts assessment in FY 2014-15 while developing a new assessment that is aligned to the current academic standards. The Department would administer the new assessment statewide beginning in FY 2015-16.

IT common policy adjustments: The appropriation includes adjustments to the payments made to the Governor’s Office of Information Technology for the provision of information technology services.

Informational funds adjustment: The appropriation includes adjustments to reappropriated funds and federal funds that are shown in the Long Bill for informational purposes only.

Annualize prior year budget actions: The appropriation includes changes to reflect the second year impact of funding decisions made through the FY 2013-14 Long Bill, including annualization of the FY 2013-14 salary survey and merit pay.

Annualize prior year legislation: The appropriation includes changes to reflect the second year impact of prior year legislation. The reduction is primarily driven by the elimination of one-time funding provided for educator effectiveness implementation in FY 2013-14 through S.B. 13-260 (School Finance).

Indirect cost assessment: The appropriation reflects a net decrease in the division's indirect cost assessment.

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

Assistance to Public Schools

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

- **Public School Finance:** This subsection includes funding for the state share of districts' total program funding required under the School Finance Act, for other distributions that are directly related to school district pupil counts, and for administration of the School Finance Act and related programs.
- **Categorical Programs:** This subsection includes state and federal funding for all programs defined as "categorical programs" pursuant to Article IX, Section 17 of the Colorado Constitution.
- **Grant Programs, Distributions, and Other Assistance:** This subsection includes other state and federal funds that are distributed to schools and districts, or that are used to provide direct support and assistance to schools and districts.

The changes in appropriation by subdivision and the factors driving such changes are included in tables for each subdivision.

Assistance to Public Schools						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$4,458,473,227	\$3,076,221,591	\$773,825,121	\$7,286,233	\$601,140,282	198.7
SB 13-260	85,324,410	0	85,324,410	0	0	0.0
HB 14-1234	170,505	100,000	(29,495)	100,000	0	0.0
HB 14-1250	3,467,768	1,733,884	0	1,733,884	0	0.0
HB 14-1251	55,437,495	51,637,093	3,800,402	0	0	0.0
HB 14-1336	0	0	0	0	0	0.0
TOTAL	\$4,602,873,405	\$3,129,692,568	\$862,920,438	\$9,120,117	\$601,140,282	198.7
FY 2014-15 Appropriation:						
HB 14-1336	\$4,874,441,289	\$3,327,526,399	\$923,222,296	\$7,787,467	\$615,905,127	204.9

Assistance to Public Schools						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
SB 14-075	68,921	68,921	0	0	0	0.0
SB 14-124	4,000,000	0	2,000,000	2,000,000	0	1.2
SB 14-150	5,000,000	0	5,000,000	0	0	1.0
SB 14-215	2,500,000	0	2,500,000	0	0	1.0
HB 14-1085	1,920,000	960,000	0	960,000	0	1.0
HB 14-1102	1,903,178	0	1,903,178	0	0	1.0
HB 14-1118	261,561	0	261,561	0	0	0.3
HB 14-1156	791,471	791,471	0	0	0	0.0
HB 14-1175	50,000	50,000	0	0	0	0.0
HB 14-1276	250,000	0	250,000	0	0	0.3
HB 14-1292	179,052,176	0	179,052,176	0	0	0.0
HB 14-1298	71,702,495	0	44,202,495	27,500,000	0	1.2
HB 14-1326	<u>7,000</u>	<u>7,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$5,141,948,091	\$3,329,403,791	\$1,158,391,706	\$38,247,467	\$615,905,127	211.9
Increase/(Decrease)	\$539,074,686	\$199,711,223	\$295,471,268	\$29,127,350	\$14,764,845	13.2
Percentage Change	11.7%	6.4%	34.2%	319.4%	2.5%	6.6%

Public School Finance

This subsection of the Assistance to Public Schools section primarily consists of appropriations for the State's share of funding required under the School Finance Act of 1994, as amended. The local share of funding (33.4 percent of the amount required under the Act for FY 2014-15 or \$2.0 billion) is not reflected in appropriations to the Department. This subsection also includes funding for other distributions that are directly related to school district pupil counts, as well as funding for staff responsible for administering the School Finance Act and the Colorado Preschool Program, for providing technical assistance and making grants for full-day kindergarten programs, and for auditing school districts to ensure compliance with the federal school lunch, public school transportation, and English language proficiency programs.

For FY 2014-15, 80.5 percent of the State's share of districts' total program funding is from the General Fund; the remainder is appropriated from two cash funds: the State Education Fund and the State Public School Fund. Administrative costs are primarily supported by transfers from the State Share of Districts' Total Program Funding, which has the effect of reducing funding that would otherwise be distributed to school districts.

School Finance Formula Overview: FY 2014-15 Funding for Public School Finance

The annual Long Bill contains appropriations based on current law. Thus, for purposes of public school finance, the annual Long Bill contains appropriations to fund public schools based on projected student enrollment, the existing statutory public school finance funding formula, and the minimum constitutionally required increase in the statewide base per-pupil funding amount. The General Assembly also passes a separate bill each year, called the school finance bill, that modifies the statutory school finance formula for the upcoming fiscal year. The school finance bill always specifies, in statute, the constitutionally required increase in the statewide base per-pupil funding amount. In addition, the school finance bill often includes other statutory

modifications that increase or decrease the cost of funding public schools. The school finance bill then includes an appropriation clause which increases or decreases Long Bill appropriations for the following fiscal year accordingly.

The FY 2014-15 Long Bill (H.B. 14-1336) includes appropriations sufficient to fully fund public schools based on projected student enrollment for FY 2014-15, support the minimum constitutionally required increase in the statewide base per-pupil funding amount, and increase statewide average per pupil funding by the rate of inflation from 2013 (2.8 percent) as required by S.B. 13-108. Specifically, appropriations in the Public School Finance subsection of the Long Bill increased by \$195.9 million compared to FY 2013-14, as described below in the “FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions” section.

The 2014 school finance bill (H.B. 12-1298) and the Student Success Act (H.B. 14-1292) include formula modifications that increase the cost of funding the public school finance formula for FY 2014-15. House Bill 14-1298 includes an appropriation clause that increases appropriations of state funds in the Public School Finance subsection of the Long Bill for FY 2014-15 by \$18.7 million. House Bill 14-1292 includes an appropriation clause that increases appropriations of state funds for the Public School Finance subsection of the Long Bill for FY 2014-15 by \$152.5 million. When the Long Bill, H.B. 14-1298, and H.B. 14-1292 are taken into account, appropriations in the Public School Finance subsection increased by \$367.2 million from FY 2013-14 to FY 2014-15.

The largest line item appropriation within this subsection provides the State Share of Districts’ Total Program Funding. The table below provides data related to this line item appropriation for both FY 2013-14 and FY 2014-15. As detailed in the table:

- Long Bill appropriations for districts’ total program funding are based on the formula prior to H.B. 14-1292 and H.B. 14-1298. As directed by S.B. 13-108, the Long Bill appropriation provides the increase in state funds necessary to increase statewide average per pupil funding by the rate of inflation (2.8 percent based on the actual change in the Denver-Boulder consumer price index in 2013).
- House Bill 14-1292 modifies the statutory school finance formula, increasing the costs of fully funding the formula for FY 2014-15. This bill increases districts’ total program funding by \$152.4 million and provides that amount in state funds.
- House Bill 14-1298 modifies the statutory school finance formula, increasing the costs of fully funding the formula for FY 2014-15. This bill increases districts’ total program funding by \$18.7 million in FY 2014-15 and provides \$18.6 million in state funds.
- Senate Bill 14-075 and House Bill 14-1326 reduce the local revenues available for public school finance and include additional appropriations of state funds to offset the anticipated decrease in local revenues. Combined, these bills offset \$75,921 in decreased local revenues with increased appropriations of state funds.

When the above bills are taken into account, total state and local funding for school districts for FY 2014-15 is \$406.5 million (7.4 percent) higher than for FY 2013-14. This level of funding is anticipated to increase average per-pupil funding from \$6,652 in FY 2013-14 to \$7,021 in FY 2014-15 (an increase of \$368 per pupil, or 5.5 percent).

School Finance Formula Overview Districts' Total Program Funding: FY 2013-14 and FY 2014-15							
School Finance: Total Program	FY 2013-14 Amended Appropriation	Long Bill (HB 14-1336) Appropriation	Adjustments in HB 14-1292	Adjustments in HB 14-1298	Adjustments in Other Bills¹	FY 2014-15 Appropriation	Annual Change
Funded pupil count	830,833.1	842,636.0	0.0	2,500.0	0.0	845,136.0	14,302.9
<i>Annual percent change</i>							<i>1.7%</i>
Statewide <u>base</u> per-pupil funding	\$5,954.28	\$6,121.00	\$0.00	\$0.00	\$0.00	\$6,121.00	\$166.72
<i>Annual percent change</i>							<i>2.8%</i>
Total program funding (<u>prior to</u> negative factor)	\$6,531,235,818	\$6,809,064,459	\$0	\$18,581,997	\$0	\$6,827,646,456	\$296,410,638
LESS: Negative factor reduction	<u>(1,004,302,069)</u>	<u>(1,046,661,048)</u>	<u>152,358,980</u>	<u>100,001</u>	<u>0</u>	<u>(894,202,067)</u>	<u>110,100,002</u>
EQUALS: Adjusted total program funding	\$5,526,933,749	\$5,762,403,411	\$152,358,980	\$18,681,998	\$0	\$5,933,444,389	\$406,510,640
<i>Annual percent change</i>							<i>7.4%</i>
<i>Total funds reduction as percent of "full" funding</i>	<i>-15.4%</i>	<i>-15.4%</i>				<i>-13.10%</i>	
Statewide <u>average</u> per-pupil funding	\$6,652.28	\$6,838.54	\$180.28	\$1.88	\$0.00	\$7,020.70	\$368.42
<i>Annual percent change</i>							<i>5.5%</i>
<u>Local share</u> of adjusted total program funding	\$1,938,833,489	\$1,979,917,403	\$0	\$96,338	\$(75,921)	\$1,979,937,820	\$41,104,331
<i>Annual percent change</i>							<i>2.1%</i>
<u>State share</u> of adjusted total program funding	\$3,588,100,260	\$3,782,486,008	\$152,358,980	\$18,585,660	\$75,921	\$3,953,506,569	\$365,406,309
<i>Annual percent change</i>							<i>10.2%</i>
<i>State share as % of Districts' Total Program</i>	<i>64.9%</i>	<i>65.6%</i>				<i>66.6%</i>	

¹ Includes adjustments in S.B. 14-075 and H.B. 14-1326.

The next table provides the standard comparison of FY 2013-14 and FY 2014-15 appropriations for the Public School Finance subsection of the budget. This table is followed by descriptions of mid-year adjustments to FY 2013-14 appropriations and descriptions of the year-over-year funding changes that are reflected in the Long Bill (H.B. 14-1336). Descriptions of the statutory changes and the appropriation changes included in bills other than the Long Bill are included in the "Recent Legislation" section at the end of the Education section.

<i>Public School Finance</i>						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$3,493,242,847	\$2,933,673,790	\$558,088,210	\$1,480,847	\$0	17.2
SB 13-260	51,894,982	0	51,894,982	0	0	0.0
HB 14-1251	55,437,495	51,637,093	3,800,402	0	0	0.0
HB 14-1336	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$3,600,575,324	\$2,985,310,883	\$613,783,594	\$1,480,847	\$0	17.2
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$3,600,575,324	\$2,985,310,883	\$613,783,594	\$1,480,847	\$0	17.2
Total program adjustment	194,385,748	198,660,657	(4,274,909)	0	0	0.0
At-risk supplemental aid	1,254,731	0	1,254,731	0	0	0.0
Hold-harmless full-day kindergarten	193,644	0	193,644	0	0	0.0
Annualize prior year budget actions	40,571	0	347	40,224	0	0.0
HB 14-1336	\$3,796,450,018	\$3,183,971,540	\$610,957,407	\$1,521,071	\$0	17.2
SB 14-075	68,921	68,921	0	0	0	0.0
HB 14-1292	152,552,176	0	152,552,176	0	0	0.0
HB 14-1298	18,649,267	0	18,649,267	0	0	0.7
HB 14-1326	<u>7,000</u>	<u>7,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$3,967,727,382	\$3,184,047,461	\$782,158,850	\$1,521,071	\$0	17.9
Increase/(Decrease)	\$367,152,058	\$198,736,578	\$168,375,256	\$40,224	\$0	0.7
Percentage Change	10.2%	6.7%	27.4%	2.7%	n/a	4.1%

FY 2013-14 Appropriation – Mid-year Adjustments

House Bill 14-1251 makes mid-year adjustments in total program funding to account for higher than expected funded pupil counts and lower than expected local revenues available for public school finance. House Bill 14-1336 modifies the FY 2013-14 appropriation to reflect the portion of the General Fund appropriation that is from the General Fund Exempt Account based on the Office of State Planning and Budgeting March 2014 revenue forecast.

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Total program adjustment: The Long Bill appropriation reflects a \$194.4 million increase in state funding for the School Finance Act, including an increase of \$198.7 million General Fund and a decrease of \$4.3 million cash funds. The Long Bill appropriation reflects the increase in state funding necessary to increase statewide average per pupil funding by the rate of inflation from 2013 (2.8 percent) pursuant to S.B. 13-108.

At-risk supplemental aid: The appropriation includes an increase of \$1.3 million cash funds to fully fund the formula for at-risk supplemental aid.

Hold-harmless full-day kindergarten: The appropriation increases funding for certain districts for full-day kindergarten based on changes in per pupil funding.

Annualize prior year budget actions: The appropriation reflects the annualization of the FY 2013-14 salary survey and merit pay.

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

Categorical Programs

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

Categorical programs are funded primarily with General Fund and various sources of federal funds. Cash fund sources include the State Education Fund and the Public School Transportation Fund. Reappropriated funds include federal funds transferred from the Department of Human Services.

<i>Categorical Programs</i>						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$415,744,811	\$141,765,474	\$107,543,954	\$101,812	\$166,333,571	72.1
SB 13-260	<u>20,000,000</u>	<u>0</u>	<u>20,000,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$435,744,811	\$141,765,474	\$127,543,954	\$101,812	\$166,333,571	72.1
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$435,744,811	\$141,765,474	\$127,543,954	\$101,812	\$166,333,571	72.1
Categorical programs increase	7,528,064	0	7,528,064	0	0	0.0
Annualize prior year budget actions	300,301	0	0	2,231	298,070	0.0
HB 14-1336	\$443,573,176	\$141,765,474	\$135,072,018	\$104,043	\$166,631,641	72.1

<i>Categorical Programs</i>						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 14-1102	<u>1,903,178</u>	<u>0</u>	<u>1,903,178</u>	<u>0</u>	<u>0</u>	<u>1.0</u>
TOTAL	\$445,476,354	\$141,765,474	\$136,975,196	\$104,043	\$166,631,641	73.1
Increase/(Decrease)	\$9,731,543	\$0	\$9,431,242	\$2,231	\$298,070	1.0
Percentage Change	2.2%	0.0%	7.4%	2.2%	0.2%	1.4%

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Categorical programs increase: As required by Amendment 23, the Long Bill appropriation includes a \$7,528,064 (2.8 percent) increase in *state funding* for categorical programs (based on the actual percent change in the Denver-Boulder consumer price index in 2013). The full amount of the increase is from the State Education Fund. The table following the description of incremental changes details the allocation of the required funding increase among categorical programs.

Annualize prior year budget actions: The appropriation reflects the annualization of the FY 2013-14 salary survey and merit pay.

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

Long Bill Appropriation Increase in State Funding for Categorical Programs for FY 2014-15				
Long Bill Line Item	FY 2013-14 Appropriation of State Funds	Allocation of FY 2013-14 Increases in State Funds		FY 2014-15 Long Bill Appropriation of State Funds/1
		\$ Change	% Change	
District Programs Required by Statute				
Special education programs for children with disabilities	\$157,221,408	\$3,760,378	2.4%	\$160,981,786
English language proficiency programs	15,240,040	1,499,105	9.8%	16,739,145
Other Categorical Programs				
Public school transportation	52,811,338	1,406,009	2.7%	54,217,347
Career and technical education	24,528,307	455,481	1.9%	24,983,788
Special education programs for gifted and talented children	9,600,000	407,091	4.2%	10,007,091
Expelled and at-risk student services grant program	7,493,560	0	0.0%	7,493,560
Small attendance center aid	959,379	0	0.0%	959,379
Comprehensive health education	1,005,396	0	0.0%	1,005,396
Totals	\$268,859,428	\$7,528,064	2.8%	\$276,387,492

/1 Only reflects the Long Bill appropriation. Does not include \$1.9 million appropriated to Special Education Programs for Gifted and Talented Children in H.B. 14-1102.

Grant Programs, Distributions, and Other Assistance

This subsection includes state and federal funds that are distributed to schools and districts, or that are used to provide direct support and assistance to schools and districts, other than those programs that are defined as categorical programs. This subsection includes funding for the Public School Capital Construction Assistance Board and the Facility Schools Board.

Significant sources of cash funds include: the Public School Capital Construction Assistance Fund, the State Education Fund, moneys transferred from the Tobacco Litigation Settlement Cash Fund, the State Public School Fund, fees collected for workshops and training, and gifts, grants, and donations. Significant sources of reappropriated funds include federal child care funds transferred from the Department of Human Services, and federal Medicaid funds transferred from the Department of Health Care Policy and Financing that are used to administer the Public School Health Services Program.

The most significant sources of federal funds reflected in this subsection include the following:

- Title I of the Elementary and Secondary Education Act -- funding to improve education for children at risk of school failure, including those who live in low income communities, migrant children, and those who are neglected and delinquent;
- U.S. Department of Agriculture Food and Nutrition Service -- funding for the National School Lunch Program, which provides for reduced-cost or free meals to students; and
- Title II of the Elementary and Secondary Education Act -- funding for professional development and activities designed to improve educator quality.

<i>Grant Programs, Distributions, and Other Assistance</i>						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$547,591,494	\$782,327	\$108,105,262	\$5,688,168	\$433,015,737	109.4
SB 13-260	13,429,428	0	13,429,428	0	0	0.0
HB 14-1234	170,505	100,000	(29,495)	100,000	0	0.0
HB 14-1250	<u>3,467,768</u>	<u>1,733,884</u>	<u>0</u>	<u>1,733,884</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$564,659,195	\$2,616,211	\$121,505,195	\$7,522,052	\$433,015,737	109.4
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$564,659,195	\$2,616,211	\$121,505,195	\$7,522,052	\$433,015,737	109.4
BEST program cash grants	45,000,000	0	45,000,000	0	0	0.0
Annualize prior year legislation	11,170,129	(1,561,773)	0	(1,585,901)	14,317,803	0.3
BEST lease payment increase	8,000,000	0	8,000,000	0	0	0.0
Early literacy assessment tool	2,679,484	0	2,679,484	0	0	0.0
Annualize prior year budget actions	355,458	2,420	69,138	20,631	263,269	0.0
State support for English language learners	311,682	311,682	0	0	0	4.1
Start smart nutrition program	225,000	150,000	(75,000)	150,000	0	0.0

<i>Grant Programs, Distributions, and Other Assistance</i>						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
College and career readiness	170,845	170,845	0	0	0	1.8
Educator perception	100,000	100,000	0	0	0	0.0
Informational funds adjustment	(300,000)	0	0	0	(300,000)	0.0
Other	(10,946)	0	(10,946)	0	0	0.0
HB 14-1336	\$632,360,847	\$1,789,385	\$177,167,871	\$6,106,782	\$447,296,809	115.6
SB 14-124	4,000,000	0	2,000,000	2,000,000	0	1.2
SB 14-150	5,000,000	0	5,000,000	0	0	1.0
SB 14-215	2,500,000	0	2,500,000	0	0	1.0
HB 14-1085	1,920,000	960,000	0	960,000	0	1.0
HB 14-1118	261,561	0	261,561	0	0	0.3
HB 14-1156	791,471	791,471	0	0	0	0.0
HB 14-1175	50,000	50,000	0	0	0	0.0
HB 14-1276	250,000	0	250,000	0	0	0.3
HB 14-1292	26,500,000	0	26,500,000	0	0	0.0
HB 14-1298	<u>53,053,228</u>	<u>0</u>	<u>25,553,228</u>	<u>27,500,000</u>	<u>0</u>	<u>0.5</u>
TOTAL	\$726,687,107	\$3,590,856	\$239,232,660	\$36,566,782	\$447,296,809	120.9
Increase/(Decrease)	\$162,027,912	\$974,645	\$117,727,465	\$29,044,730	\$14,281,072	11.5
Percentage Change	28.7%	37.3%	96.9%	386.1%	3.3%	10.5%

FY 2013-14 Appropriation – Mid-year Adjustments

House Bill 14-1234 modified the FY 2013-14 appropriation to increase funding for the Start Smart Nutrition Program by \$70,505 total funds (including an increase of \$100,000 General Fund which is partially offset by a reduction of \$29,495 cash funds) to account for increased participation in the program in FY 2013-14. Because of the structure of the Start Smart appropriation, the bill reappropriates the General Fund, increasing the total appropriation to the Department by \$170,505. House Bill 14-1250 provides \$1.7 million General Fund in additional funding to certain school districts impacted by the September 2013 floods or by unanticipated decreases in total program funding or per pupil funding.

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

BEST program cash grants: The appropriation includes \$45.0 million cash funds from the Public School Capital Construction Assistance Fund for cash grants under the Building Excellent Schools Today (BEST) Program. Beginning in FY 2014-15, the program's cash grants are subject to annual legislative appropriation pursuant to S.B. 14-112.

Annualize prior year legislation: The appropriation includes adjustments related to prior year legislation, including an increase of \$14.3 million federal funds associated with H.B. 13-1006 (Breakfast After the Bell).

BEST lease payment increase: The appropriation includes an increase of \$8.0 million cash funds spending authority from the Public School Capital Construction Assistance Fund for the purpose of making payments on lease-purchase agreements entered into by the State Treasurer.

Early literacy assessment tool: The appropriation includes \$2.7 million cash funds from the State Education Fund to provide ongoing funding for the early literacy assessment tool (ELAT) originally approved through H.B. 12-1345.

Annualize prior year budget actions: The appropriation reflects the annualization of the FY 2013-14 salary survey and merit pay.

State support for English language learners: The appropriation includes an increase of \$311,682 General Fund and 4.1 FTE to provide additional support and technical assistance for school districts' English language learner (ELL) programs.

Start smart nutrition program: The appropriation includes an increase of \$225,000 total funds (including \$150,000 General Fund) to support anticipated growth in the Start Smart program in FY 2014-15.

College and career readiness: The appropriation includes an increase of \$170,845 General Fund and 1.8 FTE to provide additional technical support to school districts regarding recent college and career readiness education reforms, including: Individual Career and Academic Plans (ICAPs); concurrent enrollment programs; innovation status; and new statewide graduation guidelines.

Educator perception: The appropriation includes \$100,000 General Fund to support the administration of the Teaching, Empowering, Leading, and Learning (TELL) Survey.

Informational funds adjustment: The appropriation includes a reduction of \$300,000 federal funds shown for informational purposes only to reflect anticipated spending of federal grant funds.

Other: The appropriation includes other minor adjustments.

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

Indirect Cost Assessment

This subsection, created in the FY 2013-14 Long Bill, reflects all of the indirect cost assessments against fund sources within the Assistance to Public Schools division. Major fund sources include federal funds in the Special Education Programs for Children with Disabilities line item and the Appropriated Sponsored Programs line item, with relatively minor contributions from cash and reappropriated fund sources within the division.

<i>Indirect Cost Assessment</i>						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	<u>\$1,894,075</u>	<u>\$0</u>	<u>\$87,695</u>	<u>\$15,406</u>	<u>\$1,790,974</u>	<u>0.0</u>
TOTAL	\$1,894,075	\$0	\$87,695	\$15,406	\$1,790,974	0.0
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$1,894,075	\$0	\$87,695	\$15,406	\$1,790,974	0.0
Indirect cost assessment	163,173	0	(62,695)	40,165	185,703	0.0
HB 14-1336	<u>2,057,248</u>	<u>0</u>	<u>25,000</u>	<u>55,571</u>	<u>1,976,677</u>	<u>0.0</u>
TOTAL	\$2,057,248	\$0	\$25,000	\$55,571	\$1,976,677	0.0
Increase/(Decrease)	\$163,173	0	(\$62,695)	\$40,165	\$185,703	0.0
Percentage Change	8.6%	n/a	(71.5%)	260.7%	10.4%	n/a

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Indirect cost assessment: The appropriation includes a net increase in the division’s indirect cost assessment.

Library Programs

This section contains appropriations for all library-related programs and staff. There are approximately 1,800 publicly-funded libraries in Colorado, including libraries operated by school districts, higher education institutions, and counties and municipalities, as well as institutional libraries (e.g., nursing homes, correctional institutions, etc.). State library programs, which provide support to locally-funded libraries, are primarily supported by General Fund and federal funds.

Cash fund sources include grants and donations. Reappropriated funds are transferred from the Colorado Disabled Telephone Users Fund to the Reading Services for the Blind Cash Fund and are used to support privately operated reading services for the blind.

Library Programs						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	<u>\$9,898,841</u>	<u>\$4,180,054</u>	<u>\$337,000</u>	<u>\$2,350,000</u>	<u>\$3,031,787</u>	<u>38.1</u>
TOTAL	\$9,898,841	\$4,180,054	\$337,000	\$2,350,000	\$3,031,787	38.1
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$9,898,841	\$4,180,054	\$337,000	\$2,350,000	\$3,031,787	38.1

Library Programs						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Reading services for the blind	10,000	0	0	10,000	0	0.0
Annualize prior year budget actions	1,167	22,150	(65,786)	0	44,803	0.0
Indirect cost assessment	(28,221)	0	0	0	(28,221)	0.0
HB 14-1336	<u>\$9,881,787</u>	<u>\$4,202,204</u>	<u>\$271,214</u>	<u>\$2,360,000</u>	<u>\$3,048,369</u>	<u>38.1</u>
TOTAL	\$9,881,787	\$4,202,204	\$271,214	\$2,360,000	\$3,048,369	38.1
Increase/(Decrease)	(\$17,054)	\$22,150	(\$65,786)	\$10,000	\$16,582	0.0
Percentage Change	(0.2%)	0.5%	(19.5%)	0.4%	0.5%	0.0%

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Reading services for the blind: The appropriation includes an increase of \$10,000 reappropriated funds to support increased costs associated with reading services for the blind.

Annualize prior year budget actions: The appropriation includes changes to reflect the impact of prior year funding decisions, including the annualization of the FY 2013-14 salary survey and merit pay and the expiration of grant funding for the Broadband Technologies Opportunities Program.

Indirect cost assessment: The appropriation includes a net decrease in the division's indirect cost assessment.

School for the Deaf and the Blind

This section contains appropriations for the operation of the Colorado School for the Deaf and the Blind (CSDB), which is located in Colorado Springs. The CSDB provides educational services for children throughout the state who are deaf, hearing impaired, blind, or visually impaired, and under the age of 21. In FY 2012-13, the School had a total enrollment of 463 children, including 263 infants and toddlers and 200 students (ages 3 to 21) who received services on campus.

The primary source of funding for the CSDB is General Fund. However, the CSDB also receives State Education Fund moneys that are reappropriated from the Facility School Funding line item. Similar to community-based residential facilities that operate education programs, the CSDB is permitted to receive up to 1.73 times the *statewide base per pupil funding* level, based on the number of instructional days in the School's calendar. The CSDB also receives other sources of state and federal funding (e.g., Medicaid and nutrition funding), tuition from other states that place children at CSDB, payments from school districts that place students at CSDB on a short-term basis for diagnostic purposes, and various grants and fees. The General Assembly appropriates state General Fund moneys to cover operating costs that are not covered by other funding sources.

School for the Deaf and the Blind						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	<u>\$14,238,850</u>	<u>\$10,083,974</u>	<u>\$1,075,000</u>	<u>\$3,079,876</u>	<u>\$0</u>	<u>167.6</u>
TOTAL	\$14,238,850	\$10,083,974	\$1,075,000	\$3,079,876	\$0	167.6
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$14,238,850	\$10,083,974	\$1,075,000	\$3,079,876	\$0	167.6
Informational funds adjustment	250,000	0	0	250,000	0	0.0
Annualize prior year budget actions	167,326	165,749	0	1,577	0	0.0
Salary increase for CSDB teachers	126,671	126,671	0	0	0	0.0
Centrally appropriated line items	12,194	12,194	0	0	0	0.0
Fund source adjustment	0	(215,779)	0	215,779	0	0.0
HB 14-1336	<u>\$14,795,041</u>	<u>\$10,172,809</u>	<u>\$1,075,000</u>	<u>\$3,547,232</u>	<u>\$0</u>	<u>167.6</u>
TOTAL	\$14,795,041	\$10,172,809	\$1,075,000	\$3,547,232	\$0	167.6
Increase/(Decrease)	\$556,191	\$88,835	\$0	\$467,356	\$0	0.0
Percentage Change	3.9%	0.9%	0.0%	15.2%	n/a	0.0%

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Informational funds adjustment: The appropriation includes an increase of \$250,000 reappropriated funds reflected in the Long Bill for informational purposes only.

Annualize prior budget actions: The appropriation reflects the annualization of the FY 2013-14 salary survey and merit pay.

Salary increase for CSDB teachers: The appropriation includes an increase of \$126,671 General Fund for salary increases for teachers employed at the CSDB based on current law (Section 22-80-106.5, C.R.S.) requiring CSDB to compensate teachers based on the El Paso School District 11 salary schedule and salary policy from the previous school year.

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

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

Recent legislation

2013 Session Bills

S.B. 13-108 (Mid-year School Finance Adjustments): Makes mid-year adjustments to school finance-related appropriations of state funds for FY 2012-13. As detailed in the following table, increases *state* total program funding for public schools for FY 2012-13 by \$13.3 million. The increase is based on: (1) a \$7.1 million increase in total program funding for FY 2012-13 (including state and local shares) based on the actual student count that occurred in October 2012; and (2) a \$6.2 million shortfall in local tax revenues for school finance below the amount anticipated in the original FY 2012-13 appropriation. Absent legislative action, the combination of increased total program funding and reduced local tax revenues would have required the Department of Education to increase the size of the statutory school finance formula's negative factor by \$13.3 million (from 16.05 percent to 16.24 percent), causing per-pupil funding to decrease by \$16.21, on average, below the amount anticipated by districts.

Senate Bill 13-108: Adjustments to FY 2012-13 School Finance Appropriations			
	Initial Appropriation	Mid-year Adjustment	Adjusted Appropriation
<u>State Share of Districts' Total Program Funding</u>			
General Fund	\$2,852,301,877	\$0	\$2,852,301,877
Cash Funds: State Education Fund	324,236,331	13,253,672	337,490,003
Cash Funds: State Public School Fund	<u>189,922,411</u>	<u>0</u>	<u>189,922,411</u>
Total State Funds	\$3,366,460,619	\$13,253,672	\$3,379,714,291

Also makes the following statutory changes:

- Specifies that the minimum level of total program funding for the FY 2013-14 budget year and subsequent years is an amount equal to the total program funding for the immediately preceding budget year adjusted by the amount necessary to increase statewide average per-pupil funding by the rate of inflation.
- Prohibits the State Board of Education from designating more participants in the Accelerating Students through Concurrent Enrollment (ASCENT) program than the General Assembly approved in the annual Long Bill for that budget year.

S.B. 13-193 (Increasing Parent Engagement in Public Schools): Expands the responsibilities of school district accountability committees (DAC), school accountability committees (SAC), and the State Advisory Council for Parent Involvement in Education (SACPIE) and requires those entities to take various steps to improve parent engagement in education. Requires SACPIE and the Department of Education to provide regional training programs for accountability committees regarding parent engagement. Changes prior law to allow members of SACPIE to receive reimbursements for expenses incurred when performing their duties as members. Appropriates \$150,093 General Fund and 1.0 FTE to the Department of Education for FY 2013-14.

S.B. 13-213 (Future School Finance Act): Creates a new school finance act, the implementation of which is conditional upon passage of a citizen-initiated statewide ballot measure to increase state tax revenues by a stated minimum amount for the purpose of funding preschool through twelfth-grade education. Requires the ballot

measure to pass no later than the 2017 statewide election or the new act will not take effect. Creates a new calculation of the state and local shares of total program funding and a new funding formula for the distribution of state moneys. Although the Department will recalculate the new state and local shares during the first budget year following passage of the ballot measure, the new funding formula and the distribution of state moneys under the new act will not take effect until the second budget year following passage of the ballot measure.

Specifies that for the first budget year following passage of the ballot measure the General Assembly will appropriate the new tax revenues as follows:

- Up to 40 percent to the Preschool Through Twelfth Grade Education Reserve Fund, created in the new act, to fund the purposes specified in the new act;
- Up to 40 percent to the Public School Capital Construction Assistance Fund to provide financial assistance for public school capital construction projects;
- Up to 15 percent to the Educator Effectiveness Reserve Fund, created in the new act, for initiatives to recruit, prepare, and retain effective educators; and
- Up to 5 percent to the Education Technology Fund, created in the new act, to assist school districts and public schools in purchasing and maintaining technology needed to support educational reforms and programmatic enhancements.

Makes changes to the current school finance act in the following general areas:

- Calculation of pupil enrollment;
- Funding of preschool and kindergarten pupils;
- Factors included in the formula for calculating total program funding;
- Definition of at-risk pupils and the percentage increase (weight) for at-risk pupils and English language learners;
- Minimum per pupil funding;
- On-line pupil funding and ASCENT program funding;
- Calculation of total program for and state payments to institute charter schools;
- Calculation of state and local shares of total program;
- Authorized mill levy overrides;
- State moneys available to districts and institute charter schools in addition to total program funding;
- Allocations of funding by districts to charter schools and other schools of the district;
- Review of the return on the investment of funding and cost studies every four years; and
- Public financial reporting by districts and charter schools.

S.B. 13-217 (K-12 Accreditation Criteria Alternative Education Campus): Authorizes the State Board of Education to consider the unique circumstances and challenges posed by students enrolled in alternative education campuses when establishing the criteria used to determine the appropriate accreditation category for each school district and the State Charter School Institute. Appropriates \$17,580 General Fund and 0.2 FTE to the Department of Education for FY 2013-14.

S.B. 13-230 (Long Bill): General appropriations act for FY 2013-14. Also includes a supplemental adjustment to modify appropriations to the Department of Education included in the FY 2012-13 Long Bill (H.B. 12-1335).

S.B. 13-260 (School Finance): Amends the "Public School Finance Act of 1994" and other statutory provisions to provide funding for school districts for FY 2013-14, making the following changes:

- Increases the *statewide base per-pupil funding* amount from \$5,843.26 to \$5,954.28 (1.9 percent) to account for the annual change in the Denver-Boulder consumer price index in CY 2012.
- For FY 2013-14, increases the specified minimum total program funding amount that results after the application of the *negative factor* by \$51.7 million.
- Provides an additional \$20.0 million cash funds from the State Education Fund for “Tier B” special education funding in FY 2013-14 and subsequent years.
- Increases the authorized number of participants in the Colorado Preschool Program (CPP) by 3,200 half-day slots and allows school districts flexibility to use the additional slots for half-day preschool, full-day preschool, or full-day kindergarten programs.
- Specifies that regardless of the statutory calculation of a school district’s funded pupil count, for FY 2013-14 and subsequent years a district’s funded pupil count will not be less than 50 pupils.
- For FY 2013-14, changes the fund source for at-risk supplemental aid funding from school district audit recoveries credited to the State Public School Fund to interest and income earned on the Public School (Permanent) Fund credited to the State Public School Fund.
- Increases the required annual appropriation from the State Education Fund for *state aid for charter school facilities* from \$6.0 million to \$7.0 million, beginning in FY 2013-14.
- Changes the formula to calculate per pupil funding for facility schools. Under prior law, facility schools received per pupil funding at 1.33 times the statewide average per pupil funding. The bill changes the formula to 1.73 times the statewide *base* per pupil funding amount.
- Changes the original fund source for “READ Act” funding beginning in FY 2013-14. Prior law required the transfer of up to \$16.0 million in interest and income earned on the Permanent Fund to the Early Literacy Fund to support READ Act implementation. Beginning in FY 2013-14, the bill eliminates the transfer from the Permanent Fund and instead directs the State Treasurer to transfer \$16.0 million per year from the State Education Fund to the Early Literacy Fund.
- Transfers \$200,000 from the State Education Fund to the Great Teachers and Leaders Fund for FY 2013-14 to implement the State Council for Educator Effectiveness.
- Creates the Quality Teacher Recruitment Program and requires the Department to contract with one or more external vendors to create and implement a program to recruit, select, train, and retain highly qualified teachers to teach in school districts that can demonstrate historic difficulty in recruiting and training highly qualified teachers. Sets specific requirements for the program and the contract with the external vendor.

Requires the State Treasurer to transfer 75 percent of General Fund moneys in excess of the statutory reserve, after a required transfer to the Colorado Water Conservation Board Construction Fund, to the State Education Fund for FY 2013-14.

Senate Bill 13-260: FY 2013-14 Appropriations		
Purpose	Amount	Fund Source
<i>Section 14 (1): Long Bill Adjustments Related to School Finance Formula Changes</i>		
(a) and (b) State Share of Districts' Total Program Funding	\$51,843,734	Cash Funds - State Education Fund (SEF)
(c) Hold-harmless Full-day Kindergarten Funding	51,248	Cash Funds - SEF
(h) Facility School Funding	2,506,290	Cash Funds - SEF
Subtotal: Adjustments Related to Statutory Changes to School Finance Formula	54,401,272	Cash Funds - SEF
<i>Section 14 (1): Other Long Bill Adjustments And Appropriations</i>		
(d) State Aid for Charter School Facilities	1,000,000	Cash Funds - SEF
(e) and (f) Early Literacy Program	(10,416,062)	Cash Funds - Early Literacy Fund from interest earned on the Permanent Fund
(g) Special Education Programs for Children with Disabilities	20,000,000	Cash Funds - SEF
(i) Stipends for Nationally Board Certified Teachers	1,339,200	Cash Funds - SEF
(j) At-risk Supplemental Aid	(3,839,627)	Cash Funds - State Public School Fund (SPSF) from school district audit recoveries
<i>Section 14: New Appropriations</i>		
(2) Early Literacy Program	16,000,000	Cash Funds - Early Literacy Fund from the SEF
(3) Quality Teacher Recruitment Program	3,000,000	Cash Funds - SEF
(4) Educator Effectiveness Implementation	200,000	Cash Funds - Great Teachers and Leaders Fund from SEF
(5) Department of Human Services Child Care Licensing and Administration	43,898	General Fund
(6) At-risk Supplemental Aid	3,839,627	Cash Funds - SPSF from interest and income earned on the Permanent Fund
Total Appropriations	43,898	General Fund
	79,740,472	State Education Fund
	<u>5,783,938</u>	Other Cash Funds
	\$85,568,308	Total Funds

Also adjusts footnote #4 in the FY 2013-14 Long Bill (S.B. 13-230) to increase the amount of funding that the Department may use to fund students in the Accelerating Students Through Concurrent Enrollment (ASCENT) Program from \$2,709,450 to \$2,727,900.

H.B. 13-1257 (Developing Local-level Educator Evaluation): Allows any local board of education or board of cooperative services that develops its own evaluation system for licensed personnel to submit data to the Department regarding the evaluation system. Allows any interested party to submit such data, and allows the Department to solicit and collect such data from any local board or board of cooperative services implementing its own performance evaluation system. Requires the Department to monitor local implementation of performance evaluation systems and to require local boards of education and boards of cooperative services to take corrective action when evaluation systems are not in compliance with statutory or regulatory requirements. Appropriates \$120,093 cash funds from the State Education Fund and 1.0 FTE to the Department of Education for FY 2013-14.

2014 Session Bills

S.B. 14-075 (Deployed Military Motor Vehicle Fees and Taxes): Exempts members of the United States armed forces who are Colorado residents and deployed outside of the U.S. for a full year from paying certain motor vehicle registration fees. Decreases local revenues available for public school finance by an estimated \$68,921 for FY 2014-15 and increases the state share of districts' total program funding to offset the anticipated decrease. Appropriates \$68,921 General Fund to the Department of Education for FY 2014-15. For additional information, see the corresponding bill description at the end of Part III for the Department of Revenue.

S.B. 14-124 (School Turnaround Leaders Development Program): Repeals the School Leadership Academy Program and creates the School Turnaround Leaders Development Program in the Department of Education. Requires the Department of Education to contract with providers of high quality turnaround leadership development programs and award grants to school districts to develop turnaround leaders. Requires the State Board of Education to adopt rules to implement the new program. For FY 2014-15, appropriates \$2,000,000 cash funds from the State Education Fund into the School Turnaround Leaders Development Fund created in the bill and reappropriates those funds and 1.2 FTE to the Department of Education.

S.B. 14-150 (School Counselor Corps Program): Modifies the School Counselor Corps Grant Program in the Department of Education. Redefines "secondary school" to include any school with grades 6-12; requires grant recipients to use state guidelines when implementing counseling programs; modifies grant award criteria; increases the statutory limit on grant awards from \$5.0 million per year to \$10.0 million per year; and requires the Department of Education to provide support to secondary schools to train principals on the most effective use of the program. Also creates the School Counselor Corps Advisory Board to review and evaluate grant applications and make recommendations to the Department of Education and the State Board of Education. Appropriates \$5,000,000 cash funds from the State Education Fund and 1.0 FTE to the Department of Education for FY 2014-15. Please note that H.B. 14-1298 reduces the appropriation in S.B. 14-150 by \$2.0 million for FY 2014-15.

S.B. 14-215 (Disposition of Legal Marijuana Related Revenues): Creates the Marijuana Tax Cash Fund (MTCF) and directs that all sales tax moneys collected by the state starting in FY 2014-15 from retail and medical marijuana be deposited in the MTCF instead of the Marijuana Cash Fund. Specifies permissible uses of moneys in the MTCF. Relevant to the Department of Education, allows use of funds to increase the availability of school-based prevention, early intervention, and health care services and programs to reduce the risk of marijuana and other substance use and abuse by school-aged children.

Creates the school health professional grant program in the department of education to provide matching grants to education providers to enhance the presence of school health professionals in secondary schools throughout the state and to facilitate better screening, education, and referral care coordination for secondary school students with substance abuse and other behavioral health needs.

Appropriates \$2,500,000 cash funds from the MCTF and 1.0 FTE to the Department of Education for FY 2014-15 for the matching grant program. For additional information, see the corresponding bill description at the end of Part III for the Department of Revenue.

H.B. 14-1085 (Adult Education and Literacy): Creates an adult education and literacy grant program in the Department of Education to provide state funding for adult education and literacy programs that participate in workforce development partnerships. Requires the State Board of Education to adopt rules for the new

program. Requires grant recipients to provide specific information to the Department of Education and requires the Department of Education to annually evaluate the effectiveness of the program and submit an annual report to the Governor's office, the State Board of Education, and the General Assembly. Creates the Adult Education and Literacy Grant Fund to support the program. For FY 2014-15, reduces the Long Bill appropriation to the Controlled Maintenance Trust Fund by \$960,000 General Fund, appropriates that amount of General Fund to the Adult Education and Literacy Grant Fund, and reappropriates that amount from the Adult Education and Literacy Fund and 1.0 FTE to the Department of Education.

H.B. 14-1102 (Gifted Education Programs): Modifies the statutes concerning the education of gifted students and the requirements for gifted education programs in public K-12 schools. Modifies requirements for administrative units' gifted education plans and requires the State Board of Education to adopt rules as necessary to implement the bill. Codifies the State Gifted Education Advisory Committee. Among other changes, strongly encourages administrative units to implement universal screening to identify gifted students no later than second grade and requires administrative units to make a good faith effort to hire a qualified individual to administer gifted education programs on at least a half-time basis. Requires the General Assembly to appropriate funds to offset the costs of universal screening and hiring 0.5 FTE qualified personnel for each district. Allows administrative units to apply for grants to reimburse costs for screening students and hiring qualified personnel and directs the Department of Education to distribute funds in the order applications are received in the event that appropriations are not sufficient to cover all costs. Appropriates \$1,903,178 cash funds from the State Education Fund and 1.0 FTE to the Special Education for Gifted and Talented Children categorical program within the Department of Education for FY 2014-15.

H.B. 14-1118 (Advanced Placement Incentives Pilot Program): Creates the Advanced Placement Incentives Pilot Program in the Department of Education to provide supplemental funding to rural school districts (as identified by the State Board of Education) or rural schools that offer advanced placement courses. Specifies requirements for districts participating in the program. Directs the Department of Education to distribute \$500 to participating rural schools for each student that completes an advanced placement course and who subsequently takes the advanced placement exam. Specifies permissible uses of funds by participating schools. Limits participation to the first 475 students from rural schools participating in the program. Appropriates \$261,561 cash funds from the State Education Fund and 0.3 FTE to the Department of Education for FY 2014-15.

H.B. 14-1156 (Eligibility Age School Lunch Protection Program): Expands statutory eligibility for the Child Nutrition School Lunch Protection Program to include students through fifth grade (rather than second grade as under current law). For FY 2014-15: (1) reduces the Long Bill appropriation to the Controlled Maintenance Trust Fund by \$791,471 General Fund; and (2) appropriates \$791,471 General Fund to the Department of Education.

H.B. 14-1175 (Minority K-12 Teachers Study Strategies Report): Requires the Department of Education to study and develop strategies to increase the recruitment, preparation, development, and retention of high-quality minority teachers. Requires the Department to prepare and submit a report on its findings to the Governor's Office, the State Board of Education, and the Education Committees of the General Assembly by December 1, 2014. For FY 2014-15: (1) reduces the Long Bill appropriation to the Controlled Maintenance Trust Fund by \$50,000 General Fund; and (2) appropriates \$50,000 General Fund to the Department of Education.

H.B. 14-1202 (Local Accountability Requirements for School Districts): Creates the Standards and Assessment Task Force (task force) to study how the statewide assessment system is administered, how data are used, and the impact of statewide student assessments on local testing systems, instructional time, and

administrative workload for school districts and public schools. Requires the Department of Education to provide information and staff support to the task force upon the request of the task force. Requires the task force and the Department of Education to prepare a final report of findings and legislative recommendations and present those to the Joint Education Committee of the General Assembly by January 31, 2015. For FY 2014-15: (1) reduces the Long Bill appropriation to the Controlled Maintenance Trust Fund by \$142,750 General Fund; (2) appropriates \$142,750 General Fund to the Department of Education; and (3) reappropriates \$20,000 of that amount to the Department of Law for the provision of legal services.

H.B. 14-1250 (School District Payments for Floods and Total Program): For FY 2013-14 only, directs the State Board of Education to provide supplemental assistance from the Contingency Reserve Fund to school districts that experienced any of the following conditions: (1) a reduction of 15 or more funded pupils caused by pupil displacement from the September 2013 floods; (2) flood-related transportation costs; (3) decreases of more than \$500 in total program per pupil funding as a result of unexpected decreases in assessed valuation; or (4) significant decreases in per pupil revenue as a result of unexpected increases in pupil counts. For FY 2013-14, appropriates \$1,733,884 General Fund to the Contingency Reserve Fund and reappropriates that amount to the Department of Education.

H.B. 14-1251 (Mid-year School Finance Adjustments): Makes mid-year adjustments to school finance-related appropriations of state funds for FY 2013-14. As detailed in the following table, increase *state* total program funding for public schools for FY 2013-14 by \$55.4 million. The increase is based on: (1) an \$18.5 million increase in total program funding for FY 2013-14 (including state and local shares) based on the actual student count that occurred in October 2013; and (2) a \$36.9 million shortfall in local tax revenues for school finance below the amount anticipated in the original FY 2013-14 appropriation. Absent legislative action, the combination of increased total program funding and reduced local tax revenues would have required the Department of Education to increase the size of the statutory school finance formula's negative factor by \$55.4 million, causing per pupil funding to decrease by \$66.72, on average, below the amount anticipated by districts.

House Bill 14-1251: Adjustments to FY 2013-14 School Finance Appropriations			
	Initial Appropriation	Mid-year Adjustment	Adjusted Appropriation
<u>State Share of Districts' Total Program Funding</u>			
General Fund	\$2,933,673,790	\$51,637,093	\$2,985,310,883
Cash Funds: State Education Fund	523,620,586	3,800,402	527,420,988
Cash Funds: State Public School Fund	<u>75,368,389</u>	<u>0</u>	<u>75,368,389</u>
Total State Funds	\$3,532,662,765	\$55,437,495	\$3,588,100,260

H.B. 14-1276 (Grant Program to Train High School Students in CPR): Creates a grant program in the Department of Education to provide funding for public high schools that provide hands-on training for students in cardiopulmonary resuscitation (CPR) and the use of an automated external defibrillator. Requires the State Board of Education to adopt rules for the program. Creates the School Cardiopulmonary Resuscitation and Automated External Defibrillator Training Fund. For FY 2014-15: (1) reduces the Long Bill appropriation to the Controlled Maintenance Trust Fund by \$250,000 General Fund (which the bill transfers to the School Cardiopulmonary Resuscitation and Automated External Defibrillator Training Fund); and (2) appropriates \$250,000 cash funds from the School Cardiopulmonary Resuscitation and Automated External Defibrillator Training Fund and 0.3 FTE to the Department of Education.

H.B. 14-1292 (Student Success Act): Amends the “Public School Finance Act of 1994” and other statutory provisions to provide funding for school districts for FY 2014-15, making the following changes:

- Appropriates funds to reduce the value of the negative factor by \$152.4 million compared to current law (the Long Bill appropriation) and \$110.0 million below the negative factor amount in FY 2013-14. Increases *statewide average per pupil funding* by \$180.28 relative to current law (the Long Bill appropriation).
- Increases the required annual appropriation from the State Education Fund for *state aid for charter school facilities* from \$7.0 million in FY 2013-14 to \$13.5 million in FY 2014-15 and \$19.0 million in FY 2015-16 and subsequent years.
- Makes a one-time transfer of \$6.5 million cash funds from the State Education Fund to the State Charter School Debt Reserve Fund in FY 2014-15.
- Increases the annual statutory transfer from the State Education Fund to the Early Literacy Fund by \$20.0 million in FY 2014-15 (from \$16.0 million in FY 2013-14 to \$36.0 million in FY 2014-15 and subsequent years. (This transfer is reduced by \$2.0 million in FY 2014-15 by H.B. 14-1298, discussed below).
- Changes financial reporting requirements for public school districts and schools.
- Requires the Department of Education to contract for the development of a single website to display comparable financial data for schools and school districts statewide. Creates the Financial Reporting Fund, transfers \$3.0 million cash funds from the State Education Fund to the Financial Reporting Fund in FY 2014-15 and continuously appropriates those funds to the Department of Education for FY 2014-15 through FY 2017-18 for system development.

House Bill 14-1292: FY 2014-15 Appropriations		
Purpose	Amount	Fund Source
<i>Section 21 (1): Long Bill Adjustments Related to School Finance Formula Changes</i>		
(a) State Share of Districts' Total Program Funding	\$152,358,980	Cash Funds - State Education Fund (SEF)
(b) Hold-harmless Full-day Kindergarten Funding	193,196	Cash Funds - SEF
Subtotal: Adjustments Related to Statutory Changes to School Finance Formula	\$152,552,176	Cash Funds - SEF
<i>Section 21 (1): Other Long Bill Adjustments And Appropriations</i>		
(c) State Aid to Charter School Facilities	6,500,000	Cash Funds - SEF
<i>Section 21: New Appropriations</i>		
(2) Early Literacy Program	20,000,000	Cash Funds - Early Literacy Fund from SEF
Total Appropriations	\$179,052,176	Total Funds
	159,052,176	Cash Funds - SEF
	20,000,000	Other Cash Funds

Also adjusts footnote #5 in the FY 2014-15 Long Bill (H.B. 14-1336) to increase the amount of funding that the Department may use to fund students in the Accelerating Students Through Concurrent Enrollment (ASCENT) Program from \$4,419,336 to \$4,536,864.

H.B. 14-1298 (School Finance): Amends the “Public School Finance Act of 1994” and other statutory provisions to provide funding for school districts for FY 2014-15, making the following changes.

- Increases the *statewide base per pupil funding* amount from \$5,954.28 to \$6,121.00 (2.8 percent) to account for the annual change in the Denver-Boulder consumer price index in CY 2013.
- For FY 2014-15, increases the specified minimum total program funding amount that results after the application of the *negative factor* by \$152.4 million.
- Limits the dollar amount of the negative factor in FY 2015-16 to be less than or equal to the value of the negative factor for FY 2014-15.
- Repeals and reenacts the English Language Proficiency Act. Among other changes, allows local education providers to receive state funding for each English language learner (ELL) student for up to five years, compared to two years per student under current law. Changes reporting requirements associated with ELL programs for local education providers and for the Department of Education. Modifies oversight, monitoring, and technical assistance requirements for the Department of Education.
- Creates the Professional Development and Student Support Program to distribute funds to districts with ELL students on a per pupil basis and specifies the method of distribution of those funds. Creates the Professional Development and Student Support Fund (PDSSF) to support the program. Appropriates \$27.0 million cash funds from the State Education Fund into the PDSSF for FY 2014-15 and reappropriates those funds to the Department of Education.
- Creates the English Language Proficiency Act Excellence Award Program to award grants to local education providers and charter schools that achieve the highest English language and academic growth among ELL students and the highest academic achievement for ELL students who transition out of the English Language Proficiency Program. Creates the Excellence Awards Fund to support the program, appropriates \$500,000 from the State Education Fund into the new cash fund in FY 2014-15 and reappropriates those funds to the Department of Education for distribution to local education providers.
- Increases the authorized number of participants in the Colorado Preschool Program by \$5,000 half-day slots and allows school districts flexibility to use the additional slots for half-day preschool, full-day preschool, or full-day kindergarten programs.
- Clarifies the method used to calculate the cost of living factor in years when average teacher salaries either decline or increase by less than 1.0 percent.
- Applies statutory minimum per pupil funding to all charter schools.
- Increases the FY 2014-15 Long Bill appropriation for Boards of Cooperative Educational Services (BOCES) by \$2.0 million.

- Reduces the annual transfer from the State Education Fund to the Early Literacy Fund in FY 2014-15 and subsequent years from \$20.0 million (as established in H.B. 14-1292) to \$18.0 million.
- Reduces the FY 2014-15 appropriation for the School Counselor Corps Grant Program in S.B. 14-150 from \$5.0 million to \$3.0 million.

House Bill 14-1298: FY 2014-15 Appropriations		
Purpose	Amount	Fund Source
<i>Section 26 Adjustment to H.B. 14-1292 (Student Success Act)</i>		
Early Literacy Program	(\$2,000,000)	Early Literacy Fund from the State Education Fund (SEF)
<i>Section 27: Adjustment to S.B. 14-150 (School Counselor Corps Grant Program)</i>		
School Counselor Corps Grant Program	(2,000,000)	Cash Funds - SEF
<i>Sections 28 and 31: Long Bill Adjustments Related to School Finance Formula Changes/1</i>		
(28) (1) State Share of Districts' Total Program Funding	(30,384,050)	Cash Funds - SEF
(28) (2) State Share of Districts' Total Program Funding	30,384,050	Cash Funds - State Public School Fund
(31) (1) State Share of Districts' Total Program Funding	18,585,660	Cash Funds - SEF
Subtotal: Adjustments Related to Statutory Changes to School Finance Formula	<u>\$18,585,660</u>	Total Funds
	(11,798,390)	Cash Funds - SEF
	30,384,050	Cash Funds - State Public School Fund
<i>Section 29: Other Long Bill Adjustments And Appropriations</i>		
(1) (a) BOCES Funding per Section 22-5-122, C.R.S.	2,000,000	Cash Funds - SEF
(1) (b) English Language Learners Technical Assistance	53,228	Cash Funds - SEF (includes 0.5 FTE)
(1) (c) Public School Finance Administration	63,607	Cash Funds - SEF (includes 0.7 FTE)
(2) Controlled Maintenance Trust Fund	(68,084)	General Fund
<i>Section 32: New Appropriations</i>		
(1) Excellence Awards Fund	500,000	Cash Funds - SEF
(1) English Language Proficiency Act Excellence Awards Program	500,000	Reappropriated Funds
(2) Department of Human Services Child Care Licensing and Administration	68,084	General Fund (includes 1.1 FTE)
(3) Implementation of Section 22-2-134, C.R.S.	298,000	Cash Funds - SEF
(4) Professional Development and Student Support Fund	27,000,000	Cash Funds - SEF
(4) Professional Development and Student Support Program	27,000,000	Reappropriated Funds
Total Appropriations	<u>\$72,000,495</u>	Total Funds
	0	General Fund
	16,116,445	Cash Funds - SEF

House Bill 14-1298: FY 2014-15 Appropriations		
Purpose	Amount	Fund Source
	28,384,050	Other Cash Funds
	27,500,000	Reappropriated Funds

/1 Section 31 takes effect if House Bill 14-1292 (Student Success Act) becomes law. Section 30 of H.B. 14-1298 would take effect if H.B. 14-1292 did *not* become law. Because H.B. 14-1292 became law, this table only shows the appropriation in Section 30.

H.B. 14-1326 (Tax Incentive for Alternative Fuel Trucks): Makes changes to areas of tax policy affecting low-emission and alternative fuel vehicles. Reduces local revenues anticipated to be available for public school finance by an estimated \$7,000 in FY 2014-15. Appropriates \$7,000 General Fund to the Department of Education for FY 2014-15 to offset the anticipated decline in local revenues. For additional information, see the corresponding bill description in Part III for the Department of Revenue.

H.B. 14-1336 (Long Bill): General appropriations act for FY 2014-15.

H.B. 14-1376 (Analysis of Student Opportunity Gaps): Requires the Department of Education to create a core course level participation report, including student participation in each core course level disaggregated by student groups and, when available, the proficiency levels of students in each core course level as measured on statewide assessments, disaggregated by student groups, no later than November 1, 2014. Requires the Department of Education to work with public schools and school districts during the 2014-15 and 2015-16 school years to refine the report. Beginning with the 2016-17 school year, requires public schools and school districts to use the data in the course performance report when preparing school or district performance or improvement plans under state accountability laws to address disparities in proficiency. For FY 2014-15, provides \$144,216 General Fund and 0.2 FTE to the Department of Education.

H.B. 14-1382 (K-12 On-line Education): Modifies statutes concerning on-line education programs and on-line schools. Creates a task force to review best practices and policies for authorizing and administering multi-district on-line schools, to recommend the State Board of Education quality standards and practices for authorizers, and to recommend to the State Board of Education and the General Assembly the regulatory and statutory changes that are necessary to certify authorizers of multi-district on-line schools. Specifies the duties of the task force. Directs the Commissioner of Education to appoint members to the task force and specifies criteria for appointment. Allows the Department of Education to contract with an outside entity to provide facilitation services or other assistance to the task force. Requires the task force to submit written recommendations to the State Board of Education and to the Education Committees of the General Assembly no later than January 1, 2015. Also requires on-line programs and on-line schools to document students' compliance with compulsory attendance requirements. For FY 2014-15, provides \$47,659 General Fund to the Department of Education.

Department Details

DEPARTMENT OF GOVERNOR - LIEUTENANT GOVERNOR – STATE PLANNING AND BUDGETING

FY 2013-14 and FY 2014-15 Appropriations by Division and Bill

Governor - Lieutenant Governor - State Planning and Budgeting						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Total Appropriation:	\$236,015,876	\$26,567,386	\$37,122,540	\$165,570,329	\$6,755,621	1,060.9
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Office of the Governor	39,668,889	5,030,233	11,443,396	18,895,969	4,299,291	65.1
Office of the Lieutenant Governor	302,194	301,010	1,184	0	0	5.0
Office of State Planning and Budgeting	2,846,931	1,375,650	0	1,471,281	0	19.5
Economic Development Programs	41,773,612	15,605,485	23,745,032	87,765	2,335,330	51.3
Office of Information Technology	151,424,250	4,255,008	1,932,928	145,115,314	121,000	920.0
<u>Breakdown of Total Appropriation by Bill</u>						
SB 13-230	223,462,739	19,858,574	38,584,806	158,263,738	6,755,621	1,057.9
SB 13-004	4,588	0	0	4,588	0	0.0
SB 13-039	10,993	0	0	10,993	0	0.0
SB 13-060	2,972	0	0	2,972	0	0.0
SB 13-120	2,960	0	0	2,960	0	0.0
SB 13-180	7,104	0	0	7,104	0	0.0
SB 13-188	51,800	0	0	51,800	0	0.0
SB 13-224	2,972	0	0	2,972	0	0.0
SB 13-250	521,850	0	0	521,850	0	1.5
SB 13-251	35,774	0	0	35,774	0	0.0
SB 13-276	300,000	0	300,000	0	0	0.0
SB 13-280	25,900	0	0	25,900	0	0.0
HB 13-1001	(2,463,016)	0	(2,463,016)	0	0	0.0
HB 13-1002	200,000	200,000	0	0	0	0.0
HB 13-1003	218,750	200,000	18,750	0	0	0.0
HB 13-1004	1,500,000	1,500,000	0	0	0	0.0
HB 13-1031	108,000	0	0	108,000	0	0.0
HB 13-1071	604	0	0	604	0	0.0
HB 13-1079	99,673	99,673	0	0	0	1.5
HB 13-1110	68,212	0	0	68,212	0	0.0
HB 13-1111	5,180	0	0	5,180	0	0.0

Governor - Lieutenant Governor - State Planning and Budgeting						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 13-1119	7,800	0	0	7,800	0	0.0
HB 13-1135	31,672	0	0	31,672	0	0.0
HB 13-1193	300,000	0	300,000	0	0	0.0
HB 13-1240	26,714	0	0	26,714	0	0.0
HB 13-1271	529,800	0	0	529,800	0	0.0
HB 13-1301	215,000	215,000	0	0	0	0.0
HB 13-1317	88,500	0	0	88,500	0	0.0
SB 14-129	4,120	0	0	4,120	0	0.0
HB 14-1203	7,000,000	3,500,000	0	3,500,000	0	0.0
HB 14-1235	3,345,215	694,139	382,000	2,269,076	0	0.0
HB 14-1336	300,000	300,000	0	0	0	0.0
FY 2014-15 Total Appropriation:	\$284,943,658	\$34,366,530	\$41,625,618	\$202,523,283	\$6,428,227	1,071.6
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Office of the Governor	41,475,882	6,522,050	11,420,363	19,668,956	3,864,513	67.1
Office of the Lieutenant Governor	317,407	316,223	1,184	0	0	5.0
Office of State Planning and Budgeting	2,163,472	467,297	176,454	1,519,721	0	19.5
Economic Development Programs	54,540,833	23,132,094	28,776,689	189,336	2,442,714	54.1
Office of Information Technology	186,446,064	3,928,866	1,250,928	181,145,270	121,000	925.9
<u>Breakdown of Total Appropriation by Bill</u>						
HB 14-1336	276,156,502	31,523,647	41,178,760	197,025,868	6,428,227	1,068.6
SB 14-005	16,480	0	0	16,480	0	0.0
SB 14-012	13,764	0	0	13,764	0	0.0
SB 14-014	4,092	0	0	4,092	0	0.0
SB 14-030	824	0	0	824	0	0.0
SB 14-036	4,120	0	0	4,120	0	0.0
SB 14-041	4,120	0	0	4,120	0	0.0
SB 14-075	104,030	0	0	104,030	0	0.0
SB 14-087	43,260	0	0	43,260	0	0.0
SB 14-130	6,203	0	0	6,203	0	0.0
SB 14-166	171,600	86,600	0	85,000	0	0.0
SB 14-172	20,960	0	0	20,960	0	0.0
SB 14-194	6,077	0	0	6,077	0	0.0
SB 14-215	190,097	0	190,097	0	0	2.0
SB 14-223	(1,000,000)	(1,000,000)	0	0	0	0.0
HB 14-1012	80,307	0	80,307	0	0	0.5
HB 14-1029	4,120	0	0	4,120	0	0.0
HB 14-1034	4,120	0	0	4,120	0	0.0
HB 14-1066	6,592	0	0	6,592	0	0.0

Governor - Lieutenant Governor - State Planning and Budgeting						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 14-1093	200,000	100,000	0	100,000	0	0.0
HB 14-1100	97,850	0	0	97,850	0	0.0
HB 14-1203	7,000,000	3,500,000	0	3,500,000	0	0.0
HB 14-1311	106,283	106,283	0	0	0	0.5
HB 14-1317	1,387,841	0	0	1,387,841	0	0.0
HB 14-1326	412	0	0	412	0	0.0
HB 14-1350	226,454	50,000	176,454	0	0	0.0
HB 14-1360	53,560	0	0	53,560	0	0.0
HB 14-1367	33,990	0	0	33,990	0	0.0
Increase/(Decrease)	\$48,927,782	\$7,799,144	\$4,503,078	\$36,952,954	(\$327,394)	10.7
Percentage Change	20.7%	29.4%	12.1%	22.3%	(4.8%)	1.0%

Informational Funds: The FY 2014-15 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Governor – Lieutenant Governor – State Planning and Budgeting are annotated with the "(I)". For additional information, see Appendix J.

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2014-15 Appropriations containing an (I) notation	\$22,012,321	\$0	\$15,584,094	\$0	\$6,428,227

Detail of Appropriation by Administrative Section

Office of the Governor

As the chief executive of the State, the Governor is responsible for the overall operation of the executive branch of government. This office provides for coordination, direction, and planning of agency operations, as well as maintaining a liaison with local governments and the federal government. Offices within the Governor's Office include: the Colorado Energy Office, the Boards and Commissions Office, the Citizens' Advocate Office, and the Office of Policy and Initiatives. Approximately 15.7 percent of funds are from the General Fund for direct administration of the Governor's office and residence and for centrally appropriated items such as employee benefits and risk management. Cash funds, which reflect 27.5 percent of the appropriations to the Office, are from various sources, including severance tax revenue in the Colorado Energy Office and rental fees for use of the Governor's Mansion. The reappropriated funds, which account for 47.4 percent of the Office's appropriations, are from other divisions within the Department and indirect cost recoveries for services. Federal funds reflect 9.3 percent of this division's funding, and are related to miscellaneous programs, primarily in the Colorado Energy Office.

Office of the Governor						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$38,758,850	\$4,446,094	\$11,143,396	\$18,870,069	\$4,299,291	65.1
SB 13-276	300,000	0	300,000	0	0	0.0
SB 13-280	25,900	0	0	25,900	0	0.0
HB 14-1235	<u>584,139</u>	<u>584,139</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$39,668,889	\$5,030,233	\$11,443,396	\$18,895,969	\$4,299,291	65.1
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$39,668,889	\$5,030,233	\$11,443,396	\$18,895,969	\$4,299,291	65.1
Centrally appropriated line items	2,990,060	449,917	181,884	2,786,821	(428,562)	0.0
IT common policy adjustments	1,710,609	1,187,319	0	501,537	21,753	0.0
Disabled parking enforcement education	499,000	499,000	0	0	0	0.0
Indirect cost assessment	50,703	0	(29,890)	0	80,593	0.0
Legal services adjustment	40,587	40,587	0	0	0	0.0
Cyber crime initiative	18,550	0	0	18,550	0	0.0
Annualize prior year budget actions	(2,740,091)	(50,867)	(65,124)	(2,515,538)	(108,562)	0.0
Annualize prior year legislation	(952,522)	(634,139)	(300,000)	(18,383)	0	0.0
HB 14-1336	\$41,285,785	\$6,522,050	\$11,230,266	\$19,668,956	\$3,864,513	65.1
SB 14-215	<u>190,097</u>	<u>0</u>	<u>190,097</u>	<u>0</u>	<u>0</u>	<u>2.0</u>
TOTAL	\$41,475,882	\$6,522,050	\$11,420,363	\$19,668,956	\$3,864,513	67.1
Increase/(Decrease)	\$1,806,993	\$1,491,817	(\$23,033)	\$772,987	(\$434,778)	2.0
Percentage Change	4.6%	29.7%	(0.2%)	4.1%	(10.1%)	3.1%

FY 2013-14 Appropriation – Mid-year Adjustments

House Bill 14-1235 provides a supplemental appropriation of \$0.6 million General Fund for the expenses of the Cooke, et al. v. Hickenlooper court case. The case is a challenge to two bills passed during the 2013 legislative session, H.B. 13-1224 (Capacity Limitations on Ammunition Magazines) and H.B. 13-1229 (Background Checks Prior to the Transfer of a Firearm).

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: State contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental State contributions to the Public Employees' Retirement Association (PERA) pension fund; shift differential; vehicle lease payments; workers' compensation; legal services; payment to risk management and property funds; and Capitol complex leased space.

IT common policy adjustments: The appropriation includes adjustments to the payments made to the Governor's Office of Information Technology for the provision of information technology services.

Disabled parking enforcement education: The appropriation includes an increase of \$0.5 million General Fund to provide education and outreach to local government entities on the enforcement of disabled parking laws.

Indirect cost assessment: The appropriation includes an increase of \$50,703 total funds in the Division's indirect cost assessment.

Legal services adjustment: The appropriation includes an increase of \$40,587 General Fund for anticipated expenses of the Cooke, et al. v. Hickenlooper court case begun during FY 2013-14. The case is a challenge to two bills passed during the 2013 legislative session, H.B. 13-1224 (capacity limitations on ammunition magazines) and H.B. 13-1229 (Background Checks Prior to the Transfer of a Firearm).

Cyber-crime initiative: The appropriation includes an increase of \$18,550 reappropriated funds transferred from the Department of Public Safety for the centrally appropriated costs to create a Cyber Crime Task Force between the Colorado Bureau of Investigation (CBI), the Office of Prevention and Security, and OIT.

Annualize prior year budget actions: The appropriation includes a decrease of \$2.7 million total funds, including \$50,867 General Fund, due to various changes to reflect the out year impact of funding decisions included in the FY 2013-14 Long Bill, including the annualization of the FY 2013-14 salary survey and merit pay increases.

Annualize prior year legislation: The appropriation includes a reduction of \$1.0 million total funds, including \$0.6 million General Fund, for the second year impact of legislation. The primary change is due to the timing of the Cooke, et al. v. Hickenlooper court case, which required an appropriation of \$0.6 million General Fund for FY 2013-14 to coincide with trial preparation and the trial itself.

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

Office of the Lieutenant Governor

Colorado's Constitution provides for the Lieutenant Governor to become Governor in the case of the death, impeachment, felony conviction, incapacitation, or resignation of the Governor. The Lieutenant Governor serves as chairperson of the Colorado Commission of Indian Affairs, and handles additional responsibilities assigned by the Governor. Approximately 99.6 percent of the funding for the Office of the Lieutenant Governor is General Fund.

Office of the Lieutenant Governor						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	<u>\$302,194</u>	<u>\$301,010</u>	<u>\$1,184</u>	<u>\$0</u>	<u>\$0</u>	<u>5.0</u>
TOTAL	\$302,194	\$301,010	\$1,184	\$0	\$0	5.0

Office of the Lieutenant Governor						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$302,194	\$301,010	\$1,184	\$0	\$0	5.0
Annualize prior year budget actions	15,213	15,213	0	0	0	0.0
HB 14-1336	<u>\$317,407</u>	<u>\$316,223</u>	<u>\$1,184</u>	<u>\$0</u>	<u>\$0</u>	<u>5.0</u>
TOTAL	\$317,407	\$316,223	\$1,184	\$0	\$0	5.0
Increase/(Decrease)	\$15,213	\$15,213	\$0	\$0	\$0	0.0
Percentage Change	5.0%	5.1%	0.0%	n/a	n/a	0.0%

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Annualize prior year budget actions: The appropriation includes an increase of \$15,213 General Fund due to various changes to reflect the out year impact of funding decisions included in the FY 2013-14 Long Bill, including the annualization of the FY 2013-14 salary survey and merit pay.

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 Office is funded primarily with reappropriated funds from statewide indirect cost recoveries and General Fund moneys for special projects.

Office of State Planning and Budgeting						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$2,746,931	\$1,275,650	\$0	\$1,471,281	\$0	19.5
HB 14-1336	<u>100,000</u>	<u>100,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$2,846,931	\$1,375,650	\$0	\$1,471,281	\$0	19.5
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$2,846,931	\$1,375,650	\$0	\$1,471,281	\$0	19.5
Continuous improvement and planning program (Lean)	397,965	397,965	0	0	0	0.0
Annualize prior year budget actions	(1,307,878)	(1,356,318)	0	48,440	0	0.0
HB 14-1336	<u>\$1,937,018</u>	<u>\$417,297</u>	<u>\$0</u>	<u>\$1,519,721</u>	<u>\$0</u>	<u>19.5</u>
HB 14-1350	<u>226,454</u>	<u>50,000</u>	<u>176,454</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$2,163,472	\$467,297	\$176,454	\$1,519,721	\$0	19.5

Office of State Planning and Budgeting						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Increase/(Decrease)	(\$683,459)	(\$908,353)	\$176,454	\$48,440	\$0	0.0
Percentage Change	(24.0%)	(66.0%)	n/a	3.3%	n/a	0.0%

FY 2013-14 Appropriation – Mid-year Adjustments

House Bill 14-1336 provides an appropriation of \$0.1 million General Fund for a budgeting efficiency study.

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Continuous improvement and planning program (Lean): The appropriation includes an increase of \$0.4 million General Fund to continue the implementation of Lean operational process improvements in executive branch agencies.

Annualize prior year budget actions: The appropriation includes a number of changes to reflect the out year impact of funding included in the FY 2013-14 Long Bill, including the annualization of the FY 2013-14 salary survey and merit pay and the conclusion of a prior phase of the Office's continuous improvement program (Lean).

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

Economic Development Programs

The Office of Economic Development is the central coordination office for the state's business assistance, retention, expansion, and recruitment programs. The Office includes the Economic Development Commission, the Global Business Development Office, Small Business Development Centers, Colorado Welcome Centers, Colorado Tourism Office, Creative Industries Council, and the Colorado Office of Film, Television, and Media. The Office also coordinates programs related to advanced industries. The largest portion of the Office's funding is from cash funds, which receive statutory transfers from the Limited Gaming Fund. Reappropriated funds in the Office are from the Department of Regulatory Agencies and statewide indirect cost assessments. Federal funds in the Office are from various sources, including the National Endowment for the Arts.

Economic Development Programs						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$41,802,878	\$13,490,485	\$25,889,298	\$87,765	\$2,335,330	51.3
HB 13-1001	(2,463,016)	0	(2,463,016)	0	0	0.0
HB 13-1002	200,000	200,000	0	0	0	0.0
HB 13-1003	218,750	200,000	18,750	0	0	0.0
HB 13-1004	1,500,000	1,500,000	0	0	0	0.0

Economic Development Programs						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 13-1193	300,000	0	300,000	0	0	0.0
HB 13-1301	<u>215,000</u>	<u>215,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$41,773,612	\$15,605,485	\$23,745,032	\$87,765	\$2,335,330	51.3
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$41,773,612	\$15,605,485	\$23,745,032	\$87,765	\$2,335,330	51.3
Advanced industries increase	5,000,000	5,000,000	0	0	0	0.0
Film incentives increase	5,000,000	5,000,000	0	0	0	0.0
Annualize prior year legislation	3,063,600	(1,917,650)	4,981,250	0	0	0.0
Economic development incentives	2,986,236	2,986,236	0	0	0	0.0
Tourism promotion	2,000,000	2,000,000	0	0	0	0.0
Minority and Women Owned Business Office increase	400,000	400,000	0	0	0	1.8
Aerospace strategic plan implementation and champion	300,000	300,000	0	0	0	0.0
Procurement Technical Assistance Center increase	220,000	220,000	0	0	0	0.0
Economic Gardening Pilot Project	100,000	100,000	0	0	0	0.0
Indirect cost assessment	21,983	0	(29,900)	(813)	52,696	0.0
Annualize prior year budget actions	(5,797,788)	(5,854,860)	0	2,384	54,688	0.0
HB 14-1336	\$55,067,643	\$23,839,211	\$28,696,382	\$89,336	\$2,442,714	53.1
SB 14-166	86,600	86,600	0	0	0	0.0
SB 14-223	(1,000,000)	(1,000,000)	0	0	0	0.0
HB 14-1012	80,307	0	80,307	0	0	0.5
HB 14-1093	200,000	100,000	0	100,000	0	0.0
HB 14-1311	<u>106,283</u>	<u>106,283</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.5</u>
TOTAL	\$54,540,833	\$23,132,094	\$28,776,689	\$189,336	\$2,442,714	54.1
Increase/(Decrease)	\$12,767,221	\$7,526,609	\$5,031,657	\$101,571	\$107,384	2.8
Percentage Change	30.6%	48.2%	21.2%	115.7%	4.6%	5.5%

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Advanced industries increase: The appropriation includes an increase of \$5.0 million General Fund for the Advanced Industries Acceleration program to expand and improve these industries in the state.

Film incentives increase: The appropriation includes an increase of \$5.0 million General Fund for performance-based film incentives. The appropriation also includes a footnote providing the Office with authority to expend moneys appropriated for FY 2014-15 for the film incentives program through June 30, 2016.

Annualize prior year legislation: The appropriation includes an increase of \$3.1 million total funds, including a decrease of \$1.9 million General Fund, for the second year impact of legislation. The primary changes are due to the following:

- S.B. 11-047 (Advanced Industries Investment) provides an increase of \$5.0 million cash funds from State income tax withholdings from certain industries to support bioscience and clean technology; and
- H.B. 13-1004 (Colorado Careers Act) includes a decrease of \$1.5 million General Fund via the elimination of a one-time funding increase for the Colorado First customized job training program.

Economic development incentives: The appropriation includes an increase of \$3.0 million General Fund to maintain the prior-year level of funding for economic development incentives for companies relocating to Colorado or adding jobs in Colorado.

Tourism promotion: The appropriation includes an increase of \$2.0 million General Fund to maintain the prior-year level of funding to promote tourism in the state.

Minority and Women Owned Business Office increase: The appropriation includes an increase of \$0.4 million General Fund and 1.8 FTE to develop and implement a strategy for the Minority and Women Owned Business Office.

Aerospace strategic plan implementation and champion: The appropriation includes an increase of \$0.3 million General Fund to employ an aerospace champion and develop and implement related initiatives.

Procurement Technical Assistance Center increase: The appropriation includes an increase of \$0.2 million General Fund to provide funding to the Procurement Technical Assistance Program.

Economic Gardening Pilot Project: The appropriation includes an increase of \$0.1 million General Fund to continue the economic gardening pilot project implemented by the state's small business development centers.

Indirect cost assessment: The appropriation includes an increase of \$21,983 total funds in the Division's indirect cost assessment.

Annualize prior year budget actions: The appropriation includes a number of changes to reflect the out year impact of funding included in the FY 2013-14 Long Bill, including the annualization of the FY 2013-14 salary survey and merit pay and the conclusion of multiple one-time funding increases across the Office's programs.

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

Office of Information Technology

The Governor's Office of Information Technology (OIT) oversees executive department technology initiatives and recommends strategies to maximize service delivery efficiency in a cost-effective manner through the application of enterprise technology solutions. The Office provides services to State agencies on a cost reimbursement basis with OIT acting as a vendor to State agencies. Services offered by OIT to State agencies have a mixture of costs (e.g. personal services, benefits, operating expenses, and contract expenses) associated with the service delivery. The costs are allocated to agencies based on level of service consumed. OIT's FY

2014-15 budget consists of 97.2 percent reappropriated funds transferred from agencies for services provided by OIT.

Office of Information Technology						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$139,851,886	\$345,335	\$1,550,928	\$137,834,623	\$121,000	917.0
SB 13-004	4,588	0	0	4,588	0	0.0
SB 13-039	10,993	0	0	10,993	0	0.0
SB 13-060	2,972	0	0	2,972	0	0.0
SB 13-120	2,960	0	0	2,960	0	0.0
SB 13-180	7,104	0	0	7,104	0	0.0
SB 13-188	51,800	0	0	51,800	0	0.0
SB 13-224	2,972	0	0	2,972	0	0.0
SB 13-250	521,850	0	0	521,850	0	1.5
SB 13-251	35,774	0	0	35,774	0	0.0
HB 13-1031	108,000	0	0	108,000	0	0.0
HB 13-1071	604	0	0	604	0	0.0
HB 13-1079	99,673	99,673	0	0	0	1.5
HB 13-1110	68,212	0	0	68,212	0	0.0
HB 13-1111	5,180	0	0	5,180	0	0.0
HB 13-1119	7,800	0	0	7,800	0	0.0
HB 13-1135	31,672	0	0	31,672	0	0.0
HB 13-1240	26,714	0	0	26,714	0	0.0
HB 13-1271	529,800	0	0	529,800	0	0.0
HB 13-1317	88,500	0	0	88,500	0	0.0
SB 14-129	4,120	0	0	4,120	0	0.0
HB 14-1203	7,000,000	3,500,000	0	3,500,000	0	0.0
HB 14-1235	2,761,076	110,000	382,000	2,269,076	0	0.0
HB 14-1336	<u>200,000</u>	<u>200,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$151,424,250	\$4,255,008	\$1,932,928	\$145,115,314	\$121,000	920.0
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$151,424,250	\$4,255,008	\$1,932,928	\$145,115,314	\$121,000	920.0
CBMS modernization project, Phase II	40,159,304	0	0	40,159,304	0	0.0
Secure Colorado, Phase II	4,100,000	0	0	4,100,000	0	0.0
Service management ecosystem	3,455,000	0	0	3,455,000	0	0.0
Elimination of redundant applications	2,960,000	0	0	2,960,000	0	0.0
Public safety radio communications operating increase	1,116,397	0	0	1,116,397	0	0.0
Customer service technology true-up	715,468	0	0	715,468	0	0.0
Capitol Complex network resiliency	660,000	0	0	660,000	0	0.0

Office of Information Technology						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Broadband mapping program	428,866	428,866	0	0	0	0.0
Youth corrections educational opportunities	377,539	0	0	377,539	0	3.6
IT technical development	256,620	0	0	256,620	0	0.0
Cyber crime initiative	209,675	0	0	209,675	0	1.8
Benefits utilization services application	60,122	0	0	60,122	0	0.0
Indirect cost assessment	18,557	0	0	18,557	0	0.0
Centrally appropriated line items	3,878	0	0	3,878	0	0.0
Fund source adjustment	0	(100,908)	0	100,908	0	0.0
Annualize prior year legislation	(25,300,107)	(3,808,765)	(382,000)	(21,109,342)	0	0.5
Annualize prior year budget actions	(3,096,920)	(345,335)	(300,000)	(2,451,585)	0	0.0
HB 14-1336	\$177,548,649	\$428,866	\$1,250,928	\$175,747,855	\$121,000	925.9
SB 14-005	16,480	0	0	16,480	0	0.0
SB 14-012	13,764	0	0	13,764	0	0.0
SB 14-014	4,092	0	0	4,092	0	0.0
SB 14-030	824	0	0	824	0	0.0
SB 14-036	4,120	0	0	4,120	0	0.0
SB 14-041	4,120	0	0	4,120	0	0.0
SB 14-075	104,030	0	0	104,030	0	0.0
SB 14-087	43,260	0	0	43,260	0	0.0
SB 14-130	6,203	0	0	6,203	0	0.0
SB 14-166	85,000	0	0	85,000	0	0.0
SB 14-172	20,960	0	0	20,960	0	0.0
SB 14-194	6,077	0	0	6,077	0	0.0
HB 14-1029	4,120	0	0	4,120	0	0.0
HB 14-1034	4,120	0	0	4,120	0	0.0
HB 14-1066	6,592	0	0	6,592	0	0.0
HB 14-1100	97,850	0	0	97,850	0	0.0
HB 14-1203	7,000,000	3,500,000	0	3,500,000	0	0.0
HB 14-1317	1,387,841	0	0	1,387,841	0	0.0
HB 14-1326	412	0	0	412	0	0.0
HB 14-1360	53,560	0	0	53,560	0	0.0
HB 14-1367	<u>33,990</u>	<u>0</u>	<u>0</u>	<u>33,990</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$186,446,064	\$3,928,866	\$1,250,928	\$181,145,270	\$121,000	925.9
Increase/(Decrease)	\$35,021,814	(\$326,142)	(\$682,000)	\$36,029,956	\$0	5.9
Percentage Change	23.1%	(7.7%)	(35.3%)	24.8%	0.0%	0.6%

FY 2013-14 Appropriation – Mid-year Adjustments

Senate Bill 14-129 makes various changes to criminal penalties for offenses involving marijuana, and reappropriates \$4,120 from the Department of Revenue to OIT for computer programming changes; H.B. 14-1203 establishes a \$3.5 million annual appropriation beginning in FY 2013-14 from the General Fund to the Public Safety Communications Trust Fund (and further reappropriated to OIT) to replace legacy radio equipment and hardware at radio tower sites that are part of the Digital Trunked Radio System (DTRS); H.B. 14-1235 provides a supplemental appropriation of \$2.8 million total funds, including \$0.1 million General Fund, for various initiatives, primarily driven by a base operating increase for hardware and software support of the Colorado Benefits Management System (CBMS); and H.B. 14-1336 provides \$0.2 million General Fund to conduct a study of OIT's disaster recovery capabilities.

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

CBMS modernization project, Phase II: The appropriation includes an increase of \$40.2 million reappropriated funds transferred from the Departments of Health Care Policy and Financing and Human Services for the second phase of the Colorado Benefits Management System (CBMS) modernization project. The appropriation provides funding for a variety of ongoing operating expenses and new projects tailored to assist counties and the Departments of Health Care Policy and Financing and Human Services in administering public assistance programs.

Secure Colorado, Phase II: The appropriation includes an increase of \$4.1 million reappropriated funds for the second year of the State's three-year information security and risk management strategic plan implementation. This program supports the State's enterprise cyber security program and protects the State's collection of data. The moneys originate from fees charged to State agencies for services provided by OIT.

Service management ecosystem: The appropriation includes an increase of \$3.5 million reappropriated funds to purchase and implement tools that link together operational information created by OIT through its delivery of services to State agencies and the public. The moneys originate from fees charged to State agencies for services provided by OIT.

Elimination of redundant applications: The appropriation includes an increase of \$3.0 million reappropriated funds to consolidate or eliminate redundant information technology tools across all State executive branch agencies. The moneys originate from fees charged to State agencies for services provided by OIT.

Public safety radio communications operating increase: The appropriation includes an increase of \$1.1 million reappropriated funds to increase operating appropriations to address existing, ongoing infrastructure needs of the State-owned assets of the state's public safety radio communications network. The moneys originate from fees charged to State agencies for services provided by OIT.

Customer service technology true-up: The appropriation includes an increase of \$0.7 million reappropriated funds transferred from the Department of Health Care Policy and Financing to improve technology available to the Customer Contact Center for responding to client inquiries.

Capitol Complex network resiliency: The appropriation includes an increase of \$0.7 million reappropriated funds to upgrade and/or replace network infrastructure that is past its standard lifespan. The moneys originate from fees charged to State agencies for services provided by OIT.

Broadband mapping program: The appropriation includes an increase of \$0.4 million General Fund to map broadband availability throughout the state, develop statewide data standards for public safety, assist local governments to develop and implement regional broadband plans, and integrate broadband technologies throughout various State and local agencies.

Youth corrections educational opportunities: The appropriation includes an increase of \$0.4 million reappropriated funds transferred from the Department of Human Services and 3.6 FTE to upgrade and/or replace network infrastructure at the agency's Division of Youth Corrections' facilities.

IT technical development: The appropriation includes an increase of \$0.3 million reappropriated funds to provide training opportunities for OIT staff. The moneys originate from fees charged to State agencies for services provided by OIT.

Cyber crime initiative: The appropriation includes an increase of \$0.2 million reappropriated funds transferred from the Department of Public Safety and 1.8 FTE to create a Cyber Crime Task Force between the Colorado Bureau of Investigation (CBI), the Office of Prevention and Security, and OIT.

Benefits utilization services application: The appropriation includes an increase of \$60,122 reappropriated funds transferred from the Department of Health Care Policy and Financing to support the Benefits Utilization Services application (BUS) used to assess eligibility for long-term services and supports by documenting a Medicaid client's activity level and ongoing medical needs.

Indirect cost assessment: The appropriation includes an increase of \$18,557 total funds in the Division's indirect cost assessment.

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: legal services.

Fund source adjustment: The appropriation refinances an appropriation of \$0.1 million General Fund with \$0.1 million reappropriated funds for costs associated with the OIT's workload increase related to the creation of the Joint Technology Committee. The moneys originate from fees charged to State agencies for services provided by OIT.

Annualize prior year legislation: The appropriation includes adjustments related to prior year legislation. For this division, the annualization is primarily driven by the conclusion of the first phase of the CBMS modernization project begun via H.B. 12-1339.

Annualize prior year budget actions: The appropriation includes a number of changes to reflect the out year impact of funding included in the FY 2013-14 Long Bill, including the annualization of the FY 2013-14 salary survey and merit pay and the conclusion of multiple one-time funding increases related to projects in the areas of unemployment insurance, network transition, and behavioral health data collection.

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

Recent legislation

2013 Session Bills

S.B. 13-004 (Electronic Renewal Senior Identification Card): Allows the holder of a State issued identification card who is sixty-five years of age to renew by electronic means or mail for every renewal period, provided that the holder attests, under penalty of perjury, that he/she is lawfully present in the United States and a resident of Colorado. Reappropriates \$4,588 from the Department of Revenue to the Governor's Office of Information Technology for FY 2013-14 to modify the Department's Driver's License System. For more information on S.B. 13-004, please see the "Recent Legislation" section in the Department of Revenue section of this document.

S.B. 13-039 (Regulate Audiology Practice): Requires that audiologists be licensed by the Division of Professions and Occupations in the Department of Regulatory Agencies. Reappropriates \$10,993 from the Department of Regulatory Agencies to the Governor's Office of Information Technology for FY 2013-14 to make conforming changes to the licensing system for audiologists. For more information on S.B. 13-039, please see the "Recent Legislation" section in the Department of Regulatory Agencies section of this document.

S.B. 13-060 (Civil Air Patrol Motor Vehicle License Plate): Creates the Civil Air Patrol special license plate. Reappropriates \$2,972 from the Department of Revenue to the Governor's Office of Information Technology for FY 2013-14 to modify the Colorado State Titling and Registration System. For more information on S.B. 13-060, please see the "Recent Legislation" section in the Department of Revenue section of this document.

S.B. 13-120 (Navy SEAL Motor Vehicle License Plate): Creates the Navy SEAL special license plate. Reappropriates \$2,960 from the Department of Revenue to the Governor's Office of Information Technology for FY 2013-14 to modify the Colorado State Titling and Registration System. For more information on S.B. 13-120, please see the "Recent Legislation" section in the Department of Revenue section of this document.

S.B. 13-180 (Sunset Review Occupational Therapy Practice Act): Continues the regulation of occupational therapists in the Division of Professions and Occupations in the Department of Regulatory Agencies until September 1, 2018. Reappropriates \$7,104 from the Department of Regulatory Agencies to the Governor's Office of Information Technology for FY 2013-14 to create and administer a new license type for occupational therapist assistants, and to create systems for tracking continued competency requirements. For more information on S.B. 13-180, please see the "Recent Legislation" section in the Department of Regulatory Agencies section of this document.

S.B. 13-188 (Landowner Preference Wildlife Hunting License): Replaces the current landowner preference programs for allocating hunting licenses with a single program. Reappropriates \$51,800 from the Department of Natural Resources to the Governor's Office of Information Technology for FY 2013-14 to update the system that assists in electronically allocating hunting license vouchers for the landowner preference program. For more information on S.B. 13-188, please see the "Recent Legislation" section in the Department of Natural Resources section of this document.

S.B. 13-224 (Protect Our Rivers Motor Vehicle License Plate): Creates the Protect Our Rivers special license plate. Reappropriates \$2,972 from the Department of Revenue to the Governor's Office of Information Technology for FY 2013-14 to modify the Colorado State Titling and Registration System. For more

information on S.B. 13-224, please see the "Recent Legislation" section in the Department of Revenue section of this document.

S.B. 13-230 (Long Bill): General appropriations act for FY 2013-14.

S.B. 13-250 (Drug Sentencing Changes): Makes a number of changes to current law concerning the sentencing of individuals convicted of drug-related offenses. Reappropriates \$0.5 million and 1.5 FTE from the Department of Corrections to the Governor's Office of Information Technology for FY 2013-14 to modify a large number of Department computer programs, applications, and databases impacted by the sentencing changes. For more information on S.B. 13-250, please see the "Recent Legislation" section in the Department of Corrections section of this document.

S.B. 13-251 (Driver's License & Identification Documentation): Allows the State to issue a driver's license, minor driver's license, instruction permit or State identification card to a non-resident who cannot furnish proof of lawful presence in the United States, upon presenting the documents required for issuance. Reappropriates \$35,774 from the Department of Revenue to the Governor's Office of Information Technology for FY 2013-14 to change the existing related tables, pass new data to Morpho Trust, and track sworn statements and tax returns. For more information on S.B. 13-251, please see the "Recent Legislation" section in the Department of Revenue section of this document.

S.B. 13-276 (Disability Investigational And Pilot Support Fund): Directs the Disability-Benefit Support Contract Committee to make grants and loans to study or pilot programs in support of persons with disabilities or to the License Plate Auction Group. Establishes cash funds spending authority up to \$0.3 million in the Governor's Office to facilitate the auction of uniquely valuable license plate numbers. For more information on S.B. 13-280, please see the "Recent Legislation" section in the Department of Personnel section of this document.

S.B. 13-280 (Title Off-highway Vehicles): Requires off-highway vehicles to be titled in the same manner as motor vehicles except under statutory provisions that apply to salvage vehicles and assume the vehicle will be registered with the Department of Revenue. Reappropriates \$25,900 from the Department of Revenue to the Governor's Office of Information Technology for FY 2013-14 to modify the Colorado State Titling and Registration System. For more information on S.B. 13-280, please see the "Recent Legislation" section in the Department of Revenue section of this document.

H.B. 13-1001 (Advanced Industries Acceleration Act): Creates the Advanced Industries Acceleration (AIA) grant program in the Office of Economic Development and International Trade to distribute funding to a variety of advanced manufacturing, aerospace, bioscience, and energy and natural resources industries. Additionally, the bill states that:

- In accordance with S.B. 13-133 (Distribution Of State Share Of Ltd Gaming Revenues), for the 2012-13 and 2013-14 fiscal years, the Bioscience Discovery Evaluation Cash Fund will receive a transfer of \$5,500,000 from the Limited Gaming Fund;
- For FY 2014-15, and each fiscal year thereafter, the transfer of \$5,500,000 from the Limited Gaming Fund to the Bioscience Discovery Evaluation Cash Fund is eliminated and replaced by a transfer to the Advanced Industries Acceleration Cash Fund of the same amount;
- The balance of the Bioscience Discovery Evaluation Cash Fund is transferred to the Advanced Industries Acceleration Cash Fund on January 1, 2015 (approximately \$2.8 million);

- An amount equal to one half of the amount credited to the Advanced Industries Acceleration Cash Fund pursuant to Section 39-22-604.3, C.R.S. (enacted via S.B. 11-047, and estimated to be \$1,231,508) on March 1, 2014, and March 1 of each year thereafter, will be used for program grants to clean technology companies or projects;
- In calendar year 2015, and each calendar year thereafter, the Office shall award \$5,500,000 for grants to bioscience projects;
- The Office may use any excess moneys not required to be expended for bioscience or clean technology grants for grants to any of the seven advanced industries; and
- The Office shall award at least 15.0 percent of total program grants in a calendar year to each of the three grant types (proof-of-concept, early-stage capital and retention, and infrastructure funding). If the Office is unable to award this percentage in a given year due to a lack of qualified applicants, the deficiency does not roll forward to the next year.

H.B. 13-1002 (Small Business Development Centers Appropriations): Provides \$0.2 million General Fund for FY 2013-14 to the Office of Economic Development and International Trade to enhance activities conducted by the state's Small Business Development Centers.

H.B. 13-1003 (Economic Gardening Pilot Project Office Econ Dev): Provides \$0.2 million total funds for FY 2013-14 to the Office of Economic Development and International Trade to create an economic gardening pilot project program aimed at creating jobs by supporting existing companies in a community.

H.B. 13-1004 (Colorado Careers Act Of 2013): Provides \$1.5 million General for FY 2013-14, which is then reappropriated to the Department of Higher Education, for the Colorado First Customized Job Training Program. The goal of the Program, jointly administered by the Office of Economic Development and International Trade and the Colorado community college system, is to provide job-training grants to companies that are locating or expanding in Colorado.

H.B. 13-1031 (All-hazards Resource Mobilization & Reimbursement): The Office of Emergency Management in the Department of Public Safety must prepare a statewide system for mobilizing emergency response resources from multiple jurisdictions in anticipation of large-scale emergencies. This bill, recommended by the Lower North Fork Wildfire Commission, requires the director of the Office to develop and maintain specific procedures for mobilization, allocation, tracking, demobilization, reimbursement, and other functions within that system. Reappropriates \$108,000 from the Department of Public Safety to the Governor's Office of Information Technology for FY 2013-14 to upgrade its resource and tracking technology. For more information on H.B. 13-1031, please see the "Recent Legislation" section in the Department of Public Safety section of this document.

H.B. 13-1071 (Register Collector's Motor Vehicles): Specifies that a vehicle whose model year is more than 32 years old is eligible to be registered as a "collector's" vehicle. A vehicle so registered must pass an emissions test within 12 months after registration, if the vehicle is within the enhanced emissions program area. Reappropriates \$604 from the Department of Revenue to the Governor's Office of Information Technology for FY 2013-14 to modify the Colorado State Tilting and Registration System. For more information on H.B. 13-1071, please see the "Recent Legislation" section in the Department of Revenue section of this document.

H.B. 13-1079 (Creation Of The Joint Technology Committee): Creates the Joint Technology Committee to oversee State agencies, projects, and issues related to information technology. Provides \$0.1 million General Fund and 1.5 FTE to the Governor's Office of Information Technology for FY 2013-14 to respond to requests

from the Committee for date, reports, or information pertaining to the purchase or implementation of information technology from a State agency under the purview of the Office.

H.B. 13-1110 (Special Fuel Tax & Electric Vehicle Fee): Alters fees for vehicles propelled by compressed natural gas (CNG), liquefied petroleum gas (LPG), and liquefied natural gas (LNG) from an annual license fee based on the weight of the vehicle to a reduced special fuels tax levied on a gallon of gasoline equivalent when the fuel is purchased; assesses a \$10 fee on each truckload (defined as 8,000 gallons of gasoline equivalent) of CNG, LPG, or LNG; and requires a plug-in electric vehicle to pay an annual license fee of \$50. Reappropriates \$68,212 from the Department of Revenue to the Governor's Office of Information Technology for FY 2013-14 to modify the Colorado State Tilting and Registration System. For more information on H.B. 13-1110, please see the "Recent Legislation" section in the Department of Revenue section of this document.

H.B. 13-1111 (Regulate Naturopathic Doctors): Creates a registration program for naturopathic doctors in the Division of Professions and Occupations in the Department of Regulatory Agencies, and creates the seven-member Naturopathic Medicine Advisory Committee to advise the director of the division in the regulation of naturopathic doctors. Reappropriates \$5,180 from the Department of Regulatory Agencies to the Governor's Office of Information Technology for FY 2013-14 to create and administer the new registration type and to create systems for tracking continued competency requirements. For more information on H.B. 13-1111, please see the "Recent Legislation" section in the Department of Regulatory Agencies section of this document.

H.B. 13-1119 (Veteran's Identification Card And Driver's License): Allows a U.S. military veteran to obtain a driver's license or identification card that identifies the holder as a veteran. Reappropriates \$7,800 from the Department of Revenue to the Governor's Office of Information Technology for FY 2013-14 for programming changes to allow for printing the veteran's identifier on both types of cards. For more information on H.B. 13-1119, please see the "Recent Legislation" section in the Department of Revenue section of this document.

H.B. 13-1135 (Voter Preregistration At Age 16): Allows a person who has turned 16 years of age, who will not be 18 years of age by the date of the next election, to preregister to vote. Reappropriates \$31,672 from the Department of Revenue to the Governor's Office of Information Technology for FY 2013-14 for contract programming changes to the licensing and voting modules in the Driver's License System. For more information on H.B. 13-1135, please see the "Recent Legislation" section in the Department of Revenue section of this document.

H.B. 13-1193 (Advanced Industries Export Acceleration Program): Creates the Advanced Industries Export Acceleration Program in the Office of Economic Development and International Trade to provide training, access to consulting services, and expense reimbursements for eligible companies for the purpose of increasing international exports from advanced industries in Colorado. Transfers \$0.3 million General Fund to the Advanced Industry Export Acceleration Fund on January 1, 2014 and each year thereafter for four additional years and appropriates \$300,000 cash funds from the Advanced Industry Export Acceleration Fund to the Office for FY 2013-14.

H.B. 13-1240 (Penalties For Persistent Drunk Drivers): Modifies the definition and penalties for persistent drunk drivers. Reappropriates \$26,714 from the Department of Revenue to the Governor's Office of Information Technology for FY 2013-14 to reprogram and change existing forms to incorporate new time frames for drunk driving offenses. For more information on H.B. 13-1240, please see the "Recent Legislation" section in the Department of Revenue section of this document.

H.B. 13-1271 (Child Abuse Reporting Hotline & Child Welfare Rules): Requires the Department of Human Services to establish a steering committee to develop an implementation plan for a statewide child abuse reporting hotline. Reappropriates \$529,800 from the Department of Human Services to the Governor's Office of Information Technology for FY 2013-14 to modify the child welfare computer system (TRAILS) to allow it to work with a centralized hotline. For more information on H.B. 13-1271, please see the "Recent Legislation" section in the Department of Human Services section of this document.

H.B. 13-1301 (Procurement Technical Assistance Centers): Creates the Procurement Technical Assistance Task Force to discuss and determine the future of structure and oversight of procurement technical assistance centers in Colorado. Appropriates \$0.2 million General Fund to the Office of Economic Development and International Trade to provide administrative support to the Task Force and to award a grant to an organization tasked with leading the discussions.

H.B. 13-1317 (Implement Amendment 64 Majority Recommendation): Establishes the regulatory framework to implement Amendment 64, which legalizes the possession of small amounts of marijuana. Reappropriates \$88,500 from the Department of Revenue to the Governor's Office of Information Technology for FY 2013-14 to make changes to systems supporting the Department of Revenue's Marijuana Enforcement Division and the Department of Public Health and Environment's laboratory services for chemistry and microbiology. For more information on H.B. 13-1317, please see the "Recent Legislation" section in the Department of Revenue section of this document.

2014 Session Bills

S.B. 14-005 (Wage Protection Act): Authorizes the Department of Labor and Employment to establish an administrative process to handle wage claim cases received and requires the division to investigate and adjudicate all wage claim cases up to \$7,500 per employee. Reappropriates \$16,480 from the Department of Labor and Employment to the Governor's Office of Information Technology for FY 2014-15 to make programming changes. For more information on S.B. 14-005, please see the "Recent Legislation" section in the Department of Labor and Employment section of this document.

S.B. 14-012 (Aid To The Needy Disabled Program): Requires the Department of Human Services to increase the monthly benefit amount for Aid to the Needy and Disabled program by 8.0 percent in FY 2014-15. From FY 2015-16 to FY 2018-19, subject to available appropriations, the Department is encouraged to increase the monthly award until it is equal to the award level in FY 2006-07, and then to increase the award to account for cost of living in future years. Reappropriates \$13,764 from the Department of Human Services to the Governor's Office of Information Technology for FY 2014-15 to make changes to the Colorado Benefits Management System (CBMS). For more information on S.B. 14-012, please see the "Recent Legislation" section in the Department of Human Services section of this document.

S.B. 14-014 (Prop Tax Rent Heat Fuel Grants For Low-income): Makes changes to the Property Tax, Rent, and Heat Rebate Program to increase the maximum property tax and rent rebate for income-eligible claimants, establish a flat rate rebate for both the property tax and rent rebate and the heat rebate in an expanded range of income eligibility, and implement various recommendations of the August 2013 legislative audit of the program. Reappropriates \$4,092 from the Department of Human Services to the Governor's Office of Information Technology for FY 2014-15 to make changes to the Colorado Benefits Management System (CBMS). For more information on S.B. 14-014, please see the "Recent Legislation" section in the Department of Revenue section of this document.

S.B. 14-030 (Distinguished Flying Cross License Plate Waive Fee): Eliminates all fees for one set of Distinguished Flying Cross license plates, if the cross was awarded for valor. Reappropriates \$824 from the Department of Revenue to the Governor's Office of Information Technology for FY 2014-15 to make changes to the Colorado State Titling and Registration System. For more information on S.B. 14-036, please see the "Recent Legislation" section in the Department of Revenue section of this document.

S.B. 14-036 (Emergency Medical Services License Plate): Creates the Emergency Medical Services special license plate. The license plate will be available to an applicant who provides documentation to the Department of Revenue confirming that he or she has donated \$10 to the Emergency Medical Services Association of Colorado. Reappropriates \$4,120 from the Department of Revenue to the Governor's Office of Information Technology for FY 2014-15 to make changes to the Colorado State Titling and Registration System. For more information on S.B. 14-036, please see the "Recent Legislation" section in the Department of Revenue section of this document.

S.B. 14-041 (USS Colorado Submarine Special License Plate): Creates the USS Colorado special license plate. The plate will indicate that the owner is a supporter of the USS Colorado submarine, and will be available on January 1, 2015. Reappropriates \$4,120 from the Department of Revenue to the Governor's Office of Information Technology for FY 2014-15 to make changes to the Colorado State Titling and Registration System. For more information on S.B. 14-041, please see the "Recent Legislation" section in the Department of Revenue section of this document.

S.B. 14-075 (Deployed Military Motor Vehicle Fee & Taxes): Exempts members of the United States armed forces who are Colorado residents and deployed outside of the United States for a full year from paying certain motor vehicle registration fees. Reappropriates \$104,030 from the Department of Revenue to the Governor's Office of Information Technology for FY 2014-15 to make changes to the Colorado State Titling and Registration System and the GenTax system. For more information on S.B. 14-075, please see the "Recent Legislation" section in the Department of Revenue section of this document.

S.B. 14-087 (Identification Card Issuance Standards): Requires the Department of Revenue to report to the Transportation Legislation Review Committee of the General Assembly each year regarding the effectiveness of exceptions processing for identification cards for individuals who are lawfully present in the United States but may have difficulty with certain documentary evidence. Reappropriates \$43,260 from the Department of Revenue to the Governor's Office of Information Technology for FY 2014-15 to make changes to the Driver's License System. For more information on S.B. 14-087, please see the "Recent Legislation" section in the Department of Revenue section of this document.

S.B. 14-129 (Marijuana Criminal Provision Clean Up): Makes various changes to criminal penalties for offenses involving marijuana, and reappropriates \$4,120 from the Department of Revenue to the Governor's Office of Information Technology for FY 2013-14 for computer programming changes. For more information on S.B. 14-129, please see the "Recent Legislation" section in the Department of Revenue section of this document.

S.B. 14-130 (Increase Personal Care Allowance Nursing Facility): Raises the per month basic minimum amount that State licensed nursing facilities and intermediate care facilities allow a long-term care resident as a personal needs allowance. Reappropriates \$6,203 from the Department of Human Services to the Governor's Office of Information Technology for FY 2014-15 for changes to the Colorado Benefits Management System

(CBMS). For more information on S.B. 14-130, please see the "Recent Legislation" section in the Department of Human Services section of this document.

S.B. 14-166 (Create By Colorado App To Promote Businesses In CO): Requires the Office of Economic Development and International Trade to contract for the creation of the By Colorado App, mobile application software that allows a user to search for goods and services offered by businesses that are located, owned, or headquartered in, or conduct manufacturing in the state. Appropriates \$86,600 General Fund to the Office of Economic Development and International Trade for FY 2014-15 to contract for the creation of the mobile application. Reappropriates \$85,000 of this amount to the Governor's Office of Information Technology to procure the services to develop the mobile application.

S.B. 14-172 (Firefighter Heart Circulatory Malfunction Benefits): Requires any municipality, special district, fire authority, or county improvement district employing one or more firefighters to provide benefits for heart and circulatory malfunctions for full-time firefighters, as long as the State provides sufficient funding to cover the cost. Reappropriates \$20,960 from the Department of Local Affairs to the Governor's Office of Information Technology for FY 2014-15 for programming services. For more information on S.B. 14-172, please see the "Recent Legislation" section in the Department of Local Affairs section of this document.

S.B. 14-194 (Driver's License Fee Allocations): Modifies the statutory provisions associated with the collection and processing of fees for the issuance of driver's licenses. Reappropriates \$6,077 from the Department of Revenue to the Governor's Office of Information Technology for FY 2014-15 to make changes to the Driver's License System to allow county clerks to retain the adjusted amount of a driver's license fee. For more information on S.B. 14-194, please see the "Recent Legislation" section in the Department of Revenue section of this document.

S.B. 14-215 (Disposition Of Legal Marijuana Related Revenue): Creates the Marijuana Tax Cash Fund for tax revenue collected in connection with the retail marijuana industry. The taxes include the excise tax revenue on wholesale marijuana in excess of \$40.0 million per year, the 10.0 percent sales tax revenue less 15.0 percent to local government, and sales tax revenue from the 2.9 percent State sales tax on both retail and medical marijuana. Appropriates \$190,097 from the Marijuana Tax Cash Fund and 2.0 FTE to the Office of the Governor for the creation of the Office of Marijuana Coordination. For more information on S.B. 14-215, please see the "Recent Legislation" section in the Department of Revenue section of this document.

S.B. 14-223 (Payment Claims Lower North Fork Wildfire): Amends the Colorado Governmental Immunity Act to include specific provisions governing the settlement of outstanding claims relating to the Lower North Fork Wildfire. Reduces \$1.0 million General Fund for economic development incentives in the Office of Economic Development and International Trade for FY 2014-15 to cover the costs associated with S.B. 14-223. The bill also includes a provision whereby the reduction in funds for the Office for economic development incentives will be replenished in a like amount if the State's General Fund revenues for FY 2013-14 are greater than obligations. For more information on S.B. 14-223, please see the "Recent Legislation" section in the Department of Personnel section of this document.

H.B. 14-1012 (Advanced Industry Investment Income Tax Credit): Repeals the Colorado Innovation Investment Income Tax Credit and replaces it with the Advanced Industry Investment Income Tax Credit. The total amount of the tax credit shall not exceed \$375,000 for the 2014 calendar year and \$750,000 for each of the 2015, 2016, and 2017 calendar years. Appropriates \$80,307 from the Advanced Industry Investment Tax Credit Cash Fund and 0.5 FTE to the Office of Economic Development and International Trade for FY 2014-15 to implement and administer the tax credit.

H.B. 14-1029 (Disabled Parking License Plates Placards): Repeals and reenacts the laws governing reserved parking for persons with disabilities, and makes clarifying changes to the program. Reappropriates \$4,120 from the Department of Revenue to the Governor's Office of Information Technology for FY 2014-15 to make changes to the Colorado State Titling and Registration System to update registration and title modules. For more information on H.B. 14-1029, please see the "Recent Legislation" section in the Department of Revenue section of this document.

H.B. 14-1034 (Wine Packaging Permits): Creates a wine packaging permit to be issued by the Department of Revenue that allows a licensed winery to package wine manufactured by another winery. Reappropriates \$4,102 from the Department of Revenue to the Governor's Office of Information Technology for FY 2014-15 to make programming changes to the licensing system. For more information on H.B. 14-1034, please see the "Recent Legislation" section in the Department of Revenue section of this document.

H.B. 14-1066 (County Clerk And Recorder Driver's License Fee): Adjusts the amount of a driver's license fee that may be retained by a county clerk when issuing a driver's license. Reappropriates \$6,592 from the Department of Revenue to the Governor's Office of Information Technology for FY 2014-15 to make changes to the Driver's License System to allow county clerks to retain the adjusted amount of a driver's license fee. For more information on H.B. 14-1066, please see the "Recent Legislation" section in the Department of Revenue section of this document.

H.B. 14-1093 (Establish Creative District Community Loan Fund): Creates the Creative District Community Loan Fund in the Office of Economic Development and International Trade. Loans or loan guarantees are made for projects in State-certified creative districts or candidate districts, administered by the Creative Industries Division the Office. Loans are available to fund the development and construction of commercial and mixed-use real estate projects, community facilities, and infrastructure. Loans from the fund must be accompanied by matching funds of at least three times the amount of the loan, including in-kind contributions of property. Appropriates \$100,000 General Fund to the Creative District Community Loan Fund for FY 2014-15 and reappropriates a like amount to the Office for FY 2014-15 for loans and loan guarantees, as well as for the administration of the program.

H.B. 14-1100 (Motor Vehicle Title Branding): Requires that branding be placed on the certificate of title of a motor vehicle in instances where the vehicle is non-repairable, flood-damaged, has had the odometer tampered with, has an incorrect odometer, or has a designation placed on the title by another jurisdiction. Reappropriates \$97,850 from the Department of Revenue to the Governor's Office of Information Technology for FY 2014-15 to make changes to the Colorado State Titling and Registration System to capture and retain title brand information and to print the brand information on the title. For more information on H.B. 14-1100, please see the "Recent Legislation" section in the Department of Revenue section of this document.

H.B. 14-1203 (Funding For Digital Trunked Radio System Maintenance): Establishes a \$3.5 million annual appropriation beginning in FY 2013-14 and continuing for 12 years from the General Fund or any other designated fund to replace legacy radio equipment and hardware at radio tower sites that are part of the Digital Trunked Radio System (DTRS). In addition, beginning in FY 2017-18 and continuing for eight years, the bill establishes an annual appropriation of \$3.7 million from the General Fund or any other designated fund to upgrade and maintain software used to operate the DTRS. The General Assembly shall annually determine the amount to be appropriated from the General Fund or any other designated fund source. Appropriates \$3.5 million from the General Fund to the Public Safety Communications Trust Fund for FY 2013-14 and FY 2014-

15 and reappropriates a like amount to the Governor's Office of Information Technology for FY 2013-14 and FY 2014-15.

H.B. 14-1311 (Job Creation & Main Street Revitalization Act): Creates an income tax credit for a property owner that completes a qualified rehabilitation project on a historical property. Appropriates \$106,283 General Fund and 0.5 FTE to the Office of Economic Development and International Trade for a program manager to partner with the Historical Society and the Department of Revenue to assist in developing the criteria, processes, and procedures for determining eligibility for the income tax credit. In addition, the Office will incur other operating expenses such as hiring a consultant to facilitate the development of the program. The Office will also require programming changes to its Salesforce computer program.

H.B. 14-1317 (Colorado Child Care Assistance Program Changes): Makes various changes to the Colorado Child Care Assistance Program (CCCAP) administered by the Department of Human Services. Reappropriates \$1,387,841 from the Department of Human Services to the Governor's Office of Information Technology for FY 2014-15 to make programming changes to the Colorado Benefits Management System (CBMS), Child Care Automated Tracking System (CHATS), and Automated Child Support Enforcement System (ACSES). For more information on H.B. 14-1317, please see the "Recent Legislation" section in the Department of Human Services section of this document.

H.B. 14-1326 (Tax Incentives For Alternative Fuel Trucks): Makes changes to areas of tax policy affecting low-emission and alternative fuel vehicles. Reappropriates \$412 from the Department of Revenue to the Governor's Office of Information Technology for FY 2014-15 to make changes to the Colorado State Titling and Registration System for the taxable value of Class A and Class B vehicles. For more information on H.B. 14-1326, please see the "Recent Legislation" section in the Department of Revenue section of this document.

H.B. 14-1336 (Long Bill): General appropriations act for FY 2014-15.

H.B. 14-1350 (Modifications To Regional Tourism Act): Changes the application process for Regional Tourism Act projects, and limits the amount of State sales tax increment financing that can be approved for each future project. Provides the Office of State Planning and Budgeting with \$176,454 cash funds spending authority for FY 2014-15 to contract with a third party to conduct an economic analysis of regional tourism projects. Appropriates \$50,000 General Fund to the Office for additional analytical work related to regional tourism projects.

H.B. 14-1360 (Sunset Review Licensure Of Home Care Agencies): Continues the regulation of home care agencies and home care placement agencies until September 1, 2019, and implements the recommendations contained in the Department of Regulatory Agencies' sunset report. Reappropriates \$53,560 from the Department of Public Health and Environment to the Governor's Office of Information Technology for FY 2014-15 to make programming modifications to the licensing system and the survey and inspection tracking system. For more information on H.B. 14-1360, please see the "Recent Legislation" section in the Department of Public Health and Environment section of this document.

H.B. 14-1367 (Autocycles, Motorcycles, & Motor Vehicles): Defines "autocycle" and removes this type of vehicle from classification and regulation as a motorcycle. Reappropriates \$33,990 from the Department of Revenue to the Governor's Office of Information Technology for FY 2014-15 to make changes to the Colorado State Titling and Registration System to create a new "autocycle" license plate type, to allow for autocycle registration, and to collect and distribute fees. For more information on H.B. 14-1367, please see the "Recent Legislation" section in the Department of Revenue section of this document.

Department Details

DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

FY 2013-14 and FY 2014-15 Appropriations by Division and Bill

Department of Health Care Policy and Financing						
	Total Funds	General Fund ¹	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Total Appropriation:	\$6,657,129,133	\$2,067,258,413	\$986,463,698	\$10,483,522	\$3,592,923,500	358.3
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	191,983,582	44,181,384	22,653,527	5,035,980	120,112,691	358.1
Medical Services Premiums	4,841,883,205	1,539,643,309	655,296,441	2,936,892	2,644,006,563	0.0
Behavioral Health Community Programs	404,043,643	153,359,416	11,020,649	0	239,663,578	0.0
Office of Community Living	9,303,246	4,500,000	4,548,160	0	255,086	0.2
Indigent Care Program	557,463,936	24,350,888	255,272,015	0	277,841,033	0.0
Other Medical Services	176,027,445	69,938,491	35,431,339	2,491,722	68,165,893	0.0
Department of Human Services Medicaid-Funded Programs	476,424,076	231,284,925	2,241,567	18,928	242,878,656	0.0
<u>Breakdown of Total Appropriation by Bill</u>						
SB 13-230	6,195,287,695	2,071,307,480	1,029,835,723	8,483,522	3,085,660,970	337.9
SB 13-166	100,000	100,000	0	0	0	0.0
SB 13-167	2,155,054	(1,018,559)	2,096,086	0	1,077,527	0.9
SB 13-200	315,141,256	(123,209)	(154,578,421)	0	469,842,886	19.0
SB 13-232	0	(2,000,000)	0	2,000,000	0	0.0
SB 13-242	33,858,405	(738,262)	11,244,171	0	23,352,496	1.3
SB 13-264	1,000,000	500,000	0	0	500,000	0.0
SB 13-276	(163,649)	0	(80,953)	0	(82,696)	(1.0)
HB 13-1117	0	0	0	0	0	0.0
HB 13-1152	(9,735,708)	(4,867,854)	0	0	(4,867,854)	0.0
HB 13-1314	0	0	0	0	0	0.0
HB 14-1236	39,975,365	(488,469)	68,023,135	0	(27,559,301)	0.0
HB 14-1252	(14,344,285)	(7,275,604)	4,500,000	0	(11,568,681)	0.2
HB 14-1336	93,855,000	11,862,890	25,423,957	0	56,568,153	0.0

Department of Health Care Policy and Financing						
	Total Funds	General Fund ¹	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Total Appropriation:	\$7,876,855,463	\$2,264,471,263	\$952,277,490	\$7,782,578	\$4,652,324,132	390.9
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	233,593,745	52,679,014	24,922,139	5,271,928	150,720,664	360.4
Medical Services Premiums	5,724,517,770	1,608,812,454	623,063,368	0	3,492,641,948	0.0
Behavioral Health Community Programs	557,158,663	176,454,409	4,534,586	0	376,169,668	0.0
Office of Community Living	484,685,929	230,582,978	33,670,673	0	220,432,278	30.5
Indigent Care Program	563,082,546	31,938,108	231,189,651	0	299,954,787	0.0
Other Medical Services	174,273,027	103,657,959	31,424,455	2,491,722	36,698,891	0.0
Department of Human Services Medicaid-Funded Programs	139,543,783	60,346,341	3,472,618	18,928	75,705,896	0.0
<u>Breakdown of Total Appropriation by Bill</u>						
HB 14-1336	7,855,593,433	2,259,525,686	946,748,434	7,782,578	4,641,536,735	389.1
SB 14-012	4,697	2,301	41	0	2,355	0.0
SB 14-014	1,397	684	13	0	700	0.0
SB 14-130	1,081,934	530,056	9	0	551,869	0.0
SB 14-144	75,000	0	0	0	75,000	0.0
SB 14-151	165,000	0	165,000	0	0	0.0
SB 14-159	128,688	128,688	0	0	0	0.0
SB 14-180	55,000	55,000	0	0	0	0.8
SB 14-215	6,363,807	4,000,000	0	0	2,363,807	0.0
HB 14-1045	7,006,802	0	2,424,016	0	4,582,786	1.0
HB 14-1211	51,133	16,533	0	0	34,600	0.0
HB 14-1213	129,831	44,519	0	0	85,312	0.0
HB 14-1317	44,529	21,813	391	0	22,325	0.0
HB 14-1357	297,985	145,983	0	0	152,002	0.0
HB 14-1360	110,000	0	110,000	0	0	0.0
HB 14-1368	5,746,227	0	2,829,586	0	2,916,641	0.0
Increase/(Decrease)	\$1,219,726,330	\$197,212,850	(\$34,186,208)	(\$2,700,944)	\$1,059,400,632	32.6
Percentage Change	18.3%	9.5%	(3.5%)	(25.8%)	29.5%	9.1%

¹ Includes \$438,300 in FY 2013-14 and \$423,600 in FY 2014-15 that is not subject to the statutory limitation on General Fund appropriations imposed by Section 24-75-201.1, C.R.S.

General Fund Exempt: Amounts in the General Fund column include appropriations from both the General Fund and General Fund Exempt Account. The General Fund Exempt Account was created by Referendum C, passed by Colorado voters in November 2005. Referendum C allowed the State to retain for FY 2005-06 through FY 2009-10 all revenue collected in excess of the TABOR limit and for FY 2010-11 and subsequent fiscal years all revenues in excess of the TABOR limit but less than the excess state revenues cap. The retained revenue must be placed in the General Fund Exempt Account. The table below shows the amount appropriated from the General Fund Exempt Account for FY 2013-14 and FY 2014-15 for the purposes of funding health

care for Colorado's elderly, low-income, and disabled populations pursuant to Sections 24-77-103.6 (2) (a) and 24-77-104.5 (2) (a) (I), C.R.S.

General Fund Summary	Total General Fund	General Fund	General Fund Exempt
FY 2013-14	\$2,067,258,413	\$1,424,584,156	\$642,674,257
FY 2014-15	\$2,264,471,263	\$1,553,211,706	\$711,259,557

In addition to Referendum C revenue, the General Fund Exempt amount for the Department of Health Care Policy and Financing includes money from Amendment 35 to the Colorado Constitution, passed by Colorado voters in November 2004. Amendment 35 requires that 3.0 percent of the new tobacco tax be appropriated to the General Fund and the Old Age Pension Fund and be distributed to counties and cities. Because Amendment 35 moneys are exempt from the TABOR limit, the General Fund appropriations of these moneys are General Fund Exempt. Pursuant to Section 24-22-117 (1) (c) (I) (B.5), C.R.S., beginning in FY 2011-12, 50.0 percent of the tobacco tax revenues appropriated to the General Fund must be appropriated for the Children's Basic Health Plan.

Informational Funds: The FY 2014-15 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Health Care Policy and Financing are annotated with the "(I)". For additional information, see Appendix J.

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2014-15 Appropriations containing an (I) notation	\$269,606,906	\$0	\$40,802,357	\$0	\$228,804,549

Detail of Appropriation by Administrative Section

Executive Director's Office

This appropriation for the Executive Director's Office contains the administrative funding for the Department, including the Department's personnel, operation of the Medicaid Management Information System, utilization reviews, provider audits, eligibility determinations, contract research and analysis, and customer services. The fund sources for this division include the General Fund, federal funds received for the Medicaid and Children's Basic Health Plan programs, the Health Care Expansion Fund, the Children's Basic Health Plan Trust Fund, the Hospital Provider Fee Cash Fund, and various other cash funds.

Executive Director's Office						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$172,537,481	\$43,628,621	\$19,225,100	\$5,035,980	\$104,647,780	337.9
SB 13-166	100,000	100,000	0	0	0	0.0
SB 13-167	58,968	0	29,484	0	29,484	0.9

Executive Director's Office						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
SB 13-200	6,718,133	39,545	3,160,837	0	3,517,751	19.0
SB 13-242	999,490	0	272,112	0	727,378	1.3
SB 13-276	(63,649)	0	(30,953)	0	(32,696)	(1.0)
HB 13-1314	0	0	0	0	0	0.0
HB 14-1236	10,970,693	413,218	(3,053)	0	10,560,528	0.0
HB 14-1336	<u>662,466</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>662,466</u>	<u>0.0</u>
TOTAL	\$191,983,582	\$44,181,384	\$22,653,527	\$5,035,980	\$120,112,691	358.1
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$191,983,582	\$44,181,384	\$22,653,527	\$5,035,980	\$120,112,691	358.1
Annualizations						
Annualize prior year budget decisions	9,420,861	(412,910)	33,782	11,382	9,788,607	(0.2)
Annualize SB 13-200 Expand Medicaid eligibility	3,673,055	195,116	1,540,267	0	1,937,672	0.0
Annualize HB 13-1314 IDD transfer	3,291	3,291	0	0	0	0.0
Annualize SB 13-242 Adult dental benefit	(534,128)	0	(128,181)	0	(405,947)	0.7
Annualize substance use disorder benefit	(100,000)	(50,000)	0	0	(50,000)	0.0
Annualize HB 14-1252 IDD system capacity	<u>(85,687)</u>	<u>(42,844)</u>	<u>0</u>	<u>0</u>	<u>(42,843)</u>	<u>0.0</u>
<i>Subtotal - Annualizations</i>	<i>12,377,392</i>	<i>(307,347)</i>	<i>1,445,868</i>	<i>11,382</i>	<i>11,227,489</i>	<i>0.5</i>
FMAP change	0	0	0	(22,801)	22,801	0.0
Medicaid health info exchange	5,748,926	1,054,893	0	0	4,694,033	0.0
Eligibility services	5,527,488	0	0	0	5,527,488	0.0
Dental provider network adequacy	5,000,000	2,500,000	0	0	2,500,000	0.0
Centrally appropriated line items	2,123,179	816,627	75,915	128,074	1,102,563	0.0
Admin contract reprocurments	2,056,739	418,410	606,807	0	1,031,522	0.0
Leased space	1,756,056	877,533	493	0	878,030	0.0
Utilization-review services	1,691,977	838,378	0	0	853,599	0.0
Customer service technology	715,468	357,734	0	0	357,734	0.0
IT common policy adjustments	591,410	72,685	0	6	518,719	0.0
Enroll dual eligibles in ACC	513,525	128,382	0	0	385,143	0.0
Scholarships to use APCD	500,000	500,000	0	0	0	0.0
Pain management capacity program	500,000	246,212	0	0	253,788	0.0
Primary care/specialty collaboration	300,000	150,000	0	0	150,000	0.0
Computer and software renewal	295,711	147,856	0	0	147,855	0.0
Medicaid community living initiative	205,146	102,573	0	0	102,573	0.0
Primary care reimbursement	150,000	75,000	0	0	75,000	0.0
Rate setting study	150,000	75,000	0	0	75,000	0.0
Hospital backup program	125,000	62,500	0	0	62,500	0.0

Executive Director's Office						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Indirect cost assessment	116,606	(116,606)	1,286	108,951	122,975	0.0
Other adjustments	714,233	247,579	0	10,336	456,318	0.0
HB 14-1336	\$233,142,438	\$52,428,793	\$24,783,896	\$5,271,928	\$150,657,821	358.6
SB 14-159	128,688	128,688	0	0	0	0.0
SB 14-180	55,000	55,000	0	0	0	0.8
SB 14-215	50,000	50,000	0	0	0	0.0
HB 14-1045	56,486	0	28,243	0	28,243	1.0
HB 14-1211	51,133	16,533	0	0	34,600	0.0
HB 14-1360	<u>110,000</u>	<u>0</u>	<u>110,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$233,593,745	\$52,679,014	\$24,922,139	\$5,271,928	\$150,720,664	360.4
Increase/(Decrease)	\$41,610,163	\$8,497,630	\$2,268,612	\$235,948	\$30,607,973	2.3
Percentage Change	21.7%	19.2%	10.0%	4.7%	25.5%	0.6%

FY 2013-14 Appropriation – Mid-year Adjustments

House Bill 14-1236 modified the FY 2013-14 appropriations to increase funding for county eligibility determination services, leased space, and the Business Utilization Services information technology system. House Bill 14-1336 made an adjustment to FY 2013-14 appropriations to show federal grant funds awarded for enrolling people dually eligible for Medicaid and Medicare in the Accountable Care Collaborative.

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Annualizations: The appropriation includes funding to annualize several prior year budget decisions. The annualizations for S.B. 13-200 (Expand Medicaid eligibility), H.B. 13-1314 (IDD transfer), S.B. 13-242 (Adult dental benefit), the FY 2013-14 budget action to add a substance use disorder benefit, and H.B. 14-1252 (IDD system capacity) are shown separately due to the department-wide magnitude.

FMAP change: The appropriation adjusts funding to account for an increase in the federal match rate, or Federal Medical Assistance Percentage (FMAP), for non-administrative expenses of Medicaid and CHP+. For federal fiscal year 2014-15, which starts October 1, 2014, the federal match rate for Medicaid will increase from 50 percent to 51.01 percent and for CHP+ from 65 percent to 65.71 percent.

Medicaid health info exchange: The appropriation includes funding to increase connections to Colorado's Health Information Exchange network that allows the sharing of health data between providers using different electronic health record systems. The majority of the funds will pay for infrastructure upgrades to increase the data capacity of the health information exchange and to design interfaces for the health information exchange to connect with additional electronic health record systems. A portion of the funding will be used to help providers adopt electronic health record systems and get them connected to the exchange.

Eligibility services: The appropriation reinvests the General Fund saved as a result of lower state matching requirements for eligibility determination services in the following: (1) competitive grants for counties to

improve their eligibility determination infrastructure; (2) incentive payments for county eligibility determination offices that meet timely processing and other performance goals; (3) payments for Medical Assistance sites that provide eligibility determination services on location; (4) consulting services to review statewide eligibility determination payment methods; and (5) temporary backup eligibility services to assist with the potential overflow from the implementation of the Medicaid expansion and the Affordable Care Act. The net result is no change in General Fund expenditures and an increase in federal matching funds.

Dental provider network adequacy: The appropriation reinvests a portion of the savings from the change in the federal match rate for Medicaid and CHP+ in incentive payments to dental providers who take additional Medicaid patients. The incentive payments are tiered to award more money for taking more new Medicaid patients.

Centrally appropriated line items: The appropriation includes funding for centrally appropriated line items such as salary and benefit increases, risk management, legal services, administrative law judge services, and Capitol Complex Leased Space.

Admin contract reprocurements: The appropriation provides funding to allow for an overlap between several expiring administrative service contracts and the new contracts to ensure smooth transitions and no loss or delay in services.

Leased space: The appropriation provides money to continue and annualize mid-year action authorizing the Department to move some staff to 303 E. 17th Street.

Utilization-review services: The appropriation provides additional funding for utilization reviews that determine whether services are covered by Medicaid.

Customer service technology: The appropriation provides funding for call center technology to address higher than expected call volume.

IT common policy adjustments: The appropriation includes adjustments to the payments made to the Governor's Office of Information Technology for the provision of information technology services.

Enroll dual eligibles in ACC: The appropriation provides funding to enroll people dually eligible for Medicaid and Medicare in the Accountable Care Collaborative (ACC) so that they will receive care coordination. The Department has received a federal demonstration grant to pay for a significant portion of the start-up costs and administrative expenses, but additional state funding is required as a match.

Scholarships to use APCD: The appropriation provides funding for scholarships to nonprofit and governmental organizations to defray the costs of using the All-Payer Claims Database (APCD) to conduct research.

Pain management capacity program: The appropriation reinvests a portion of the savings from the change in the federal match rate for Medicaid and CHP+ in a program aimed at increasing the capacity of physicians to serve clients in need of pain management.

Primary care/specialty collaboration: The appropriation provides funding for primary care providers and specialists to acquire and utilize technology that allows remote specialty care consultation.

Computer and software renewal: The appropriation provides on-going funding to replace the Department's desktop computers on a 5-year rotating schedule and renew core software licenses annually.

Medicaid community living initiative: The appropriation provides funding for counseling nursing home residents regarding community-based living options and a transfer to the Department of Local Affairs for improved oversight of the home modifications benefit. A companion adjustment in the Department of Local Affairs increases funding for housing assistance payments to help Medicaid clients in the Colorado Choice Transitions program move from an institutional setting for care to a community-based setting for care.

Primary care reimbursement: The appropriation reinvests a portion of the savings from the change in the federal match rate for Medicaid and CHP+ in primary care provider rates and a study to determine the impact of the higher primary care provider rates on client access.

Rate setting study: The appropriation provides funding for the Department to research and develop a plan for addressing rate disparities that limit client access to cost-effective services.

Hospital backup program: The appropriation includes funding for consulting services to study the Hospital Backup Program (HBU) with an aim of moving patients to lower acuity settings. The HBU serves ventilator-dependent and medically complex clients who need to be discharged from a hospital but require more intensive skilled nursing care than the level of care typically available in other settings.

Indirect cost assessment: The appropriation accounts for changes in the statewide indirect cost assessment on the Department.

Other adjustments: The appropriation makes various technical adjustments to appropriations.

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

Medical Services Premiums

This division provides the health care funding for an estimated 1,003,612 Medicaid clients in FY 2014-15. Medical services include medical care services (i.e. physician visits, prescription drugs, hospitalization) and long-term care services (i.e. nursing home care and community-based services). Significant sources of cash funds include the Health Care Expansion Fund, provider fees from hospitals and nursing facilities, and funds certified at public hospitals as the state match for federal funds. The majority of reappropriated funds are transferred from the Department of Public Health and Environment. Federal funds represent the federal funds available for the Medicaid program through the federal medical assistance program (FMAP).

Medical Services Premiums						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$4,438,829,600	\$1,514,486,517	\$719,515,157	\$936,892	\$2,203,891,034	0.0
SB 13-167	228,953	(85,984)	200,460	0	114,477	0.0

Medical Services Premiums						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
SB 13-200	274,743,117	(934,367)	(136,755,613)	0	412,433,097	0.0
SB 13-232	0	(2,000,000)	0	2,000,000	0	0.0
SB 13-242	32,858,915	(738,262)	10,972,059	0	22,625,118	0.0
SB 13-276	(100,000)	0	(50,000)	0	(50,000)	0.0
HB 13-1152	(9,735,708)	(4,867,854)	0	0	(4,867,854)	0.0
HB 14-1236	52,407,944	17,580,433	61,442,739	0	(26,615,228)	0.0
HB 14-1252	(15,977)	(7,988)	0	0	(7,989)	0.0
HB 14-1336	<u>52,666,361</u>	<u>16,210,814</u>	<u>(28,361)</u>	<u>0</u>	<u>36,483,908</u>	<u>0.0</u>
TOTAL	\$4,841,883,205	\$1,539,643,309	\$655,296,441	\$2,936,892	\$2,644,006,563	0.0
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$4,841,883,205	\$1,539,643,309	\$655,296,441	\$2,936,892	\$2,644,006,563	0.0
Annualizations						
Annualize SB 13-200 Expand Medicaid eligibility	537,548,305	154,457	78,735,072	0	458,658,776	0.0
Annualize SB 13-242 Adult dental benefit	53,348,482	(824,906)	11,720,172	0	42,453,216	0.0
Annualize prior year budget decisions	(42,402,886)	1,439,762	(20,761,789)	(936,892)	(22,143,967)	0.0
Annualize substance use disorder benefit	(1,485,982)	(964,960)	(34,165)	0	(486,857)	0.0
Annualize HB 14-1252 IDD system capacity	<u>(135,169)</u>	<u>(46,910)</u>	<u>0</u>	<u>0</u>	<u>(88,259)</u>	<u>0.0</u>
<i>Subtotal - Annualizations</i>	<i>546,872,750</i>	<i>(242,557)</i>	<i>69,659,290</i>	<i>(936,892)</i>	<i>478,392,909</i>	<i>0.0</i>
Medical service premiums forecast	145,038,837	37,771,888	(105,587,267)	0	212,854,216	0.0
FMAP change	(13,252)	(23,864,382)	(6,398,241)	0	30,249,371	0.0
Provider rate changes						
Provider rate increase	64,321,150	21,291,329	852,116	0	42,177,705	0.0
Primary care reimbursement	44,277,696	18,490,366	0	0	25,787,330	0.0
Targeted rate increases	<u>24,738,143</u>	<u>7,740,475</u>	<u>258,265</u>	<u>0</u>	<u>16,739,403</u>	<u>0.0</u>
<i>Subtotal - Provider rate changes</i>	<i>133,336,989</i>	<i>47,522,170</i>	<i>1,110,381</i>	<i>0</i>	<i>84,704,438</i>	<i>0.0</i>
Benefit changes						
Full denture benefit	26,737,869	0	6,014,018	0	20,723,851	0.0
IDD Supported living services	7,658,975	3,752,132	0	0	3,906,843	0.0
Remove 5-yr bar on legal immigrants	2,699,242	1,329,174	0	0	1,370,068	0.0
Raise lifetime cap on home modifications	1,015,384	500,000	0	0	515,384	0.0
IDD Increase funded FPE	<u>(1,933,750)</u>	<u>(986,405)</u>	<u>0</u>	<u>0</u>	<u>(947,345)</u>	<u>0.0</u>
<i>Subtotal - Benefit changes</i>	<i>36,177,720</i>	<i>4,594,901</i>	<i>6,014,018</i>	<i>0</i>	<i>25,568,801</i>	<i>0.0</i>
Enroll dual eligibles in ACC	10,525,690	44,729	0	0	10,480,961	0.0
Admin contract reprocurments	1,753,499	876,750	0	0	876,749	0.0
Medicaid community living initiative	364,073	179,279	0	0	184,794	0.0
Primary care/specialty collaboration	237,497	71,770	3,371	0	162,356	0.0

Medical Services Premiums						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Eligibility services	0	2,160,000	(2,160,000)	0	0	0.0
Transfer from Public Health	0	2,000,000	0	(2,000,000)	0	0.0
Tobacco tax forecast	0	(2,609,357)	2,609,357	0	0	0.0
HB 14-1336	\$5,716,177,008	\$1,608,148,500	\$620,547,350	\$0	\$3,487,481,158	0.0
SB 14-130	1,057,300	517,971	0	0	539,329	0.0
SB 14-151	165,000	0	165,000	0	0	0.0
HB 14-1045	6,820,477	0	2,351,018	0	4,469,459	0.0
HB 14-1357	<u>297,985</u>	<u>145,983</u>	<u>0</u>	<u>0</u>	<u>152,002</u>	<u>0.0</u>
TOTAL	\$5,724,517,770	\$1,608,812,454	\$623,063,368	\$0	\$3,492,641,948	0.0
Increase/(Decrease)	\$882,634,565	\$69,169,145	(\$32,233,073)	(\$2,936,892)	\$848,635,385	0.0
Percentage Change	18.2%	4.5%	(4.9%)	(100.0%)	32.1%	n/a

FY 2013-14 Appropriation – Mid-year Adjustments

House Bill 14-1236 modified the FY 2013-14 appropriation for the most recent forecast of Medicaid expenditures and to correct a technical error in the S.B. 13-200 appropriation. House Bill 14-1252 increased system capacity for home- and community-based services for individuals with intellectual and developmental disabilities. House Bill 14-1336 made an adjustment to FY 2013-14 appropriations for the most recent forecast of Medicaid expenditures and to show federal grant funds awarded for enrolling people dually eligible for Medicaid and Medicare in the Accountable Care Collaborative.

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Annualizations: The appropriation includes funding to annualize several prior year budget decisions. The annualizations for S.B. 13-200 (Expand Medicaid eligibility), H.B. 13-1314 (IDD transfer), S.B. 13-242 (Adult dental benefit), the FY 2013-14 budget action to add a substance use disorder benefit, and H.B. 14-1252 are shown separately due to the department-wide magnitude.

Medical service premiums forecast: The appropriation provides funding for projected changes in caseload, per capita expenditures, and financing. The table below summarizes key enrollment and per capita expenditure assumptions used in H.B. 14-1336. The figures in the table below incorporate policy changes, in addition to forecast changes, and therefore won't add to the incremental change attributed to the forecast.

Medical Service Premiums Enrollment and Per Capita Expenditure Assumptions					
	Total	Children	Adults	Elderly	Disabled
FY 2013-14					
Caseload	838,872	439,355	257,344	65,055	77,117
Per Capita	\$4,734.07	\$1,735.16	\$4,246.37	\$14,452.80	\$15,248.51
Expenditures	\$3,971,281,974	\$762,353,703	\$1,092,777,874	\$940,226,764	\$1,175,923,633
Supplemental Payments	<u>\$870,601,231</u>				
TOTAL	\$4,841,883,205				

Medical Service Premiums Enrollment and Per Capita Expenditure Assumptions					
	Total	Children	Adults	Elderly	Disabled
FY 2014-15					
Caseload	1,003,612	476,585	376,910	68,239	81,878
Per Capita	\$4,854.82	\$1,643.27	\$4,684.62	\$15,063.27	\$15,823.74
Expenditures	\$4,872,353,980	\$783,158,744	\$1,765,682,145	\$1,027,902,328	\$1,295,610,763
Supplemental Payments	<u>\$843,823,028</u>				
TOTAL	\$5,716,177,008				
Dollar Difference					
Caseload	164,740	37,230	119,566	3,184	4,760
Per Capita	\$120.74	(\$91.89)	\$438.25	\$610.47	\$575.22
Expenditures	\$901,072,006	\$20,805,041	\$672,904,271	\$87,675,564	\$119,687,130
Supplemental Payments	<u>(\$26,778,203)</u>				
TOTAL	\$874,293,803				
Percent Difference					
Caseload	19.6%	8.5%	46.5%	4.9%	6.2%
Per Capita	2.6%	(5.3%)	10.3%	4.2%	3.8%
Expenditures	22.7%	2.7%	61.6%	9.3%	10.2%
Supplemental Payments	<u>(3.1%)</u>				
TOTAL	18.1%				

FMAP change: The appropriation adjusts funding to account for an increase in the federal match rate, or Federal Medical Assistance Percentage (FMAP), for non-administrative expenses of Medicaid and CHP+. For federal fiscal year 2014-15, which starts October 1, 2014, the federal match rate for Medicaid will increase from 50 percent to 51.01 percent and for CHP+ from 65 percent to 65.71 percent.

Provider rate changes: The appropriation provides funding for provider rate increases, including:

- Provider rate increase -- A 2.0 percent across-the-board increase for eligible providers with rates not set by an external standard.
- Primary care reimbursement – Continuation of an increase in primary care rates that was set to expire January 2015. The increase was mandated by the federal Affordable Care Act (ACA) and required state Medicaid programs to reimburse primary care services at 100 percent of the equivalent Medicare reimbursement rate. The funding also allows for application of the higher rates to a wider variety of providers by removing an administratively burdensome self-attestation requirement that was part of the ACA standard.
- Targeted rate increases – Targeted rate increases for the purpose of addressing issues with client access to cost-effective services as detailed in the table below.

Targeted Rate Increases				
	TOTAL	General Fund	Cash Funds	Federal Funds
Pediatric hospice services 20% rate increase	\$246,878	\$120,639	\$434	\$125,805
Extended hours/after hours care 10% rate increase	641,597	197,389	5,970	438,238
Transitional living program for brain injury clients 191% rate increase	876,000	412,050	19,380	444,570
Pediatric/developmental assessment 50% rate increase	64,000	30,969	0	33,031

Targeted Rate Increases				
	TOTAL	General Fund	Cash Funds	Federal Funds
Single entry point case management 10% rate increase	1,229,790	600,951	2,160	626,679
Physician incentives to use ambulatory surgery centers	500,000	153,826	4,653	341,521
Matching incentives to Ambulatory Surgery Centers	500,000	153,826	4,653	341,521
High-Value Specialist Services to 80% of Medicare	11,312,435	3,480,304	105,263	7,726,868
Mammography Reimbursement to 80% of Medicare	94,841	29,178	883	64,780
Assistive Technology Reimbursement Rate to 80% of Medicare	22,037	6,780	205	15,052
Increase Federally Qualified Health Center rates to APM	7,261,751	2,187,006	114,664	4,960,081
Family planning standardize oral contraceptive rates and 15% increase	1,817,275	286,696	0	1,530,579
Hospice rates	<u>171,539</u>	<u>80,861</u>	<u>0</u>	<u>90,678</u>
TOTAL	\$24,738,143	\$7,740,475	\$258,265	\$16,739,403

Benefit changes: The appropriation adjusts funding for changes in the benefit package, including:

- Full denture benefit – Adds coverage of full dentures with prior authorization as part of the limited adult dental benefit authorized in Section 25.5-5-202 (1) (w), C.R.S.
- IDD Supported living services and IDD Increase funded FPE – see the Office of Community Living section for descriptions of these benefit changes.
- Remove 5-yr bar on legal immigrants – Removes the five-year waiting period for legal immigrant children for Medicaid and CHP+ and for pregnant women for CHP+ as authorized by Section 25.5-5-201 (2) (b), C.R.S. House Bill 09-1353 allowed coverage for these populations subject to sufficient appropriations.
- Raise lifetime cap on home modifications – Increases the lifetime cap on home modifications to allow people with disabilities to live in a community setting from \$10,000 to \$20,000.

Enroll dual eligibles in ACC: The appropriation provides funding to enroll people dually eligible for Medicaid and Medicare in the Accountable Care Collaborative (ACC) so that they will receive care coordination. The Department has received a federal demonstration grant to pay for a significant portion of the start-up costs and administrative expenses, but additional state funding is required as a match.

Admin contract reprocrements: The appropriation provides funding to allow for an overlap between several expiring administrative service contracts and the new contracts to ensure smooth transitions and no loss or delay in services.

Medicaid community living initiative: The appropriation provides funding for counseling nursing home residents regarding community-based living options and a transfer to the Department of Local Affairs for improved oversight of the home modifications benefit. A companion adjustment in the Department of Local Affairs increases funding for housing assistance payments to help Medicaid clients in the Colorado Choice Transitions program move from an institutional setting for care to a community-based setting for care.

Primary care/specialty collaboration: The appropriation provides funding for primary care providers and specialists to acquire and utilize technology that allows remote specialty care consultation.

Eligibility services: The appropriation changes the source of state matching funds for certain eligibility services provided by Denver Health from Certified Public Expenditures to the General Fund.

Transfer from Public Health: The appropriation adjusts fund sources to account for the end of a transfer from the Department of Public Health and Environment that was offsetting the need for General Fund.

Tobacco tax forecast: The appropriation makes adjustments for a change in the forecast of available tobacco tax revenues.

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

Behavioral Health Community Programs

This division provides for mental health and substance use disorder care through the purchase of services from five regional behavioral health organizations (BHOs). BHOs receive a fixed dollar amount for each Medicaid-eligible client and are responsible for managing the cost and utilization of behavioral health services. This division also provides funding for behavioral health services provided to Medicaid-eligible clients who are not enrolled in a BHO and for the provision of behavioral health services that are not covered by BHO contracts. Appropriations for FY 2014-15 reflect funding for a projected 976,687 Medicaid clients who are eligible for behavioral health services. The funding for this division is primarily General Fund and federal funds. Cash fund sources include the Hospital Provider Fee Cash Fund and the Breast and Cervical Cancer Prevention and Treatment Fund.

Behavioral Health Community Programs						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$352,220,637	\$153,384,204	\$21,294,827	\$0	\$177,541,606	0.0
SB 13-200	33,417,833	76,907	(19,260,944)	0	52,601,870	0.0
HB 14-1236	(2,383,923)	1,000,880	9,145,504	0	(12,530,307)	0.0
HB 14-1252	29,346	14,673	0	0	14,673	0.0
HB 14-1336	<u>20,759,750</u>	<u>(1,117,248)</u>	<u>(158,738)</u>	<u>0</u>	<u>22,035,736</u>	<u>0.0</u>
TOTAL	\$404,043,643	\$153,359,416	\$11,020,649	\$0	\$239,663,578	0.0
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$404,043,643	\$153,359,416	\$11,020,649	\$0	\$239,663,578	0.0
Annualizations						
Annualize SB 13-200 Expand Medicaid eligibility	70,524,406	465,151	(8,932,452)	0	78,991,707	0.0
Annualize substance use disorder Benefit	5,710,412	1,913,309	88,973	0	3,708,130	0.0
Annualize HB 14-1252 IDD system Capacity	277,618	136,706	0	0	140,912	0.0
Annualize prior year budget decisions	<u>(1,133,843)</u>	<u>(512,060)</u>	<u>(34,354)</u>	<u>0</u>	<u>(587,429)</u>	<u>0.0</u>
Subtotal – Annualizations	75,378,593	2,003,106	(8,877,833)	0	82,253,320	0.0
Behavioral health programs forecast	69,016,132	18,412,213	2,379,978	0	48,223,941	0.0
FMAP change	0	(2,386,941)	(32,963)	0	2,419,904	0.0

Behavioral Health Community Programs						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Provider rate increase	139,354	68,622	0	0	70,732	0.0
Benefit changes						
IDD Supported living services	1,754,186	859,376	0	0	894,810	0.0
Remove 5-yr bar on legal immigrants	368,683	181,549	0	0	187,134	0.0
IDD Increase funded FPE	<u>14,426</u>	<u>7,068</u>	<u>0</u>	<u>0</u>	<u>7,358</u>	<u>0.0</u>
<i>Subtotal – Benefit changes</i>	<i>2,137,295</i>	<i>1,047,993</i>	<i>0</i>	<i>0</i>	<i>1,089,302</i>	<i>0.0</i>
HB 14-1336	\$550,715,017	\$172,504,409	\$4,489,831	\$0	\$373,720,777	0.0
SB 14-215	6,313,807	3,950,000	0	0	2,363,807	0.0
HB 14-1045	<u>129,839</u>	<u>0</u>	<u>44,755</u>	<u>0</u>	<u>85,084</u>	<u>0.0</u>
TOTAL	\$557,158,663	\$176,454,409	\$4,534,586	\$0	\$376,169,668	0.0
Increase/(Decrease)	\$153,115,020	\$23,094,993	(\$6,486,063)	\$0	\$136,506,090	0.0
Percentage Change	37.9%	15.1%	(58.9%)	n/a	57.0%	n/a

FY 2013-14 Appropriation – Mid-year Adjustments

The FY 2013-14 appropriation was modified through three 2014 bills:

- H.B. 14-1236 reduced appropriations by a total of \$3.4 million based on preliminary forecasted changes in Medicaid enrollment and expenditures, and it added \$1.0 million total funds to assure that the transition to the new behavioral health organization contracts that go into effect on July 1, 2014, does not affect service delivery for clients;
- H.B. 14-1252 increased appropriations based on enrollment and expenditure forecast changes related to intellectual and developmental disabilities waiver programs; and
- H.B. 14-1336 modified FY 2013-14 appropriations based on the Department's February 2014 forecast of Medicaid expenditures.

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Annualizations: The appropriation includes a total increase of \$75.4 million to annualize: S.B. 13-200 (Expand Medicaid eligibility); the FY 2013-14 budget action to enhance the substance use disorder benefit; H.B. 14-1252 (IDD services system capacity); H.B. 08-1373 (Breast Cervical Cancer Fund); and the provider rate increase approved for FY 2013-14.

Behavioral health programs forecast: The appropriation includes a total increase of \$69.0 million for projected caseload and expenditure changes in both the managed care and fee-for-service Medicaid behavioral health programs. This adjustment reflects a shift from the Hospital Provider Fee Cash Fund to federal Medicaid funds due to the federal Patient Protection and Affordable Care Act.

FMAP change: The appropriation adjusts funding to account for an increase in the federal match rate, or Federal Medical Assistance Percentage (FMAP), for non-administrative expenses of Medicaid. For federal

fiscal year 2014-15, which starts October 1, 2014, the federal match rate for Medicaid will increase from 50 percent to 51.01 percent.

Provider rate increase: The appropriation provides funding for a 2.5 percent increase in rates paid to providers that receive payments through the mental health fee-for-service program.

Benefit changes: The appropriation adjusts funding for changes in the benefit package, including:

- **IDD Supported living services and IDD Increase funded FPE** – See the Office of Community Living section for descriptions of these benefit changes.
- **Remove 5-yr bar on legal immigrants** – Removes the five-year waiting period for legal immigrant children for Medicaid and CHP+ and for pregnant women for CHP+ as authorized by Section 25.5-5-201 (2) (b), C.R.S. House Bill 09-1353 allowed coverage for these populations subject to sufficient appropriations.

The following table provides a comparison of the most recent caseload and expenditure estimates for FY 2013-14, along with adjustments and benefit changes that are reflected in the appropriations for FY 2014-15.

FY 2014-15 Medicaid Behavioral Health Community Programs Budget Overview						
Description	FY 2013-14		FY 2014-15 1/		Annual Change	
	Caseload	Funding	Caseload	Funding	Caseload	Funding
Capitation Payments						
Eligibility Categories						
<i>Elderly adults (65 and older)</i>	42,146	\$6,986,535	43,419	\$7,581,119	1,273	\$594,584
<i>Adults:</i>						
Low income adults	180,580	53,929,408	210,629	70,052,940	30,049	16,123,532
Adults without dependent children	73,694	74,301,156	163,808	166,432,558	90,114	92,131,402
Breast and cervical cancer program	581	174,834	0	0	(581)	(174,834)
<i>Individuals with disabilities (under 65)</i>	77,102	137,838,114	81,322	156,300,482	4,220	18,462,368
<i>Children</i>	421,603	86,612,655	452,674	100,807,370	31,071	14,194,715
<i>Children/young adults in foster care</i>	<u>17,752</u>	<u>37,951,496</u>	<u>18,248</u>	<u>40,548,519</u>	<u>496</u>	<u>2,597,023</u>
Subtotal	813,458	397,794,198	970,100	541,722,988	156,642	143,928,790
Adjustments/ Benefit changes:						
Date of death retractions		(622,524)		(559,279)		63,245
IDD-related changes		n/a	0	1,768,612		1,768,612
Remove 5-year bar on legal immigrants		n/a	5,663	368,683	5,663	368,683
H.B. 14-1045 (Breast and Cervical Cancer Treatment)		n/a	511	129,839	511	129,839
H.B. 14-1252 (Intellectual and Development Disabilities Services System Capacity)	<u>40</u>	<u>29,346</u>	<u>413</u>	<u>306,964</u>	<u>373</u>	<u>277,618</u>
Subtotal	40	(593,178)	6,587	2,014,819	6,547	2,607,997
Capitation Payments Total	813,498	\$397,201,020	976,687	\$543,737,807	163,189	\$146,536,787

FY 2014-15 Medicaid Behavioral Health Community Programs Budget Overview						
Description	FY 2013-14		FY 2014-15 1/		Annual Change	
	Caseload	Funding	Caseload	Funding	Caseload	Funding
Fee for Service						
Inpatient		\$1,244,977		\$1,484,713		\$239,736
Outpatient		4,492,486		5,357,572		865,086
Physician		<u>105,160</u>		<u>125,410</u>		<u>20,250</u>
Subtotal		5,842,623		6,967,695		1,125,072
Provider rate increase		n/a		139,354		139,354
Fee for Service Total		\$5,842,623		\$7,107,049		\$1,264,426
Other Appropriations						
School-based Prevention and Intervention Substance Use Disorder Services Provided by BHOs (S.B. 14-215)		n/a		\$4,363,807		\$4,363,807
School-based Substance Abuse Prevention and Intervention Grants (S.B. 14-215)		n/a		1,950,000		1,950,000
BHO Contract Reprocurement Transition		<u>1,000,000</u>		<u>0</u>		<u>(1,000,000)</u>
Total - Other Appropriations		\$1,000,000		\$6,313,807		\$5,313,807
Total Behavioral Health Community Programs	813,498	\$404,043,643	976,687	\$557,158,663	163,189	\$153,115,020
<i>Incremental Percentage Change</i>					<i>20.1%</i>	<i>37.9%</i>

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

Office of Community Living: The Office houses the Division for Intellectual and Developmental Disabilities (IDD) and is responsible for the following functions related to the provision of services by community based providers to individuals with intellectual and developmental disabilities:

- Administration of three Medicaid waivers for individuals with developmental disabilities;
- Establishment of service reimbursement rates;
- Ensuring compliance with federal Centers for Medicare and Medicaid rules and regulations;
- Communication and coordination with community-centered boards regarding waiver policies, rate changes, and waiting list information reporting; and
- Administration of the Family Support Services Program

Office of Community Living						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$0	\$0	\$0	\$0	\$0	0.0
HB 13-1314	0	0	0	0	0	0.0
HB 14-1252	9,206,926	4,500,000	4,500,000	0	206,926	0.2
HB 14-1336	<u>96,320</u>	<u>0</u>	<u>48,160</u>	<u>0</u>	<u>48,160</u>	<u>0.0</u>
TOTAL	\$9,303,246	\$4,500,000	\$4,548,160	\$0	\$255,086	0.2
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$9,303,246	\$4,500,000	\$4,548,160	\$0	\$255,086	0.2
Annualizations						
Annualize HB 13-1314 IDD transfer	403,044,794	194,504,297	30,802,357	0	177,738,140	34.5
Annualize prior year budget decisions	14,898,386	7,449,194	0	0	7,449,192	0.0
Annualize HB 14-1252 IDD system capacity	<u>10,064,280</u>	<u>4,813,480</u>	<u>(4,509,430)</u>	<u>0</u>	<u>9,760,230</u>	<u>0.8</u>
<i>Subtotal - Annualizations</i>	<i>428,007,460</i>	<i>206,766,971</i>	<i>26,292,927</i>	<i>0</i>	<i>194,947,562</i>	<i>35.3</i>
FMAP change	0	(3,106,901)	0	0	3,106,901	0.0
Provider rate changes						
Provider rate increase	11,079,491	5,708,222	0	0	5,371,269	0.0
IDD SPAL increase	<u>4,175,622</u>	<u>2,056,181</u>	<u>0</u>	<u>0</u>	<u>2,119,441</u>	<u>0.0</u>
<i>Subtotal - Provider rate changes</i>	<i>15,255,113</i>	<i>7,764,403</i>	<i>0</i>	<i>0</i>	<i>7,490,710</i>	<i>0.0</i>
Benefit changes						
IDD Supported living services	17,927,162	8,782,517	0	0	9,144,645	0.0
IDD Increase funded FPE	4,892,698	2,396,935	0	0	2,495,763	0.0
Family Support restoration	<u>3,406,321</u>	<u>3,406,321</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<i>Subtotal - Benefit changes</i>	<i>26,226,181</i>	<i>14,585,773</i>	<i>0</i>	<i>0</i>	<i>11,640,408</i>	<i>0.0</i>
IDD Operating/membership funds	147,702	72,732	0	0	74,970	0.0
HB 2014-1336	\$478,939,702	\$230,582,978	\$30,841,087	\$0	\$217,515,637	30.5
HB 14-1368	<u>5,746,227</u>	<u>0</u>	<u>2,829,586</u>	<u>0</u>	<u>2,916,641</u>	<u>0.0</u>
TOTAL	\$484,685,929	\$230,582,978	\$33,670,673	\$0	\$220,432,278	30.5
Increase/(Decrease)	\$475,382,683	\$226,082,978	\$29,122,513	\$0	\$220,177,192	30.3
Percentage Change	5,109.9%	5,024.1%	640.3%	n/a	86,314.9%	15,150.0%

Description of Incremental Changes

Annualizations: The appropriation includes funding to annualize: H.B. 13-1314 (Transfer Division for Intellectual and Developmental Disabilities); full year funding for the enrollments added in FY 2013-14 for intellectual and developmental disabilities waiver services; and H.B. 14-1252 (IDD services system capacity).

FMAP change: The appropriation adjusts funding to account for an increase in the federal match rate, or Federal Medical Assistance Percentage (FMAP), for non-administrative expenses of Medicaid and CHP+. For federal fiscal year 2014-15, which starts October 1, 2014, the federal match rate for Medicaid will increase from 50 percent to 51.01 percent.

Provider rate changes: The appropriation provides: funding for a 2.5 percent increase in rates paid to providers that receive payments through the intellectual and developmental disabilities waiver programs; and funding to increase by 25.0 percent the support living services spending plan authorization limits (SPAL) for clients whose level of needs range from a level two through six (there are a total of six need levels).

Benefit changes: The appropriation adjusts funding for changes in the benefit package, including:

- **IDD increase funded FPE** – provides funding for the following:
 - 55 comprehensive enrollments for youth who are turning 21 during FY 2014-15 to transition from the child welfare system to the comprehensive waiver;
 - 40 comprehensive enrollments for adults who experience emergencies or crisis situations and require comprehensive services;
 - 30 comprehensive enrollments to transition individuals who no longer require institutional level care from the Regional Centers and Mental Health Institutes;
 - 61 supported living enrollments for youth turning 18 during FY 2014-15 who will transition from children's extensive support services to adult supported living services.
- **IDD supported living services** - provides funding for 2,040 enrollments for individuals waiting for supported living services that become available as soon as possible.
- **Family support restoration** - provides funding to double the amount of funds available to families for support services.

IDD Operating/membership funds: The appropriation includes funding for the State's membership with the State Employment Leadership Network, and its membership in the National Core Indicators Project. The appropriation funds training and travel costs for IDD staff.

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

Indigent Care Program

This division contains funding for the following programs:

Indigent Care Program -- This program provides partial reimbursement to participating hospitals and clinics that serve uninsured or under-insured clients. To be eligible for this program, clients must have income or assets equal to or lower than 250 percent of the federal poverty level (FPL) and may not qualify for assistance through the Medicaid program.

Children's Basic Health Plan -- This program provides health insurance to otherwise uninsured children from families at or below 250 percent of the federal poverty guidelines. The program also provides health insurance to eligible adult women between 185 percent and 250 percent of the federal poverty guidelines.

Funding sources include the General Fund, Hospital Provider Fee Cash Fund, tobacco tax and tobacco settlement revenues, and federal funds.

Indigent Care Program						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$556,006,728	\$31,529,213	\$232,255,366	\$0	\$292,222,149	0.0
SB 13-200	2,007,812	694,706	22,938	0	1,290,168	0.0
HB 14-1236	(17,385,723)	(3,309,421)	(2,569,185)	0	(11,507,117)	0.0
HB 14-1336	<u>16,835,119</u>	<u>(4,563,610)</u>	<u>25,562,896</u>	<u>0</u>	<u>(4,164,167)</u>	<u>0.0</u>
TOTAL	\$557,463,936	\$24,350,888	\$255,272,015	\$0	\$277,841,033	0.0
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$557,463,936	\$24,350,888	\$255,272,015	\$0	\$277,841,033	0.0
Annualizations						
Annualize SB 13-200 Expand Medicaid eligibility	10,868,376	3,761,947	119,957	0	6,986,472	0.0
Annualize prior year budget decisions	<u>307,832</u>	<u>61,909</u>	<u>45,832</u>	<u>0</u>	<u>200,091</u>	<u>0.0</u>
<i>Subtotal - Annualizations</i>	<i>11,176,208</i>	<i>3,823,856</i>	<i>165,789</i>	<i>0</i>	<i>7,186,563</i>	<i>0.0</i>
Children's Basic Health Plan forecast	(15,696,420)	1,511,214	(21,857,884)	0	4,650,250	0.0
FMAP change	0	(1,027,591)	(2,340,619)	0	3,368,210	0.0
Targeted rate increases	1,655,074	815,000	0	0	840,074	0.0
Benefit changes						
CHP+ oral health benefits	5,340,492	1,334,347	511,597	0	3,494,548	0.0
Remove 5-yr bar on legal immigrants	<u>3,150,432</u>	<u>1,085,875</u>	<u>0</u>	<u>0</u>	<u>2,064,557</u>	<u>0.0</u>
<i>Subtotal - Benefit changes</i>	<i>8,490,924</i>	<i>2,420,222</i>	<i>511,597</i>	<i>0</i>	<i>5,559,105</i>	<i>0.0</i>
Admin contract reprocurments	808,693	0	384,453	0	424,240	0.0
Tobacco tax forecast	(945,700)	0	(945,700)	0	0	0.0
HB 14-1336	\$562,952,715	\$31,893,589	\$231,189,651	\$0	\$299,869,475	0.0
HB 14-1213	<u>129,831</u>	<u>44,519</u>	<u>0</u>	<u>0</u>	<u>85,312</u>	<u>0.0</u>
TOTAL	\$563,082,546	\$31,938,108	\$231,189,651	\$0	\$299,954,787	0.0
Increase/(Decrease)	\$5,618,610	\$7,587,220	(\$24,082,364)	\$0	\$22,113,754	0.0
Percentage Change	1.0%	31.2%	(9.4%)	n/a	8.0%	n/a

FY 2013-14 Appropriation – Mid-year Adjustments

House Bill 14-1236 modified the FY 2013-14 appropriation for the most recent forecast of CHP+ expenditures at the time. House Bill 14-1336 made an adjustment to FY 2013-14 appropriations for a more recent forecast of CHP+ expenditures and to show federal grant funds awarded for enrolling people dually eligible for Medicaid and Medicare in the Accountable Care Collaborative.

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Annualizations: The appropriation includes funding to annualize several prior year budget decisions. The annualization for S.B. 13-200 (Expand Medicaid eligibility) is shown separately due to the department-wide magnitude.

Children's Basic Health Plan forecast: The appropriation provides funding for projected changes in caseload, per capita expenditures, and financing. The table below summarizes key enrollment and per capita expenditure assumptions used in H.B. 14-1336. The figures in the table below incorporate policy changes, in addition to forecast changes, and therefore won't add to the incremental change attributed to the forecast.

Children's Basic Health Plan Enrollment and Per Capita Expenditure Assumptions				
	Children			
	Total	Medical	Dental	Pregnant
FY 2013-14				
Caseload	66,112	65,102	65,102	1,010
Per Capita	\$2,702.13	\$2,324.13	\$209.54	\$13,560.41
Expenditures	\$178,643,441	\$151,305,712	\$13,641,715	\$13,696,014
Retroactive payments	<u>\$17,088,233</u>			
TOTAL	\$195,731,674			
FY 2014-15				
Caseload	74,113	73,116	73,116	997
Per Capita	\$2,657.50	\$2,280.31	\$258.50	\$11,360.94
Expenditures	\$196,955,000	\$166,727,446	\$18,900,694	\$11,326,860
Retroactive payments	<u>\$2,747,385</u>			
TOTAL	\$199,702,385			
Dollar Difference				
Caseload	8,001	8,014	8,014	(13)
Per Capita	(\$44.64)	(\$43.82)	\$48.96	(\$2,199.47)
Expenditures	\$18,311,559	\$15,421,734	\$5,258,979	(\$2,369,154)
Retroactive payments	<u>(\$14,340,848)</u>			
TOTAL	\$3,970,711			
Percent Difference				
Caseload	12.1%	12.3%	12.3%	(1.3%)
Per Capita	(1.7%)	(1.9%)	23.4%	(16.2%)
Expenditures	10.3%	10.2%	38.6%	(17.3%)
Retroactive payments	(83.9%)			
TOTAL	2.0%			

FMAP change: The appropriation adjusts funding to account for an increase in the federal match rate, or Federal Medical Assistance Percentage (FMAP), for non-administrative expenses of Medicaid and CHP+. For federal fiscal year 2014-15, which starts October 1, 2014, the federal match rate for Medicaid will increase from 50 percent to 51.01 percent and for CHP+ from 65 percent to 65.71 percent.

Targeted rate increases: The appropriation includes funding to increase pediatric specialty hospital reimbursement.

Benefit changes: The appropriation adjusts funding for changes in the benefit package, including:

- CHP+ oral health benefits – The appropriation provides money to expand the CHP+ dental benefit to comply with federal standards and increase the annual maximum from \$600 to \$1,000.
- Remove 5-yr bar on legal immigrants – Removes the five-year waiting period for legal immigrant children for Medicaid and CHP+ and for pregnant women for CHP+ as authorized by Section 25.5-5-201 (2) (b), C.R.S. House Bill 09-1353 allowed coverage for these populations subject to sufficient appropriations.

Admin contract reprocrements: The appropriation provides funding to allow for an overlap between several expiring administrative service contracts and the new contracts to ensure smooth transitions and no loss or delay in services.

Tobacco tax forecast: The appropriation makes adjustments for a change in the forecast of available tobacco tax revenues.

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

Other Medical Services

This division contains the funding for:

- The state's obligation under the Medicare Modernization Act for prescription drug benefits;
- The Old Age Pension State-Only Medical Program;
- Health training programs, including the Commission on Family Medicine and the University Teaching Hospitals; and,
- Public School Health Services.

Funding sources for these programs include the General Fund, cash funds for certified expenditures at school districts and Old Age Pension Medical and Supplemental Medical Fund, reappropriated funds from Amendment 35 tobacco taxes, and matching federal funds.

Other Medical Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$178,855,652	\$84,910,914	\$37,176,978	\$2,491,722	\$54,276,038	0.0
SB 13-200	(1,745,639)	0	(1,745,639)	0	0	0.0
SB 13-264	1,000,000	500,000	0	0	500,000	0.0
HB 14-1236	(4,917,552)	(16,805,357)	0	0	11,887,805	0.0
HB 14-1336	<u>2,834,984</u>	<u>1,332,934</u>	<u>0</u>	<u>0</u>	<u>1,502,050</u>	<u>0.0</u>
TOTAL	\$176,027,445	\$69,938,491	\$35,431,339	\$2,491,722	\$68,165,893	0.0

Other Medical Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$176,027,445	\$69,938,491	\$35,431,339	\$2,491,722	\$68,165,893	0.0
Annualize SB 13-200 Expand Medicaid eligibility	(3,749,388)	0	(3,749,388)	0	0	0.0
Medicare drug repayment forecast	(1,083,796)	32,284,546	0	0	(33,368,342)	0.0
FMAP change	0	(44,208)	(257,496)	0	301,704	0.0
Targeted rate increases	973,000	479,130	0	0	493,870	0.0
Commission on Family Medicine	2,030,766	1,000,000	0	0	1,030,766	0.0
HB 14-1336	\$174,198,027	\$103,657,959	\$31,424,455	\$2,491,722	\$36,623,891	0.0
SB 14-144	<u>75,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>75,000</u>	<u>0.0</u>
TOTAL	\$174,273,027	\$103,657,959	\$31,424,455	\$2,491,722	\$36,698,891	0.0
Increase/(Decrease)	(\$1,754,418)	\$33,719,468	(\$4,006,884)	\$0	(\$31,467,002)	0.0
Percentage Change	(1.0%)	48.2%	(11.3%)	0.0%	(46.2%)	n/a

FY 2013-14 Appropriation – Mid-year Adjustments

House Bill 14-1236 and H.B. 14-1336 modified the FY 2013-14 appropriations for the most recent forecast available at the time for the state's obligation to reimburse the federal government for prescription drugs under the Medicare Modernization Act.

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Annualizations: The appropriation includes funding to annualize S.B. 13-200 (Expand Medicaid eligibility).

Medicare drug repayment forecast: The appropriation provides for the projected state obligation pursuant to the Medicare Modernization Act to pay the federal government in lieu of covering prescription drugs for people dually eligible for Medicaid and Medicare.

FMAP change: The appropriation adjusts funding to account for an increase in the federal match rate, or Federal Medical Assistance Percentage (FMAP), for non-administrative expenses of Medicaid and CHP+. For federal fiscal year 2014-15, which starts October 1, 2014, the federal match rate for Medicaid will increase from 50 percent to 51.01 percent and for CHP+ from 65 percent to 65.71 percent.

Targeted rate increases: The appropriation includes an increase for graduate medical education services provided by Denver Health.

Commission on Family Medicine: The appropriation includes an increase in funding for family medicine residency training programs.

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

Department of Human Services Medicaid-Funded Programs

This section contains funding for programs administered by the Department of Human Services that are funded with Medicaid dollars. General Fund is appropriated in this section, matched with anticipated federal funds, then transferred to the Department of Human Services as Medicaid cash funds.

Department of Human Services Medicaid-Funded Programs						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$496,837,597	\$243,368,011	\$368,295	\$18,928	\$253,082,363	0.0
SB 13-167	1,867,133	(932,575)	1,866,142	0	933,566	0.0
HB 13-1117	0	0	0	0	0	0.0
HB 13-1314	0	0	0	0	0	0.0
HB 14-1236	1,283,926	631,778	7,130	0	645,018	0.0
HB 14-1252	<u>(23,564,580)</u>	<u>(11,782,289)</u>	<u>0</u>	<u>0</u>	<u>(11,782,291)</u>	<u>0.0</u>
TOTAL	\$476,424,076	\$231,284,925	\$2,241,567	\$18,928	\$242,878,656	0.0
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$476,424,076	\$231,284,925	\$2,241,567	\$18,928	\$242,878,656	0.0
Human Services programs	17,939,562	7,100,690	1,230,598	0	9,608,274	0.0
FMAP change	0	(630,610)	0	0	630,610	0.0
Annualize HB 13-1314 IDD transfer	(354,407,583)	(177,203,794)	(1)	0	(177,203,788)	0.0
Annualize prior year legislation	(265,535)	(130,756)	0	0	(134,779)	0.0
Annualize prior year budget decisions	(221,994)	(110,997)	0	0	(110,997)	0.0
HB 2014-1336	\$139,468,526	\$60,309,458	\$3,472,164	\$18,928	\$75,667,976	0.0
SB 14-012	4,697	2,301	41	0	2,355	0.0
SB 14-014	1,397	684	13	0	700	0.0
SB 14-130	24,634	12,085	9	0	12,540	0.0
HB 14-1317	<u>44,529</u>	<u>21,813</u>	<u>391</u>	<u>0</u>	<u>22,325</u>	<u>0.0</u>
TOTAL	\$139,543,783	\$60,346,341	\$3,472,618	\$18,928	\$75,705,896	0.0
Increase/(Decrease)	(\$336,880,293)	(\$170,938,584)	\$1,231,051	\$0	(\$167,172,760)	0.0
Percentage Change	(70.7%)	(73.9%)	54.9%	0.0%	(68.8%)	n/a

FY 2013-14 Appropriation – Mid-year Adjustments

House Bill 14-1236 modified the FY 2013-14 appropriation of Medicaid funds used in the Department of Human Services as follows: an increase of \$796,397 total funds for the CBMS modernization project, an increase of \$221,994 total funds for the Mental Health Institutes, and an increase of \$265,535 total funds for the Division of Youth Corrections. House Bill 14-1252 made modifications to the Medicaid waiver funding for the intellectual and developmental disability waivers administered by the Department of Human Services.

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Human Services programs: The appropriation reflects changes in funding for programs within the Department of Human Services that received Medicaid funding. The following table summarizes the changes by Department of Human Services division.

Medicaid Fund Changes by Department of Human Services Division				
Division	Total Funds	General Fund	Cash Funds	Federal Funds
Executive Director's Office	\$977,469	\$488,736	\$0	\$488,733
Office of Information Technology	13,967,683	5,159,087	1,230,598	7,577,998
Office of Operations	192,740	96,206	0	96,534
Division of Child Welfare	368,714	181,596	0	187,118
Office of Early Childhood	686,414	338,008	0	348,406
Behavioral Health Services	276,253	138,127	0	138,126
Services for People with Disabilities	1,279,657	604,874	0	674,783
Division of Youth Corrections	190,632	94,056	0	96,576
Total	\$17,939,562	\$7,100,690	\$1,230,598	\$9,608,274

FMAP change: The appropriation adjusts funding to account for an increase in the federal match rate, or Federal Medical Assistance Percentage (FMAP), for non-administrative expenses of Medicaid and CHP+. For federal fiscal year 2014-15, which starts October 1, 2014, the federal match rate for Medicaid will increase from 50 percent to 51.01 percent.

Annualize HB 14-1314 IDD Transfer: The appropriation includes the annualization of H.B. 13-1314 which transferred the intellectual and developmental disabilities waivers from the Department of Human Services to the Department of Health Care Policy and Financing.

Annualize prior year legislation: The appropriation includes an increase of General Fund for the second or third year impact of legislation.

Annualize prior year budget decisions: The appropriation includes a number of changes to the out year impact of funding decisions made through the FY 2013-14 Long Bill.

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

Recent legislation

2013 Session Bills

SB 13-166 (Medical Clean Claims): Extends deadlines for development and implementation of recommendations from the Medical Clean Claims Task Force for standardizing claim submissions and edits to facilitate prompt payment. Provides \$100,000 General Fund in FY 2013-14 to support the work of the Task Force.

S.B. 13-167 (Individuals with Intellectual Disabilities): Makes changes to the provider fee for intermediate care facilities for individuals with intellectual disabilities, including transferring responsibility for administering the fee from the Department of Human Services to the Department of Health Care Policy and Financing. Provides \$1,867,133 total funds, including a reduction of \$932,575 General Fund to the Department for FY 2013-14. For more information see the "Recent Legislation" section at the end of the Department of Human Services section of this report.

S.B. 13-200 (Expand Medicaid Eligibility): Expands Medicaid eligibility for adults to 133 percent of the federal poverty level (FPL). The newly eligible populations affected by this change include adults without dependent children with income from 11 percent through 133 percent of the FPL and parents with income from 101 percent through 133 percent of the FPL. Pursuant to the provisions of the federal Affordable Care Act, Colorado is eligible for an enhanced federal match rate for certain populations as a result of the eligibility expansion authorized in S.B. 13-200. For Colorado the enhanced federal match rate applies to adults without dependent children with income from 0 percent through 133 percent of the federal poverty level and to parents with income from 61 percent through 133 percent of the FPL. The enhanced federal match rate is 100 percent from 2014 through 2016 and then it reduces in increments until it reaches 90 percent in 2020. Senate Bill 13-200 authorizes the Hospital Provider Fee to pay the state share of costs for the newly eligible populations when the enhanced federal match rate is reduced. Makes the following appropriations for FY 2013-14:

SB 13-200 Appropriations by Department						
Department	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Health Care Policy and Financing	\$315,141,256	(\$123,209)	(\$154,578,421)	\$0	\$469,842,886	19.0
Corrections	(2,471,751)	(2,471,751)	0	0	0	0.4
Human Services	(651,875)	(651,875)	0	0	0	0.0
Law	24,910	0	0	24,910	0	0.0
Personnel	12,122	0	0	12,122	0	0.0
Total	\$312,054,662	(\$3,246,835)	(\$154,578,421)	\$37,032	\$469,842,886	19.4

S.B. 13-230 (Long Bill): General appropriations act for FY 2013-14.

S.B. 13-232 (Continue Tobacco Tax Medicaid Management Transfers): Eliminates the repeal of a transfer of \$2.0 million from the Prevention, Early Detection, and Treatment Fund to the Department of Health Care Policy and Financing for disease management programs. Refinances \$2.0 million General Fund appropriations with transfers from the fund.

S.B. 13-242 (Medicaid Adult Dental Benefit): Adds a dental benefit for adults on Medicaid. Requires the Department of Health Care Policy and Financing to design the benefit with input from stakeholders and implement it by April 1, 2014. Transfers money from the Unclaimed Property Trust Fund to the newly created Adult Dental Fund to pay for the benefit. Appropriates \$33.9 million total funds and 1.3 FTE to the Department of Health Care Policy and Financing in FY 2013-14, including a reduction of \$0.7 million General Fund, an increase of \$11.2 million cash funds, and an increase of \$23.4 million federal funds.

S.B. 13-264 (Rural Family Medicine): Requires the Commission on Family Medicine to support the development of rural family medicine residency programs and appropriates \$1,000,000 to support this purpose, including \$500,000 General Fund and \$500,000 federal funds, to the Department of Health Care Policy and Financing in FY 2013-14.

S.B. 13-276 (Disability Investigational and Pilot Support): Renames the Coordinated Care for People with Disabilities Fund the Disability Investigational and Pilot Support Fund. Repurposes the fund to support grants and loans to projects that study or pilot new and innovative initiatives to improve the quality of life and independence of people with disabilities. Transfers administration of the fund from the Department of Health Care Policy and Financing to the Department of Personnel. In FY 2013-14 reduces appropriations to the Department of Health Care Policy and Financing by \$163,649 total funds, including \$80,593 cash funds and \$82,696 federal funds, increases appropriations to the Department of Personnel by \$1,173,976 cash funds, and increases appropriations to the Governor - Lieutenant Governor - State Planning and Budgeting by \$300,000 cash funds.

H.B. 13-1117 (Alignment of Child Development Programs): Makes changes to the Early Childhood Leadership Council, including transferring administration from the Governor's Office to the Department of Human Services and makes corresponding adjustments to appropriations. For more information see the "Recent Legislation" section at the end of the Department of Human Services section of this report.

H.B. 13-1152 (Nursing Facility Per Diem): Adjusts the formula for calculating the per diem rate paid to nursing facilities and reduces appropriations for the Department of Health Care Policy and Financing for FY 2013-14 by \$9.7 million total funds, including \$4.8 million General Fund and \$4.8 million federal funds.

H.B. 13-1314 (Transfer Development Disabilities to HCPF): Transfers the powers, duties, and functions of the Department of Human Services relating to the programs, services, and supports for persons with intellectual and developmental disabilities to the Department of Health Care Policy and Financing. For more information see the "Recent Legislation" section at the end of the Department of Human Services section of this report.

2014 Session Bills

S.B. 14-012 (Aid to the Needy Disabled): Requires the Department of Human Services to increase the monthly benefit amount for the Aid to the Needy and Disabled program by 8.0 percent in FY 2014-15. From FY 2015-16 to FY 2018-19, subject to available appropriations, the Department is encouraged to increase the monthly award until it is equal to the award level in FY 2006-07, and then to increase the award to account for cost of living in future years. Appropriates \$4,697 total funds, including \$2,301 General Fund, to the Department of Health Care Policy and Financing for FY 2014-15, and reappropriates these moneys to the Department of Human Services to contract with the Governor's Office of Information Technology to make changes to the Colorado Benefits Management System (CBMS). For more information on S.B. 14-012, please see the "Recent Legislation" section in the Department of Human Services section of this document.

S.B. 14-014 (Heat Fuel Grants): Makes changes to the Property Tax, Rent, and Heat Rebate Program to increase the maximum property tax and rent rebate for income-eligible claimants, establish a flat rate rebate for both the property tax and rent rebate and the heat rebate in an expanded range of income eligibility, and implements various recommendations of the August 2013 legislative audit of the program. Appropriates \$1,397 total funds, including \$684 General Fund, to the Department of Health Care Policy and Financing for FY 2014-15, and reappropriates these moneys to the Department of Human Services to contract with the Governor's Office of Information Technology to make changes to the Colorado Benefits Management System (CBMS). For more information on S.B. 14-014, please see the "Recent Legislation" section in the Department of Revenue section of this document.

S.B. 14-130 (Nursing Personal Care Allowance): Increases from \$50 to \$75 per month the personal needs allowance for Medicaid recipients in nursing facilities and inflates this amount by the increase in nursing facility rates in future years. Makes the appropriations contained in the table below to implement the act and, in addition, reduces General Fund appropriations to the Controlled Maintenance Trust Fund by \$532,412.

Cost of Implementing S.B. 14-130					
Line Item	TOTAL	GF	CF	RF	FF
Health Care Policy and Financing					
Medical Service Premiums					
Medical and Long-Term Care Services for Medicaid Eligible Individuals	\$1,057,300	\$517,971	\$0	\$0	\$539,329
Department of Human Services Medicaid-funded programs					
Office of Information Technology Services - Medicaid Funding					
Colorado Benefits Management System	2,289	1,138	9	0	1,142
Services for People with Disabilities					
Regional Centers	22,345	10,947	0	0	11,398
Human Services					
Office of Information Technology Services					
Colorado Benefits Management System					
Colorado Benefits Management System, Operating Expenses	6,203	2,356	215	2,289	1,343
Services for People with Disabilities -- Medicaid Funding					
Regional Centers for People with Developmental Disabilities					
Wheat Ridge Regional Center Personal Services	0	0	(9,216)	9,216	0
Grand Junction Regional Center Personal Services	0	0	(7,111)	7,111	0
Pueblo Regional Center Personal Services	0	0	(6,018)	6,018	0
Governor - Lieutenant Governor - State Planning and Budgeting					
Office of Information Technology					
Applications					
Colorado Benefits Management System	6,203	0	0	6,203	0
TOTAL	\$1,094,340	\$532,412	(\$22,121)	\$30,837	\$553,212

S.B. 14-144 (Family Medicine Residency Training in Rural Areas): Expands the responsibilities of the Commission on Family Medicine regarding family medicine residency training programs in rural and underserved areas and appropriates a net \$75,000 federal funds to the Commission for this purpose in FY 2014-15.

S.B. 14-151 (Nursing Home Innovations): Modifies the Nursing Home Innovation Grant Program, including establishing minimum annual grants based on the balance in the Nursing Home Penalty Cash Fund, and appropriates \$165,000 from the Nursing Home Penalty Cash Fund to the Department of Health Care Policy and Financing for FY 2014-15 for an increase in grant awards.

S.B. 14-159 (Medical Clean Claims): Modifies procedures and deadlines for the Medical Clean Claims Task Force responsible for developing standardized payment rules and edits for payers and providers for undisputed claims, and appropriates \$128,688 General Fund to the Department of Health Care Policy and Financing in FY 2014-15 for the Task Force's new duties.

S.B. 14-180 (Transfer Senior Dental Program to HCPF): Transfers the Dental Assistance Program for Seniors, also known as the Old Age Pension (OAP) Dental Program, from the Department of Public Health and Environment (DPHE) to the Department of Health Care Policy and Financing (HCPF) as of July 1, 2015. Renames the Program the Colorado Dental Health Care Program for Low-Income Seniors and modifies the eligibility criteria to align with other dental benefits for seniors and to target services to economically disadvantaged seniors as defined in rule. Provides funds to qualified grantees, including Area Agencies on Aging, community organizations, Local Public Health Agencies, federally qualified health centers, and private dental practices. Requires HCPF to award grants to qualified grantees on or after July 1, 2015, and to establish rates for dental services under the program. Grantees are required to provide outreach, identify eligible seniors and dental care providers, and pay claims for services. Creates the Senior Dental Advisory Committee. Reduces the appropriation in the DPHE by \$55,000 General Fund and increases the appropriation in HCPF by \$55,000 General Fund and 0.8 FTE for FY 2014-15.

S.B. 14-215 (Disposition of Legal Marijuana Related Revenue): Creates the Marijuana Tax Cash Fund (MTCF) and directs that all sales tax moneys collected by the state starting in FY 2014-15 from retail and medical marijuana be deposited in the MTCF instead of the Marijuana Cash Fund. Specifies permissible uses of moneys in the MTCF, including increasing the availability of school-based prevention, early intervention, and health care services and programs to reduce the risk of marijuana and other substance use and abuse by school-aged children. Creates the School-based Substance Abuse Prevention and Intervention grant program in the Department of Health Care Policy and Financing (HCPF) to award competitive grants to entities to provide school-based prevention and intervention programs for youth, primarily focused on reducing marijuana use, but including strategies and efforts to reduce alcohol use and prescription drug misuse. Appropriates a total of \$6,363,807 to HCPF for FY 2014-15, including \$2,000,000 General Fund for the newly created grant program, and \$4,363,807 (including \$2,000,000 General Fund and \$2,363,807 federal Medicaid funds) for school-based prevention and intervention substance use disorder services to be provided by behavioral health organizations. Directs the State Treasurer to transfer \$4,260,000 from the MTCF to the General Fund to offset the General Fund appropriations to HCPF. For more information see the "Recent Legislation" section at the end of the Department of Revenue section of this report.

H.B. 14-1045 (Breast and Cervical Cancer Prevention): Reauthorizes and modifies the Breast and Cervical Cancer Prevention Program in the Department of Health Care Policy and Financing and for FY 2014-15: (1) decreases appropriations from tobacco tax money in the Prevention, Early Detection, and Treatment Fund to the Department of Public Health and Environment for transfer to the Department of Health Care Policy and Financing for breast and cervical cancer treatment by \$936,892 and increases appropriations to the Department of Public Health and Environment by the same amount for breast and cervical cancer screening; and (2) provides a total of \$7,006,802 and 1.0 FTE, including \$2,424,017 cash funds from the Breast and Cervical Cancer Prevention and Treatment Fund and \$4,582,785 from federal funds, to the Department of Health Care Policy and Financing for the reauthorized Breast and Cervical Cancer Prevention program.

H.B. 14-1211 (Complex Rehabilitation Technology in Medicaid): Modifies the Medicaid benefit for Complex Rehabilitation Technology designed and configured to meet a client's unique medical, physical, and functional needs, such as manual wheelchair systems, alternate positioning systems, standing frames, and gait trainers. Appropriates \$51,133 to the Department of Health Care Policy and Financing in FY 2014-15 for

implementation of the benefit modifications, including \$16,533 General Fund and \$34,600 federal funds, and reduces appropriations to the Controlled Maintenance Trust Fund by \$16,533 General Fund.

H.B. 14-1213 (Pharmacy Benefit Manager): Changes regulations for pharmacy benefit managers and appropriates, in FY 2014-15, \$129,831 to the Department of Health Care Policy and Financing, including \$44,519 General Fund and \$85,312 federal funds, for increased costs of the Children's Basic Health Plan associated with the new regulations. Reduces appropriations to the Controlled Maintenance Trust Fund by \$44,519 General Fund.

H.B. 14-1236 (Supplemental Bill): Supplemental appropriation to the Department of Health Care Policy and Financing to modify appropriations for FY 2012-13 and FY 2013-14.

H.B. 14-1252 (Intellectual and Development Disabilities Services System Capacity): Amends the Intellectual and Developmental Disabilities Cash Fund (fund) to allow moneys in the fund to be used for administrative expenses relating to Medicaid waiver renewal and redesign and for increasing system capacity for home- and community-based services for persons with intellectual and developmental disabilities. Requires the Department, on or before April 1, 2014, to report to the Joint Budget Committee the plan for the distribution of moneys appropriated for increases in system capacity, and requires the Department to distribute the moneys by April 15, 2014 for increases in system capacity. Requires each community-centered board or provider that receives moneys for increases in system capacity shall report to the department on the use of the funds by October 1, 2014. Appropriates the following in FY 2013-14:

- Makes FY 2013-14 supplemental adjustments to the waivers;
- \$4,500,000 General Fund to the Fund;
- \$13,852 total funds and 0.2 FTE to the Department for administrative expenses for waiver renewal;
- \$400,000 total funds, of which \$200,000 is cash funds from the Fund and \$200,000 is matching federal funds, for waiver renewal and redesign; and
- \$4,293,074 cash funds from the Fund for system capacity improvements.

H.B. 14-1317 (Colorado Child Care Assistance Program Changes): Makes changes to the Colorado Child Care Assistance Program in the Department of Human Services. Includes an appropriation of \$44,529 total funds, of which \$21,813 is General Fund, to the Department for FY 2014-15. See the "Recent Legislation" section for the Department of Human Services for additional information.

H.B. 14-1336 (Long Bill): General appropriations act for FY 2014-15. Includes provisions modifying appropriations to the Department of Health Care Policy and Financing for FY 2012-13 and FY 2013-14.

H.B. 14-1357 (In-home Support Services in Medicaid): Modifies the Medicaid benefit for in-home support services, such as household and personal care services, for clients who would otherwise require care in a nursing facility, and appropriates \$297,985 to the Department of Health Care Policy and Financing in FY 2014-15, including \$145,983 General Fund and \$152,002 federal funds, for implementation of the benefit modifications. Also, reduces appropriations to the Controlled Maintenance Trust Fund by \$145,983 General Fund.

H.B. 14-1360 (Sunset Review Licensure of Home Care Agencies): Continues the regulation of home care agencies and home care placement agencies until September 1, 2019, and implements the recommendations of the sunset report. Allows HCPF-certified community-centered boards or services agencies (CCBs) that provide

in-home personal care services to obtain a home care agency license, prohibits the Department from conducting inspections related to a home care agency license renewal, or from assessing fees for a new or renewal home care agency license, for certified CCBs until July 1, 2016. Until that date, requires the Department and HCPF to establish a work group with CCBs and recipients of Medicaid Home- and Community-Based Services (HCBS) waivers to identify gaps or conflicts between home care agency license requirements and HCBS provider requirements. Requires the work group to submit recommendations for resolving gaps or conflicts to the State Board of Health and the Medical Services Board, and requires the boards to adopt rules regarding the gaps and conflicts by July 1, 2016. Requires the departments to report on the progress of these requirements during the 2014 and 2015 annual SMART Act presentations to the joint committees of reference. Appropriates \$110,000 cash funds to the Department which is reappropriated to the Department of Public Health and Environment for FY 2014-15.

H.B. 14-1368 (Transition Youth Developmental Disabilities to Adult Services): Establishes a plan and appropriates funds to transfer youth into adult services for persons with IDD under Medicaid Home- and Community-Based Services (HCBS) in the Department of Health Care Policy and Financing (HCPF). The bill sets forth criteria for transition planning and instructs the State Board of Human Services and the Medical Services Board to promulgate any rules necessary to guide the transition. Creates the Child Welfare Transition Cash Fund (Fund). Appropriates a total of \$5,746,227 total funds, including \$2,829,586 cash funds and \$2,916,641 federal funds to the Department for FY 2014-15.

Department Details

DEPARTMENT OF HIGHER EDUCATION

FY 2013-14 and FY 2014-15 Appropriations by Division and Bill

Department of Higher Education						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Total Appropriation:	\$3,188,493,704	\$659,108,061	\$1,933,397,850	\$576,697,493	\$19,290,300	22,842.3
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Department Administrative Office	3,431,110	0	2,240,228	874,026	316,856	0.0
Colorado Commission on Higher Education	8,870,837	345,207	5,240,587	2,796,457	488,586	52.8
Colorado Commission on Higher Education Financial Aid	112,065,347	111,465,347	0	0	600,000	0.0
College Opportunity Fund Program	524,944,039	524,944,039	0	0	0	0.0
Governing Boards	2,421,494,591	0	1,895,474,861	526,019,730	0	22,453.2
Local District Junior College Grants Pursuant to Section 23-71-301, C.R.S.	13,262,550	12,650,325	612,225	0	0	0.0
Division of Occupational Education	54,702,933	8,408,143	0	29,337,028	16,957,762	32.0
Auraria Higher Education Center	17,670,252	0	0	17,670,252	0	172.9
State Historical Society	32,052,045	1,295,000	29,829,949	0	927,096	131.4
<u>Breakdown of Total Appropriation by Bill</u>						
SB 13-230	3,230,541,694	658,479,148	1,978,070,473	574,701,773	19,290,300	22,840.8
HB 13-1004	1,500,000	0	0	1,500,000	0	0.0
HB 13-1165	1,033,765	559,165	0	474,600	0	1.5
HB 13-1194	110,611	22,621	68,790	19,200	0	0.0
HB 13-1230	3,840	1,920	0	1,920	0	0.0
HB 14-1319	45,207	45,207	0	0	0	0.0
HB 14-1336	(44,741,413)	0	(44,741,413)	0	0	0.0
FY 2014-15 Total Appropriation:	\$3,442,742,629	\$761,983,052	\$2,023,919,592	\$634,406,378	\$22,433,607	23,455.2
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Department Administrative Office	3,947,388	18,216	2,345,668	954,944	628,560	0.0
Colorado Commission on Higher Education	14,587,037	1,092,770	5,300,758	2,902,964	5,290,545	91.3
Colorado Commission on Higher Education Financial Aid	153,093,098	152,747,922	0	345,176	0	0.0
College Opportunity Fund Program	583,800,859	583,800,859	0	0	0	0.0

Department of Higher Education						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Governing Boards	2,569,990,867	0	1,987,696,383	582,294,484	0	23,022.7
Local District Junior College Grants Pursuant to Section 23-71-301, C.R.S.	14,693,860	14,044,591	649,269	0	0	0.0
Division of Occupational Education	53,166,482	8,983,694	0	28,608,810	15,573,978	32.0
Auraria Higher Education Center	19,300,000	0	0	19,300,000	0	177.8
State Historical Society	30,163,038	1,295,000	27,927,514	0	940,524	131.4
Breakdown of Total Appropriation by Bill						
HB 14-1336	3,282,561,278	659,765,586	2,023,919,592	576,442,493	22,433,607	23,452.2
SB 14-001	157,876,365	100,162,480	0	57,713,885	0	0.0
SB 14-211	500,000	250,000	0	250,000	0	0.0
HB 14-1319	804,986	804,986	0	0	0	3.0
HB 14-1384	1,000,000	1,000,000	0	0	0	0.0
Increase/(Decrease)	\$254,248,925	\$102,874,991	\$90,521,742	\$57,708,885	\$3,143,307	612.9
Percentage Change	8.0%	15.6%	4.7%	10.0%	16.3%	2.7%

General Fund Exempt: Amounts in the General Fund column include appropriations from both the General Fund and General Fund Exempt Account. The General Fund Exempt Account was created by Referendum C, passed by Colorado voters in November 2005. Referendum C allowed the State to retain for FY 2005-06 through FY 2009-10 all revenue collected in excess of the TABOR limit and for FY 2010-11 and subsequent fiscal years all revenues in excess of the TABOR limit but less than the excess state revenues cap. The retained revenue must be placed in the General Fund Exempt Account. The table below shows the amount appropriated from the General Fund Exempt Account for FY 2013-14 and FY 2014-15 for higher education pursuant to Sections 24-77-103.6 (2) (b) and 24-77-104.5 (1) (b) (III), Colorado Revised Statutes.

General Fund Summary	Total General Fund	General Fund	General Fund Exempt
FY 2013-14	\$659,108,061	\$76,974,728	\$582,133,333
FY 2014-15	\$761,983,052	\$111,249,719	\$650,733,333

Informational Funds: The FY 2014-15 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Higher Education are annotated with the "(I)". For additional information, see Appendix J.

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2014-15 Appropriations containing an (I) notation	\$1,997,431,457	\$0	\$1,974,997,850	\$0	\$22,433,607

Detail of Appropriation by Administrative Section

Department Administrative Office

This division includes funding for centrally appropriated items for the Colorado Commission on Higher Education, Division of Private Occupational Schools, and History Colorado. These centrally appropriated items include salary survey, risk management, leased space, health benefits, and other miscellaneous expenses. These expenses are not appropriated centrally for the other divisions within the Department. The sources of cash funds include limited gaming revenues deposited in the State Historical Fund and various fees. The source of reappropriated funds is indirect cost recoveries.

Department Administrative Office						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	<u>\$3,431,110</u>	<u>\$0</u>	<u>\$2,240,228</u>	<u>\$874,026</u>	<u>\$316,856</u>	<u>0.0</u>
TOTAL	\$3,431,110	\$0	\$2,240,228	\$874,026	\$316,856	0.0
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$3,431,110	\$0	\$2,240,228	\$874,026	\$316,856	0.0
Centrally appropriated line items	299,898	0	(85,462)	76,199	309,161	0.0
IT common policy adjustments	198,164	0	190,902	4,719	2,543	0.0
HB 14-1336	\$3,929,172	\$0	\$2,345,668	\$954,944	\$628,560	0.0
HB 14-1319	<u>18,216</u>	<u>18,216</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$3,947,388	\$18,216	\$2,345,668	\$954,944	\$628,560	0.0
Increase/(Decrease)	\$516,278	\$18,216	\$105,440	\$80,918	\$311,704	0.0
Percentage Change	15.0%	n/a	4.7%	9.3%	98.4%	n/a

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; shift differential; workers' compensation; legal services; administrative law judges; and payment to risk management and property funds.

IT common policy adjustments: The appropriation includes adjustments to line items appropriated for: purchase of services from the computer center; Colorado state network; management and administration of the Governor's Office of Information Technology (OIT); information technology security, and COFRS modernization.

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

Colorado Commission on Higher Education

This division includes funding for the Commission's staff, the Division of Private Occupational Schools, and special purpose initiatives of the Department. The sources of cash funds include indirect cost recoveries, fees paid to the Division of Private Occupational Schools, and limited gaming revenues that are used for competitive research grants. The primary source of reappropriated funds is indirect cost recoveries.

Colorado Commission on Higher Education						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$8,825,630	\$300,000	\$5,240,587	\$2,796,457	\$488,586	52.8
HB 14-1319	<u>45,207</u>	<u>45,207</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$8,870,837	\$345,207	\$5,240,587	\$2,796,457	\$488,586	52.8
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$8,870,837	\$345,207	\$5,240,587	\$2,796,457	\$488,586	52.8
Reflect federal GEAR UP	4,585,637	0	0	0	4,585,637	35.5
Colorado Geological Survey adjustment	260,929	6,000	18,384	50,000	186,545	0.0
Centrally appropriated line items	124,531	0	24,001	70,753	29,777	0.0
Annualize prior year actions	3,540	0	0	3,540	0	0.0
Indirect cost and fund source adjustments	0	0	17,786	(17,786)	0	0.0
Annualize H.B. 14-1319 prior year funds	(45,207)	(45,207)	0	0	0	0.0
HB 14-1336	\$13,800,267	\$306,000	\$5,300,758	\$2,902,964	\$5,290,545	88.3
HB 14-1319	<u>786,770</u>	<u>786,770</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3.0</u>
TOTAL	\$14,587,037	\$1,092,770	\$5,300,758	\$2,902,964	\$5,290,545	91.3
Increase/(Decrease)	\$5,716,200	\$747,563	\$60,171	\$106,507	\$4,801,959	38.5
Percentage Change	64.4%	216.6%	1.1%	3.8%	982.8%	72.9%

FY 2013-14 Appropriation – Mid-year Adjustments

House Bill 14-1319 increased FY 2013-14 appropriations to cover the initial administrative costs for developing a new higher education funding model.

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Reflect federal GEAR UP: The appropriation adds funding and FTE to reflect the transfer of the federal GEAR UP grant program from the Governor's Office to the Department of Higher Education. This program

targets middle and high school youth who might not otherwise pursue higher education, helping to prepare them for college and providing scholarships.

Colorado Geological Survey adjustment: The appropriation increases funding for the Colorado Geological Survey at the Colorado School of Mines to address salary and benefits increases and projected funding from grants and contracts.

Centrally appropriated line items: The appropriation annualizes salary survey and merit increases awarded in FY 2013-14, building these into base personal services line items for the Colorado Commission on Higher Education (CCHE) and History Colorado.

Annualize prior year actions: The appropriation annualizes increases for the Western Interstate Commission on Higher Education (WICHE) dues and new CCHE data and research positions approved in FY 2013-14.

Indirect cost and fund source adjustments: The appropriation includes technical adjustments to fund sources in this division.

Annualize H.B. 14-1319 prior year funds: The appropriation eliminates one-time FY 2013-14 appropriations.

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

Colorado Commission on Higher Education Financial Aid

This division includes the state-funded financial aid programs administered by the Commission.

Colorado Commission on Higher Education Financial Aid						
	Total Funds	General Fund/1	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$111,977,361	\$111,377,361	\$0	\$0	\$600,000	0.0
HB 13-1165	84,565	84,565	0	0	0	0.0
HB 13-1194	3,421	3,421	0	0	0	0.0
HB 14-1336	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$112,065,347	\$111,465,347	\$0	\$0	\$600,000	0.0
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$112,065,347	\$111,465,347	\$0	\$0	\$600,000	0.0
Fort Lewis Native American tuition waiver	375,751	375,751	0	0	0	0.0
Dependent Tuition Assistance Program	252,000	252,000	0	0	0	0.0
Indirect cost and fund source adjustments	0	(345,176)	0	345,176	0	0.0
Reflect federal GEAR - UP	(600,000)	0	0	0	(600,000)	0.0

Colorado Commission on Higher Education Financial Aid						
	Total Funds	General Fund/1	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 14-1336	\$112,093,098	\$111,747,922	\$0	\$345,176	\$0	0.0
SB 14-001	40,000,000	40,000,000	0	0	0	0.0
HB 14-1384	<u>1,000,000</u>	<u>1,000,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$153,093,098	\$152,747,922	\$0	\$345,176	\$0	0.0
Increase/(Decrease)	\$41,027,751	\$41,282,575	\$0	\$345,176	(\$600,000)	0.0
Percentage Change	36.6%	37.0%	n/a	n/a	(100.0%)	n/a

FY 2013-14 Appropriation – Mid-year Adjustments

House Bill 14-1336 added a General Fund Exempt appropriation in this division and reduced the non-exempt General Fund appropriation by the same amount.

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Fort Lewis Native American tuition waiver: The appropriation includes an increase for the Native American tuition waiver at Fort Lewis College, consistent with statute and federal court rulings.

Dependent Tuition Assistance Program: The appropriation includes an increase for the Dependent Tuition Assistance Program based on program utilization and statutory requirements.

Indirect cost and fund source adjustments: The appropriation includes an adjustment to indirect cost assessments applied to offset the need for General Fund in this division.

Reflect federal GEAR UP: The appropriation consolidates GEAR UP grant funding into a line item for GEAR UP in the Colorado Commission on Higher Education section.

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

College Opportunity Fund Program

This section provides funding for student stipend payments for resident students attending state-operated higher education institutions and resident students attending certain private institutions located in the state, and for fee-for-service contracts between the Commission and the institutions. For a summary of the impact of these changes by governing board, see the Governing Boards section.

College Opportunity Fund Program						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$524,448,319	\$524,448,319	\$0	\$0	\$0	0.0
HB 13-1165	474,600	474,600	0	0	0	0.0
HB 13-1194	19,200	19,200	0	0	0	0.0
HB 13-1230	1,920	1,920	0	0	0	0.0
HB 14-1336	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$524,944,039	\$524,944,039	\$0	\$0	\$0	0.0
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$524,944,039	\$524,944,039	\$0	\$0	\$0	0.0
Annualize prior year actions	686,400	686,400	0	0	0	0.0
Adjust stipends at private institutions	44,055	44,055	0	0	0	0.0
Adjust stipend and fee-for-service revenue	0	0	0	0	0	0.0
HB 14-1336	\$525,674,494	\$525,674,494	\$0	\$0	\$0	0.0
SB 14-001	57,876,365	57,876,365	0	0	0	0.0
SB 14-211	<u>250,000</u>	<u>250,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$583,800,859	\$583,800,859	\$0	\$0	\$0	0.0
Increase/(Decrease)	\$58,856,820	\$58,856,820	\$0	\$0	\$0	0.0
Percentage Change	11.2%	11.2%	n/a	n/a	n/a	n/a

FY 2013-14 Appropriation – Mid-year Adjustments

House Bill 14-1336 reduced the FY 2013-14 General Fund appropriation for College Opportunity Fund (COF) stipends by \$10,210,587 and increased the General Fund appropriation for COF fee-for-service contracts by the same amount. The adjustment was based on a revised projection of the number of students qualifying for a COF stipend in FY 2013-14. It also adjusted the portion of General Fund from the General Fund Exempt account.

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Annualize prior year actions: The appropriation includes the second year impact of S.B. 13-033 (In-state Classification for Colorado High School Completion) and H.B. 13-1165 (Manufacturing Career Pathway).

Adjust stipends at private institutions: The Long Bill appropriation includes an adjustment for Pell-eligible students at participating private institutions who are projected to qualify for a COF stipend. A further increase is provided in S.B. 14-001. Total funding in both bills provides stipend funding for 1,339 students at private institutions at a rate of \$1,125 per student.

Adjust stipend and fee-for-service revenue: The Long Bill appropriation increases the appropriation for stipends for students attending public institutions by \$2,820,069 and decreases the appropriation for fee-for-service contracts with public institutions by the same amount, based on the following changes: (1) a decrease of 2,663 student FTE in the projected number of students eligible for the stipend; and (2) an increase in the stipend amount per student FTE from \$1,920 to \$1,980. Senate Bill 14-001 provides additional increases in the stipend rate and provides fee-for-service increases. Total funding in the Long Bill and S.B. 14-001 combined provides stipend funding for 130,925 student FTE at a rate of \$2,250 per SFTE and a total state funding increase of at least 11.0 percent for each governing board.

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

Governing Boards

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

Governing Boards						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$2,465,671,494	\$0	\$1,940,147,484	\$525,524,010	\$0	22,451.7
HB 13-1165	474,600	0	0	474,600	0	1.5
HB 13-1194	87,990	0	68,790	19,200	0	0.0
HB 13-1230	1,920	0	0	1,920	0	0.0
HB 14-1336	<u>(44,741,413)</u>	<u>0</u>	<u>(44,741,413)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$2,421,494,591	\$0	\$1,895,474,861	\$526,019,730	\$0	22,453.2
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$2,421,494,591	\$0	\$1,895,474,861	\$526,019,730	\$0	22,453.2
Tuition and fee revenue	92,473,723	0	92,473,723	0	0	0.0
Annualize prior year actions	686,400	0	0	686,400	0	11.5
Higher education gaming revenue	272,243	0	272,243	0	0	0.0
Reflect projected FTE	0	0	0	0	0	558.0
Adjust COF stipend and fee-for-service allocations	0	0	0	0	0	0.0
Mineral impact grant spending authority	(2,375,531)	0	0	(2,375,531)	0	0.0
Tobacco settlement revenue	(524,444)	0	(524,444)	0	0	0.0
HB 14-1336	\$2,512,026,982	\$0	\$1,987,696,383	\$524,330,599	\$0	23,022.7
SB 14-001	57,713,885	0	0	57,713,885	0	0.0
SB 14-211	<u>250,000</u>	<u>0</u>	<u>0</u>	<u>250,000</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$2,569,990,867	\$0	\$1,987,696,383	\$582,294,484	\$0	23,022.7

Governing Boards						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Increase/(Decrease)	\$148,496,276	\$0	\$92,221,522	\$56,274,754	\$0	569.5
Percentage Change	6.1%	n/a	4.9%	10.7%	n/a	2.5%

FY 2013-14 Appropriation – Mid-year Adjustments

House Bill 14-1336 adjusted FY 2013-14 tuition and fee cash fund amounts shown for informational purposes to reflect updated projections. In addition, it adjusted reappropriated funds allocated to each governing board for College Opportunity Fund (COF) stipends based on updated projections of COF-eligible students. The changes by governing board are reflected in the two tables below.

FY 2013-14 Tuition and Fee Forecast						
	February 2014 Forecast Total Tuition & Fees			Change from February 2013 Forecast		
	Tuition	Fees	Total Tuition & Fees	Tuition	Fees	Total Change Tuition & Fees (H.B. 14-1336 Supplemental)
Adams State University	\$20,731,522	\$2,326,600	\$23,058,122	\$476,378	(\$668,280)	(\$191,902)
Mesa State University	54,637,665	457,546	55,095,211	(3,938,806)	(2,454)	(3,941,260)
Metropolitan State U.	94,543,866	10,691,348	105,235,214	(6,220,941)	(33,185)	(6,254,126)
Western State Colorado U.	15,304,990	2,275,000	17,579,990	1,371,840	391,641	1,763,481
Colorado State U. System	332,965,509	19,737,383	352,702,892	(1,869,646)	204,086	(1,665,560)
Ft. Lewis College	38,864,299	1,215,955	40,080,254	1,004,829	118,477	1,123,306
U. of Colorado System	760,462,333	53,218,308	813,680,641	(21,496,973)	2,407,808	(19,089,165)
Colorado School of Mines	105,666,839	4,404,332	110,071,171	2,014,209	179,043	2,193,252
U. of Northern Colorado	84,042,001	5,026,300	89,068,301	(611,913)	(402,500)	(1,014,413)
Community College System	<u>253,493,104</u>	<u>15,998,840</u>	<u>269,491,944</u>	<u>(24,514,319)</u>	<u>6,849,293</u>	<u>(17,665,026)</u>
Total	\$1,760,712,128	\$115,351,612	\$1,876,063,740	(\$53,785,342)	\$9,043,929	(\$44,741,413)

FY 2013-14 Stipend-eligible Students and Adjustments to COF Stipends and Fee-for-Service Appropriations				
	February 2014 forecast of stipend-eligible Student FTE	Student FTE change from February 2013 forecast	COF Stipend Change	COF Fee-for-service Change
Adams State University	1,384.1	(147.9)	(\$283,947)	\$283,947
Mesa State University	6,502.6	(390.4)	(749,620)	749,620
Metropolitan State University	14,737.8	(1,595.2)	(3,062,787)	3,062,787
Western State Colorado U.	1,231.6	(12.4)	(23,841)	23,841

FY 2013-14 Stipend-eligible Students and Adjustments to COF Stipends and Fee-for-Service Appropriations				
	February 2014 forecast of stipend- eligible Student FTE	Student FTE change from February 2013 forecast	COF Stipend Change	COF Fee-for-service Change
Colorado State University System	19,732.2	(1,190.8)	(2,286,397)	2,286,397
Ft. Lewis College	2,052.2	(97.8)	(187,718)	187,718
University of Colorado System	27,216.4	(167.6)	(321,838)	321,838
Colorado School of Mines	2,757.1	72.1	138,373	(138,373)
University of Northern Colorado	7,674.0	(232.0)	(445,524)	445,524
Community College System	<u>50,260.1</u>	<u>(1,555.9)</u>	<u>(2,987,288)</u>	<u>2,987,288</u>
Total	133,548.0	(5,318.0)	(\$10,210,587)	\$10,210,587

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Tuition and fee revenue: The appropriation adjusts the estimated tuition and fee revenue for the governing boards. Tuition and fees are shown for informational purposes. The table below reflects the change in total tuition and fee revenue projected for FY 2014-15, based on the February 2014 Legislative Council Staff tuition forecast and Department fee forecast. The FY 2013-14 tuition revenue estimates are based on an assumed increase of up to 6.0 percent for resident students and a 6.0 percent increase for non-resident students, based on information available in February 2014 (before most institutions had finalized their FY 2014-15 tuition and fee rates). For resident undergraduates, 6.0 percent is the maximum tuition increase possible, based on the provisions of S.B. 14-001.

FY 2014-15 Tuition and Fee Forecast						
	February 2014 Forecast Total Tuition & Fees			Change from FY 2013-14		
	Tuition	Fees	Total Tuition & Fees	Tuition	Fees	Total Change Tuition & Fees (Increase in H.B. 14-1336)
Adams State University	\$21,817,750	\$2,558,000	\$24,375,750	\$1,086,228	\$231,400	\$1,317,628
Mesa State University	58,139,768	457,546	58,597,314	3,502,103	0	3,502,103
Metropolitan State U.	97,406,687	10,499,204	107,905,891	2,862,821	(192,144)	2,670,677
Western State Colorado U.	16,142,195	2,246,567	18,388,762	837,205	(28,433)	808,772
Colorado State U. System	352,330,311	19,703,217	372,033,528	19,364,802	(34,166)	19,330,636
Ft. Lewis College	40,539,178	1,252,434	41,791,612	1,674,879	36,479	1,711,358
U. of Colorado System	799,461,640	55,579,072	855,040,712	38,999,307	2,360,764	41,360,071
Colorado School of Mines	116,107,623	4,441,598	120,549,221	10,440,784	37,266	10,478,050
U. of Northern Colorado	87,879,147	5,151,300	93,030,447	3,837,146	125,000	3,962,146
Community College System	<u>260,873,382</u>	<u>15,950,844</u>	<u>276,824,226</u>	<u>7,380,278</u>	<u>(47,996)</u>	<u>7,332,282</u>
Total	\$1,850,697,681	\$117,839,782	\$1,968,537,463	\$89,985,553	\$2,488,170	\$92,473,723

Annualize prior year actions: The appropriation includes the second year impact of funding for S.B. 13-033 (In-state Classification for Colorado High School Completion) and H.B. 13-1165 (Manufacturing Career Pathway), as shown in the table below.

Annualization in FY 2014-15		Amount	FTE
S.B. 13-033	Adams State University	\$1,860	0.0
	Colorado Mesa University	7,440	0.0
	Metropolitan State University	127,410	0.0
	Western State Colorado University	1,860	0.0
	Colorado State University System	24,180	0.0
	Ft. Lewis College	2,790	0.0
	University of Colorado System	31,620	0.0
	Colorado School of Mines	2,790	0.0
	University of Northern Colorado	9,300	0.0
	Community College System	<u>255,750</u>	<u>0.0</u>
	Subtotal - S.B. 13-033 annualization	\$465,000	0.0
H.B. 13-1165	Community College System	<u>221,400</u>	<u>11.5</u>
Total - Annualization		\$686,400	11.5

Higher education gaming revenue: The appropriation reflects funds estimated to be available to eligible institutions from limited gaming revenue, based on FY 2012-13 actual receipts.

Reflect projected FTE: The appropriation includes an adjustment to reflect projected FTE at the higher education institutions. These FTE are shown for informational purposes only.

Adjust COF stipend and fee-for-service allocations: The Long Bill incorporates an increase of \$2,820,069 to the appropriation for COF stipends and decreases the appropriation for COF fee-for-service contracts by a like amount. The COF stipend adjustment included in the Long Bill incorporates the impact of (1) increasing the College Opportunity Fund (COF) stipend by \$60 per student FTE (from \$1,920 to \$1,980 per SFTE); and (2) adjustments to the numbers of stipend-eligible students, compared to the FY 2013-14 forecast. *In addition to the amounts included in the Long Bill*, Senate Bill 14-001 provides increases in the stipend rate and provides fee-for-service increases. Total funding in the Long Bill and S.B. 14-001 combined provides stipend funding for 130,925 student FTE at a rate of \$2,250 per SFTE and provides an overall increase of at least 11.0 percent per governing board. The table below reflects the adjustments included in the Long Bill only. For additional information on appropriations in S.B. 14-001, see the "Recent Legislation" section at the end of this department. For a summary of the total General Fund appropriation increase by governing board see the "Factors Driving the Budget" section for the Department of Higher Education in Part II of this report.

FY 2014-15 College Opportunity Fund Student FTE, Stipends, Fee-for-service Allocations						
	Total Allocations and Assumptions in Bill			Change from FY 2013-14 Forecast		
	Stipend-eligible student FTE	COF Stipends at \$1,980 per SFTE	COF Fee-for-service	Stipend-eligible student FTE	COF Stipends (Adjustment to SFTE & \$60 increase per SFTE)	COF Fee-for-service
Adams State University	1,339.9	\$2,652,973	\$8,910,088	(44.2)	(\$4,520)	\$4,520
Mesa State University	6,493.1	12,856,270	6,984,981	(9.5)	371,330	(371,330)
Metropolitan State U.	14,050.3	27,819,500	11,537,923	(687.5)	(477,073)	477,073
Western State Colorado U.	1,232.3	2,439,903	7,094,866	0.7	75,264	(75,264)
Colorado State U. System	19,562.3	38,733,318	71,138,244	(169.9)	847,555	(847,555)
Ft. Lewis College	2,020.4	4,000,318	5,542,792	(31.9)	60,036	(60,036)
U. of Colorado System	27,170.9	53,798,454	96,488,805	(45.4)	1,543,012	(1,543,012)
Colorado School of Mines	2,796.3	5,536,599	11,279,738	39.2	243,026	(243,026)
U. of Northern Colorado	7,634.5	15,116,238	18,533,122	(39.5)	382,242	(382,242)
Community College System	<u>48,625.6</u>	<u>96,278,629</u>	<u>27,587,838</u>	<u>(1,634.6)</u>	<u>(220,803)</u>	<u>220,803</u>
Total	130,925.4	\$259,232,202	\$265,098,397	(2,622.6)	\$2,820,069	(\$2,820,069)

Mineral impact grant spending authority: The appropriation eliminates reappropriated funds spending authority previously provided to some governing boards for Mineral Impact Grants from the Department of Local Affairs. Higher education institutions are not anticipated to receive funding from this source in FY 2014-15.

Tobacco settlement revenue: The appropriation includes an adjustment to funding for the University of Colorado Health Sciences Center based on revenue projected to be available from the tobacco master settlement agreement.

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

Local District Junior College Grants Pursuant to Section 23-71-301, C.R.S.

This section subsidizes the operations of the state's two local district junior colleges: Aims Community College and Colorado Mountain College. These two institutions have special property tax districts that support their operations and governing boards that are independent from the rest of the community college system. Students from the special property tax districts pay discounted tuition rates. The source of cash funds is limited gaming money.

Local District Junior College Grants Pursuant to Section 23-71-301, C.R.S.						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$13,262,550	\$12,650,325	\$612,225	\$0	\$0	0.0
HB 14-1336	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$13,262,550	\$12,650,325	\$612,225	\$0	\$0	0.0
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$13,262,550	\$12,650,325	\$612,225	\$0	\$0	0.0
Higher education gaming revenue	37,044	0	37,044	0	0	0.0
HB 14-1336	\$13,299,594	\$12,650,325	\$649,269	\$0	\$0	0.0
SB 14-001	<u>1,394,266</u>	<u>1,394,266</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$14,693,860	\$14,044,591	\$649,269	\$0	\$0	0.0
Increase/(Decrease)	\$1,431,310	\$1,394,266	\$37,044	\$0	\$0	0.0
Percentage Change	10.8%	11.0%	6.1%	n/a	n/a	n/a

FY 2013-14 Appropriation – Mid-year Adjustments

House Bill 14-1336 added a General Fund Exempt appropriation in this division and decreased the non-exempt General Fund appropriation by the same amount.

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Higher education gaming revenue: The appropriation reflects funds estimated to be available to eligible institutions from limited gaming revenue, based on FY 2012-13 actual receipts.

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

Division of Occupational Education

This division supervises and administers state occupational education programs and approves the allocation and distribution of state and federal vocational education funds to the community colleges, local district junior colleges, area vocational schools, secondary school districts, and any other appropriate state and local educational agencies or institutions. This division also coordinates resources available for the promotion of job development, job training, and job retraining in the state. The primary source of reappropriated funds is a transfer from the Department of Education for career and technical education, but there is also a smaller transfer from the Governor's Office for training related to economic development, and indirect cost recoveries. The federal funds are from the American Recovery and Reinvestment Act, grants from the Carl D. Perkins Vocational and Technical Education Act, and miscellaneous smaller grants.

Division of Occupational Education						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$53,202,933	\$8,408,143	\$0	\$27,837,028	\$16,957,762	32.0
HB 13-1004	1,500,000	0	0	1,500,000	0	0.0
HB 14-1336	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$54,702,933	\$8,408,143	\$0	\$29,337,028	\$16,957,762	32.0
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$54,702,933	\$8,408,143	\$0	\$29,337,028	\$16,957,762	32.0
Career and technical education programs	455,484	0	0	455,484	0	0.0
Indirect cost and fund source adjustments	0	(316,298)	0	316,298	0	0.0
Colorado First customized job training	(1,500,000)	0	0	(1,500,000)	0	0.0
Occupational education federal funds	(1,383,784)	0	0	0	(1,383,784)	0.0
HB 14-1336	\$52,274,633	\$8,091,845	\$0	\$28,608,810	\$15,573,978	32.0
SB 14-001	<u>891,849</u>	<u>891,849</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$53,166,482	\$8,983,694	\$0	\$28,608,810	\$15,573,978	32.0
Increase/(Decrease)	(\$1,536,451)	\$575,551	\$0	(\$728,218)	(\$1,383,784)	0.0
Percentage Change	(2.8%)	6.8%	n/a	(2.5%)	(8.2%)	0.0%

FY 2013-14 Appropriation – Mid-year Adjustments

House Bill 14-1336 added a General Fund Exempt appropriation in this division and decreased the non-exempt General Fund appropriation by the same amount.

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Career and technical education programs: The appropriation includes an increase of reappropriated funds transferred from the Department of Education for secondary career and technical education programs. The reappropriated funds originate as General Fund or State Education Funds in the Department of Education.

Indirect cost and fund source adjustments: The appropriation includes an adjustment to indirect cost assessments applied to offset the need for General Fund in this department.

Colorado First customized job training: The appropriation includes a reduction to eliminate one-time support available in FY 2013-14.

Occupational education federal funds: The appropriation reduces the amount of federal funding shown in the Long Bill for informational purposes, based on the projected impact of federal budget cuts.

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

Auraria Higher Education Center

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

Auraria Higher Education Center						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	<u>\$17,670,252</u>	<u>\$0</u>	<u>\$0</u>	<u>\$17,670,252</u>	<u>\$0</u>	<u>172.9</u>
TOTAL	\$17,670,252	\$0	\$0	\$17,670,252	\$0	172.9
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$17,670,252	\$0	\$0	\$17,670,252	\$0	172.9
Increase AHEC spending authority	1,629,748	0	0	1,629,748	0	0.0
Reflect projected FTE	0	0	0	0	0	4.9
HB 14-1336	<u>\$19,300,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$19,300,000</u>	<u>\$0</u>	<u>177.8</u>
TOTAL	\$19,300,000	\$0	\$0	\$19,300,000	\$0	177.8
Increase/(Decrease)	\$1,629,748	\$0	\$0	\$1,629,748	\$0	4.9
Percentage Change	9.2%	n/a	n/a	9.2%	n/a	2.8%

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Increase AHEC spending authority: The appropriation increases spending authority for the Auraria Higher Education Center (AHEC) for funds received from the three institutions that share the AHEC campus: the Community College of Denver, Metropolitan State University of Denver, and the University of Colorado at Denver.

Reflect projected FTE: The appropriation includes an adjustment to reflect projected FTE at the higher education institutions. These FTE are shown for informational purposes only.

History Colorado

History Colorado, founded in 1879, is an educational institution of the State and acts as trustee for the State in collecting, preserving, exhibiting and interpreting collections and properties of state historical significance. History Colorado maintains museums and historical sites throughout Colorado and provides assistance to local

and regional historical societies and museums. It also distributes gaming revenue to gaming cities and through a state-wide grant program for historic preservation.

History Colorado						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	<u>\$32,052,045</u>	<u>\$1,295,000</u>	<u>\$29,829,949</u>	<u>\$0</u>	<u>\$927,096</u>	<u>131.4</u>
TOTAL	\$32,052,045	\$1,295,000	\$29,829,949	\$0	\$927,096	131.4
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$32,052,045	\$1,295,000	\$29,829,949	\$0	\$927,096	131.4
Increase History Colorado public outreach	544,964	0	544,964	0	0	0.0
Centrally appropriated line items	253,766	0	240,338	0	13,428	0.0
History Colorado gaming revenue	(2,181,237)	0	(2,181,237)	0	0	0.0
New Mexico funding for Cumbres and Toltec Scenic Railroad	(506,500)	0	(506,500)	0	0	0.0
HB 14-1336	<u>\$30,163,038</u>	<u>\$1,295,000</u>	<u>\$27,927,514</u>	<u>\$0</u>	<u>\$940,524</u>	<u>131.4</u>
TOTAL	\$30,163,038	\$1,295,000	\$27,927,514	\$0	\$940,524	131.4
Increase/(Decrease)	(\$1,889,007)	\$0	(\$1,902,435)	\$0	\$13,428	0.0
Percentage Change	(5.9%)	0.0%	(6.4%)	n/a	1.4%	0.0%

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Increase History Colorado public outreach: The appropriation increases History Colorado spending authority from earned revenue for public outreach and marketing, as well as utility costs.

Centrally appropriated line items: The appropriation builds the salary survey and merit increases awarded in FY 2013-14 into base personal services line items.

History Colorado gaming revenue: The appropriation reduces History Colorado spending authority from gaming revenue for preservation grants, based on limited gaming revenue anticipated to be available in the State Historical Fund.

New Mexico funding for Cumbres and Toltec Scenic Railroad: The appropriation reflects a reduction in the New Mexico contribution for the Cumbres and Toltec Scenic Railroad, based on appropriations adopted during the New Mexico legislative session.

Recent legislation

2013 Session Bills

S.B. 13-033 (In-state Classification for Colorado High School Completion/ “ASSET”): Establishes that any student who has attended high school in Colorado for at least three years immediately preceding graduation or obtained a general education equivalent degree and does not have lawful immigration status but who meets certain other requirements shall be classified as an in-state student for state higher education tuition purposes and shall be eligible for a College Opportunity Fund stipend.

S.B. 13-230 (Long Bill): General appropriations act for FY 2013-14.

H.B. 13-1004 (Colorado Careers Act of 2013): Requires the Department of Human Services to administer a transitional jobs program which provides temporary subsidies to employers for individuals participating in the program. Provides appropriations to several departments for FY 2013-14, including \$1,500,000 reappropriated funds to the Department of Higher Education for the Colorado First Customized Job Training Program. These funds are reappropriated from the Governor-Lieutenant Governor-State Planning and Budgeting, where they originate as General Fund. For additional information, see the recent legislation section for the Department of Human Services.

H.B. 13-1005 (Career and Technical Education Pilot Program): Authorizes the State Board for Community Colleges and Occupational Education (SBCCOE) to design new accelerated certificate programs to allow certain unemployed or underemployed adults to obtain a career and technical education certificate in 12 months or less.

H.B. 13-1165 (Creation of a Manufacturing Career Pathway): Requires that the State Board for Community Colleges and Occupational Education (SBCCOE) collaborate with the Department of Higher Education, the Colorado Department of Education, and the Colorado Department of Labor and Employment, to design a career pathway for students seeking employment in the manufacturing sector. The career pathway must be available for students beginning with the 2014-15 academic year. Includes an FY 2013-14 appropriation to the Department of Higher Education of \$559,165 General Fund, including \$84,565 for financial aid need based grants and \$474,600 for a College Opportunity Fund Program (COF) fee-for-service contract. The COF amount and 1.5 FTE are reappropriated to the SBCCOES. The appropriation is projected to annualize to \$696,000 General Fund and 13.0 FTE in FY 2014-15.

H.B. 13-1194 (In-state Tuition for Military Dependents): Enables a dependent of a member of the armed forces to obtain in-state tuition notwithstanding his or her length of residency in Colorado, with certain limitations. Includes an FY 2013-14 appropriation to the Department of Higher Education of \$22,621 General Fund, including \$3,421 for financial aid need based grants and \$19,200 for a College Opportunity Fund Program (COF) stipends. The \$19,200 is further reappropriated to five governing boards, based on the overall statewide distribution of resident students eligible for COF stipends.

H.B. 13-1230 (Compensation for Persons Wrongly Incarcerated): Creates a state compensation program for persons who are found actually innocent of felony crimes after serving time in jail, prison, or juvenile placement. Provides appropriations to several departments for FY 2013-14, including \$1,920 General Fund to

the Department of Higher Education for College Opportunity Fund Program stipends. This amount is further reappropriated to the State Board for community Colleges and Occupational Education State System Colleges.

H.B. 13-1320 (Support for Meritorious Colorado Students): Modifies requirements pertaining to the ratio of resident students to non-resident students in state higher education institutions, effectively allowing institutions to increase the proportion of their students who are not Colorado residents. Accomplishes this by allowing the institutions to double-count, in ratios of resident to non-resident students, up to eight percent of resident students as “Colorado Scholars”. A Colorado Scholar must have, at a minimum, graduated in the top 10 percent of his or her high school class or with a 3.75 GPA. An institution must provide a Colorado Scholar at least \$2,500 in annual financial aid through the institution’s Colorado Scholar program.

2014 Session Bills

S.B. 14-001 (College Affordability Act): Caps the annual increase in the rate of undergraduate resident student tuition at state supported higher education institutions at 6.0 percent in FY 2014-15 and FY 2015-16, provides appropriations to increase funding for all state-supported institutions by 11.0 in FY 2014-15, and increases appropriations for financial aid. In total, the bill appropriates \$100,162,480 General Fund to the Department of Higher Education for FY 2014-15. This includes the following:

- \$40,000,000 General Fund for student financial aid, including: \$30,000,000 for need-based grants; \$5,000,000 for work study; and \$5,000,000 for merit-based grants.
- \$60,000,000 General Fund for the College Opportunity Fund (COF) program and allocations to higher education governing boards, including: \$57,713,885 for COF student stipends and fee-for-service contracts with the governing boards of state institutions; \$1,394,266 for local district junior colleges; and \$891,849 for area vocational schools. The COF student stipend and fee-for-service contract funds (\$57,713,885) are reappropriated to the governing boards of state higher education institutions so as to provide an 11.0 percent increase to each governing board over the FY 2013-14 appropriation.
- \$162,480 General Fund for COF student stipends for students attending private institutions.

Additional amounts are allocated to the governing boards as reappropriated funds as follows:

	Stipends	Fee-for-service	Total Reappropriated
Adams State University	\$361,769	\$912,458	\$1,274,227
Colorado Mesa University	1,753,128	432,872	2,186,000
Metropolitan State University	3,793,568	530,202	4,323,770
Western State Colorado University	332,714	717,964	1,050,678
Colorado State University System	5,281,816	6,825,105	12,106,921
Fort Lewis College	545,498	505,996	1,051,494
University of Colorado System	7,336,152	9,224,399	16,560,551
Colorado School of Mines	754,991	1,098,128	1,853,119
University of Northern Colorado	2,061,305	1,646,362	3,707,667
Community College System	13,128,904	470,554	13,599,458
Total	\$35,349,845	\$22,364,040	\$57,713,885

The bill specifies that stipend amounts are based on the assumption that 130,925 student FTE attending state institutions will receive COF stipends in FY 2014-15 and that the per-student stipend amount is increased from \$1,980 per 30 credit hours (amount in H.B. 14-1336) to \$2,250 per 30 credit hours. It also expresses legislative intent that need-based aid and work-study funds should be used to supplement, rather than supplant institutional need-based aid for resident students.

S.B. 14-211 (Alzheimer's Disease Center): Establishes the Alzheimer's Disease Treatment and Research Center within the University of Colorado School of Medicine to create programs for the care and treatment of persons suffering from Alzheimer's disease. The university must use existing staff and facilities to establish the center. Provides an FY 2014-15 appropriation of \$250,000 General Fund for College Opportunity Fund fee-for-service contracts, reappropriated to the University of Colorado. This is anticipated to be used for developing and expanding programs for care and treatment of Alzheimer's patients and related financial assistance, educational, and research programs.

H.B. 14-1237 (Supplemental Bill): Supplemental appropriation to the Department of Higher Education for FY 2012-13. Adjusts FY 2012-13 appropriations for College Opportunity Fund student stipends and fee-for-service contracts based on actual FY 2012-13 student enrollments. The net fiscal impact to each institution and in total is \$0. The bill does not include any FY 2013-14 supplemental adjustments.

H.B. 14-1319 (Outcomes-based Funding for Higher Education): Creates a new mechanism for allocating state funds to institutions of higher education. Beginning with FY 2015-16, governing boards of institutions of higher education may negotiate a fee-for-service contract (FFS contract) with the Department of Higher Education.

- Each FFS contract must include a combination of institutional role and mission funding and institutional performance funding as outlined in the bill. Specific components and measures are to be determined by the Colorado Commission on Higher Education (CCHE).
- Beginning in FY 2015-16, the total annual appropriation for College Opportunity Fund stipends must be at least 52.5 percent of the total state appropriation for the applicable fiscal year (defined as the sum of the FFS contracts described above and student stipend revenue).
- Funding for area vocational schools, local district junior colleges, and specialty education programs increases or decreases by an amount proportional to the total state appropriation (as defined), with some exceptions.
- From FY 2015-16 through FY 2019-20, each governing board's total appropriation may only be five percentage points greater or less than the percentage change in the total state appropriation for all governing boards in the preceding year.

No later than January 1, 2015, the CCHE must determine the components of the FFS contracts, the factors and weights for calculating role and mission funding, and the performance metrics and weights for calculating performance funding. The CCHE is required to hire a facilitator and convene a series of meetings with interested parties to develop the FFS contract components. The CCHE is also required to work with interested parties to develop a tuition policy. On July 1, 2016, and each July 1 through 2020, the CCHE must submit a status report on implementation of the new allocation method to the Joint Budget Committee and the education committees of the General Assembly.

The bill includes appropriations to the Department of Higher Education for developing and administering the new system of \$45,207 General Fund in FY 2013-14 and \$804,986 General Fund and 3.0 FTE in FY 2014-15. These amounts are expected to annualize to \$306,169 General Fund and 3.0 FTE in FY 2015-16. The bill also includes an FY 2014-15 appropriation of \$18,216 reappropriated to the Department of Law for related legal services and a reduction to the General Fund appropriation to the Controlled Maintenance Trust Fund of \$772,133.

H.B. 14-1336 (Long Bill): General appropriations act for FY 2014-15. Also includes supplemental appropriations to the Department of Higher Education for FY 2013-14 and FY 2012-13.

H.B. 14-1384 (Higher Education Tuition Assistance): Creates the Colorado Opportunity Scholarship Initiative in the Department of Higher Education (DHE) to establish a corpus of funding that allows the DHE to award tuition assistance and facilitate third-party support services for resident students in higher education. Not more than 10 percent of available moneys may be awarded for student support services, with the balance used to build a financial corpus to provide financial assistance to Colorado students at eligible Colorado higher education institutions. At least 70 percent of moneys allocated for student support services must be allocated to non-profit organizations. Creates an advisory board responsible for program development and oversight with three representatives from the State Work Force Development Council and three representing higher education. Recommendations concerning the program are to be submitted to the Education Committees of the General Assembly by June 30, 2015.

Transfers \$33,588,500 from the Financial Need Scholarship Fund to the newly-created Colorado Opportunity Scholarship Initiative Fund. Also appropriates \$1,000,000 General Fund in FY 2014-15 to the Colorado Opportunity Scholarship Initiative Fund. Amounts in the Colorado Opportunity Scholarship Initiative Fund are continuously appropriated to the Department of Higher Education, which may spend no more than 3.0 percent on the costs of administering the program. Note: the \$33.6 million transferred to the Opportunity Scholarship Initiative Fund derives from the sale of the revenue stream from federally-guaranteed student loans, pursuant to H.B. 10-1428.

Department Details

DEPARTMENT OF HUMAN SERVICES

FY 2013-14 and FY 2014-15 Appropriations by Division and Bill

Department of Human Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Total Appropriation:	\$2,187,196,360	\$719,197,941	\$358,243,248	\$497,587,819	\$612,167,352	4,879.0
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	87,823,579	50,021,479	3,564,025	20,809,286	13,428,789	141.6
Office of Information Technology Services	78,602,617	25,938,208	3,333,739	23,521,345	25,809,325	11.0
Office of Operations	42,133,068	24,987,197	3,304,744	9,323,284	4,517,843	441.9
County Administration	59,611,580	20,301,973	16,236,101	0	23,073,506	0.0
Division of Child Welfare	429,963,159	241,567,400	74,104,607	14,712,207	99,578,945	83.0
Office of Early Childhood	157,274,381	39,954,471	36,916,352	4,582,485	75,821,073	64.3
Office of Self Sufficiency	298,298,267	7,776,412	29,496,036	33,951	260,991,868	245.7
Behavioral Health Services	207,007,555	141,910,159	15,277,390	14,680,377	35,139,629	1,235.7
Services for People with Disabilities	550,280,975	24,031,515	68,471,882	406,525,472	51,252,106	1,712.8
Adult Assistance Programs	164,741,157	36,544,454	107,446,841	1,800	20,748,062	29.5
Division of Youth Corrections	111,460,022	106,164,673	91,531	3,397,612	1,806,206	913.5
<u>Breakdown of Total Appropriation by Bill</u>						
SB 13-230	2,163,229,846	696,785,662	338,613,036	517,852,655	609,978,493	4,861.3
SB 13-040	99,575	99,575	0	0	0	0.0
SB 13-047	31,100	24,334	0	0	6,766	0.0
SB 13-111	3,171,208	3,171,208	0	0	0	1.0
SB 13-127	0	(2,000,000)	2,000,000	0	0	0.0
SB 13-167	1,867,133	0	0	1,867,133	0	0.0
SB 13-173	70,000	0	0	70,000	0	0.0
SB 13-194	(118,272)	0	(118,272)	0	0	(1.5)
SB 13-200	(651,875)	(651,875)	0	0	0	0.0
SB 13-227	9,000	9,000	0	0	0	0.0
SB 13-255	63,755	63,755	0	0	0	1.0
SB 13-260	43,898	43,898	0	0	0	0.7
SB 13-266	19,792,028	19,792,028	0	0	0	0.9
HB 13-1004	2,400,000	2,400,000	0	0	0	2.0
HB 13-1117	19,904,563	1,453,849	17,602,514	0	848,200	7.5
HB 13-1180	803,330	0	803,330	0	0	0.0

Department of Human Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 13-1239	133,284	133,284	0	0	0	1.0
HB 13-1241	0	(10,000)	0	10,000	0	0.0
HB 13-1271	529,800	529,800	0	0	0	0.0
HB 13-1291	3,000,000	3,000,000	0	0	0	1.0
SB 14-223	(4,281,893)	(4,281,893)	0	0	0	0.0
HB 14-1238	5,792,822	3,799,925	(657,360)	1,316,364	1,333,893	3.8
HB 14-1252	(23,564,580)	0	0	(23,564,580)	0	0.0
HB 14-1336	(5,128,362)	(5,164,609)	0	36,247	0	0.3
FY 2014-15 Total Appropriation:	\$1,901,273,647	\$782,001,699	\$347,236,592	\$144,373,402	\$627,661,954	4,906.1
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	91,001,751	51,821,593	3,699,306	21,539,183	13,941,669	135.4
Office of Information Technology Services	87,354,104	36,459,616	2,624,794	18,267,046	30,002,648	11.0
Office of Operations	43,917,998	26,171,998	3,446,796	9,824,701	4,474,503	441.6
County Administration	68,420,549	23,817,877	17,761,504	0	26,841,168	0.0
Division of Child Welfare	448,063,418	246,236,784	87,159,482	15,080,921	99,586,231	89.4
Office of Early Childhood	174,076,386	52,670,660	37,672,967	6,468,899	77,263,860	69.2
Office of Self Sufficiency	300,419,138	7,046,646	29,514,975	33,951	263,823,566	245.7
Behavioral Health Services	247,414,366	177,077,005	19,364,167	15,741,517	35,231,677	1,241.2
Services for People with Disabilities	157,590,699	8,413,907	41,144,026	54,092,671	53,940,095	1,723.6
Adult Assistance Programs	167,256,735	43,736,992	102,757,044	1,800	20,760,899	29.5
Division of Youth Corrections	115,758,503	108,548,621	2,091,531	3,322,713	1,795,638	919.5
<u>Breakdown of Total Appropriation by Bill</u>						
HB 14-1336	1,879,020,661	773,025,447	336,536,384	143,098,145	626,360,685	4,903.0
SB 14-003	2,469,453	1,269,453	0	1,200,000	0	1.0
SB 14-012	1,495,144	1,237,766	247,339	4,697	5,342	0.0
SB 14-014	4,092	976	131	1,397	1,588	0.0
SB 14-021	3,746	3,746	0	0	0	0.0
SB 14-129	38,250	0	38,250	0	0	0.0
SB 14-130	6,203	2,356	(22,130)	24,634	1,343	0.0
SB 14-215	7,600,000	0	7,600,000	0	0	0.0
HB 14-1015	395,270	395,270	0	0	0	1.0
HB 14-1298	68,084	68,084	0	0	0	1.1
HB 14-1317	9,922,744	8,578,187	7,032	44,529	1,292,996	0.0
HB 14-1338	250,000	250,000	0	0	0	0.0
HB 14-1368	0	(2,829,586)	2,829,586	0	0	0.0

Department of Human Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Increase/(Decrease)	(\$285,922,713)	\$62,803,758	(\$11,006,656)	(\$353,214,417)	\$15,494,602	27.1
Percentage Change	(13.1%)	8.7%	(3.1%)	(71.0%)	2.5%	0.6%

Informational Funds: The FY 2014-15 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Human Services are annotated with the "(I)". For additional information, see Appendix J.

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2014-15 Appropriations containing an (I) notation	\$507,310,935	\$0	\$229,437,100	\$1,340,200	\$276,533,635

Detail of Appropriation by Administrative Section

Executive Director's Office

This office is responsible for the management and administration of the Department, performing such functions as budgeting, human resources, and quality control, as well as some program supervision, coordination, and evaluation. This section includes centrally appropriated line items, such as workers' compensation, legal services, administrative law judge services, and payments related to risk management. In addition, this office includes funding for specific functions including:

- the Juvenile Parole Board;
- the Developmental Disabilities Council;
- the Colorado Commission for the Deaf and Hard of Hearing;
- compliance with the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA); and
- the child welfare administrative review unit, which performs case reviews of children and youth who are placed in out-of-home residential care.

Cash funds include patient payments collected by the mental health institutes, in addition to other sources. Reappropriated funds are primarily Medicaid cash funds transferred from the Department of Health Care Policy and Financing. Federal fund sources include indirect cost recoveries, the Temporary Assistance for Needy Families Block Grant, and the Substance Abuse Prevention and Treatment Block Grant, among other sources.

Executive Director's Office						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$87,728,791	\$49,957,724	\$3,564,025	\$20,778,253	\$13,428,789	140.4
SB 13-255	63,755	63,755	0	0	0	1.0

Executive Director's Office						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 14-1238	<u>31,033</u>	<u>0</u>	<u>0</u>	<u>31,033</u>	<u>0</u>	<u>0.2</u>
TOTAL	\$87,823,579	\$50,021,479	\$3,564,025	\$20,809,286	\$13,428,789	141.6
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$87,823,579	\$50,021,479	\$3,564,025	\$20,809,286	\$13,428,789	141.6
Centrally appropriated line items	2,890,599	1,297,814	152,590	1,145,121	295,074	0.0
Informational funds adjustment	217,233	0	0	0	217,233	(6.1)
Talent development and training	146,266	146,266	0	0	0	0.0
Ombudsman funding increase	125,000	125,000	0	0	0	0.0
Community provider rate	20,350	11,559	0	8,791	0	0.0
Juvenile Parole Board Allocation	2,740	0	0	2,740	0	0.0
Annualize prior year legislation	580	580	0	0	0	0.0
Annualize HB 13-1314 IDD transfer	(462,697)	(35,942)	0	(426,755)	0	(0.2)
Other	(15,645)	1,091	(17,309)	0	573	0.1
HB 14-1336	\$90,748,005	\$51,567,847	\$3,699,306	\$21,539,183	\$13,941,669	135.4
SB 14-021	3,746	3,746	0	0	0	0.0
HB 14-1338	<u>250,000</u>	<u>250,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$91,001,751	\$51,821,593	\$3,699,306	\$21,539,183	\$13,941,669	135.4
Increase/(Decrease)	\$3,178,172	\$1,800,114	\$135,281	\$729,897	\$512,880	(6.2)
Percentage Change	3.6%	3.6%	3.8%	3.5%	3.8%	(4.4%)

FY 2013-14 Appropriation – Mid-year Adjustments

House Bill 14-1238 made modifications to the FY 2013-14 appropriations for the Juvenile Parole Board.

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; shift differential; workers' compensation; legal services; administrative law judges; and payment to risk management and property funds.

Informational funds adjustment: The appropriation includes an increase of federal funds reflected in the Long Bill for informational purposes only.

Talent development and training: The appropriation includes an increase of General Fund to increase training opportunities for Department staff.

Ombudsman funding increase: The appropriation includes an increase of General Fund for the child protection ombudsman.

Community provider rate: The appropriation includes an increase for the 2.5 percent for the community provider rate increase.

Juvenile Parole Board allocation: The appropriation includes an increase of reappropriated funds for the Juvenile Parole Board.

Annualize prior year legislation: The appropriation includes an increase of General Fund for the second or third year impact of legislation.

Annualize HB 13-1314 IDD transfer: The appropriation includes a reduction of General Fund and Medicaid reappropriated funds for the second year impact of transferring the Division for Intellectual and Developmental Disabilities to the Department of Health Care Policy and Financing. The reduction in this Division is due to the transfer of centrally appropriated line items.

Other: The appropriation includes other minor adjustments.

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

Office of Information Technology Services

The Office of Information Technology Services (OITS) is responsible for developing and maintaining the major centralized computer systems of the Department, including systems that link to all counties in the state. The OITS supports centralized databases and provides support and training to users, including county staff and private social service providers. It also helps to set policies and strategic directions for decentralized information technology systems that are operated by individual divisions within the Department. Major systems funded in this section of the budget include the Colorado Benefits Management System, the Colorado Financial Management System, and the Colorado Trails information system. The primary source of cash funds is the Old Age Pension Fund. The primary source of reappropriated funds is Medicaid funds transferred from the Department of Health Care Policy and Financing. Major sources of federal funds include Title IV-E of the Social Security Act and the Temporary Assistance for Needy Families block grant.

Office of Information Technology Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$75,450,788	\$25,450,480	\$3,240,068	\$22,724,948	\$24,035,292	11.0
HB 14-1238	<u>3,151,829</u>	<u>487,728</u>	<u>93,671</u>	<u>796,397</u>	<u>1,774,033</u>	<u>0.0</u>
TOTAL	\$78,602,617	\$25,938,208	\$3,333,739	\$23,521,345	\$25,809,325	11.0
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$78,602,617	\$25,938,208	\$3,333,739	\$23,521,345	\$25,809,325	11.0

Office of Information Technology Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
CBMS modernization project, Phase II	20,890,838	9,349,319	687,706	7,502,338	3,351,475	0.0
IT common policy adjustments	4,010,268	1,768,510	43,262	59,859	2,138,637	0.0
Windows and Microsoft Office upgrade	1,350,909	1,350,909	0	0	0	0.0
General, career, and technical education improvements	377,539	377,539	0	0	0	0.0
Health Information Management System improvements	229,129	229,129	0	0	0	0.0
Talent development and training	211,235	211,235	0	0	0	0.0
Annualize prior year legislation	(18,865,991)	(2,264,162)	(1,448,517)	(12,899,233)	(2,254,079)	0.0
Annualize prior year budget actions	(823,728)	(538,786)	3,627	29,825	(318,394)	0.0
HB 14-1336	\$85,982,816	\$36,421,901	\$2,619,817	\$18,214,134	\$28,726,964	11.0
SB 14-012	13,764	3,283	442	4,697	5,342	0.0
SB 14-014	4,092	976	131	1,397	1,588	0.0
SB 14-130	6,203	2,356	215	2,289	1,343	0.0
HB 14-1317	<u>1,347,229</u>	<u>31,100</u>	<u>4,189</u>	<u>44,529</u>	<u>1,267,411</u>	<u>0.0</u>
TOTAL	\$87,354,104	\$36,459,616	\$2,624,794	\$18,267,046	\$30,002,648	11.0
Increase/(Decrease)	\$8,751,487	\$10,521,408	(\$708,945)	(\$5,254,299)	\$4,193,323	0.0
Percentage Change	11.1%	40.6%	(21.3%)	(22.3%)	16.2%	0.0%

FY 2013-14 Appropriation – Mid-year Adjustments

House Bill 14-1238 made modifications to the FY 2013-14 appropriations for the Colorado Benefits Management System (CBMS).

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

CBMS modernization project, Phase II: The appropriation includes an increase of \$20,890,838 total funds, including \$9,349,319 General Fund, for the second phase of the Colorado Benefits Management System (CBMS) modernization project. The appropriation provides funding for a variety of ongoing operating expenses and new projects tailored to assist counties, the Department of Human Services, and the Department of Health Care Policy and Financing in administering public assistance programs.

IT common policy adjustments: The appropriation adjustments to the payments made to the Governor's Office of Information Technology for the provision of information technology services.

Windows and Microsoft Office upgrade: The appropriation includes an increase of \$1,350,909 General Fund to upgrade the Department's computer operating systems and the Department's licenses of Microsoft Office.

General, career, and technical education improvements: The appropriation includes an increase of \$377,539 General Fund to improve educational infrastructure to support general educational needs, and to allow for new career and technical education offerings.

Health Information Management System improvements: The appropriation includes an increase of \$229,129 General Fund for fiber optic infrastructure at the State's two mental health institutes and for increased maintenance costs associated with electronic health records at these facilities.

Talent development and training: The appropriation includes an increase of \$211,235 General Fund to provide additional training opportunities for Department employees.

Annualize prior year legislation: The appropriation includes a reduction of \$18,865,991 total funds, including \$2,264,162 General Fund, for the second year impact of legislation. The primary change is due to the conclusion of the first phase of the CBMS modernization project started via H.B. 12-1339 (CBMS modernization).

Annualize prior year budget actions: The appropriation includes a decrease of \$823,728 total funds, including \$538,786 General Fund, for a number of changes to the out year impact of funding decisions made through the FY 2013-14 Long Bill, including a variety of one-time appropriations for projects supporting the Department's programs.

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

Office of Operations

This section of the budget contains appropriations for various central Departmental functions, and incorporates four department units: Facilities Management, Accounting, Procurement, and Contract Management. The largest of these units, the Division of Facilities Management, is responsible for operating, cleaning, and maintaining an estimated 301 Department buildings and facilities, including ten youth correctional facilities, two state mental health institute campuses, and three regional centers for the developmentally disabled, in addition to Department office buildings. The Department's leased space, vehicle leases and facility utility costs are also managed by this division. The Division of Accounting manages all the Department's financial operations and resources, including payments to counties and service providers, overall accounts and controls over expenditures and revenues from multiple state and federal sources, and private party billing for the Department's various community and institutional programs. The Procurement Division purchases goods and services for the Department's programs, and operates warehouses and distribution centers for all departmental residential facilities. The Contract Management Unit is responsible for managing the contracting process in the Department including development, approval, and oversight of performance of all Department contracts.

Cash funds, reappropriated funds, and federal funds appropriated to this section of the budget are from indirect cost recoveries, among other sources. Reappropriated funds also include Medicaid funds transferred from the Department of Health Care Policy and Financing.

Office of Operations						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	<u>\$42,133,068</u>	<u>\$24,987,197</u>	<u>\$3,304,744</u>	<u>\$9,323,284</u>	<u>\$4,517,843</u>	<u>441.9</u>
TOTAL	\$42,133,068	\$24,987,197	\$3,304,744	\$9,323,284	\$4,517,843	441.9
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$42,133,068	\$24,987,197	\$3,304,744	\$9,323,284	\$4,517,843	441.9
Annualize prior year budget actions	1,248,923	534,902	155,648	480,157	78,216	0.0
Office space repairs	593,067	593,067	0	0	0	0.0
Replacement of critical assets	233,083	233,083	0	0	0	0.0
Centrally appropriated line items	(272,545)	(159,225)	(13,596)	21,832	(121,556)	0.0
Annualize prior year legislation	(17,598)	(17,026)	0	(572)	0	(0.3)
HB 14-1336	<u>\$43,917,998</u>	<u>\$26,171,998</u>	<u>\$3,446,796</u>	<u>\$9,824,701</u>	<u>\$4,474,503</u>	<u>441.6</u>
TOTAL	\$43,917,998	\$26,171,998	\$3,446,796	\$9,824,701	\$4,474,503	441.6
Increase/(Decrease)	\$1,784,930	\$1,184,801	\$142,052	\$501,417	(\$43,340)	(0.3)
Percentage Change	4.2%	4.7%	4.3%	5.4%	(1.0%)	(0.1%)

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Annualize prior year budget actions: The appropriation includes changes to the out year impact of funding decisions made through the FY 2013-14 Long Bill, including the annualization of the FY 2013-14 salary survey and merit pay.

Office space repairs: The appropriation includes an increase of \$593,067 General Fund to perform building renewal projects to preserve and update administrative spaces at the Colorado Mental Health Institute at Fort Logan.

Replacement of critical assets: The appropriation bill includes an increase of \$233,083 General Fund to fund replacement and repairs of essential security and safety equipment throughout the Department's facilities.

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: vehicle lease payments and Capitol complex leased space.

Annualize prior year legislation: The appropriation includes a reduction of \$17,598 total funds, including \$17,026 General Fund, and 0.3 FTE for the second year impact of legislation. The primary change is the transfer of resources for serving persons with intellectual and developmental disabilities from the Department of Human Services to the Department of Health Care Policy and Financing H.B. 13-1314 (intellectual and development disabilities transfer).

County Administration

This section contains appropriations for 64 county departments of social services to administer the following programs:

- Supplemental Nutrition Assistance Program (formerly called food stamps);
- Adult Cash Assistance Programs (except Old Age Pension);
- Low Income Energy Assistance; and

Counties also administer the Colorado Works Program and the state's child welfare and child care assistance programs; however, associated administrative funding is currently appropriated as part of the Works Program (in the Office of Self Sufficiency), and in the Division of Child Welfare and Office of Early Childhood, respectively. The County Administration section also includes appropriations to assist counties with high human services program costs relative to their county property tax bases. Cash funds sources in this section include retained child support collections, fraud refunds, and state revenue intercepts. Federal funds are from the U.S. Department of Agriculture for the Supplemental Nutrition Assistance Program and the Title XX Social Services Block Grant, among other sources.

County Administration						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$59,611,580	\$20,301,973	\$16,236,101	\$0	\$23,073,506	0.0
TOTAL	\$59,611,580	\$20,301,973	\$16,236,101	\$0	\$23,073,506	0.0
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$59,611,580	\$20,301,973	\$16,236,101	\$0	\$23,073,506	0.0
Food assistance administration	2,857,677	857,303	571,535	0	1,428,839	0.0
Food assistance redetermination	2,000,000	600,000	400,000	0	1,000,000	0.0
Annualize prior year budget actions	1,486,800	446,040	297,360	0	743,400	0.0
Community provider rate	1,282,539	430,608	256,508	0	595,423	0.0
County tax base relief	1,181,953	1,181,953	0	0	0	0.0
HB 14-1336	\$68,420,549	\$23,817,877	\$17,761,504	\$0	\$26,841,168	0.0
TOTAL	\$68,420,549	\$23,817,877	\$17,761,504	\$0	\$26,841,168	0.0
Increase/(Decrease)	\$8,808,969	\$3,515,904	\$1,525,403	\$0	\$3,767,662	0.0
Percentage Change	14.8%	17.3%	9.4%	0.0%	16.3%	0.0%

FY 2014-15 Appropriation Highlights

Food assistance administration: The appropriation includes an increase of \$2,857,677 million total funds, including \$857,303 General Fund, to cover administrative costs associated with food assistance caseload growth.

Food assistance redetermination: The appropriation includes an increase of \$2,000,000 total funds, including \$600,000 General Fund, in FY 2014-15 to eliminate the backlog in food assistance redetermination.

Annualize prior year budget actions: The appropriation includes a number of changes to the out year impact of funding decisions made through the FY 2013-14 Long Bill.

Community provider rate: The appropriation includes an increase of \$1,282,539 total funds, including \$430,608 General Fund, for the 2.5 percent community provider rate increase.

County tax base relief: The appropriation includes an increase of \$1,181,953 General Fund to fully fund county tax base relief for Tier I, II, and III counties.

Division of Child Welfare

This section provides funding for programs that protect children from harm and assist families in caring for and protecting their children. Nearly 90.0 percent of funding in this division is allocated to counties, which are responsible for administering child welfare services under the supervision of the Department. In FY 2012-13, 37,524 children were served in open child welfare cases. Reappropriated funds reflect Medicaid funds and are transferred from the Department of Health Care Policy and Financing. Cash funds include county tax revenues, federal Title IV-E Waiver Demonstration Project funds that are deposited to a cash fund, docket fee revenues, Tobacco Settlement funds, and marijuana sales tax funds that are deposited to a cash fund. Federal fund sources include those available pursuant to Titles IV-B, IV-E, and XX of the Social Security Act, and the Child Abuse Prevention and Treatment Act.

Division of Child Welfare						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$418,482,255	\$229,447,521	\$71,562,117	\$14,712,207	\$102,760,410	63.4
SB 13-047	26,200	19,650	0	0	6,550	0.0
SB 13-227	9,000	9,000	0	0	0	0.0
HB 13-1117	2,003,819	2,653,584	2,542,490	0	(3,192,255)	18.0
HB 13-1239	133,284	133,284	0	0	0	1.0
HB 13-1271	529,800	529,800	0	0	0	0.0
HB 14-1238	<u>8,778,801</u>	<u>8,774,561</u>	<u>0</u>	<u>0</u>	<u>4,240</u>	<u>0.6</u>
TOTAL	\$429,963,159	\$241,567,400	\$74,104,607	\$14,712,207	\$99,578,945	83.0
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$429,963,159	\$241,567,400	\$74,104,607	\$14,712,207	\$99,578,945	83.0
Community provider rate	9,745,832	7,432,177	1,949,177	364,478	0	0.0
Title IV-E waiver demonstration	6,000,000	0	6,000,000	0	0	0.0
Hotline for Child Abuse and Neglect	5,972,259	5,641,150	276,112	0	54,997	5.6
Annualize prior year budget actions	1,895,135	1,934,472	0	4,236	(43,573)	0.4

Division of Child Welfare						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Public Awareness Campaign for Child Welfare	1,804,050	1,804,050	0	0	0	1.0
Non-prioritized requested changes	584	482	0	0	102	0.0
Annualize FY 13-14 supplementals	(8,778,801)	(8,774,561)	0	0	(4,240)	(0.6)
Annualize prior year legislation	(538,800)	(538,800)	0	0	0	0.0
CMP reduction	(100,000)	0	(100,000)	0	0	0.0
HB 14-1336	\$445,963,418	\$249,066,370	\$82,229,896	\$15,080,921	\$99,586,231	89.4
SB 14-215	2,100,000	0	2,100,000	0	0	0.0
HB 14-1368	<u>0</u>	<u>(2,829,586)</u>	<u>2,829,586</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$448,063,418	\$246,236,784	\$87,159,482	\$15,080,921	\$99,586,231	89.4
Increase/(Decrease)	\$18,100,259	\$4,669,384	\$13,054,875	\$368,714	\$7,286	6.4
Percentage Change	4.2%	1.9%	17.6%	2.5%	0.0%	7.7%

FY 2013-14 Appropriation - Mid-year Adjustments

House Bill 14-1238 made mid-year supplemental adjustments to the Departments appropriation.

FY 2014-15 Appropriation Highlights

Community provider rate: The appropriation includes an increase of \$9,745,832 total funds, including \$7,432,177 General Fund, for the 2.5 percent community provider rate increase.

Title IV-E waiver demonstration: The appropriation includes an increase of \$6,000,000 cash funds for the implementation of the Title IV-E Waiver Demonstration Project.

Hotline for Child Abuse and Neglect: The appropriation includes an increase of \$5,972,259 total funds, including \$5,641,150 General Fund, and 5.6 FTE for the ongoing development and implementation of the child abuse and neglect hotline reporting system.

Annualize prior year budget actions: The appropriation includes a number of changes to the out year impact of funding decisions made through the FY 2013-14 Long Bill.

Public awareness campaign for child welfare: The appropriation includes an increase of \$1,804,050 General Fund and 1.0 FTE for the implementation of the public awareness campaign for child welfare.

Non-prioritized requested changes: The appropriation includes budget changes initiated by other agencies, including mail-related expenses.

Annualize FY 13-14 supplementals: The appropriation includes a reduction of \$8,778,801 total funds, including \$8,774,561 General Fund, for the annualization of prior year supplementals. This includes \$7,796,708 General Fund for accounting errors in the Child Welfare Services line item, and \$977,853 General Fund for the Hotline for Child Abuse and Neglect line item.

Annualize prior year legislation: The appropriation includes a reduction of \$538,800 General Fund, for the second year impact of legislation.

CMP reduction: The appropriation includes a reduction of \$100,000 in cash fund spending authority for the Collaborative Management Program (CMP).

Office of Early Childhood

Pursuant to H.B. 13-1117, the Office of Early Childhood (OEC) was created in order to align child development programs that address early learning, child health, child mental health, and family support and parent education. This consolidation of programs and services is intended to strengthen collaboration and coordination between the state-level early childhood system and local delivery systems. The bill transferred existing programs from other departments to the Department of Human Services, including: the Early Childhood Leadership Council from the Governor's Office; and the Nurse Home Visitor Program, Tony Grampsas Youth Services Program, Colorado Student Dropout Prevention and Intervention Program, Colorado Before and After School Project, Colorado Children's Trust Fund and its board, and the Family Resource Center Program from the Department of Public Health and Environment. The office is comprised of two divisions – the Division of Early Care and Learning and the Division of Community and Family Supports.

The Division of Early Care and Learning includes funding associated with the state supervision and the county administration of the Colorado Child Care Assistance Program (CCCAP). Through CCCAP, counties provide child care subsidies to low income families and families transitioning from the Colorado Works Program. An estimated 16,187 children per month utilized CCCAP subsidized care in FY 2012-13. This division is also responsible for licensing and monitoring child care facilities and for administering various early childhood grant programs. Cash fund sources reflect local funds as well as fees and fines paid by child care facilities. The primary federal funds source is Child Care Development funds.

This Division of Community and Family Supports includes funding for various early childhood family support programs such as the Nurse Home Visitor program and the Tony Grampsas Youth Services program. Cash fund sources include local funds, the Early Intervention Services Trust Fund, the Colorado Children's Trust Fund, and the Nurse Home Visitor Program Fund. Federal funds are primarily Child Care Development funds and funds received pursuant to Part C of the federal Individuals with Disabilities Education Improvement Act.

Office of Early Childhood						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-260	\$43,898	\$43,898	\$0	\$0	\$0	0.7
HB 13-1117	153,427,153	36,910,573	36,113,022	4,582,485	75,821,073	62.6
HB 13-1180	803,330	0	803,330	0	0	0.0
HB 13-1291	<u>3,000,000</u>	<u>3,000,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1.0</u>
TOTAL	\$157,274,381	\$39,954,471	\$36,916,352	\$4,582,485	\$75,821,073	64.3

Office of Early Childhood						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$157,274,381	\$39,954,471	\$36,916,352	\$4,582,485	\$75,821,073	64.3
Community provider rate	3,160,624	895,855	233,008	686,414	1,345,347	0.0
Investing in early care providers	2,197,194	1,757,755	439,439	0	0	0.0
Child care licensing staff	1,317,421	1,257,421	60,000	0	0	2.8
Annualize prior year budget actions	130,800	27,786	7,090	0	95,924	0.0
Early literacy book distribution partnership	100,000	100,000	0	0	0	0.0
Annualize prior year legislation	13,450	(3,292)	16,742	0	0	0.0
Operating adjustments	3,049	1,197	336	0	1,516	0.0
Department reorganization	(1,192,973)	(1,192,973)	0	0	0	0.0
HB 14-1336	\$163,003,946	\$42,798,220	\$37,672,967	\$5,268,899	\$77,263,860	67.1
SB 14-003	2,469,453	1,269,453	0	1,200,000	0	1.0
HB 14-1298	68,084	68,084	0	0	0	1.1
HB 14-1317	<u>8,534,903</u>	<u>8,534,903</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$174,076,386	\$52,670,660	\$37,672,967	\$6,468,899	\$77,263,860	69.2
Increase/(Decrease)	\$16,802,005	\$12,716,189	\$756,615	\$1,886,414	\$1,442,787	4.9
Percentage Change	10.7%	31.8%	2.0%	41.2%	1.9%	7.6%

FY 2014-15 Appropriation Highlights

Community provider rate: The appropriation includes an increase of \$3,160,624 total funds, including \$895,855 General Fund, for the 2.5 percent community provider rate increase.

Investing in early care providers: The appropriation includes an increase of \$2,197,194 total funds, including \$1,757,755 General Fund, for grants and technical assistance to providers to improve the quality of child care.

Child care licensing staff: The appropriation includes an increase of \$1,317,421 total funds, including \$1,257,421 General Fund, and 2.8 FTE for increased child care licensing specialists to improve child care safety.

Annualize prior year budget actions: The appropriation includes a number of changes to the out year impact of funding decisions made through the FY 2013-14 Long Bill.

Early literacy book distribution partnership: The appropriation includes an increase of \$100,000 General Fund to implement an evidence-based initiative designed to improve early literacy skills.

Annualize prior year legislation: The appropriation includes an increase of \$13,450 total funds, including a decrease of \$3,292 General Fund, for the second year impact of legislation.

Operating adjustments: The appropriation includes an increase for mail-related expenses.

Department reorganization: The appropriation includes a decrease of \$1,192,973 General Fund in the Early Childhood Mental Health Services line item to transfer the school-based mental health program to the Office of Behavioral Health.

Office of Self Sufficiency

This section includes appropriations for various public assistance programs, including Colorado Works, Low-income Energy Assistance Program (LEAP), child support enforcement, and disability determination programs, among others.

Office of Self Sufficiency						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$296,016,539	\$5,376,412	\$29,614,308	\$33,951	\$260,991,868	245.2
SB 13-194	(118,272)	0	(118,272)	0	0	(1.5)
HB 13-1004	<u>2,400,000</u>	<u>2,400,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2.0</u>
TOTAL	\$298,298,267	\$7,776,412	\$29,496,036	\$33,951	\$260,991,868	245.7
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$298,298,267	\$7,776,412	\$29,496,036	\$33,951	\$260,991,868	245.7
TANF funding	2,000,000	0	0	0	2,000,000	0.0
Annualize prior year budget actions	484,549	62,780	16,096	0	405,673	0.0
Colorado Works evaluation improvement	400,440	0	0	0	400,440	0.0
Annualize prior year legislation	(1,200,000)	(1,200,000)	0	0	0	(1.0)
HB 14-1336	\$299,983,256	\$6,639,192	\$29,512,132	\$33,951	\$263,797,981	244.7
HB 14-1015	395,270	395,270	0	0	0	1.0
HB 14-1317	<u>40,612</u>	<u>12,184</u>	<u>2,843</u>	<u>0</u>	<u>25,585</u>	<u>0.0</u>
TOTAL	\$300,419,138	\$7,046,646	\$29,514,975	\$33,951	\$263,823,566	245.7
Increase/(Decrease)	\$2,120,871	(\$729,766)	\$18,939	\$0	\$2,831,698	0.0
Percentage Change	0.7%	(9.4%)	0.1%	0.0%	1.1%	0.0%

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

TANF funding: The appropriation includes \$2,000,000 federal funds for the Temporary Assistance to Needy Families (TANF) program to expand employment-focused initiatives.

Annualize prior year budget actions: The appropriation includes changes to the out year impact of funding decisions made through the FY 2013-14 Long Bill, including the annualization of the FY 2013-14 salary survey and merit pay.

Colorado Works evaluation improvement: The appropriation includes an increase of \$400,400 federal funds from the Temporary Assistance for Needy Families (TANF) block grant to improve research and evaluation capabilities for the Colorado Works program.

Annualize prior year legislation: The appropriation includes a reduction of \$1,200,000 General Fund and 1.0 FTE for the second year impact of legislation. The primary change is the expiration of the transitional jobs program started via H.B. 13-1004 (Colorado Careers Act) at the midpoint of FY 2014-15.

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

Behavioral Health Services

This section provides funding for community-based mental health and substance use treatment and prevention services. This section also provides funding for the administration and operation of the State's two mental health institutes, which provide inpatient hospitalization for individuals with serious mental illness.

Behavioral Health Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$208,295,172	\$141,435,991	\$17,368,821	\$14,350,731	\$35,139,629	1,234.7
SB 13-173	70,000	0	0	70,000	0	0.0
SB 13-200	(\$651,875)	(\$651,875)	\$0	\$0	\$0	0.0
SB 13-266	19,792,028	19,792,028	0	0	0	0.9
HB 13-1117	(2,355,399)	(2,355,399)	0	0	0	(0.2)
SB 14-223	(4,281,893)	(4,281,893)	0	0	0	0.0
HB 14-1238	(8,732,116)	(6,864,084)	(2,091,431)	223,399	0	0.0
HB 14-1336	<u>(5,128,362)</u>	<u>(5,164,609)</u>	<u>0</u>	<u>36,247</u>	<u>0</u>	<u>0.3</u>
TOTAL	\$207,007,555	\$141,910,159	\$15,277,390	\$14,680,377	\$35,139,629	1,235.7
FY 2014-15 Appropriation:						
HB 14-1336	\$243,876,116	\$177,077,005	\$15,825,917	\$15,741,517	\$35,231,677	1,241.2
SB 14-129	38,250	0	38,250	0	0	0.0
SB 14-215	<u>3,500,000</u>	<u>0</u>	<u>3,500,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$247,414,366	\$177,077,005	\$19,364,167	\$15,741,517	\$35,231,677	1,241.2

Behavioral Health Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Increase/(Decrease)	\$40,406,811	\$35,166,846	\$4,086,777	\$1,061,140	\$92,048	5.5
Percentage Change	19.5%	24.8%	26.8%	7.2%	0.3%	0.4%

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

Community Behavioral Health Administration

This subsection provides funding for the administration of community-based mental health and substance use treatment and prevention services. This subsection is primarily supported by the federal Substance Abuse Prevention and Treatment Block Grant, the federal Mental Health Services Block Grant, General Fund, and transfers from HCPF (which originate as General Fund and federal Medicaid funds).

<i>Community Behavioral Health Administration</i>						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$7,653,123	\$1,233,607	\$345,010	\$820,320	\$5,254,186	59.3
SB 13-266	72,933	72,933	0	0	0	0.9
HB 13-1117	<u>(16,180)</u>	<u>(16,180)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(0.2)</u>
TOTAL	\$7,709,876	\$1,290,360	\$345,010	\$820,320	\$5,254,186	60.0
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$7,709,876	\$1,290,360	\$345,010	\$820,320	\$5,254,186	60.0
Annualize prior year budget actions	189,576	51,520	12,884	33,124	92,048	0.0
Annualize prior year legislation	1,419	1,419	0	0	0	0.1
Department reorganization	0	0	0	0	0	0.0
HB 14-1336	<u>\$7,900,871</u>	<u>\$1,343,299</u>	<u>\$357,894</u>	<u>\$853,444</u>	<u>\$5,346,234</u>	<u>60.1</u>
TOTAL	\$7,900,871	\$1,343,299	\$357,894	\$853,444	\$5,346,234	60.1
Increase/(Decrease)	\$190,995	\$52,939	\$12,884	\$33,124	\$92,048	0.1
Percentage Change	2.5%	4.1%	3.7%	4.0%	1.8%	0.2%

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Annualize prior year budget actions: The appropriation includes an increase for the annualization of salary survey and merit pay.

Annualize prior year legislation: The appropriation includes an increase for the second year impact of S.B. 13-266 (Coordinated Behavioral Health Crisis Response).

Department reorganization: The appropriation combines two informational federal grant line items.

Mental Health Community Programs

This subsection provides funding for mental health services that are delivered through local community providers. Generally, these services are provided by community mental health centers to low income individuals who are not eligible for Medicaid and do not receive mental health care from any other source. This subsection is primarily supported by General Fund, the federal Mental Health Services Block Grant, and tobacco litigation settlement moneys that are credited to the Offender Mental Health Services Fund.

<i>Mental Health Community Programs</i>						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$52,715,807	\$41,946,156	\$4,255,580	\$280,502	\$6,233,569	0.0
SB 13-200	(651,875)	(651,875)	0	0	0	0.0
HB 13-1117	(2,339,219)	(2,339,219)	0	0	0	0.0
HB 14-1238	<u>534,578</u>	<u>534,578</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$50,259,291	\$39,489,640	\$4,255,580	\$280,502	\$6,233,569	0.0
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$50,259,291	\$39,489,640	\$4,255,580	\$280,502	\$6,233,569	0.0
Department reorganization	1,192,973	1,192,973	0	0	0	0.0
Community provider rate	913,310	893,892	16,453	2,965	0	0.0
Mental health first aid	483,270	483,270	0	0	0	0.0
Annualize prior year legislation	(3,259,374)	(3,259,374)	0	0	0	0.0
Reverse supplemental	(207,848)	(207,848)	0	0	0	0.0
Tobacco settlement moneys adjustment	(28,626)	0	(28,626)	0	0	0.0
HB 14-1336	<u>\$49,352,996</u>	<u>\$38,592,553</u>	<u>\$4,243,407</u>	<u>\$283,467</u>	<u>\$6,233,569</u>	<u>0.0</u>
TOTAL	\$49,352,996	\$38,592,553	\$4,243,407	\$283,467	\$6,233,569	0.0
Increase/(Decrease)	(\$906,295)	(\$897,087)	(\$12,173)	\$2,965	\$0	0.0
Percentage Change	(1.8%)	(2.3%)	(0.3%)	1.1%	0.0%	n/a

FY 2013-14 Appropriation – Mid-year Adjustments

House Bill 14-1238 modified the FY 2013-14 appropriation as follows:

- Added \$266,730 General Fund to support the expansion of Mental Health First Aid training;
- Added \$207,848 General Fund to offset the mid-year reduction in federal funds that support community mental health services; and
- Added \$60,000 General Fund to ensure that funding is sufficient to cover services for all children and youth eligible under the Child Mental Health Treatment Act (H.B. 99-1116).

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Department reorganization: The appropriation includes a net zero reorganization of the Department's Long Bill. With respect to this division, the appropriation reinstates funding for school-based mental health services to this subsection; funding for these services was transferred to the Office of Early Childhood for FY 2013-14 through H.B. 13-1117 (Alignment of Child Development Programs).

Community provider rate: The appropriation includes an increase for the 2.5 percent community provider rate increase.

Mental health first aid: The appropriation includes an increase to expand the availability of mental health first aid instructor and certification courses.

Annualize prior year legislation: The appropriation includes a reduction of \$3,259,374 General Fund for the second year impact of S.B. 13-200 (Expand Medicaid Eligibility) to reflect the impact of expanded Medicaid eligibility on the population served through the Department's mental health community programs for indigent mentally ill clients.

Reverse supplemental: The appropriation includes a reduction to reverse a mid-year FY 2013-14 funding increase that temporarily offset reductions in federal funding for community mental health centers.

Tobacco settlement moneys adjustment: The appropriation includes adjustments related to tobacco settlement moneys.

Substance Use Treatment and Prevention

This subsection provides funding for substance use treatment and prevention services that are delivered through local community providers. Generally, these services are provided to low income individuals who are not eligible for Medicaid and do not receive substance use services from any other source. Treatment, prevention, and detoxification services are provided primarily through managed service organizations (MSOs), each of which is responsible for managing the provision of services within a specific geographic area. This subsection is primarily supported by the federal Substance Abuse Prevention and Treatment Block Grant, General Fund, transfers from HCPF (which originate as General Fund and federal Medicaid funds), transfers from the Judicial Department (which originate as General Fund and drug offender surcharge revenues), the Persistent Drunk Driver Cash Fund, tobacco settlement moneys, and marijuana tax revenues.

<i>Substance Use Treatment and Prevention</i>						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$44,596,681	\$14,808,646	\$3,154,956	\$2,981,205	\$23,651,874	0.0
SB 13-173	<u>70,000</u>	<u>0</u>	<u>0</u>	<u>70,000</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$44,666,681	\$14,808,646	\$3,154,956	\$3,051,205	\$23,651,874	0.0

<i>Substance Use Treatment and Prevention</i>						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$44,666,681	\$14,808,646	\$3,154,956	\$3,051,205	\$23,651,874	0.0
Reduce cash fund balance	512,800	0	512,800	0	0	0.0
Community provider rate	405,944	370,216	0	35,728	0	0.0
Correctional Treatment Cash Fund	216,268	0	0	216,268	0	0.0
Other	(210,889)	0	34,817	(245,706)	0	0.0
HB 14-1336	\$45,590,804	\$15,178,862	\$3,702,573	\$3,057,495	\$23,651,874	0.0
SB 14-129	38,250	0	38,250	0	0	0.0
SB 14-215	<u>1,500,000</u>	<u>0</u>	<u>1,500,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$47,129,054	\$15,178,862	\$5,240,823	\$3,057,495	\$23,651,874	0.0
Increase/(Decrease)	\$2,462,373	\$370,216	\$2,085,867	\$6,290	\$0	0.0
Percentage Change	5.5%	2.5%	66.1%	0.2%	0.0%	n/a

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Reduce cash fund balance: The appropriation includes an increase of \$512,800 cash funds to reduce excess balances in four substance use-related cash funds.

Community provider rate: The appropriation includes an increase for the 2.5 percent community provider rate increase.

Correctional Treatment Cash Fund: The appropriation includes an increase of \$216,268 reappropriated funds transferred from the Judicial Department from moneys in the Correctional Treatment Cash Fund. In this subsection, the increase will be used for treatment and detoxification contracts.

Other: The appropriation includes a decrease of \$275,706 reappropriated funds to eliminate spending authority for a transfer from the Department of Public Safety that no longer occurs, and an increase of \$30,000 reappropriated funds transferred from the Department of Local Affairs to reflect the full allocation of gaming tax revenues available for gambling addition counseling services, and adjustments related to tobacco settlement moneys.

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

Integrated Behavioral Health Services

This subsection provides funding for: a behavioral health crisis response system; community-based mental health and substance use disorder services for offenders; behavioral health services and supports for individuals transitioning from the mental health institutes to the community; and co-occurring behavioral health services for indigent adolescents and adults in southern Colorado and the Arkansas Valley. This subsection is supported by

General Fund, transfers from the Judicial Department (which originate as General Fund and drug offender surcharge revenues), and marijuana tax revenues.

<i>Integrated Behavioral Health Services</i>						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$7,957,966	\$4,944,176	\$0	\$3,013,790	\$0	0.0
SB 13-266	19,719,095	19,719,095	0	0	0	0.0
SB 14-223	(4,281,893)	(4,281,893)	0	0	0	0.0
HB 14-1238	(10,596,084)	(10,596,084)	0	0	0	0.0
HB 14-1336	<u>(5,164,609)</u>	<u>(5,164,609)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$7,634,475	\$4,620,685	\$0	\$3,013,790	\$0	0.0
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$7,634,475	\$4,620,685	\$0	\$3,013,790	\$0	0.0
Reverse supplemental	20,042,586	20,042,586	0	0	0	0.0
Annualize prior year legislation	5,197,594	5,197,594	0	0	0	0.0
Annualize prior year budget actions	4,444,176	4,444,176	0	0	0	0.0
Community provider rate	857,626	857,626	0	0	0	0.0
Correctional Treatment Cash Fund	564,732	0	0	564,732	0	0.0
HB 14-1336	\$38,741,189	\$35,162,667	\$0	\$3,578,522	\$0	0.0
SB 14-215	<u>2,000,000</u>	<u>0</u>	<u>2,000,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$40,741,189	\$35,162,667	\$2,000,000	\$3,578,522	\$0	0.0
Increase/(Decrease)	\$33,106,714	\$30,541,982	\$2,000,000	\$564,732	\$0	0.0
Percentage Change	433.6%	661.0%	n/a	18.7%	n/a	n/a

FY 2013-14 Appropriation – Mid-year Adjustments

Senate Bill 14-223, H.B. 14-1238, and H.B. 14-1336 modified the FY 2013-14 appropriation to reflect anticipated under expenditures as follows:

- Made reductions totaling \$18,413,849 General Fund due to a delay in the implementation of a behavioral health crisis response system pursuant to S.B. 13-266;
- Made reductions totaling \$1,477,937 General Fund to reflect delays in the implementation of certain services and supports for individuals transitioning from the mental health institutes to the community; and
- Reduced the appropriation for co-occurring behavioral health treatment services in southern Colorado and the Arkansas Valley by \$150,800 to reflect implementation delays.

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Reverse supplemental: The appropriation includes an increase of \$20,042,586 General Fund to reverse the three mid-year FY 2013-14 funding changes described above.

Annualize prior year legislation: The appropriation includes an increase of \$5,197,594 General Fund for the second year impact of S.B. 13-266 (Coordinated Behavioral Health Crisis Response), providing a full 12 months of funding for a behavioral health crisis response system.

Annualize prior year budget actions: The appropriation includes changes for the out-year impact of funding decisions made through the FY 2013-14 Long Bill, including an increase of \$4,444,176 General Fund to provide a full 12 months of funding for community-based behavioral health stabilization services.

Community provider rate: The appropriation includes an increase for the 2.5 percent community provider rate increase.

Correctional Treatment Cash Fund: The appropriation includes an increase of \$564,732 reappropriated funds transferred from the Judicial Department from moneys in the Correctional Treatment Cash Fund. In this subsection, the increase will be used for jail-based behavioral health services.

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

Mental Health Institutes

This subsection provides funding for the administration and operation of the State's two mental health institutes. The institutes provide comprehensive psychiatric, psychological, rehabilitation, and therapeutic care to up to 545 individuals with a serious mental illness. The Colorado Mental Health Institute at Pueblo (CMHIP) operates a total of 451 beds, including: (a) 307 "forensic" beds for individuals with pending criminal charges who require evaluations of competency to stand trial and restoration to competency, as well as individuals who have been found to be not guilty by reason of insanity; and (b) 144 "civil" beds for individuals who are referred for admission by the community mental health centers, county departments of social services, or the Division of Youth Corrections. The Colorado Mental Health Institute at Fort Logan (CMHIFL), located in southwest Denver, operates 94 civil beds. This subsection is primarily supported by General Fund, federal Medicare and patient revenues (including transfers from HCPR which originate as General Fund and federal Medicaid funds), and funds transferred from the Department of Corrections (DOC) for food services provided by the CMHIP to DOC facilities located on the Pueblo campus.

<i>Mental Health Institutes</i>						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$95,371,595	\$78,503,406	\$9,613,275	\$7,254,914	\$0	1,175.4
HB 14-1238	1,329,390	3,197,422	(2,091,431)	223,399	0	0.0
HB 14-1336	<u>36,247</u>	<u>0</u>	<u>0</u>	<u>36,247</u>	<u>0</u>	<u>0.3</u>
TOTAL	\$96,737,232	\$81,700,828	\$7,521,844	\$7,514,560	\$0	1,175.7

<i>Mental Health Institutes</i>						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$96,737,232	\$81,700,828	\$7,521,844	\$7,514,560	\$0	1,175.7
Annualize prior year budget actions	2,919,718	2,919,718	0	0	0	0.7
Outside medical expenses	1,598,792	1,598,792	0	0	0	0.0
Psychiatrist base salary adjustment	448,580	448,580	0	0	0	0.0
Non-prioritized requested changes	442,021	1,749	199	440,073	0	0.2
Electronic health record system	309,159	309,159	0	0	0	4.5
Community provider rate	68,299	68,299	0	0	0	0.0
Fund source adjustment	0	(13,956)	0	13,956	0	0.0
Medical services	(233,545)	(233,545)	0	0	0	0.0
HB 14-1336	<u>\$102,290,256</u>	<u>\$86,799,624</u>	<u>\$7,522,043</u>	<u>\$7,968,589</u>	<u>\$0</u>	<u>1,181.1</u>
TOTAL	\$102,290,256	\$86,799,624	\$7,522,043	\$7,968,589	\$0	1,181.1
Increase/(Decrease)	\$5,553,024	\$5,098,796	\$199	\$454,029	\$0	5.4
Percentage Change	5.7%	6.2%	0.0%	6.0%	n/a	0.5%

FY 2013-14 Appropriation – Mid-year Adjustments

House Bill 14-1238 and H.B. 14-1336 modified the FY 2013-14 appropriation as follows:

- Added \$1,329,390 General Fund to ensure both institutes have sufficient revenues to cover anticipated FY 2013-14 operational expenses;
- Made fund source adjustments to reflect lower than anticipated Medicare revenues (a decrease of \$2,091,431 cash funds) and higher than anticipated Medicaid revenues transferred from the Department of Health Care Policy and Financing (\$223,399 reappropriated funds), and increased the General Fund appropriation by \$1,868,032 to offset the impact of such changes; and
- Added \$36,247 reappropriated funds and 0.3 FTE to allow the CMHIP to receive and spend additional moneys transferred from the Department of Corrections (DOC) for the provision of meals for inmates at the La Vista facility in Pueblo in FY 2013-14.

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Annualize prior year budget actions: The appropriation includes changes for the out-year impact of funding decisions made through the FY 2013-14 Long Bill, including: (1) an increase of \$2,599,521 General Fund for the annualization of salary survey and merit pay; (2) an increase of \$391,363 General Fund and 0.1 FTE to increase access to civil beds through the operation of a jail-based restoration program for defendants who have been determined by the court to be incompetent to proceed in their criminal cases; and (3) a decrease of \$71,166 General Fund and an increase of 0.6 FTE to implement trauma informed care best practices at the institutes.

Outside medical expenses: The appropriation includes an increase to cover the costs of outside medical care for patients at the institutes.

Psychiatrist base salary adjustment: The appropriation includes \$448,580 General Fund to increase salaries for the psychiatrists at the institutes to fill vacant positions and improve retention.

Non-prioritized requested changes: The appropriation includes an increase of \$442,021 total funds and 0.2 FTE to correspond to budget changes initiated by other agencies, including: \$440,073 reappropriated funds transferred from the DOC and 0.2 FTE for the provision of meals to DOC's facilities on the Pueblo campus; and \$1,948 total funds for mail-related expenses.

Electronic health record system: The appropriation includes \$309,159 General Fund and 4.5 FTE for personal services and operating expenses to oversee, analyze, and support the design and implementation of an electronic health record system for the institutes.

Community provider rate: The appropriation includes an increase for the 2.5 percent community provider rate increase.

Fund source adjustment: The appropriation includes a \$13,956 increase in reappropriated funds transferred from the Department of Education offset by a decrease in General Fund support for educational programs.

Medical services: The appropriation includes a reduction of \$233,545 General Fund (compared to the adjusted FY 2013-14 appropriation) for institute expenditures related to contract medical staff, contract medical services, catastrophic medical expenses, and related ancillary services.

Services for People with Disabilities

This division includes funding for Community Services for People with Developmental Disabilities, Regional Centers for People with Developmental Disabilities, the Work Therapy Program, the Division of Vocational Rehabilitation, and Homelake Domiciliary and the State Veterans Nursing Homes.

Regional Centers for People with Developmental Disabilities: The State operates three facilities for individuals with developmental disabilities, known as Regional Centers, in Grand Junction, Wheat Ridge, and Pueblo, and provides services through two different settings: through residential and support services in large congregate settings on campus at the Grand Junction and Wheat Ridge centers; and through group homes that provide services to 4-6 people per home in a community setting. The primary source of funding for this subdivision is Medicaid reappropriated funds. These funds originate as a combination of General Fund and federal funds in the Department of Health Care Policy and Financing and are transferred to this Department.

Work Therapy Program: This subdivision funds the Work Therapy Program which provides sheltered training and employment workshops for individuals receiving services at the Colorado Mental Health Institute at Fort Logan and the three Regional Centers. These workshops employ approximately 300 individuals, of which 200 are clients at Regional Centers and 100 are clients at Fort Logan. Approximately 65.0 percent of the cash funds are from the work completed by Regional Center clients and 35.0 percent of the cash funds are from work completed by Fort Logan clients. The Work Therapy Cash Fund is the funding source for this subdivision, and it receives revenue from contracts with area businesses and organizations for custodial services, printing, packaging, mailing, and other types of manual processing that can be performed by program clients. Enrolled clients are paid from funds received in proportion to the work performed.

Division of Vocational Rehabilitation: The Division of Vocational Rehabilitation assists individuals, whose disabilities result in barriers to employment or independent living with attainment and maintenance of employment and/or independent living. At any of the 43 field and satellite offices located throughout the state, rehabilitation counselors work with clients to assess their needs and identify appropriate vocational rehabilitation services. The Division also administers state and federal grants to independent living centers working to enable individuals with disabilities to live independently and to programs that provide assistance to elderly blind individuals. The federal government provides reimbursement for 78.7 percent of eligible rehabilitation expenditures up to the total annual federal grant for Colorado. The matching funds for these federal dollars are either General Fund dollars or local government funds, primarily from school districts for the School to Work Alliance Program.

Veterans Community Living Centers: The Veterans Community Living Centers are state owned nursing homes that provide skilled nursing care primarily to honorably discharged veterans and their spouses, widows and in some instances, parents of deceased veterans. The five homes are located throughout the state in Aurora (Fitzsimons), Florence (McCandless), Monte Vista (Homelake), Rifle, and Walsenburg. Each facility is Medicare and Medicaid-certified and licensed by the Colorado Department of Public Health and Environment. Additionally, the homes are certified by the U.S. Department of Veterans Affairs to receive federal funds in support of the care of veterans. The Homelake Domiciliary and Nursing Homes are designated as enterprises, have continuous spending authority, and are appropriated in the Long Bill for informational purposes only.

Services for People with Disabilities						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$617,175,999	\$43,842,696	\$79,367,782	\$434,672,015	\$59,293,506	1,719.3
SB 13-040	99,575	99,575	0	0	0	0.0
SB 13-167	522	0	0	522	0	0.0
HB 13-1117	(43,430,541)	(19,910,756)	(10,895,900)	(4,582,485)	(8,041,400)	(6.5)
HB 14-1252	<u>(23,564,580)</u>	<u>0</u>	<u>0</u>	<u>(23,564,580)</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$550,280,975	\$24,031,515	\$68,471,882	\$406,525,472	\$51,252,106	1,712.8
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$550,280,975	\$24,031,515	\$68,471,882	\$406,525,472	\$51,252,106	1,712.8
Informational funds adjustment	5,517,570	0	3,485,200	0	2,032,370	44.3
Annualize prior year budget actions	2,364,919	178,117	9,331	1,524,171	653,300	0.0
Independent Living Centers increase	722,719	722,719	0	0	0	0.0
Annualize prior year legislation	185,269	185,269	0	0	0	0.5
Community provider rate	54,600	54,600	0	0	0	0.0
DVR reorganization	0	0	0	0	0	0.0
Annualize HB 13-1314 IDD transfer	(401,541,253)	(16,758,941)	(30,802,357)	(353,979,955)	0	(34.0)
Other	5,900	628	2,315	638	2,319	0.0
HB 14-1336	\$157,590,699	\$8,413,907	\$41,166,371	\$54,070,326	\$53,940,095	1,723.6
SB 14-130	<u>0</u>	<u>0</u>	<u>(22,345)</u>	<u>22,345</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$157,590,699	\$8,413,907	\$41,144,026	\$54,092,671	\$53,940,095	1,723.6

Services for People with Disabilities						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Increase/(Decrease)	(\$392,690,276)	(\$15,617,608)	(\$27,327,856)	(\$352,432,801)	\$2,687,989	10.8
Percentage Change	(71.4%)	(65.0%)	(39.9%)	(86.7%)	5.2%	0.6%

FY 2013-14 Appropriation – Mid-year Adjustments

House Bill 14-1252 modified the FY 2013-14 appropriations for the intellectual and developmental disabilities waiver due to an underutilization on enrollments.

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Informational funds adjustment: The appropriation includes an increase of cash funds and federal funds appropriated to the State Veterans Nursing Homes reflected in the Long Bill for informational purposes only.

Annualize prior year budget actions: The appropriation includes a number of changes to the out year impact of funding decisions made through the FY 2013-14 Long Bill including the FY 2013-14 salary survey and merit pay.

Independent Living Centers increase: The appropriation includes an increase of General Fund for Independent Living Centers.

Annualize prior year legislation: The appropriation includes an increase of total funds for the second year impact of legislation expanding the Homelake military veteran's cemetery.

Community provider rate: The appropriation includes an increase of General Fund for the 2.5 percent for the community provider rate increase.

DVR reorganization: The appropriation includes changes to the Division of Vocational Rehabilitation's Long Bill section to increase transparency for the budget for vocational rehabilitation services.

Annualize HB 13-1314 IDD transfer: The appropriation includes a reduction to reflect the transfer of the Division for Intellectual and Developmental Disabilities to the Department of Health Care Policy and Financing pursuant to H.B. 13-1314.

Other: The appropriation includes other minor adjustments.

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

Adult Assistance Programs

This section includes funding for the Old Age Pension Program, for various adult cash assistance programs, and for community services for the elderly, including Older Americans Act programs. Additional detail on funding changes in Adult Assistance Programs is reflected in the subsection tables and narratives below.

Adult Assistance Programs						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$160,229,549	\$34,995,282	\$104,106,441	\$1,800	\$21,126,026	28.5
SB 13-111	3,171,208	3,171,208	0	0	0	1.0
SB 13-127	0	(2,000,000)	2,000,000	0	0	0.0
HB 14-1238	<u>1,340,400</u>	<u>377,964</u>	<u>1,340,400</u>	<u>0</u>	<u>(377,964)</u>	<u>0.0</u>
TOTAL	\$164,741,157	\$36,544,454	\$107,446,841	\$1,800	\$20,748,062	29.5
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$164,741,157	\$36,544,454	\$107,446,841	\$1,800	\$20,748,062	29.5
Increase for senior services	4,000,000	4,000,000	0	0	0	0.0
Old Age Pension cost of living adjustment	2,680,800	0	2,680,800	0	0	0.0
Increase for blind / visually impaired services	500,000	500,000	0	0	0	0.0
Respite services	100,000	100,000	0	0	0	0.0
Annualize prior year budget actions	55,535	26,594	12,772	0	16,169	0.0
Annualize prior year legislation	(6,302,137)	1,331,461	(7,630,266)	0	(3,332)	0.0
HB 14-1336	\$165,775,355	\$42,502,509	\$102,510,147	\$1,800	\$20,760,899	29.5
SB 14-012	<u>1,481,380</u>	<u>1,234,483</u>	<u>246,897</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$167,256,735	\$43,736,992	\$102,757,044	\$1,800	\$20,760,899	29.5
Increase/(Decrease)	\$2,515,578	\$7,192,538	(\$4,689,797)	\$0	\$12,837	0.0
Percentage Change	1.5%	19.7%	(4.4%)	0.0%	0.1%	0.0%

FY 2013-14 Appropriation – Mid-year Adjustments

House Bill 14-1238 modified the FY 2013-14 appropriations to provide funding for a 3.0 percent COLA increase for Old Age Pension beneficiaries.

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Increase for senior services: The appropriation includes an increase of \$4,000,000 General Fund for senior services delivered by the state's area agencies on aging.

Old Age Pension cost of living adjustment: The appropriation includes an increase of \$2,680,800 from the Old Age Pension cash fund to provide a 3.0 percent cost of living adjustment.

Increase for blind / visually impaired services: The appropriation includes an increase of \$500,000 General Fund for support services for individuals who are blind or visually impaired.

Respite services: The appropriation includes an increase of \$100,000 General Fund for respite services for at-risk individuals.

Annualize prior year budget actions: The appropriation includes changes to the out year impact of funding decisions made through the FY 2013-14 Long Bill, including the annualization of the FY 2013-14 salary survey and merit pay.

Annualize prior year legislation: The appropriation includes a reduction of \$6,302,137 total funds, including an increase of \$1,331,461 General Fund, for the second year impact of legislation. The primary change is due to the following:

- S.B. 13-111 (elder abuse) increase of \$2,409,724 total funds, including \$1,328,129 General Fund, to protect vulnerable or at-risk adults who, because of age or mental or physical ability, are unable to obtain services or otherwise protect their own health, safety, and welfare; and
- H.B. 10-1384 (non-citizen Old Age Pension eligibility) decrease of \$7,378,974 from the Old Age Pension cash fund.

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

Division of Youth Corrections

The Division of Youth Corrections (DYC) is responsible for the supervision, care, and treatment of: (1) detained juveniles awaiting adjudication; (2) juveniles committed or sentenced to the Department of Human Services by courts; and (3) juveniles on parole from a facility operated or contracted for by the Division. The Division is not responsible for juveniles sentenced as adults to the Department of Corrections' Youthful Offender System. In addition to treating incarcerated and paroled juveniles, DYC administers the S.B. 91-94 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. The Reappropriated Funds amounts reflected in this section of the budget include Medicaid funds transferred from the Department of Health Care Policy and Financing (HCPF).

Division of Youth Corrections						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$110,232,247	\$105,146,233	\$91,531	\$3,122,077	1,872,406	910.5
SB 13-047	4,900	4,684	0	0	216	0.0
HB 13-1241	0	(10,000)	0	10,000	0	0.0
HB 14-1238	<u>1,222,875</u>	<u>1,023,756</u>	<u>0</u>	<u>265,535</u>	<u>(66,416)</u>	<u>3.0</u>

Division of Youth Corrections						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
TOTAL	\$111,460,022	\$106,164,673	\$91,531	\$3,397,612	\$1,806,206	913.5
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$111,460,022	\$106,164,673	\$91,531	\$3,397,612	\$1,806,206	913.5
Annualize prior year budget actions	1,928,115	1,923,626	0	4,489	0	6.0
Community provider rate	1,326,567	1,252,245	0	36,891	37,431	0.0
Enhanced parole and transition services	562,275	562,275	0	0	0	0.0
General, career, and technical education improvements	449,550	449,550	0	0	0	0.0
Trauma-informed care practices implementation	254,865	254,865	0	0	0	0.0
Caseload adjustment	(1,160,024)	(1,194,865)	0	149,256	(114,415)	0.0
Annualize prior year legislation	(1,062,867)	(863,748)	0	(265,535)	66,416	0.0
HB 14-1336	\$113,758,503	\$108,548,621	\$91,531	\$3,322,713	\$1,795,638	919.5
SB 14-215	<u>2,000,000</u>	<u>0</u>	<u>2,000,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$115,758,503	\$108,548,621	\$2,091,531	\$3,322,713	\$1,795,638	919.5
Increase/(Decrease)	\$4,298,481	\$2,383,948	\$2,000,000	(\$74,899)	(\$10,568)	6.0
Percentage Change	3.9%	2.2%	2,185.1%	(2.2%)	(0.6%)	0.7%

FY 2013-14 Appropriation – Mid-year Adjustments

House Bill 14-1238 modified the FY 2013-14 appropriations to provide caseload adjustments.

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Annualize prior year budget actions: The appropriation includes a number of changes to the out year impact of funding decisions made through the FY 2013-14 Long Bill, including the annualization of the FY 2013-14 salary survey and merit pay.

Community provider rate: The appropriation includes an increase of \$1,326,567 total funds, including \$1,252,245 General Fund, for the 2.5 percent community provider rate increase.

Enhanced parole and transition services: The appropriation includes an increase of \$562,275 General Fund for the Division to provide a comprehensive array of intensive transition and parole services to improve youth outcomes and reduce recidivism. The funding increase also provides moneys to reduce the time youth are on escape or absconsion status.

General, career, and technical education improvements: The appropriation includes an increase of \$449,550 General Fund for the Division to improve educational infrastructure to support general educational needs, and to allow for new career and technical education offerings.

Trauma-informed care practices implementation: The appropriation includes an increase of \$254,865 General Fund for the Division to implement trauma-informed care practices. Trauma-informed care aims to understand the impact of trauma on behavioral health, and learn how to effectively minimize its effects without causing additional trauma.

Caseload adjustment: The appropriation includes a decrease of \$1,160,024 total funds, including \$1,194,865 General Fund, for the purchase of contract placements in accordance with the opening of an assessment unit at Mount View begun in FY 2013-14 and the caseload projections for FY 2014-15 produced by the Department of Public Safety's Division of Public Safety.

Annualize prior year legislation: The appropriation includes a reduction of \$1,062,867 total funds, including \$863,748 General Fund, for the second year impact of legislation. The primary change is the elimination of caseload adjustments appropriated via H.B. 13-1238 (supplemental bill).

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

Recent Legislation

2013 Session Bills

S.B. 13-040 (Complete Cemetery Expansion at Homelake Center): Clarifies the boundaries of the cemetery and requires the Department to establish a phased plan for expansion of the cemetery. Appropriates \$99,575 General Fund to the Department for FY 2013-14.

S.B. 13-047 (Youth in Foster care and Identity Theft Protection): Clarifies and expands the role of counties and the Department of Human Services in obtaining and remediating inaccuracies in credit reports for youths in foster care. Appropriates \$26,200 to the Division of Child Welfare, of which \$19,650 is General Fund and \$6,550 is federal funds, and \$4,900 to the Division of Youth Corrections, of which \$4,684 is General Fund and \$216 is federal funds.

S.B. 13-111 (Require Reports of Elder Abuse and Exploitation): Creates a new class of protections for at-risk elders and requires mandatory reporters listed in statute to report known or suspected abuse within 24 hours. Classifies the failure to make a report as a class 3 misdemeanor and requires law enforcement agencies to complete a criminal investigation when appropriate. Requires the Peace Officer Standards Training (P.O.S.T.) Board in the Department of Law to develop and implement a training curriculum to assist peace officers in recognizing and responding to incidents. Appropriates \$3,286,208 General Fund and 1.0 FTE to DHS in FY 2013-14 for the following:

- \$2.2 million for the reduction of county adult protective services caseworker caseloads;
- \$800,000 for the county provision of adult protective services to at-risk adults;
- \$86,208 and 1.0 FTE for adult protective services training and quality assurance activities; and

- \$85,000 for the provision of training to county adult protective services workers and other persons who are required to report the abuse or exploitation of an at-risk elder.

S.B. 13-127 (Sales Tax Revenue to Older Coloradans Cash Fund): Increases the annual diversion of sales and use tax revenues to the Older Coloradans Cash Fund by \$2.0 million to a total of \$10.0 million per year. Reduces General Fund appropriations to the Department of Human Services for state funding for senior services by \$2.0 million in FY 2013-14 and increases cash funds appropriations to the Department from the Older Coloradans Cash Fund by the same amount, also for state funding for senior services.

S.B. 13-167 (Individuals with Intellectual Disabilities): Changes statutory references from Intermediate Care Facilities for the Mentally Retarded to Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IID). Changes the responsibility for administering the provider fee paid by ICF/IIDs from the Department of Human Services to the Department of Health Care Policy and Financing. For FY 2012-13 increases the appropriations to the Department of Human Services by \$1,866,611 reappropriated funds, and increases the appropriations to the Department of Health Care Policy and Financing by \$2,324,517 total funds, including a reduction of \$1,162,256 General Fund, and increase of \$4,192,172 cash funds, a reduction of \$1,867,655 reappropriated funds, and an increase of \$1,162,256 federal funds. For FY 2013-14, appropriates \$1,867,133 reappropriated funds to the Department of Human Services and \$2,155,054 total funds, including a reduction of \$1,018,559 General Fund, an increase of \$2,096,086 cash funds, and an increase of \$1,077,527 federal funds to the Department of Health Care Policy and Financing.

S.B. 13-173 (Sunset Review for Division of Gaming): Implements recommendations of the 2012 sunset review of the Division of Gaming in the Department of Revenue to license, implement, regulate, and supervise the conduct of limited gaming, and extends its repeal until September 1, 2022. Appropriates \$70,000 reappropriated funds transferred from the Department of Local Affairs to the Department of Human Services for FY 2013-14 for gambling addiction counseling services.

S.B. 13-194 (Repeal Low-Income Telephone Assistance Program): Repeals the Low-income Telephone Assistance Program (LITAP). Reduces FY 2013-14 cash fund appropriations to the Low-income Telephone Assistance Program line item in the Department of Human Services by the full amount of \$118,272 and 1.5 FTE. For additional information on S.B. 13-194, see the "Recent Legislation" section at the end of the Department of Regulatory Agencies.

S.B. 13-200 (Expand Medicaid Eligibility): Expands Medicaid eligibility for adults with incomes up to 133 percent of the federal poverty level (FPL). The newly eligible populations affected by this change include adults without dependent children with incomes from 11 percent through 133 percent of the FPL, as well as parents with incomes from 101 percent through 133 percent of the FPL. Reduces appropriations to the Department of Human Services for FY 2013-14 for community-based mental health services by \$651,875 General Fund. For additional information on S.B. 13-200, see the "Recent Legislation" section at the end of the Department of Health Care Policy and Financing.

S.B. 13-227 (Protect Rape Victim from Contact with Father): Establishes a process for victims who conceive a child as a result of a sexual assault to file a petition with the court to prevent future contact with the parent who committed the sexual assault and terminate the legal parent-child relationship of the parent who committed the sexual assault. Creates a task force on children conceived by rape to study various issues and to make recommendations for protecting rape victims. Appropriates \$9,000 General Fund to the Department of Human Services in FY 2013-14 for temporary staff to assist the task force.

S.B. 13-230 (Long Bill): General appropriations act for FY 2013-14.

S.B. 13-255 (Statutory Changes to Child Fatality Review Teams): Extends the look-back period for the Department of Human Services child fatality review teams determining previous involvement with the child welfare system from 2 to 3 years and defines "previous involvement" to include the provision of child welfare services as defined in state law. Expands the time period from 30 days to 55 days for DHS to complete case reviews and submit a confidential, case-specific draft report to counties involved. Requires the DHS review team to include system recommendations in its annual report to the General Assembly and the public. Appropriates \$63,755 and 1.0 FTE to the Department of Human Services for costs associated with the review of additional child fatality cases under the expanded look-back period.

S.B. 13-260 (Financing of Public Schools): Changes the "Public School Finance Act of 1994" by modifying the funding for K-12 public schools. Appropriates \$43,898 General Fund and 0.7 FTE to the Department of Human Services for FY 2013-14 to license and inspect new preschool facilities. For additional information on S.B. 13-260, see the "Recent Legislation" section at the end of the Department of Education.

S.B. 13-266 (Coordinated Behavioral Health Crisis Response System): Directs the Department to issue a request for proposals to entities with the capacity to create a statewide coordinated and seamless behavioral health crisis response system. Proposals will be accepted for each of five specific components of a crisis system: a 24-hour crisis telephone hotline, walk-in crisis services and crisis stabilization units, mobile crisis services, residential and respite crisis services, and a public information campaign. Requires the Department to make annual reports to the General Assembly on the progress toward implementing the crisis system. Appropriates \$19,792,028 General Fund and 0.9 FTE to the Department for FY 2013-14 for implementation of the five components.

H.B. 13-1004 (Colorado Careers Act of 2013): Requires the Department of Human Services to administer a transitional jobs program to provide unemployed and underemployed adults an opportunity to experientially learn, model, and practice successful workplace behaviors that help them obtain long-term unsubsidized employment. Appropriates \$2.4 million General Fund and 2.0 FTE for this purpose to the Department in FY 2013-14.

H.B. 13-1117 (Alignment of Child Development Programs): Transfers and consolidates various child development programs into the Department of Human Services, with no impact on the current level of state spending (\$19.9 million) for these programs. Increases spending of federal funds, at the discretion of the Governor, by continuing the Early Childhood Leadership Council. Rearranges several budget line items within the 2013 Long Bill to reflect the organizational structure in DHS following the transfer. The programs transferred include the Early Childhood Leadership Council in the Governor's Office and the following programs from the Department of Public Health and Environment:

- The Nurse Home Visitation Program;
- The Tony Grampas Youth Services Program;
- The Colorado Student Dropout Prevention and Intervention Program;
- The Colorado Before-and-After School Project;
- The Colorado Children's Trust Fund and its board; and
- The Family Resource Center Program.

H.B. 13-1180 (Allocation of Tobacco Litigation Settlement Moneys): Restores the distribution of tobacco master settlement agreement moneys to the Nurse Home Visitor Program, less amounts that are redirected to the Defense Account of the Tobacco Litigation Settlement Cash Fund. Appropriates \$803,330 Nursing Home Visitor Program Fund moneys to DHS in FY 2013-14. For more information, see the 'Recent Legislation' section at the end of Appendix G (Tobacco Revenue Allocation).

H.B. 13-1239 (Creation of a Statewide Youth Development Plan): Requires the board of the Tony Grampsas Youth Services Program to convene a group of interested parties to create a statewide youth development plan that identifies key issues and aligns strategic efforts to achieve positive outcome for all youths. Transfers the resources required for the youth development plan to DHS for FY 2013-14, resulting in an increase of \$133,284 General Fund and 1.0 FTE in the Department of Human Services and a decrease of \$133,284 General Fund and 2.0 FTE in the Department of Public Health and Environment.

H.B. 13-1241 (Statewide Victim Information and Notification System): Funds the Statewide Automated Victim Information Notification Everyday (VINE) system with General Fund. Appropriates \$440,373 General Fund to the Department of Public Safety in FY 2013-14, of which \$10,000 is reappropriated to DHS. Decreases the General Fund appropriation to the DHS Division of Youth Corrections by \$10,000 in FY 2013-14. For more information, see the corresponding bill description for the Department of Public Safety.

H.B. 13-1271 (Child Abuse Reporting Hotline and Child Welfare Rules): Requires the Department of Human Services to establish a steering committee to develop an implementation plan for a statewide child abuse reporting hotline and specifies that the committee submit its recommendations to the executive director of the Department of Human Services and the State Board of Human Services by July 1, 2014. Requires the hotline to be operational and publicized statewide no later than January 1, 2015. Appropriates \$200,000 General Fund to the Department of Human Services in FY 2012-13, with roll-forward authority to FY 2013-14, and \$529,800 to DHS in FY 2013-14, of which the entire amount is reappropriated to the Governor's Office of Information Technology.

H.B. 13-1291 (Colorado Early Head Start Grant Program): Creates the Colorado Infant and Toddler Quality and Availability Grant Program in the Department of Human Services. Appropriates \$3.0 million General Fund and 1.0 FTE to allow early childhood programs to implement a tiered reimbursement pay structure providing an increased rate of reimbursement for early childhood programs that receive moneys through the Colorado Child Care Assistance Program (CCCAP).

H.B. 13-1314 (Transfer Development Disabilities to HCPF): Transfers the powers, duties, and functions from the Department of Human Services (DHS) relating to the programs, services, and supports for persons with intellectual and developmental disabilities to the Department of Health Care Policy and Financing (HCPF) on March 1, 2014. Changes terminology used in the statutes, including "developmental disabilities" to "intellectual and developmental disabilities". Creates the Office of Community Living (Office) in HCPF and the Division of Intellectual and Developmental Disabilities (Division) in the Office. Requires HCPF, in conjunction with intellectual and developmental disability advocates and service providers, to report to the Joint Budget Committee in 2013 on any issues relating to the setup of the Office and the upcoming transfer of programs. Additionally, quarterly, commencing after the March 2014 transfer and concluding in December 2014, HCPF, along with the above-referenced advocates and providers, must report to the Joint Budget Committee and the Health Care Committees of the General Assembly concerning the operation of the Division, administration of the transferred programs, services, and supports.

2014 Session Bills

S.B. 14-003 (Colorado Child Care Assistance Program): Creates a grant program in the Department to provide funding to counties participating in the existing Cliff Effect Pilot Program under the Colorado Child Care Assistance Program (CCCAP). Counties may use grant funding to pay for costs of serving families and administrative expenses under the pilot program. Clarifies that receipt of grant funding under the pilot program does not affect a county's CCCAP block grant. Creates the Colorado Child Care Assistance Cliff Effect Pilot Program Fund, and requires DHS to develop an application process for awarding grants and report on pilot program outcomes to the General Assembly by October 1, 2019. Appropriates \$2,469,453 total funds, of which \$1,269,453 is General Fund and \$1,200,000 is reappropriated funds and 1.0 FTE to the Department for FY 2014-15.

S.B. 14-012 (Aid to the Needy Disabled Program): Requires the Department to increase the monthly benefit amount for Aid to the Needy and Disabled (AND) program by 8.0 percent in FY 2014-15. From FY 2015-16 to FY 2018-19, subject to available appropriations, the DHS is encouraged to increase the monthly award until it is equal to the award level in FY 2006-07, and then to increase the award to account for cost of living in future years. Allows the Department to promulgate rules permitting counties to waive the requirement that applicants first submit a federal Supplemental Security Income (SSI) application for a specified period of time. The bill also increases the cap on funds that may be held in the SSI Stabilization Fund to 20.0 percent of the annual appropriations for the AND program from the current cap of \$1.5 million. The bill also creates the Federal Supplemental Security Income Application Assistance Pilot Program to provide assistance to SSI applicants in order to increase the approval rate and timeliness of federal SSI applications. The Department must contract for and implement the pilot program by October 1, 2014. Appropriates \$1,495,144 total funds, of which \$1,237,766 is General Fund, \$247,339 is cash funds, \$4,697 is reappropriated funds, and \$5,342 is federal funds to the Department for FY 2014-15.

S.B. 14-014 (Property Tax Rent Heat Fuel Grants for Low-Income): Makes the following changes to the Property Tax, Rent, and Heat Rebate Program: increases the maximum property tax and rent rebate for income-eligible claimants to \$700, establishes a "flat rate" rebate for both the property tax and rent rebate and the heat rebate in an expanded range of income eligibility, and implements certain recommendations of the August 2013 Legislative Audit of the program. Appropriates \$4,092 total funds, of which \$976 is General Fund to the Department for FY 2014-15.

S.B. 14-021 (Persons with Mental Illness Criminal Justice): Renames and extends the repeal date of the Legislative Oversight Committee, task force, and cash fund from July 1, 2015, to July 1, 2020. Expands Task Force membership by adding two new members, one new member is from the Office of the Child's Representative and the other is from the Office of the Alternate Defense Counsel. Allows members of the Committee to receive compensation and reimbursement for expenses directly related to fulfilling their duties. Specifies areas of study for the task force which include but are not limited to: housing for a person with mental illness after his or her release from the criminal justice system, medication consistency, delivery, and availability, best practices for suicide prevention, within and outside of correctional facilities, treatment of co-occurring disorders, awareness and training for enhanced staff safety, and enhanced data collection. Appropriates \$3,746 General Fund to the Department for FY 2014-15.

S.B. 14-129 (Marijuana Criminal Provision Clean Up): Makes changes to a number of laws related to criminal penalties for offenses involving marijuana, including adding consumption and possession of marijuana and possession of marijuana paraphernalia to the crime of underage possession or consumption of alcohol and

changing the associated penalty structure. Appropriates \$4,120 cash funds from the Marijuana Cash Fund to the Department of Revenue for FY 2013-14 to make related changes to its driver license system, and appropriates \$4,120 reappropriated funds to the Governor's Office of Information Technology for the provision of computer center services to the Department of Revenue. Appropriates \$38,250 cash funds from the Adolescent Substance Abuse Prevention and Treatment Fund to the Department of Human Services for FY 2014-15 for treatment, detoxification, and prevention contract services.

S.B. 14-130 (Increase Personal Care Allowance Nursing Facility): Raises from \$50 to \$75 per month the basic minimum amount that state licensed nursing facilities and intermediate care facilities allow a long-term care resident as a personal needs allowance (PNA). On January 1, 2015, and on January 1 of each year thereafter, the basic minimum amount is increased by the same percentage increase as the nursing facility provider reimbursement rate. Any decrease in patient payments to nursing facilities is fully funded by payments from the state General Fund and applicable federal funds. Appropriates \$6,203 total funds, of which \$2,356 is General Fund to the Department for FY 2014-15.

S.B. 14-215 (Disposition of Legal Marijuana Related Revenue): Creates the Marijuana Tax Cash Fund (MTCF) and directs that all sales tax moneys collected by the state starting in FY 2014-15 from retail and medical marijuana be deposited in the MTCF instead of the Marijuana Cash Fund. Specifies permissible uses of moneys in the MTCF, including the following purposes relevant to the Department of Human Services (DHS):

- To provide inpatient treatment for adults who suffer from co-occurring disorders at the Colorado Mental Health Institute at Pueblo (i.e., the "Circle Program");
- For community-based programs to provide marijuana prevention and intervention services to youth;
- For local judicial-district based programs to provide marijuana prevention and intervention services to pre-adjudicated and adjudicated youth;
- To expand the provision of jail-based behavioral health services in underserved counties and to enhance the provision of jail-based behavioral health services to offenders transitioning from jail to the community to ensure continuity of care;
- For the provision of substance use disorder treatment services for adolescents and pregnant women; and
- To provide child welfare training specific to issues arising from marijuana use and abuse.

Under current law, the State Treasurer is required to annually transfer the first \$2.0 million of sales tax revenues attributable to medical marijuana to the General Fund. These transfers are intended to offset General Fund expenditures for two programs: (1) The DHS' Circle Program; and (2) Screening, brief intervention, and referral for treatment for substance abuse ("SBIRT"), an optional service covered under the State's Medicaid program and funded through the Department of Health Care Policy and Financing. This act continues these transfers for FY 2013-14 and FY 2014-15, and eliminates these transfers starting in FY 2015-16. Instead, the bill authorizes the General Assembly to appropriate moneys from the MTCF to support the Circle Program.

Appropriates a total of \$7,600,000 from the MTCF to DHS for FY 2014-15, including:

- \$2.0 million for the Tony Gramsas Youth Services Program for programs specifically related to the prevention and intervention of adolescent and youth marijuana use;
- \$2.0 million for the expansion and enhancement of jail-based behavioral health services;
- \$2.0 million for SB 91-94 programs related to the provision of marijuana prevention and intervention services to pre-adjudicated and adjudicated youth;

- \$1.5 million for the provision of substance use disorder treatment services for adolescents and pregnant women; and
- \$100,000 for child welfare training specific to issues arising from marijuana use and abuse.

For more information see the "Recent Legislation" section at the end of the Department of Revenue section of this report.

S.B. 14-223 (Payment of Claims in Connection with Lower North Fork Wildfire): Approves payment to claimants in connection with Lower North Fork wildfire. Reduces appropriations to the Department of Human Services for FY 2013-14 that were initially made through S.B. 13-266 by a total of \$4,281,893 General Fund. For more information see the "Recent Legislation" section at the end of the Department of Personnel section of this report.

H.B. 14-1015 (Extend Transitional Jobs Program): Extends the Transitional Jobs Program (known as ReHire Colorado) through June 30, 2017, except that no new transitional jobs shall be offered after December 31, 2016. Appropriates \$395,270 General Fund and 1.0 FTE to the Department for FY 2014-15.

H.B. 14-1238 (Supplemental Bill): Supplemental appropriation to the Department of Human Services to modify appropriations for FY 2012-13 and FY 2013-14.

H.B. 14-1252 (Intellectual and Development Disabilities Services System Capacity): Amends the Intellectual and Developmental Disabilities Cash Fund to allow moneys in the fund to be used for administrative expenses relating to Medicaid waiver renewal and redesign and for increasing system capacity for home- and community-based services for persons with intellectual and developmental disabilities. Requires the Department, on or before April 1, 2014, to report to the Joint Budget Committee the plan for the distribution of moneys appropriated for increases in system capacity, and requires the Department to distribute the moneys by April 15, 2014 for increases in system capacity. Requires each community-centered board or provider that receives moneys for increases in system capacity to report to the department on the use of the funds by October 1, 2014. Makes FY 2013-14 supplemental adjustments to funding for the intellectual and developmental disabilities waivers.

H.B. 14-1298 (Financing of Public Schools): Changes the "Public School Finance Act of 1994" by modifying the funding for K-12 public schools. Appropriates \$68,084 General Fund and 1.1 FTE to the Department of Human Services for FY 2014-15 to license and inspect new preschool facilities. For additional information on H.B. 14-1298, see the "Recent Legislation" section at the end of the Department of Education.

H.B. 14-1317 (Colorado Child Care Assistance Program Changes): Makes changes to the Colorado Child Care Assistance Program including:

- Requires the Department to set provider rates for each county every two years. Allows counties to opt out of the state-established rates and negotiate their own rates with child care providers. Counties setting their own rates must solicit feedback from various stakeholders, including early childhood councils, child care resource and referral agencies, and child care providers. By July 1, 2016, both state- and county-established rates must include a system of tiered reimbursement that provides higher reimbursement to facilities with higher quality ratings. Subject to available appropriations, DHS must contract for a study to compare private payment tuition rates for child care and CCCAP rates and determine if the CCCAP rates provide equal access as required under federal law.

- Limits the co-payment amount for CCCAP families with incomes below 100 percent of the federal poverty level (FPL) to no more than one percent of the family's gross monthly income. Requires the Department to promulgate rules outlining the formula for determining parental co-payments. The co-payment formula must gradually increase the parent share as family income approaches self-sufficiency income levels. Beginning on July 1, 2016, the formula must include a tiered reduced copayment structure for children attending high quality care.
- Requires counties to reimburse providers for absences and holidays based on the quality rating of providers in the state's five-tier rating system.
- Requires counties to provide child care assistance to families with incomes up to 165 percent of the FPL. At their discretion, counties may serve any family so long as its income does not exceed the federal income limit of 85 percent of state median income.
- Expands the activities in which a parent may be participating in order to be eligible for CCCAP. A parent who is not employed but who is enrolled in a post-secondary education program or workforce training program is eligible for CCCAP for a period of up to two years. The bill also expands the period in which an unemployed parent is eligible while actively engaged in job search activities.
- Requires counties to directly enroll a family transitioning from the workforce program in CCCAP without requiring a separate application. If the county has a waiting list for CCCAP, they may choose to place the family on the waiting list or provide the CCCAP subsidy immediately. Families cannot be directly enrolled in CCCAP if they are leaving Colorado Works due to a program violation or no longer meet CCCAP eligibility criteria.
- Requires the Department to establish rules for the exit income eligibility level at which the county may deny benefits for that family. For counties that set their initial CCCAP income eligibility level at less than 185 percent of the FPL, the rules must require the county to set exit income eligibility level at a higher level than the initial eligibility level.
- Requires that child care be authorized based on maintaining continuity of care for children with the least disruption to the child and that the care schedule not be linked directly with a parent's employment, education, or workforce training schedule.
- Requires counties to maintain a current and accurate waiting list of parents who have inquired about receiving a CCCAP subsidy and are likely eligible for assistance based on self-reported income and eligibility criteria.
- Requires counties to request evidence on 30 days of income, but may, on a case-by-case basis, request up to 12 months if the 30 days of evidence does not accurately reflect family income.

Appropriates \$9,922,744 total funds, of which \$8,578,187 is General Fund, \$7,032 is cash funds, \$44,529 is reappropriated funds, and \$1,292,996 is federal funds to the Department for FY 2014-15.

H.B. 14-1336 (Long Bill): General appropriations act for FY 2014-15. Includes provisions modifying appropriations to the Department of Human Services for FY 2013-14.

H.B. 14-1338 (Regional Center Task Force and Utilization Study): Establishes the 15-member Regional Centers Task Force to study, make recommendations, and report its findings to the General Assembly concerning the state-operated intermediate care facilities (regional centers) for individuals with intellectual disabilities (ICF/IID). Among its duties, the task force is required to: conduct a needs assessment concerning the number of beds required in ICF/IID, make recommendations on whether one or more regional centers should be closed, and, if it determines one or more centers should close, develop a plan on how to transition clients; assess whether the state should operate beds licensed under the Home- and Community-Based Services for Persons with Developmental Disabilities waiver program; and develop a strategic plan for the future use of regional centers, including identification of the most efficient use of building space and staffing. Requires the Department to contract for a utilization study for the state's regional centers. Appropriates \$250,000 General Fund to the Department for FY 2014-15.

H.B. 14-1368 (Transition Youth Developmental Disabilities to Adult Services): Establishes a plan and appropriates funds to transfer youth into adult services for persons with IDD under Medicaid Home- and Community-Based Services (HCBS) in the Department of Health Care Policy and Financing (HCPF). The bill sets forth criteria for transition planning and instructs the State Board of Human Services and the Medical Services Board to promulgate any rules necessary to guide the transition. Creates the Child Welfare Transition Cash Fund (Fund). Adjusts the FY 2014-15 appropriation to the Department by reducing \$2,829,586 General Fund and increasing cash funds appropriation by \$2,829,586 from the Fund for FY 2014-15.

Department Details

JUDICIAL DEPARTMENT

FY 2013-14 and FY 2014-15 Appropriations by Division and Bill

Judicial Department						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Total Appropriation:	\$556,936,266	\$387,197,626	\$139,499,079	\$25,814,561	\$4,425,000	4,358.7
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Supreme Court/Court of Appeals	20,754,343	10,248,849	10,442,373	63,121	0	210.5
Courts Administration	142,140,766	66,296,148	67,969,861	7,874,757	0	366.7
Trial Courts	147,653,881	111,097,566	33,531,315	1,400,000	1,625,000	1,834.5
Probation and Related Services	124,613,203	77,950,990	27,385,530	16,476,683	2,800,000	1,216.7
Office of the State Public Defender	74,781,451	74,631,451	150,000	0	0	693.0
Office of the Alternate Defense Counsel	26,055,789	26,035,789	20,000	0	0	8.4
Office of the Child's Representative	20,621,086	20,621,086	0	0	0	26.9
Independent Ethics Commission	315,747	315,747	0	0	0	2.0
<u>Breakdown of Total Appropriation by Bill</u>						
SB 13-230	546,480,115	378,170,241	138,070,313	25,814,561	4,425,000	4,302.1
SB 13-123	533,199	533,199	0	0	0	6.9
SB 13-197	45,742	45,742	0	0	0	0.8
SB 13-250	339,764	339,764	0	0	0	4.8
HB 13-1035	776,974	0	776,974	0	0	8.0
HB 13-1156	425,000	425,000	0	0	0	0.5
HB 13-1160	(362,525)	(362,525)	0	0	0	(6.0)
HB 13-1210	3,795,400	3,795,400	0	0	0	37.9
HB 13-1230	100,000	100,000	0	0	0	0.0
HB 13-1254	32,892	20,629	12,263	0	0	0.5
HB 13-1259	275,399	0	275,399	0	0	3.2
HB 13-1325	12,000	12,000	0	0	0	0.0
HB 14-1239	4,445,176	4,118,176	327,000	0	0	0.0
HB 14-1336	37,130	0	37,130	0	0	0.0
FY 2014-15 Total Appropriation:	\$614,943,426	\$444,077,692	\$135,792,639	\$30,648,095	\$4,425,000	4,528.3
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Supreme Court/Court of Appeals	23,871,408	12,459,286	11,349,001	63,121	0	211.5
Courts Administration	156,665,510	84,732,967	62,832,747	9,099,796	0	418.2
Trial Courts	161,521,174	125,191,200	33,304,974	1,400,000	1,625,000	1,861.0
Probation and Related Services	136,015,775	85,014,680	28,115,917	20,085,178	2,800,000	1,220.0

Judicial Department						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Office of the State Public Defender	83,814,870	83,664,870	150,000	0	0	779.1
Office of the Alternate Defense Counsel	29,721,082	29,681,082	40,000	0	0	9.1
Office of the Child's Representative	22,981,514	22,981,514	0	0	0	27.4
Independent Ethics Commission	352,093	352,093	0	0	0	2.0
<u>Breakdown of Total Appropriation by Bill</u>						
HB 14-1336	606,373,925	436,154,841	135,845,989	29,948,095	4,425,000	4,500.0
SB 14-190	5,300,000	5,300,000	0	0	0	0.0
HB 14-1023	455,983	455,983	0	0	0	8.0
HB 14-1032	645,102	698,452	(53,350)	0	0	11.7
HB 14-1050	837,824	837,824	0	0	0	8.8
HB 14-1096	1,400,000	700,000	0	700,000	0	1.0
HB 14-1266	(69,408)	(69,408)	0	0	0	(1.2)
Increase/(Decrease)	\$58,007,160	\$56,880,066	(\$3,706,440)	\$4,833,534	\$0	169.6
Percentage Change	10.4%	14.7%	(2.7%)	18.7%	0.0%	3.9%

Informational Funds: The FY 2014-15 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Judicial Department are annotated with the "(I)". For additional information, see Appendix J.

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2014-15 Appropriations containing an (I) notation	\$44,252,001	\$0	\$39,827,001	\$0	\$4,425,000

Detail of Appropriation by Administrative Section

Supreme Court/Court of Appeals

This Long Bill section provides funding for the Colorado Supreme Court and the Colorado Court of Appeals. The *Supreme Court* is the court of last resort, and its decisions are binding on the Court of Appeals and all county and district courts.

While requests to review decisions of the Colorado Court of Appeals constitute the majority of the Supreme Court's filings, the Court also has direct appellate jurisdiction over other types of cases, such as those cases in which a statute has been held to be unconstitutional. The Supreme Court also oversees the regulation of attorneys and the practice of law. The Supreme Court is composed of seven Justices who serve renewable 10-year terms. The Chief Justice, selected by the Justices of the Court, is the executive head of the Department. Created by statute, the *Court of Appeals* is generally the first court to hear appeals of judgments and orders in criminal, juvenile, civil, domestic relations, and probate matters. The Court of Appeals also has initial jurisdiction to review actions and decisions of several state agencies, boards, and commissions. Its

determination of an appeal is final unless the Colorado Supreme Court agrees to review the matter. The Court of Appeals is currently composed of 22 judges who serve renewable 8-year terms.

Cash fund sources primarily include annual attorney registration fees, law examination application fees, appellate court filing fees, and court docket fees that are credited to the Judicial Stabilization Cash Fund. Reappropriated funds are funds transferred from the Department of Law.

Supreme Court/Court of Appeals						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$20,754,343	\$10,248,849	\$10,442,373	\$63,121	\$0	210.5
HB 14-1239	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$20,754,343	\$10,248,849	\$10,442,373	\$63,121	\$0	210.5
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$20,754,343	\$10,248,849	\$10,442,373	\$63,121	\$0	210.5
Informational funds adjustment	2,140,000	0	2,140,000	0	0	0.0
Annualize prior year salary increases	896,384	662,800	233,584	0	0	0.0
Self-represented litigant coordinators	53,663	53,663	0	0	0	1.0
Indirect cost assessment	27,018	0	27,018	0	0	0.0
Judicial Stabilization Cash Fund shortfall	0	1,493,974	(1,493,974)	0	0	0.0
HB 14-1336	<u>\$23,871,408</u>	<u>\$12,459,286</u>	<u>\$11,349,001</u>	<u>\$63,121</u>	<u>\$0</u>	<u>211.5</u>
TOTAL	\$23,871,408	\$12,459,286	\$11,349,001	\$63,121	\$0	211.5
Increase/(Decrease)	\$3,117,065	\$2,210,437	\$906,628	\$0	\$0	1.0
Percentage Change	15.0%	21.6%	8.7%	0.0%	n/a	0.5%

FY 2013-14 Appropriation - Mid-year Adjustments

House Bill 14-1239 modifies FY 2013-14 appropriations to adjust the allocation of appropriations between two cash funds.

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Informational funds adjustment: The appropriation increases three informational line item appropriations to better reflect anticipated expenditures related to the regulation of the practice of law.

Annualize prior year salary increases: The appropriation reflects the allocation of FY 2013-14 salary increases to each line item that supports employee salaries, and it provides a full 12 months of funding for salary increases awarded in FY 2013-14.

Self-represented litigant coordinators: The appropriation includes \$53,663 to add 1.0 FTE to assist self-represented parties in appellate court cases.

Indirect cost assessment: The appropriation includes a net increase in the division's indirect cost assessment.

Judicial Stabilization Cash Fund shortfall: The appropriation includes a \$1,493,974 General Fund increase and a \$1,493,974 decrease in cash fund appropriations from the Judicial Stabilization Cash Fund to address a significant decline in cash fund revenues.

Courts Administration

The Justices of the Supreme Court appoint a State Court Administrator to oversee the daily administration of the Department and provide technical and administrative support to the courts and probation. This Long Bill section is comprised of four subsections: Administration and Technology; Central Appropriations; Centrally Administered Programs; and Ralph L. Carr Colorado Judicial Center.

Courts Administration						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$140,890,230	\$65,480,960	\$67,534,513	\$7,874,757	\$0	364.2
SB 13-123	94,606	94,606	0	0	0	0.0
SB 13-250	137,027	137,027	0	0	0	1.5
HB 13-1035	141,498	0	141,498	0	0	0.0
HB 13-1156	425,000	425,000	0	0	0	0.5
HB 13-1210	30,125	30,125	0	0	0	0.0
HB 13-1230	100,000	100,000	0	0	0	0.0
HB 13-1254	32,892	20,629	12,263	0	0	0.5
HB 13-1259	57,457	0	57,457	0	0	0.0
HB 14-1239	194,801	7,801	187,000	0	0	0.0
HB 14-1336	<u>37,130</u>	<u>0</u>	<u>37,130</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$142,140,766	\$66,296,148	\$67,969,861	\$7,874,757	\$0	366.7
FY 2014-15 Appropriation:						
HB 14-1336	\$155,114,792	\$83,882,249	\$62,832,747	\$8,399,796	\$0	417.2
HB 14-1050	150,718	150,718	0	0	0	0.0
HB 14-1096	<u>1,400,000</u>	<u>700,000</u>	<u>0</u>	<u>700,000</u>	<u>0</u>	<u>1.0</u>
TOTAL	\$156,665,510	\$84,732,967	\$62,832,747	\$9,099,796	\$0	418.2
Increase/(Decrease)	\$14,524,744	\$18,436,819	(\$5,137,114)	\$1,225,039	\$0	51.5
Percentage Change	10.2%	27.8%	(7.6%)	15.6%	n/a	14.0%

Administration and Technology

This Long Bill subsection provides funding and staff associated with central administration of the State's judicial system, including information technology systems and support. Cash funds are primarily from fees and cost recoveries that are credited to the Judicial Department Information Technology Cash Fund, court docket fees that are credited to the Judicial Stabilization Cash Fund, and drug offender surcharges that are credited to the Correctional Treatment Cash Fund. Reappropriated funds are primarily from departmental indirect cost recoveries.

<i>Administration and Technology</i>						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$25,150,620	\$12,513,075	\$10,710,006	\$1,927,539	\$0	206.0
SB 13-250	112,832	112,832	0	0	0	1.5
HB 13-1156	33,547	33,547	0	0	0	0.5
HB 13-1254	30,540	18,277	12,263	0	0	0.5
HB 14-1239	<u>3,000</u>	<u>3,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$25,330,539	\$12,680,731	\$10,722,269	\$1,927,539	\$0	208.5
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$25,330,539	\$12,680,731	\$10,722,269	\$1,927,539	\$0	208.5
IT staff	975,294	975,294	0	0	0	13.0
Network bandwidth	812,480	0	812,480	0	0	0.0
Annualize prior year salary increases	633,450	570,105	63,345	0	0	0.0
Annualize prior year budget actions	299,194	299,194	0	0	0	3.0
Regional technicians for IT support	288,063	288,063	0	0	0	4.0
Family court facilitators	75,441	75,441	0	0	0	1.0
Self-represented litigant coordinators	75,441	75,441	0	0	0	1.0
Indirect cost assessment	53,661	(153,480)	58,182	148,959	0	0.0
Probation background checks	50,864	50,864	0	0	0	1.0
Judicial Stabilization Cash Fund shortfall	0	210,667	(210,667)	0	0	0.0
Annualize prior year legislation	(28,591)	(52,881)	24,290	0	0	(0.5)
HB 14-1336	<u>\$28,565,836</u>	<u>\$15,019,439</u>	<u>\$11,469,899</u>	<u>\$2,076,498</u>	<u>\$0</u>	<u>231.0</u>
TOTAL	\$28,565,836	\$15,019,439	\$11,469,899	\$2,076,498	\$0	231.0
Increase/(Decrease)	\$3,235,297	\$2,338,708	\$747,630	\$148,959	\$0	22.5
Percentage Change	12.8%	18.4%	7.0%	7.7%	n/a	10.8%

FY 2013-14 Appropriation - Mid-year Adjustments

House Bill 14-1239 adjusts the appropriation clause in H.B. 13-1156 to: (1) authorize the expenditure of \$3,000 General Fund to cover the travel expenses of a member of the Diversion Funding Committee who lives in La

Junta [this portion of the adjustment appears in the Centrally Administered Programs subsection, below]; and (2) reduce the amount allocated for adult diversion programs by \$3,000.

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

IT staff: The appropriation includes \$975,294 General Fund and 13.0 FTE to allow the Department to develop and implement a large number of critical information technology projects that would otherwise take several years to complete with existing staffing resources.

Network bandwidth: The appropriation includes \$812,480 cash funds from the Judicial Department Information Technology Cash Fund to allow the Department to upgrade and increase network bandwidth capacity to sustain timely operations and customer service.

Annualize prior year salary increases: The appropriation reflects the allocation of FY 2013-14 salary increases to each line item that supports employee salaries, and it provides a full 12 months of funding for salary increases awarded in FY 2013-14.

Annualize prior year budget actions: The appropriation includes adjustments related to prior year budget actions, primarily including an increase of \$257,384 General Fund and 3.0 FTE to support public access and e-filing system users.

Regional technicians for IT support: The appropriation includes \$288,063 General Fund and 4.0 FTE to expand the Department's capacity to provide hardware and software technical assistance and improve information technology services to both internal and public users.

Family court facilitators: The appropriation includes \$75,441 General Fund to add 1.0 FTE to serve as the statewide coordinator for Family Court Facilitators in judicial districts.

Self-represented litigant coordinators: The appropriation includes \$75,441 General Fund to add 1.0 FTE to serve as the statewide coordinator for Self-represented Litigant Coordinators in judicial districts.

Indirect cost assessment: The appropriation includes a \$53,661 increase in the division's indirect cost assessment. The appropriation also includes a \$153,480 increase in the amount of total department indirect cost recoveries applied to offset the need for General Fund in this division.

Probation background checks: The appropriation includes \$50,864 General Fund and 1.0 FTE to assist in conducting background checks for private probation vendors working under a judicial contract.

Judicial Stabilization Cash Fund shortfall: The appropriation includes a \$210,667 General Fund increase and a \$210,667 decrease in cash fund appropriations from the Judicial Stabilization Cash Fund to address a significant decline in cash fund revenues.

Annualize prior year legislation: The appropriation includes several adjustments related to prior year legislation.

Central Appropriations

This Long Bill subsection includes funding related to employee benefits, leased space, and services purchased from other agencies such as legal and technology services. The sources of cash funds include: court docket fees that are credited to the Judicial Stabilization Cash Fund and the State Commission on Judicial Performance Cash Fund; payments and fees that are credited to the Offender Services Fund and the Alcohol and Drug Driving Safety Program Fund; fees and cost recoveries that are credited to the Judicial Department Information Technology Cash Fund; fines that are credited to the Fines Collection Cash Fund; and drug offender surcharges that are credited to the Correctional Treatment Cash Fund.

<i>Central Appropriations</i>						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	<u>\$55,239,476</u>	<u>\$48,540,700</u>	<u>\$6,698,776</u>	<u>\$0</u>	<u>\$0</u>	<u>0.0</u>
TOTAL	\$55,239,476	\$48,540,700	\$6,698,776	\$0	\$0	0.0
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$55,239,476	\$48,540,700	\$6,698,776	\$0	\$0	0.0
Centrally appropriated line items	17,162,240	14,103,743	3,058,497	0	0	0.0
IT common policy adjustments	145,632	145,632	0	0	0	0.0
Judicial Stabilization Cash Fund shortfall	0	4,096,018	(4,096,018)	0	0	0.0
Correctional Treatment Cash Fund	0	110,054	(110,054)	0	0	0.0
Annualize prior year salary increases	(9,068,796)	(7,464,633)	(1,604,163)	0	0	0.0
HB 14-1336	<u>\$63,478,552</u>	<u>\$59,531,514</u>	<u>\$3,947,038</u>	<u>\$0</u>	<u>\$0</u>	<u>0.0</u>
TOTAL	\$63,478,552	\$59,531,514	\$3,947,038	\$0	\$0	0.0
Increase/(Decrease)	\$8,239,076	\$10,990,814	(\$2,751,738)	\$0	\$0	0.0
Percentage Change	14.9%	22.6%	(41.1%)	n/a	n/a	n/a

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; vehicle lease payments; workers' compensation; legal services; and payment to risk management and property funds.

IT common policy adjustments: The appropriation includes adjustments to the payments made to the Governor's Office of Information Technology for the provision of information technology services.

Judicial Stabilization Cash Fund shortfall: The appropriation includes a \$4,096,018 General Fund increase and a \$4,096,018 decrease in cash fund appropriations from the Judicial Stabilization Cash Fund to address a significant decline in cash fund revenues.

Correctional Treatment Cash Fund: The appropriation adds General Fund to support probation officers (including the centrally appropriated employee benefits that appear in this subsection) that are currently supported by the Correctional Treatment Cash Fund (CTCF). These CTCF moneys are then redirected to expand substance use disorder treatment for offenders.

Annualize prior year salary increases: The appropriation reflects the allocation of FY 2013-14 salary increases to each line item that supports employee salaries.

Centrally Administered Programs

This Long Bill subsection includes various programs and distributions that are administered by the Office of the State Court Administrator for the benefit of the courts, probation, and administrative functions.

Significant sources of cash funds include the following: the Victims and Witnesses Assistance and Law Enforcement (VALE) Fund; the Crime Victim Compensation Fund; time payment and late penalty fees credited to the Judicial Collection Enhancement Fund; fines credited to the Fines Collection Cash Fund; docket fees credited to the Judicial Stabilization Cash Fund and the State Commission on Judicial Performance Cash Fund; various fees and cost recovery charges paid by court system users; surcharges credited to the Court Security Cash Fund and the Family-Friendly Court Program Cash Fund; and fees for divorce proceedings credited to the Family Violence Justice Fund. Reappropriated funds include local VALE funds transferred from the Trial Courts section and federal child support enforcement funds that are transferred from the Department of Human Services.

<i>Centrally Administered Programs</i>						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$53,006,851	\$4,427,185	\$47,622,129	\$957,537	\$0	156.2
SB 13-123	94,606	94,606	0	0	0	0.0
SB 13-250	24,195	24,195	0	0	0	0.0
HB 13-1035	141,498	0	141,498	0	0	0.0
HB 13-1156	391,453	391,453	0	0	0	0.0
HB 13-1210	30,125	30,125	0	0	0	0.0
HB 13-1230	100,000	100,000	0	0	0	0.0
HB 13-1254	2,352	2,352	0	0	0	0.0
HB 13-1259	57,457	0	57,457	0	0	0.0
HB 14-1239	191,801	4,801	187,000	0	0	0.0
HB 14-1336	<u>37,130</u>	<u>0</u>	<u>37,130</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$54,077,468	\$5,074,717	\$48,045,214	\$957,537	\$0	156.2
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$54,077,468	\$5,074,717	\$48,045,214	\$957,537	\$0	156.2
Courthouse capital and infrastructure maintenance	2,462,500	2,462,500	0	0	0	0.0
Restitution enforcement	1,289,885	0	1,289,885	0	0	21.0

<i>Centrally Administered Programs</i>						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Family violence justice grants	1,000,000	1,000,000	0	0	0	0.0
Restorative justice programs	573,870	0	573,870	0	0	0.0
Annualize prior year salary increases	318,416	62,098	256,318	0	0	0.0
Language access	221,822	221,822	0	0	0	7.0
Correctional Treatment Cash Fund	77,000	0	77,000	0	0	0.0
Self-represented litigant coordinators	48,260	48,260	0	0	0	0.0
Family court facilitators	43,557	43,557	0	0	0	0.0
Regional technicians for IT support	18,812	18,812	0	0	0	0.0
IT staff	15,990	15,990	0	0	0	0.0
Probation background checks	4,703	4,703	0	0	0	0.0
Judicial Stabilization Cash Fund shortfall	0	236,500	(236,500)	0	0	0.0
Annualize prior year budget actions	(3,976,958)	(20,042)	(3,956,916)	0	0	0.0
Annualize prior year legislation	(334,323)	(135,368)	(198,955)	0	0	0.0
Judicial performance	(180,000)	290,000	(470,000)	0	0	0.0
Eliminate one-time funding	(7,801)	(7,801)	0	0	0	0.0
Other	(84,452)	15,548	(100,000)	0	0	0.0
HB 14-1336	\$55,568,749	\$9,331,296	\$45,279,916	\$957,537	\$0	184.2
HB 14-1050	150,718	150,718	0	0	0	0.0
HB 14-1096	<u>1,400,000</u>	<u>700,000</u>	<u>0</u>	<u>700,000</u>	<u>0</u>	<u>1.0</u>
TOTAL	\$57,119,467	\$10,182,014	\$45,279,916	\$1,657,537	\$0	185.2
Increase/(Decrease)	\$3,041,999	\$5,107,297	(\$2,765,298)	\$700,000	\$0	29.0
Percentage Change	5.6%	100.6%	(5.8%)	73.1%	n/a	18.6%

FY 2013-14 Appropriation - Mid-year Adjustments

House Bill 14-1239 and H.B. 14-1336 modify FY 2013-14 appropriations as follows:

- Adds a total of \$224,130 cash funds from the Restorative Justice Surcharge Fund (which was established in H.B. 13-1254) to allow the Department to distribute surcharge revenues to participating judicial districts and to conduct associated research and data collection efforts;
- Adds a one-time appropriation of \$7,801 General Fund to pay court-ordered legal fees for an individual compensated as an “exonerated person” pursuant to H.B. 13-1230; and
- Adjusts the appropriation clause in H.B. 13-1156 to: (1) authorize the expenditure of \$3,000 General Fund to cover the travel expenses of a member of the Diversion Funding Committee who lives in La Junta; and (2) reduce the amount allocated for adult diversion programs by \$3,000 [this portion of the adjustment appears in the Administration and Technology subsection, above].

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Courthouse capital and infrastructure maintenance: The appropriation includes funding to address required infrastructure, courthouse furnishing, and phone system needs in judicial districts.

Restitution enforcement: The appropriation includes \$1,289,885 cash funds from the Judicial Collection Enhancement Fund and 21.0 FTE to strengthen the monitoring and enforcement of criminal restitution.

Family violence justice grants: The appropriation adds \$1,000,000 General Fund for grants to organizations that provide legal advice, representation, and advocacy for indigent clients who are victims of family violence (typically assistance with restraining orders, divorce proceedings, and custody matters).

Restorative justice programs: The appropriation adds funding from the Restorative Justice Surcharge Fund for restorative justice programs, pursuant to H.B. 13-1254.

Annualize prior year salary increases: The appropriation reflects the allocation of FY 2013-14 salary increases to each line item that supports employee salaries, and it provides a full 12 months of funding for salary increases awarded in FY 2013-14.

Language access: The appropriation includes funding to meet the growing need for language interpreter and translation services statewide, including adding 7.0 FTE Court Interpreters and Court Translators.

Correctional Treatment Cash Fund: The appropriation includes an increase of \$77,000 from the Correctional Treatment Cash Fund (CTCF) for District Attorney adult pretrial diversion programs.

Self-represented litigant coordinators: The appropriation includes funding to cover the capital outlay expenditures associated with expanding the number of Self-represented Litigant Coordinators in judicial districts.

Family court facilitators: The appropriation includes funding to cover the capital outlay expenditures associated with expanding the number of Family Court Facilitators in judicial districts.

Regional technicians for IT support: The appropriation includes funding to cover the capital outlay expenditures associated with new regional technicians.

IT staff: The appropriation includes funding to cover the capital outlay expenditures associated with new information technology staff.

Probation background checks: The appropriation includes funding to cover the capital outlay expenditures associated with a new human resources technician.

Judicial Stabilization Cash Fund shortfall: The appropriation includes a \$236,500 General Fund increase and a \$236,500 decrease in cash fund appropriations from the Judicial Stabilization Cash Fund to address a significant decline in cash fund revenues.

Annualize prior year budget actions: The appropriation eliminates one-time funding for capital outlay expenditures related to prior year legislation and budget actions.

Annualize prior year legislation: The appropriation includes several adjustments related to prior year legislation.

Judicial performance: The appropriation reduces overall funding for the Office of Judicial Performance Evaluation by \$180,000 cash funds to better reflect current program operations and to eliminate funding for a

biennial public awareness poll that was funded in FY 2013-14. In addition, the appropriation adds \$290,000 General Fund to replace an equal amount of cash funding from the State Commission on Judicial Performance Cash Fund to address a decline in cash fund revenues.

Eliminate one-time funding: The appropriation eliminates the one-time appropriation for payment of court-ordered legal fees for an individual compensated as an “exonerated person” pursuant to H.B. 13-1230 (Compensation for Persons Wrongly Incarcerated).

Other: The appropriation reduces funding for the Senior Judge program by \$100,000 cash funds from the Judicial Stabilization Cash Fund and includes other minor adjustments.

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

Ralph L. Carr Colorado Judicial Center

This Long Bill subsection includes appropriations related to the operations of the Ralph L. Carr Colorado Judicial Center. The source of funding is the Justice Center Cash Fund, which consists of docket fees, lease payments from Carr Center tenants, and parking fees paid by employees and members of the public who utilize the Carr Center parking garage. Reappropriated funds reflect transfers from the Department of Law and the State Court Administrator's Office [from an appropriation in the Central Appropriations subsection above] for leased space in the Carr Center. The remaining sources of revenue are reflected as cash fund appropriations, and they include: fee revenue that is used to pay for the Supreme Court and Court of Appeals areas of the Carr Center; leased space payments from continuously appropriated fund sources like Attorney Regulation; and parking fees paid by state employees and the public for use of the Carr Center parking garage.

<i>Ralph L. Carr Colorado Judicial Center</i>						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	<u>\$7,493,283</u>	<u>\$0</u>	<u>\$2,503,602</u>	<u>\$4,989,681</u>	<u>\$0</u>	<u>2.0</u>
TOTAL	\$7,493,283	\$0	\$2,503,602	\$4,989,681	\$0	2.0
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$7,493,283	\$0	\$2,503,602	\$4,989,681	\$0	2.0
Annualize prior year salary increases	8,372	0	8,372	0	0	0.0
Fund source adjustment	0	0	(376,080)	376,080	0	0.0
HB 14-1336	<u>\$7,501,655</u>	<u>\$0</u>	<u>\$2,135,894</u>	<u>\$5,365,761</u>	<u>\$0</u>	<u>2.0</u>
TOTAL	\$7,501,655	\$0	\$2,135,894	\$5,365,761	\$0	2.0
Increase/(Decrease)	\$8,372	\$0	(\$367,708)	\$376,080	\$0	0.0
Percentage Change	0.1%	n/a	(14.7%)	7.5%	n/a	0.0%

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Annualize prior year salary increases: The appropriation reflects the allocation of FY 2013-14 salary increases to each line item that supports employee salaries, and it provides a full 12 months of funding for salary increases awarded in FY 2013-14.

Fund source adjustment: The appropriation includes an increase in reappropriated funds transferred from leased space appropriations to the Judicial Department and the Department of Law for the space each agency occupies in the Carr Center, offset by a decrease in cash funds from the Justice Center Cash Fund.

Trial Courts

This Long Bill section provides funding for operation of the State trial courts, which include district courts in 22 judicial districts, water courts, and county courts.

District courts preside over felony criminal matters, civil claims, juvenile matters, probate, mental health, and divorce proceedings. In addition, district courts handle appeals from municipal and county courts, and review decisions of administrative boards and agencies. The General Assembly establishes judicial districts and the number of judges for each district in statute; these judges serve renewable 6-year terms.¹

Within the district court system, the General Assembly established seven *water divisions* in the State based on the drainage patterns of major rivers in Colorado. Each water division is staffed by a division engineer, a district court judge who is designated as the water judge by the Colorado Supreme Court, a water referee appointed by the water judge, and a water clerk assigned by the district court. Water judges have exclusive jurisdiction over cases involving the determination of water rights and the use and administration of water.

County courts have limited jurisdiction, handling civil actions involving no more than \$15,000, misdemeanor cases, civil and criminal traffic infractions, and felony complaints. County courts also issue search warrants and protection orders in cases involving domestic violence. In addition, county courts handle appeals from municipal courts. The General Assembly establishes the number of judges for each county in statute; these judges serve renewable 4-year terms.

Significant cash fund sources include court docket fees that are credited to the Judicial Stabilization Cash Fund, various fees and cost recovery charges paid by court system users, and grants. Reappropriated funds include funds transferred from the Department of Human Services and the Department of Public Safety.

	Trial Courts					FTE
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	
FY 2013-14 Appropriation:						
SB 13-230	\$146,499,045	\$110,796,148	\$32,677,897	\$1,400,000	\$1,625,000	1,818.1
SB 13-123	438,593	438,593	0	0	0	6.9
SB 13-197	45,742	45,742	0	0	0	0.8
HB 13-1035	635,476	0	635,476	0	0	8.0

¹ See Article VI, Sections 9 through 12 of the Colorado Constitution; and Section 13-5-101 et seq., C.R.S.

Trial Courts						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 13-1160	(192,283)	(192,283)	0	0	0	(3.3)
HB 13-1210	54,366	54,366	0	0	0	0.8
HB 13-1259	217,942	0	217,942	0	0	3.2
HB 14-1239	<u>(45,000)</u>	<u>(45,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$147,653,881	\$111,097,566	\$33,531,315	\$1,400,000	\$1,625,000	1,834.5
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$147,653,881	\$111,097,566	\$33,531,315	\$1,400,000	\$1,625,000	1,834.5
Annualize prior year salary increases	4,985,292	4,447,075	538,217	0	0	0.0
Court-appointed counsel rate increase	1,829,010	1,829,010	0	0	0	0.0
Family court facilitators	687,923	687,923	0	0	0	9.0
Self-represented litigant coordinators	496,768	496,768	0	0	0	9.0
Annualize prior year legislation	115,049	95,858	19,191	0	0	1.2
Per-page rate increase for transcripts	55,482	55,482	0	0	0	0.0
DA mandated costs	15,452	5,452	10,000	0	0	0.0
Judicial Stabilization Cash Fund shortfall	0	689,849	(689,849)	0	0	0.0
Annualize prior year budget actions	(50,550)	0	(50,550)	0	0	0.0
HB 14-1336	\$155,788,307	\$119,404,983	\$33,358,324	\$1,400,000	\$1,625,000	1,853.7
SB 14-190	5,300,000	5,300,000	0	0	0	0.0
HB 14-1032	(167,889)	(114,539)	(53,350)	0	0	0.0
HB 14-1050	<u>600,756</u>	<u>600,756</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7.3</u>
TOTAL	\$161,521,174	\$125,191,200	\$33,304,974	\$1,400,000	\$1,625,000	1,861.0
Increase/(Decrease)	\$13,867,293	\$14,093,634	(\$226,341)	\$0	\$0	26.5
Percentage Change	9.4%	12.7%	(0.7%)	0.0%	0.0%	1.4%

FY 2013-14 Appropriation - Mid-year Adjustments

House Bill 14-1239 modifies FY 2013-14 appropriations to transfer \$45,000 General Fund to the Office of the Child's Representative to reflect a recent change in the oversight and responsibility for legal counsel appointments for children who are subject to dependency and neglect actions.

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Annualize prior year salary increases: The appropriation reflects the allocation of FY 2013-14 salary increases to each line item that supports employee salaries, and it provides a full 12 months of funding for salary increases awarded in FY 2013-14.

Court-appointed counsel rate increase: The appropriation includes funding to increase the hourly rates paid to independent contractors who serve as court-appointed counsel.

Family court facilitators: The appropriation includes funding to expand (from 22.0 FTE to 31.0 FTE) the number of staff in judicial districts who assist with the processing and management of domestic relations cases.

Self-represented litigant coordinators: The appropriation includes funding to expand (from 22.0 FTE to 31.0 FTE) the number of staff in judicial districts who coordinate and provide services to assist self-represented parties.

Annualize prior year legislation: The appropriation includes adjustments for the second year impact of legislation, including the following:

- An increase of \$75,258 General Fund and 1.2 FTE for H.B. 13-1210 (Right to Legal Counsel in Plea Negotiations);
- An increase of \$38,626 General Fund for S.B. 13-123 (Collateral Consequences);
- An increase of \$19,191 cash funds for H.B. 13-1259 (Allocating Parental Rights);
- A decrease of \$16,942 General Fund for H.B. 13-1160 (Criminal Theft); and
- A decrease of \$1,084 General Fund for S.B. 13-197 (Firearms for Domestic Violence Offenders).

Per-page rate increase for transcripts: The appropriation adds funding to cover the costs of increasing the per-page compensation rate for court employees who prepare transcripts from \$2.35 to \$2.75. This increase includes \$25,697 General Fund for the trial courts and \$29,785 General Fund for district attorneys.

DA mandated costs: The appropriation includes an increase to reimburse district attorneys (DAs) for costs incurred for prosecution of state matters.

Judicial Stabilization Cash Fund shortfall: The appropriation includes a \$689,849 General Fund increase and a \$689,849 decrease in cash fund appropriations from the Judicial Stabilization Cash Fund to address a significant decline in cash fund revenues.

Annualize prior year budget actions: The appropriation includes a reduction of \$50,550 cash funds to eliminate the one-time funding that was provided in FY 2013-14 to purchase computers, software, printers, reference materials, and office supplies for self-represented litigant centers.

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

Probation and Related Services

This Long Bill section provides funding for probation officers and staff, as well as services that are provided to offenders on probation or related to the probation function. Persons convicted of certain offenses are eligible to apply to the court for probation. An offender on probation serves a sentence in the community under the supervision of a probation officer, subject to conditions imposed by the court. A breach of any imposed condition may result in revocation or modification of probation, or incarceration. As of June 30, 2013, a total of 75,260 individuals who were sentenced to probation were under supervision, including 70,429 adults and 4,831 juveniles. Managed by the Chief Probation Officer in each judicial district, approximately 1,200 employees prepare assessments and provide pre-sentence investigation services to the courts, supervise adult and juvenile offenders sentenced to community programs, and provide notification and support services to victims. The Chief Probation Officer is supervised by the Chief Judge in each district. Investigation and supervision services are provided based on priorities established by the Chief Justice and each offender's risk of re-offending.

Cash fund sources include: payments and fees that are credited to the Offender Services Fund, the Correctional Treatment Cash Fund, the Alcohol and Drug Driving Safety Program Fund, the Sex Offender Surcharge Fund, the Interstate Compact Probation Transfer Cash Fund, and the Offender Identification Fund; and various fees, cost recoveries, and grants. Sources of reappropriated funds include: General Fund moneys that are appropriated to the Correctional Treatment Cash Fund; Victims and Witnesses Assistance and Law Enforcement (VALE) Board grants that are transferred from the Courts Administration section; and transfers from the Departments of Education, Human Services, and Public Safety.

Probation and Related Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$124,270,466	\$77,748,253	\$27,245,530	\$16,476,683	\$2,800,000	1,213.4
SB 13-250	202,737	202,737	0	0	0	3.3
HB 14-1239	<u>140,000</u>	<u>0</u>	<u>140,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$124,613,203	\$77,950,990	\$27,385,530	\$16,476,683	\$2,800,000	1,216.7
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$124,613,203	\$77,950,990	\$27,385,530	\$16,476,683	\$2,800,000	1,216.7
Annualize prior year legislation	7,202,738	3,702,738	0	3,500,000	0	3.3
Annualize prior year salary increases	3,051,318	2,401,158	650,160	0	0	0.0
Correctional Treatment Cash Fund	709,540	702,114	7,426	0	0	0.0
Peer mentoring services	257,680	257,680	0	0	0	0.0
Persistent Drunk Driver Cash Fund	108,495	0	0	108,495	0	0.0
Indirect cost assessment	72,801	0	72,801	0	0	0.0
HB 14-1336	<u>\$136,015,775</u>	<u>\$85,014,680</u>	<u>\$28,115,917</u>	<u>\$20,085,178</u>	<u>\$2,800,000</u>	<u>1,220.0</u>
TOTAL	\$136,015,775	\$85,014,680	\$28,115,917	\$20,085,178	\$2,800,000	1,220.0
Increase/(Decrease)	\$11,402,572	\$7,063,690	\$730,387	\$3,608,495	\$0	3.3
Percentage Change	9.2%	9.1%	2.7%	21.9%	0.0%	0.3%

FY 2013-14 Appropriation - Mid-year Adjustments

House Bill 14-1239 modifies FY 2013-14 appropriations to add \$140,000 cash funds to better reflect anticipated revenues from various fees and cost recoveries.

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Annualize prior year legislation: The appropriation includes adjustments for the second year impact of S.B. 13-250 (Drug Sentencing Changes).

Annualize prior year salary increases: The appropriation reflects the allocation of FY 2013-14 salary increases to each line item that supports employee salaries, and it provides a full 12 months of funding for salary increases awarded in FY 2013-14.

Correctional Treatment Cash Fund: The appropriation adds General Fund to support probation officers who are currently supported by the Correctional Treatment Cash Fund (CTCF). These CTCF moneys are then redirected to expand substance use disorder treatment for offenders. While this section reflects a net increase in cash funds appropriations from the CTCF, this adjustment results in no net change in overall cash funds appropriations from the CTCF to the Department.

Peer mentoring services: The appropriation adds funding to cover the costs of peer mentoring services for offenders participating in veterans treatment courts.

Persistent Drunk Driver Cash Fund: The appropriation authorizes the Department to receive and spend additional moneys transferred from the Department of Human Services from the Persistent Drunk Driver Cash Fund to help pay for services and devices required by indigent offenders on probation.

Indirect cost assessment: The appropriation includes a net increase in the division's indirect cost assessment.

Office of the State Public Defender

The Office of the State Public Defender (OSPD) is an independent agency that provides legal representation for indigent defendants who are facing the possibility of incarceration. The OSPD provides representation through employees who are located around the state. The OSPD is comprised of a central administrative office, an appellate office, and 21 regional trial offices. Cash fund sources include grants and training fees.

Office of the State Public Defender						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$71,148,573	\$70,998,573	\$150,000	\$0	\$0	658.6
HB 13-1160	(170,242)	(170,242)	0	0	0	(2.7)
HB 13-1210	3,710,909	3,710,909	0	0	0	37.1
HB 13-1325	12,000	12,000	0	0	0	0.0
HB 14-1239	<u>80,211</u>	<u>80,211</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$74,781,451	\$74,631,451	\$150,000	\$0	\$0	693.0
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$74,781,451	\$74,631,451	\$150,000	\$0	\$0	693.0
Annualize prior year legislation	3,337,290	3,337,290	0	0	0	52.0
Centrally appropriated line items	2,839,927	2,839,927	0	0	0	0.0
Appellate staffing	839,684	839,684	0	0	0	14.7
Annualize prior year salary increases	571,980	571,980	0	0	0	0.0
Per-page rate increase for transcripts	224,828	224,828	0	0	0	0.0
Attorney registration fees	8,910	8,910	0	0	0	0.0

Office of the State Public Defender						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 14-1336	\$82,604,070	\$82,454,070	\$150,000	\$0	\$0	759.7
HB 14-1023	455,983	455,983	0	0	0	8.0
HB 14-1032	737,875	737,875	0	0	0	11.1
HB 14-1050	86,350	86,350	0	0	0	1.5
HB 14-1266	<u>(69,408)</u>	<u>(69,408)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(1.2)</u>
TOTAL	\$83,814,870	\$83,664,870	\$150,000	\$0	\$0	779.1
Increase/(Decrease)	\$9,033,419	\$9,033,419	\$0	\$0	\$0	86.1
Percentage Change	12.1%	12.1%	0.0%	n/a	n/a	12.4%

FY 2013-14 Appropriation - Mid-year Adjustments

House Bill 14-1239 modifies FY 2013-14 appropriations to add:

- \$60,879 General Fund to adjust the OSPD's spending authority to correspond to vehicle lease billings; and
- \$19,332 General Fund for the OSPD to cover an increase in attorney registration fees.

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Annualize prior year legislation: The appropriation includes adjustments for the second year impact of 2013 legislation, including: an increase of \$3,352,766 General Fund and 52.0 FTE for H.B. 13-1210 (Right to Legal Counsel in Plea Negotiations); and a reduction of \$15,476 General Fund for H.B. 13-1160 (Criminal Theft).

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; vehicle lease payments, and leased space.

Appellate staffing: The appropriation includes an increase of \$839,684 and 14.7 FTE to reduce the growing backlog of appellate cases.

Annualize prior year salary increases: The appropriation includes funding to provide a full 12 months of funding for salary increases awarded in FY 2013-14.

Per-page rate increase for transcripts: The appropriation adds funding to cover the costs of increasing the per-page compensation rate for court employees who prepare transcripts from \$2.35 to \$2.75.

Attorney registration fees: The appropriation includes funding to cover the costs of attorney registration fees.

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

Office of the Alternate Defense Counsel

The Office of Alternate Defense Counsel (OADC) is an independent agency that provides legal representation for indigent defendants in criminal and juvenile delinquency cases in which the Office of the State Public Defender is precluded from doing so because of an ethical conflict of interest. The OADC provides legal representation by contracting with licensed attorneys and investigators. Cash funds are from training fees.

Office of the Alternate Defense Counsel						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$22,896,598	\$22,876,598	\$20,000	\$0	\$0	8.4
HB 14-1239	<u>3,159,191</u>	<u>3,159,191</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$26,055,789	\$26,035,789	\$20,000	\$0	\$0	8.4
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$26,055,789	\$26,035,789	\$20,000	\$0	\$0	8.4
Court-appointed counsel rate increase	3,559,986	3,559,986	0	0	0	0.0
Centrally appropriated line items	67,023	67,023	0	0	0	0.0
Per-page rate increase for transcripts	51,954	51,954	0	0	0	0.0
Cash funds spending authority	20,000	0	20,000	0	0	0.0
Annualize prior year budget actions	6,833	6,833	0	0	0	0.1
Annualize prior year salary increases	2,111	2,111	0	0	0	0.0
Eliminate one-time funding	(117,730)	(117,730)	0	0	0	0.0
HB 14-1336	\$29,645,966	\$29,605,966	\$40,000	\$0	\$0	8.5
HB 14-1032	<u>75,116</u>	<u>75,116</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.6</u>
TOTAL	\$29,721,082	\$29,681,082	\$40,000	\$0	\$0	9.1
Increase/(Decrease)	\$3,665,293	\$3,645,293	\$20,000	\$0	\$0	0.7
Percentage Change	14.1%	14.0%	100.0%	n/a	n/a	8.3%

FY 2013-14 Appropriation - Mid-year Adjustments

House Bill 14-1239 modifies FY 2013-14 appropriations to add:

- \$3,041,461 General Fund to cover caseload increases; and
- a one-time appropriation of \$117,730 General Fund for the OADC to overhaul its court appointed counsel information system.

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Court-appointed counsel rate increase: The appropriation includes funding to increase the hourly rates paid to independent contractors who serve as court-appointed counsel.

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-

term disability; and supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund.

Per-page rate increase for transcripts: The appropriation adds funding to cover the costs of increasing the per-page compensation rate for court employees who prepare transcripts from \$2.35 to \$2.75.

Cash funds spending authority: The appropriation authorizes the OADC to receive and spend additional training fees.

Annualize prior year budget actions: The appropriation provides a full 12 months of funding for a staff position that was added in FY 2013-14.

Annualize prior year salary increases: The appropriation includes funding to provide a full 12 months of funding for salary increases awarded in FY 2013-14.

Eliminate one-time funding: The appropriation eliminates one-time funding that was provided for FY 2013-14.

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

Office of the Child's Representative

The Office of the Child's Representative (OCR) is an independent agency that is responsible for ensuring the provision of uniform, high-quality legal representation and non-legal advocacy to children involved in judicial proceedings. Generally, this includes representing children involved in the court system due to abuse or neglect, delinquency, truancy, high conflict divorce, alcohol or drug abuse, mental health issues, and probate matters. In most judicial districts, OCR provides legal representation by contracting with private attorneys or multi-disciplinary law offices. However, in El Paso county, the OCR employs attorneys and other staff to provide legal representation through a centralized office rather than through contracted services.

Office of the Child's Representative						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$19,705,113	\$19,705,113	\$0	\$0	\$0	26.9
HB 14-1239	<u>915,973</u>	<u>915,973</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$20,621,086	\$20,621,086	\$0	\$0	\$0	26.9
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$20,621,086	\$20,621,086	\$0	\$0	\$0	26.9
Court-appointed counsel rate increase	1,846,502	1,846,502	0	0	0	0.0
Centrally appropriated line items	336,721	336,721	0	0	0	0.0
Caseload/workload increases	168,032	168,032	0	0	0	0.0
Annualize prior year salary increases	5,846	5,846	0	0	0	0.0

Office of the Child's Representative						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Per-page rate increase for transcripts	287	287	0	0	0	0.0
Other	3,040	3,040	0	0	0	0.5
HB 14-1336	<u>\$22,981,514</u>	<u>\$22,981,514</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>27.4</u>
TOTAL	\$22,981,514	\$22,981,514	\$0	\$0	\$0	27.4
Increase/(Decrease)	\$2,360,428	\$2,360,428	\$0	\$0	\$0	0.5
Percentage Change	11.4%	11.4%	n/a	n/a	n/a	1.9%

FY 2013-14 Appropriation - Mid-year Adjustments

House Bill 14-1239 modifies FY 2013-14 appropriations as follows:

- Adds \$842,013 General Fund to cover projected increases in the number of appointments, as well as increases in the number of contractor hours required per appointment;
- Adds a one-time appropriation of \$28,960 General Fund for the OCR to purchase three servers; and
- Transfers \$45,000 General Fund from the State Court Administrator's Office to the OCR to reflect a recent change in the oversight and responsibility for legal counsel appointments for children who are subject to dependency and neglect actions.

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Court-appointed counsel rate increase: The appropriation includes funding to increase the hourly rates paid to independent contractors who serve as court-appointed counsel.

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund, and leased space.

Caseload/workload increases: The appropriation includes funding to cover projected increases in the number of cases requiring court appointments and the number of contractor hours required per appointment.

Annualize prior year salary increases: The appropriation includes funding to provide a full 12 months of funding for salary increases awarded in FY 2013-14.

Per-page rate increase for transcripts: The appropriation adds funding to cover the costs of increasing the per-page compensation rate for court employees who prepare transcripts from \$2.35 to \$2.75.

Other: The appropriation includes other minor adjustments.

Independent Ethics Commission

The Independent Ethics Commission is an independent agency that is responsible for providing advice and guidance on ethics-related matters concerning public officers, members of the General Assembly, local government officials, and government employees.

Independent Ethics Commission						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	<u>\$315,747</u>	<u>\$315,747</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>2.0</u>
TOTAL	\$315,747	\$315,747	\$0	\$0	\$0	2.0
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$315,747	\$315,747	\$0	\$0	\$0	2.0
Centrally appropriated line items	19,628	19,628	0	0	0	0.0
Increased legal services	16,394	16,394	0	0	0	0.0
Annualize prior year salary increases	324	324	0	0	0	0.0
HB 14-1336	<u>\$352,093</u>	<u>\$352,093</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>2.0</u>
TOTAL	\$352,093	\$352,093	\$0	\$0	\$0	2.0
Increase/(Decrease)	\$36,346	\$36,346	\$0	\$0	\$0	0.0
Percentage Change	11.5%	11.5%	n/a	n/a	n/a	0.0%

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; and legal services.

Increased legal services: The appropriation includes funding to purchase an additional 180 hours of legal services.

Annualize prior year salary increases: The appropriation includes funding to provide a full 12 months of funding for salary increases awarded in FY 2013-14.

Recent Legislation

2013 Session Bills

S.B. 13-123 (Collateral Consequences): Allows defendants who enter into an alternative to sentencing or receive probation or a sentence to community corrections to apply for an order of collateral relief for the conviction. Establishes procedures for the application and standards for granting collateral relief. Provides that

a pardon or commutation of sentence issued by the Governor waives all collateral consequences associated with each conviction for which the person received a pardon unless otherwise specified in the pardon. Requires the Governor to provide a copy of any pardon or a commutation of sentence to the Colorado Bureau of Investigation (CBI), and requires the CBI to include a note in the individual's record in the Colorado Crime Information Center that a pardon was issued or clemency was granted.

Specifies certain information to be contained in the notice that is provided by a probation or parole officer to a person before he or she is released from probation or parole. Expands the types of convictions and violations that are subject to record sealing, establishes procedures for petitions and hearings, and specifies that a person may only file a petition to seal criminal records once during a 12-month period. Adds to the factors to be reviewed by the Department of Regulatory Agencies (DORA) in a sunset or sunrise review whether the agency imposes or should impose a disqualification based upon a person's criminal history.

Appropriates \$533,199 General Fund and 6.9 FTE to the Judicial Department for FY 2013-14. Appropriates a total of \$184,902 and 3.0 FTE to the Department of Public Safety's CBI for FY 2013-14, including \$169,902 cash funds from the Colorado Bureau of Investigation Identification Unit Fund and 3.0 FTE and \$15,000 General Fund.

S.B. 13-197 (Firearms for Domestic Violence Offenders): Requires the court to require a person to relinquish any firearm or ammunition in the person's immediate possession or control or subject to the person's immediate possession or control under certain circumstances. Appropriates \$45,742 General Fund and 0.8 FTE to the Judicial Department for FY 2013-14.

S.B. 13-227 (Protect Rape Victim From Contact With Father): Establishes a process for victims who conceive a child as a result of a sexual assault to file a petition with the court to: (1) prevent future contact with the parent who committed the sexual assault; and (2) terminate the legal parent-child relationship of the parent who committed the sexual assault. Allows the court to appoint a *guardian ad litem* to represent the child's best interests in the proceeding after a petition has been filed. Creates a Task Force on Children Conceived by Rape to study the new process for termination created in the act and to study and make recommendations to the General Assembly for protecting rape victims and for addressing parental rights in cases in which there are allegations that a sexual assault has occurred, a conviction of or prosecution for sexual assault has not occurred, and a child has been conceived as a result of the alleged sexual assault. Appropriates \$9,000 General Fund to the Department of Human Services for FY 2013-14 to assist the Task Force.

S.B. 13-230 (Long Bill): General appropriations act for FY 2013-14.

S.B. 13-246 (Criminal Discovery Task Force): Creates a Discovery Task Force to meet to address the issue of discovery costs in criminal cases. In addition to a non-voting technology advisor from the Office of Information Technology, the Task Force consists of the following 11 members: (1) the Attorney General (or his designee), who shall serve as the Chair of the Task Force; (2) the State Court Administrator (or his designee), who shall serve as the Vice-Chair of the Task Force; (3) the State Public Defender (or his designee); (4) a representative of the criminal defense bar; (5) three district attorneys (DAs) who represent differently sized judicial districts; (6) a county sheriff; (7) the Alternate Defense Counsel (or her designee); (8) a chief of police; and (9) a district court judge. The Task Force is required to study several topics and report back to the Joint Budget Committee and the Judiciary Committees by January 31, 2014. Topics the Task Force will study include the following:

- The ability of DAs' offices to obtain law enforcement discoverable evidence in an electronic format, and options for addressing the short-term needs of law enforcement and DAs to facilitate greater use of electronic discovery;
- The reimbursements paid to reimburse DAs' offices for the expenses for which the DA is responsible related to the discovery process; and
- An alternative funding process to reimburse the DAs for appropriate discovery costs without requiring the State Public Defender, Alternate Defense Counsel, or any indigent *pro se* defendant to pay for discovery.

S.B. 13-250 (Drug Sentencing Changes): Creates new felony and misdemeanor drug sentencing grids, and assigns each of the drug crimes a new drug penalty based on the new felony and misdemeanor drug sentencing grids. Creates a sentencing option for offenders convicted of certain drug felonies that allows the court to vacate the felony conviction and enter a misdemeanor conviction in its place if the offender successfully completes a community-based sentence. Allows the court to impose residential drug treatment as a condition of probation when a defendant is sentenced to probation for a drug offense. Amends the intensive supervision probation program to allow defendants convicted of a misdemeanor to participate if they are assessed as higher risk.

Authorizes the statewide organization representing district attorneys (DAs) the ability to receive, manage, and expend state funds in the manner prescribed by the General Assembly on behalf of the DAs who are members of the organization. Directs the General Assembly to appropriate at least \$3,500,000 in FY 2014-15 to the Correctional Treatment Cash Fund from the estimated savings from S.B. 13-250. Requires the Division of Criminal Justice in the Department of Public Safety to collect data on drug cases and issue a report by December 31, 2016. For FY 2013-14, appropriates \$339,764 General Fund and 4.8 FTE to the Judicial Department, and appropriates \$521,850 General Fund to the Department of Corrections and further appropriates this amount to the Governor's Office of Information Technology.

H.B. 13-1035 (Add Two Judges): Modifies the number of judges allocated to the 5th judicial district (Clear Creek, Eagle, Lake, and Summit counties) and the 9th judicial district (Garfield, Pitkin, and Rio Blanco counties), increasing the allocation for each judicial district by one district court judge. Appropriates \$776,974 cash funds from the Judicial Stabilization Fund and 8.0 FTE to the Judicial Department for FY 2013-14.

H.B. 13-1156 (Adult Pretrial Diversion Program): Repeals the adult deferred prosecution sentencing option and replaces it with an adult diversion program. Creates a Diversion Funding Committee to review applications and allocate funding for diversion programs. Requires a district attorney that receives funding pursuant to the act to collect data and provide a status report to the Judicial Department based on its adult diversion program. Requires the Judicial Department to provide an annual status report to the Joint Budget Committee beginning in January 2015. Appropriates \$425,000 General Fund and 0.5 FTE to the Judicial Department for FY 2013-14.

H.B. 13-1160 (Criminal Theft): Amends the penalties for criminal theft and amends criminal theft to include the existing statutory offenses of theft of rental property and theft by receiving. Repeals the existing statutory offenses of theft of rental property, theft by receiving, fuel piracy, and newspaper theft. Reduces General Fund appropriations for FY 2013-14 by a total of \$882,925 and 6.0 FTE, including \$520,400 for the Department of Corrections and \$362,525 and 6.0 FTE for the Judicial Department.

H.B. 13-1210 (Right to Legal Counsel in Plea Negotiations): Repeals a statute that requires an indigent person charged with a misdemeanor, petty offense, or motor vehicle or traffic offense to meet with the prosecuting attorney for plea negotiations before legal counsel is appointed. Clarifies that appointment of the State Public Defender to represent indigent persons applies when the charged offense includes a possible

sentence of incarceration. Specifies that these changes are effective January 1, 2014, and apply to misdemeanors, petty offenses, class 2 and class 3 misdemeanor traffic offenses, and municipal or county ordinance violations committed on or after that date. Appropriates a total of \$3,795,400 General Fund and 37.9 FTE to the Judicial Department for FY 2013-14, including \$3,710,909 and 37.1 FTE to the Office of the State Public Defender, and \$84,491 and 0.8 FTE for the trial courts.

H.B. 13-1230 (Compensation for Persons Wrongly Incarcerated): Creates a state compensation program for persons who are found actually innocent of felony crimes after serving time in jail, prison, or juvenile placement. To become eligible for state funds, the exonerated person (or his or her immediate family members) must submit a petition and supporting documentation to the district court in the county that heard the original case. The Attorney General and district attorney for that judicial district may concur or contest the petition. If contested, the district court may order for evidence to be retested and is authorized to consider new evidence, whether or not it was part of the original trial. If a petition is contested, the burden to prove actual innocence is upon the petitioner. Either the Attorney General or the district attorney may contest a finding of actual innocence, but payments are to be made while the appeal is pending. If the outcome of the appeal is favorable to the State, the court is authorized to take the necessary steps to recover any moneys disbursed. If found actually innocent, the exonerated person is eligible to receive the following benefits:

- monetary compensation in the amount of \$70,000 for each year incarcerated, plus an additional \$25,000 for each year he or she served on parole and \$50,000 for each year he or she was incarcerated and awaited execution;
- tuition waivers at state institutions of higher education, if the exonerated person was incarcerated for at least three years;
- compensation for child support payments and associated interest owed by the exonerated person that were incurred during his or her incarceration;
- reasonable attorney fees; and
- the amount of any fine, penalty, court costs, or restitution imposed as a result of the exonerated person's wrongful conviction.

Specifies circumstances under which no payments are allowed. Appropriates \$100,000 General Fund to the Judicial Department for FY 2013-14 for the State Court Administrator to compensate eligible persons. Also appropriates \$128,662 General Fund and 1.4 FTE to the Department of Law for FY 2013-14 to respond to petitions, and if appropriate, contest the petition in district court. Appropriates \$1,920 General Fund to the Department of Higher Education for FY 2013-14 for stipends for students attending state institutions, and further appropriates that amount to the State Board for Community Colleges and Occupational Education State System Community Colleges.

H.B. 13-1254 (Restorative Justice): Modifies the existing requirement that restorative justice victim-offender conferences must be initiated by the victim, permitting in some instances a suitable defendant to request to participate. Expands the membership of the Restorative Justice Coordinating Council (Council) in the State Court Administrator's Office. Requires the Council to develop a uniform restorative justice satisfaction evaluation and to collect information regarding all existing restorative justice programs and practices and report that data to the Judiciary Committees by January 31, 2014. Creates a pilot project for restorative justice programs in four judicial districts. Creates a \$10 surcharge on all crimes to be credited to a newly created Restorative Justice Surcharge Fund, to support restorative justice programs and the Council. Appropriates a total of \$32,892 and 0.5 FTE to the Judicial Department for FY 2013-14, including \$20,639 General Fund and \$12,263 cash funds from the Restorative Justice Surcharge Fund.

H.B. 13-1259 (Allocating Parental Rights): Makes amendments to various provisions of law relating to civil actions and orders, and changes procedures concerning the allocation of parental rights and responsibilities in cases involving child abuse and neglect and domestic violence. Appropriates \$275,399 cash funds from the Judicial Stabilization Cash Fund and 3.2 FTE to the Judicial Department for FY 2013-14.

H.B. 13-1325 (Inferences for Marijuana and Driving Offenses): States that in any DUI prosecution, and in any prosecution for vehicular homicide or vehicular assault, if at the time of driving (or within a reasonable time thereafter) the driver's blood contains five nanograms or more of delta 9-tetrahydrocannabinol per milliliter in whole blood such fact gives rise to a permissible inference that the defendant was under the influence of one or more drugs. Removes instances of the term "habitual user" from the traffic code. Appropriates \$12,000 General Fund to the Office of the State Public Defender for FY 2013-14. Makes statutory appropriations totaling \$26,367 General Fund to the Department of Corrections, including \$20,816 for FY 2014-15 and \$5,551 for FY 2015-16.

H.J.R. 13-1019 (Juvenile Defense Attorney Interim Committee): Creates a 2013 legislative interim committee, consisting of ten legislative members and ten nonvoting members who have experience in juvenile proceedings, to study the role of legal defense counsel in the juvenile justice system. Requires the Committee to make a report to the Legislative Council, including any recommendations for legislation. The Committee is charged with studying issues concerning juvenile justice, including the following:

- current laws, procedures, and practices related to appointment of counsel for children in juvenile delinquency court;
- comparing the role of defense counsel with the role of a *guardian ad litem*;
- methods for improving professionalism in the practice of juvenile defense;
- the impact of inadequate access to counsel on minority, immigrant, disabled and mentally-ill children;
- funding attorneys to represent indigent children and the most efficient way to provide counsel to juveniles in delinquency proceedings; and
- issues related to public access to juvenile delinquency records.

2014 Session Bills

S.B. 14-190 (Statewide Discovery Sharing System): Turns the Discovery Task Force (created in S.B. 13-246) into a Steering Committee to assist the Colorado District Attorneys' Council (CDAC) in developing a process to select a vendor to develop a statewide discovery sharing system. Requires the CDAC to develop and maintain a statewide discovery sharing system ("discovery system") integrated with its existing ACTION case management system. Establishes a new criminal surcharge for persons who are represented by private counsel or appear without legal representation, and credits the resulting revenues to the newly created Statewide Discovery Sharing System Surcharge Fund. Requires the General Assembly to appropriate necessary moneys from the General Fund and the new cash fund to the Judicial Department to fund the development, continuing enhancement, and maintenance of the new discovery system as well as the maintenance and continuing enhancement of the existing ACTION system.

Gives civil immunity to a district attorney who, after making a good-faith effort to redact all information legally required to be redacted from a discovery document provided to a defendant or defense counsel, provides a document that contains information that is legally required to be redacted.

Appropriates \$5.3 million General Fund to the Judicial Department for FY 2014-15, and allows any unspent funds to remain available for expenditure in FY 2015-16.

S.B. 14-203 (Respondent Parents' Counsel): Creates the Office of the Respondent Parents' Counsel (ORPC) in the Judicial Department, effective January 1, 2016. States that the ORPC will be responsible for providing legal representation to parents involved in dependency and neglect proceedings who lack the financial means to obtain representation. Declares that the operational structure of the ORPC will be based on the final report by the Respondent Parents' Counsel Work Group to the Office of the State Court Administrator. Requires the Judicial Department to include in its November 2014 budget request a request for funding to implement the Work Group recommendations.

H.B. 14-1023 (Social Workers for Juveniles): Requires the Office of the State Public Defender to hire social workers to assist in juvenile defense cases. Appropriates a total of \$455,983 General Fund and 8.0 FTE to the Office of the State Public Defender for FY 2014-15.

H.B. 14-1032 (Defense Counsel for Juvenile Offenders): Makes procedural changes concerning the appointment of counsel for juveniles, including:

- Requiring that certain information about the right to counsel and the process for obtaining counsel be provided on a promise to appear or summons;
- When a juvenile is placed in a detention facility, requiring the screening team to promptly notify the district attorney and the local Office of the State Public Defender (OSPD);
- Requiring the court to hold a detention hearing within 24 hours (rather than 48 hours) for a juvenile being held in detention on a warrant for violating a court order concerning a status offense;
- Requiring the court to appoint counsel from the OSPD (or the Office of Alternate Defense Counsel (OADC) in case of a conflict) to represent a juvenile at a detention hearing if a juvenile has not retained counsel;
- Limiting the circumstances under which the court may accept a juvenile's waiver of counsel; and
- Requiring the court to appoint counsel from the OSPD (or the OADC in the case of a conflict) if the juvenile is eligible for appointed counsel and has not waived or obtained other counsel, is in the custody of the state Department of Human Services or a county department of social services, or if the court determines it is necessary to protect the interests of the juvenile or other parties.

Appropriates a total of \$645,102 (including an increase of \$698,452 General Fund and a reduction of \$53,350 cash funds) and 11.7 FTE to the Judicial Department for FY 2014-15, including: an increase of \$737,875 General Fund and 11.1 FTE to the OSPD; an increase of \$75,116 General Fund and 0.6 FTE to the OADC, and a reduction of \$167,889 (including \$114,539 General Fund and \$53,350 cash funds) for the trial courts.

H.B. 14-1050 (Add Two Judges): Adds two district court judges to the 18th judicial district (Arapahoe, Douglas, Elbert, and Lincoln counties). Appropriates \$837,824 General Fund and 8.8 FTE to the Judicial Department for FY 2014-15, including \$751,474 and 7.3 FTE for the trial courts (including funding for capital outlay expenses) and \$86,350 and 1.5 FTE to the Office of the State Public Defender.

H.B. 14-1096 (Underfunded Courthouse Facilities Grants): Creates a new state-funded grant program to provide supplemental funding for courthouse facility projects in certain counties. Creates the Underfunded Courthouse Facility Cash Fund Commission to evaluate grant applications and make grant award recommendations to the State Court Administrator. Requires grant funds to be used for master planning services, matching funds, leveraging grant funding opportunities, or addressing emergency needs due to the imminent closure of a court facility. Specifies financial and demographic factors to be met by a county in order

to be considered for a grant award. Appropriates a total of \$1,400,000 and 1.0 FTE to the Judicial Department for FY 2014-15, including an appropriation of \$700,000 General Fund to the newly created Underfunded Courthouse Facility Cash Fund and \$700,000 reappropriated funds from the new cash fund and 1.0 FTE for the administration of the new grant program.

H.B. 14-1239: (Supplemental Bill): Supplemental appropriation to the Judicial Department to modify FY 2013-14 appropriations included in the FY 2013-14 Long Bill (S.B. 13-230), H.B. 13-1156, H.B. 13-1230, and H.B. 14-1254.

H.B. 14-1266 (Penalties for Value-based Offenses): Adjusts penalties for certain value-based offenses (including the crimes of criminal mischief, fraud by check, defrauding a secured creditor or debtor, unauthorized use of a financial transaction device, computer crime, and aggravated motor vehicle theft), making some current felonies into misdemeanors and some current misdemeanors into lower level offenses, including petty offenses. Reduces appropriations to the Office of the State Public Defender for FY 2014-15 by a total of \$69,408 General Fund and 1.0 FTE. Does not include any adjustment to appropriations to the Department of Corrections (DOC) for FY 2014-15, but is anticipated to reduce DOC expenditures beginning in FY 2015-16.

H.B. 14-1336 (Long Bill): General appropriations act for FY 2014-15. Includes a provision modifying FY 2013-14 appropriations included in H.B. 13-1254.

Department Details

DEPARTMENT OF LABOR AND EMPLOYMENT

FY 2013-14 and FY 2014-15 Appropriations by Division and Bill

Department of Labor and Employment						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Total Appropriation:	\$163,342,035	\$98,519	\$65,399,832	\$650,740	\$97,192,944	1,012.5
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	38,205,220	34,762	18,516,534	157,006	19,496,918	99.9
Division of Unemployment Insurance	38,634,594	0	11,300,114	0	27,334,480	479.1
Division of Employment and Training	60,208,299	0	10,081,758	474,416	49,652,125	239.2
Division of Labor	1,257,877	63,757	1,194,120	0	0	16.3
Division of Oil and Public Safety	5,358,218	0	4,629,479	19,318	709,421	67.0
Division of Workers' Compensation	19,677,827	0	19,677,827	0	0	111.0
<u>Breakdown of Total Appropriation by Bill</u>						
SB 13-230	163,075,888	0	65,232,204	650,740	97,192,944	1,011.2
HB 13-1046	23,064	0	23,064	0	0	0.3
HB 13-1124	144,564	0	144,564	0	0	0.0
HB 13-1292	98,519	98,519	0	0	0	1.0
FY 2014-15 Total Appropriation:	\$167,437,131	\$637,353	\$66,027,071	\$650,740	\$100,121,967	1,016.5
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	41,294,610	53,230	19,724,434	157,006	21,359,940	99.9
Division of Unemployment Insurance	38,213,467	0	10,109,784	0	28,103,683	479.1
Division of Employment and Training	60,747,428	56,665	10,267,424	474,416	49,948,923	239.7
Division of Labor	1,753,636	527,458	1,226,178	0	0	18.8
Division of Oil and Public Safety	5,634,101	0	4,905,362	19,318	709,421	68.0
Division of Workers' Compensation	19,793,889	0	19,793,889	0	0	111.0
<u>Breakdown of Total Appropriation by Bill</u>						
HB 14-1336	167,047,063	259,785	66,014,571	650,740	100,121,967	1,016.0
SB 14-005	333,403	320,903	12,500	0	0	0.0
SB 14-015	56,665	56,665	0	0	0	0.5
Increase/(Decrease)	\$4,095,096	\$538,834	\$627,239	\$0	\$2,929,023	4.0
Percentage Change	2.5%	546.9%	1.0%	0.0%	3.0%	0.4%

Informational Funds: The FY 2014-15 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Labor and Employment are annotated with the "(I)". For additional information, see Appendix J.

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2014-15 Appropriations containing an (I) notation	\$108,322,521	\$0	\$8,200,554	\$0	\$100,121,967

Detail of Appropriation by Administrative Section

Executive Director's Office

The Office provides funding for common services to all divisions including legal services from the Department of Law and information technology services from the Office of Information Technology. Additionally, this office provides support services to all divisions including budgeting, accounting and human resources.

Funding for this division is 0.1 percent General Fund, 47.8 percent cash funds, 0.4 percent reappropriated funds, and 51.7 percent federal funds. The Employment Support Fund and Workers' Compensation Cash Fund are the largest sources of cash funds. Reappropriated funds are from indirect cost recoveries.

Executive Director's Office						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$38,170,458	\$0	\$18,516,534	\$157,006	\$19,496,918	\$99.9
HB 13-1292	<u>34,762</u>	<u>34,762</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$38,205,220	\$34,762	\$18,516,534	\$157,006	\$19,496,918	99.9
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$38,205,220	\$34,762	\$18,516,534	\$157,006	\$19,496,918	99.9
Centrally appropriated line items	3,178,648	1,192	1,137,334	0	2,040,122	0.0
IT common policy adjustments	777,466	0	462,364	0	315,102	0.0
Annualize prior year legislation	20,366	17,276	3,090	0	0	0.0
Mail, postage, and envelopes	11,399	0	5,700	0	5,699	0.0
Annualize prior year budget actions	(905,904)	0	(408,003)	0	(497,901)	0.0
Other	7,415	0	7,415	0	0	0.0
HB 14-1336	<u>\$41,294,610</u>	<u>\$53,230</u>	<u>\$19,724,434</u>	<u>\$157,006</u>	<u>\$21,359,940</u>	<u>99.9</u>
TOTAL	\$41,294,610	\$53,230	\$19,724,434	\$157,006	\$21,359,940	99.9
Increase/(Decrease)	\$3,089,390	\$18,468	\$1,207,900	\$0	\$1,863,022	0.0
Percentage Change	8.1%	53.1%	6.5%	0.0%	9.6%	0.0%

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; vehicle lease payments; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; Capitol complex leased space; and statewide indirect cost assessments.

IT common policy adjustments: The appropriation includes adjustments to payments made to the Governor's Office of Information Technology for the provision of technology services and COFRS modernization.

Annualize prior year legislation: The appropriation includes an increase of \$20,366 total funds for the second year impact of legislation. The changes include:

- An increase of \$3,090 cash funds to implement H.B. 13-1110 (Special Fuel Tax & Electric Vehicle Fee); and
- An increase of \$17,276 General Fund to implement H.B. 13-1292 (Keep Jobs in Colorado Act).

Mail, postage, and envelopes: The appropriation includes adjustments to address increased costs of postage and envelopes.

Annualize prior year budget actions: The appropriation includes a number of changes to the out year impact of funding decisions made through the FY 2013-14 appropriation including:

- Annualization of the FY 2013-14 salary survey and merit pay; and
- A reduction in the appropriation for Unemployment Insurance Technology Upgrades.

Other: The appropriation includes other minor adjustments.

Division of Unemployment Insurance

Unemployment insurance programs (UI Programs) provide weekly benefits to individuals who have lost their job through no fault of their own. Responsibilities of the UI Programs include tax collection from employers, benefit payments, employer tax audits, call center operation, and claimant appeal application processing. Additionally, the UI Fraud Program identifies, investigates, and prosecutes unqualified individuals who receive UI benefits and employers who fail to pay UI premiums and taxes. Federal funds make up 73.5 percent and cash funds comprise 26.5 percent of funding for these programs. The Employment Support Fund is the primary source of cash funds with funds from the Employment and Training Technology Fund supporting the technology initiatives underway in the Division.

Division of Unemployment Insurance						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$38,490,030	\$0	\$11,155,550	\$0	\$27,334,480	479.1
HB 13-1124	<u>144,564</u>	<u>0</u>	<u>144,564</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$38,634,594	\$0	\$11,300,114	\$0	\$27,334,480	479.1

Division of Unemployment Insurance						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$38,634,594	\$0	\$11,300,114	\$0	\$27,334,480	479.1
Mail, postage, and envelopes	172,029	0	86,015	0	86,014	0.0
Annualize prior year budget actions	(448,592)	0	(1,131,781)	0	683,189	0.0
Annualize prior year legislation	(144,564)	0	(144,564)	0	0	0.0
HB 14-1336	<u>\$38,213,467</u>	<u>\$0</u>	<u>\$10,109,784</u>	<u>\$0</u>	<u>\$28,103,683</u>	<u>479.1</u>
TOTAL	\$38,213,467	\$0	\$10,109,784	\$0	\$28,103,683	479.1
Increase/(Decrease)	(\$421,127)	\$0	(\$1,190,330)	\$0	\$769,203	0.0
Percentage Change	(1.1%)	n/a	(10.5%)	n/a	2.8%	0.0%

Mail, postage, and envelopes: The appropriation includes adjustments to address increased costs of postage and envelopes.

Annualize prior year budget actions: The appropriation includes a number of changes to the out year impact of funding decisions made through the FY 2013-14 appropriation including a reduction in the appropriation for Unemployment Insurance Technology Upgrades.

Annualize prior year legislation: The appropriation includes a reduction of \$144,564 total funds for the second year impact of H.B. 13-1124 (Reduce Unemployment Insurance Overpayments).

Division of Employment and Training

The Division of Employment and Training administers two subdivisions: Employment and Training Programs and Labor Market Information.

Division of Employment and Training						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	<u>\$60,208,299</u>	<u>\$0</u>	<u>\$10,081,758</u>	<u>\$474,416</u>	<u>\$49,652,125</u>	<u>239.2</u>
TOTAL	\$60,208,299	\$0	\$10,081,758	\$474,416	\$49,652,125	239.2
FY 2014-15 Appropriation:						
HB 14-1336	\$60,690,763	\$0	\$10,267,424	\$474,416	\$49,948,923	239.2
SB 14-015	<u>56,665</u>	<u>56,665</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.5</u>
TOTAL	\$60,747,428	\$56,665	\$10,267,424	\$474,416	\$49,948,923	239.7

Division of Employment and Training						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Increase/(Decrease)	\$539,129	\$56,665	\$185,666	\$0	\$296,798	0.5
Percentage Change	0.9%	n/a	1.8%	0.0%	0.6%	0.2%

Employment and Training Programs

Employment and Training Programs offer free assistance to job seekers including: job search assistance, additional job training, and classes to improve interview and resume skills. These services are offered through state and county one-stop centers. Additionally, workforce centers match employers with qualified candidates to fill job vacancies. Funding for these programs consists of cash funds, primarily from the Employment Support Fund, and various federal funds including the Workforce Investment Act and Trade Adjustment Act.

<i>Employment and Training Programs</i>						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	<u>\$58,185,633</u>	<u>\$0</u>	<u>\$10,070,435</u>	<u>\$474,416</u>	<u>\$47,640,782</u>	<u>208.9</u>
TOTAL	\$58,185,633	\$0	\$10,070,435	\$474,416	\$47,640,782	208.9
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$58,185,633	\$0	\$10,070,435	\$474,416	\$47,640,782	208.9
Annualize prior year budget actions	421,408	0	183,485	0	237,923	0.0
Mail, postage, and envelopes	2,181	0	2,181	0	0	0.0
HB 14-1336	\$58,609,222	\$0	\$10,256,101	\$474,416	\$47,878,705	208.9
SB 14-015	<u>56,665</u>	<u>56,665</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.5</u>
TOTAL	\$58,665,887	\$56,665	\$10,256,101	\$474,416	\$47,878,705	209.4
Increase/(Decrease)	\$480,254	\$56,665	\$185,666	\$0	\$237,923	0.5
Percentage Change	0.8%	n/a	1.8%	0.0%	0.5%	0.2%

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Annualize prior year budget actions: The appropriation includes a number of changes to the out year impact of funding decisions made through the FY 2013-14 appropriation including annualization of the FY 2013-14 salary survey and merit pay.

Mail, postage, and envelopes: The appropriation includes adjustments to address increased costs of postage and envelopes.

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

Labor Market Information

Labor Market Information (LMI) provides data on labor force trends across the state including monthly unemployment numbers, and job growth information. LMI collaborates with one-stop centers to provide relevant training classes in fields that have potential long-term growth in Colorado. Federal funds make up 99.5 percent of LMI's funding, and the remaining 0.5 percent is cash funds from the sale of publications.

<i>Labor Market Information</i>						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	<u>\$2,022,666</u>	<u>\$0</u>	<u>\$11,323</u>	<u>\$0</u>	<u>\$2,011,343</u>	<u>30.3</u>
TOTAL	\$2,022,666	\$0	\$11,323	\$0	\$2,011,343	30.3
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$2,022,666	\$0	\$11,323	\$0	\$2,011,343	30.3
Annualize prior year budget actions	58,875	0	0	0	58,875	0.0
HB 14-1336	<u>\$2,081,541</u>	<u>\$0</u>	<u>\$11,323</u>	<u>\$0</u>	<u>\$2,070,218</u>	<u>30.3</u>
TOTAL	\$2,081,541	\$0	\$11,323	\$0	\$2,070,218	30.3
Increase/(Decrease)	\$58,875	\$0	\$0	\$0	\$58,875	0.0
Percentage Change	2.9%	n/a	0.0%	n/a	2.9%	0.0%

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Annualize prior year budget actions: The appropriation includes a number of changes to the out year impact of funding decisions made through the FY 2013-14 appropriation including annualization of the FY 2013-14 salary survey and merit pay.

Division of Labor

The Division of Labor ensures compliance with Colorado's wage, youth, and labor laws, and facilitates labor dispute resolution and mediation. The Division of Labor is cash funded primarily from the Employment Support Fund and the Employment Verification Cash Fund.

Division of Labor						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$1,171,056	\$0	\$1,171,056	\$0	\$0	15.0
HB 13-1046	23,064	0	23,064	0	0	0.3
HB 13-1292	<u>63,757</u>	<u>63,757</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1.0</u>
TOTAL	\$1,257,877	\$63,757	\$1,194,120	\$0	\$0	16.3
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$1,257,877	\$63,757	\$1,194,120	\$0	\$0	16.3
Annualize prior year legislation	138,433	138,433	0	0	0	2.5
Annualize prior year budget actions	25,622	0	25,622	0	0	0.0
Mail, postage, and envelopes	1,351	0	1,351	0	0	0.0
Other	(3,050)	4,365	(7,415)	0	0	0.0
HB 14-1336	\$1,420,233	\$206,555	\$1,213,678	\$0	\$0	18.8
SB 14-005	<u>333,403</u>	<u>320,903</u>	<u>12,500</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$1,753,636	\$527,458	\$1,226,178	\$0	\$0	18.8
Increase/(Decrease)	\$495,759	\$463,701	\$32,058	\$0	\$0	2.5
Percentage Change	39.4%	727.3%	2.7%	n/a	n/a	15.3%

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Annualize prior year legislation: The appropriation includes an increase of \$138,433 General Fund and 2.5 FTE for the second year impact H.B. 13-1292 (Keep Jobs in Colorado Act).

Annualize prior year budget actions: The appropriation includes a number of changes to the out year impact of funding decisions made through the FY 2013-14 appropriation including annualization of the FY 2013-14 salary survey and merit pay

Mail, postage, and envelopes: The appropriation includes adjustments to address increased costs of postage and envelopes.

Other: The appropriation includes other minor adjustments.

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

Division of Oil and Public Safety

This Division is comprised of the Public Safety Unit (PSU) and the Office of the State Oil Inspector (Inspector). The PSU conducts inspections of boilers and pressure vessels in commercial and multi-unit residential

buildings; regulates the distribution and storage of petroleum products; regulates the remediation of contamination caused by leaking underground storage tanks; enforces statutory requirements pertaining to carnival and amusement park rides; licenses conveyances, conveyance inspectors and mechanics; and regulates and monitors proper storage of explosives.

The majority of cash funds are from the Petroleum Storage Tank Fund and the Boiler Inspection Fund. Reappropriated funds are from the Department of Public Health and Environment.

Division of Oil and Public Safety						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	<u>\$5,358,218</u>	<u>\$0</u>	<u>\$4,629,479</u>	<u>\$19,318</u>	<u>\$709,421</u>	<u>67.0</u>
TOTAL	\$5,358,218	\$0	\$4,629,479	\$19,318	\$709,421	67.0
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$5,358,218	\$0	\$4,629,479	\$19,318	\$709,421	67.0
Annualize prior year budget actions	182,655	0	182,655	0	0	0.0
Annualize prior year legislation	90,180	0	90,180	0	0	1.0
Mail, postage, and envelopes	3,048	0	3,048	0	0	0.0
HB 14-1336	<u>\$5,634,101</u>	<u>\$0</u>	<u>\$4,905,362</u>	<u>\$19,318</u>	<u>\$709,421</u>	<u>68.0</u>
TOTAL	\$5,634,101	\$0	\$4,905,362	\$19,318	\$709,421	68.0
Increase/(Decrease)	\$275,883	\$0	\$275,883	\$0	\$0	1.0
Percentage Change	5.1%	n/a	6.0%	0.0%	0.0%	1.5%

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Annualize prior year budget actions: The appropriation includes a number of changes to the out year impact of funding decisions made through the FY 2013-14 appropriation including annualization of the FY 2014-14 salary survey and merit pay

Annualize prior year legislation: The appropriation includes an increase of \$90,180 cash funds and 1.0 FTE for the second year impact H.B. 13-1110 (Special Fuel Tax & Electric Vehicle Fee).

Mail, postage, and envelopes: The appropriation includes adjustments to address increased costs of postage and envelopes.

Division of Workers' Compensation

The Division of Workers' Compensation is comprised of five major units: customer service, dispute resolution, medical cost containment, employer services, and special funds.

- The customer service unit provides administrative oversight of injury claims to ensure compliance with all benefit and reporting requirements. This unit provides information and technical assistance and audits insurers' claims handling practices.
- The dispute resolution unit provides mediation, arbitration, pre-hearing, and settlement services to quickly resolve contested issues without administrative hearings and/or litigation.
- The medical cost containment unit oversees the programs intended to ensure that medical services for workers' compensation claims are provided in a cost-effective manner.
- The employer services section administers the self-insurance and premium cost-containment programs and ensures employer compliance with workers' compensation coverage requirements.
- The special funds section administers two large insurance programs, the Major Medical Insurance Fund (MMIF) and Subsequent Injury Fund (SIF). The MMIF covers the medical expenses in excess of \$20,000 of an injured worker who sustained catastrophic injuries between July 1971 and June 1981. The Subsequent Injury Fund covers an injured worker's medical expenses from a second workplace injury, that occurred before 1994, resulting in permanent disability, or up to \$10,000 of a worker's medical expenses from a second or subsequent exposure to certain occupational materials.

The Division of Workers' Compensation is cash funded primarily from the Workers' Compensation Cash Fund, the Subsequent Injury Fund, and the Major Medical Insurance Fund.

Division of Workers' Compensation						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	<u>\$19,677,827</u>	<u>\$0</u>	<u>\$19,677,827</u>	<u>\$0</u>	<u>\$0</u>	<u>111.0</u>
TOTAL	\$19,677,827	\$0	\$19,677,827	\$0	\$0	111.0
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$19,677,827	\$0	\$19,677,827	\$0	\$0	111.0
Annualize prior year budget actions	250,919	0	250,919	0	0	0.0
Mail, postage, and envelopes	6,328	0	6,328	0	0	0.0
Centrally appropriated line items	(141,185)	0	(141,185)	0	0	0.0
HB 14-1336	<u>\$19,793,889</u>	<u>\$0</u>	<u>\$19,793,889</u>	<u>\$0</u>	<u>\$0</u>	<u>111.0</u>
TOTAL	\$19,793,889	\$0	\$19,793,889	\$0	\$0	111.0
Increase/(Decrease)	\$116,062	\$0	\$116,062	\$0	\$0	0.0
Percentage Change	0.6%	n/a	0.6%	n/a	n/a	0.0%

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Annualize prior year budget actions: The appropriation includes a number of changes to the out year impact of funding decisions made through the FY 2013-14 appropriation including annualization of the FY 2013-14 salary survey and merit pay.

Mail, postage, and envelopes: The appropriation includes adjustments to address increased costs of postage and envelopes.

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the provision of legal services and administrative law judges.

Recent Legislation

2013 Session Bills

S.B. 13-230 (Long Bill): General appropriations act for FY 2013-14.

H.B. 13-1046 (Employee User Name Password Privacy Protection): Prohibits employers from requesting or requiring an employee or applicant to provide access to personal information using electronic communications devices; appropriates \$23,064 cash funds in FY 2013-14.

H.B. 13-1124 (Reduce Unemployment Insurance Overpayments): Allows the Department to charge a penalty if employers repeatedly fail to provide timely information regarding unemployment insurance claims, resulting in an overpayment of unemployment insurance benefits. The penalty is set at 65.0 percent of the overpayment that was issued. For FY 2013-14 provides \$144,564 cash funds for this purpose. In FY 2014-15, the appropriation related to this bill is reduced by \$144,564 to reflect one time funding.

H.B. 13-1292 (Keep Jobs in Colorado): Creates a program to enforce and impose fines on contractors that violate the 80.0 percent labor law for construction projects financed in whole or part by state funds; directs the Department of Personnel to administer a resident bidder preference; allows competitive sealed best value bidding for construction projects. Requires construction vendors to disclose information about the purchases and services occurring out of State. For FY 2013-14 appropriates \$98,519 General Fund to the Department of Labor and Employment and reappropriates \$36,588 General Fund to the Department of Personnel. For FY 2014-15, the bill increases the appropriation by \$155,709 General Fund.

2014 Session Bills

H.B. 14-1336 (Long Bill): General appropriations act for FY 2014-15.

H.B. 14-005 (Wage Protection Act): Authorizes the Division of Labor to establish an administrative process to handle wage claim cases received and requires the division to investigate and adjudicate all wage claim cases up to \$7,500 per employee—which represents the maximum sum in nearly all wage claim cases—after January 1, 2015. Outlines required notices the division must send in writing and response deadlines for those notices. Requires the Division to issue a citation and notice of assessment to employers when a violation is found.

Increases the appropriation to the Division of Labor by \$333,403 total funds including \$320,903 General Fund to investigate wage issues, perform audits, analyze company records, impose fees, and promulgate rules.

H.B. 14-015 (Hospitality Education Grant Program): Creates a hospitality career secondary education grant program in the Department. Directs the Department to award grants to increase the number and quality of hospitality programs operating in schools. Requires the Department to adopt rules for the program and begin awarding grants for the 2015-16 academic year. Increases the appropriation to the Division of Employment and Training by \$56,665 General Fund and 0.5 FTE to administer the hospitality education grant program.

Department Details

DEPARTMENT OF LAW

FY 2013-14 and FY 2014-15 Appropriations by Division and Bill

Department of Law						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Total Appropriation:	\$68,999,898	\$12,168,714	\$12,833,181	\$42,227,639	\$1,770,364	452.5
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Administration	17,657,601	3,273,003	1,215,275	12,753,161	416,162	42.7
Legal Services to State Agencies	27,460,455	0	848,945	26,611,510	0	252.0
Criminal Justice and Appellate	12,142,894	4,773,845	4,415,775	1,599,072	1,354,202	100.8
Water and Natural Resources	2,341,441	513,883	845,198	982,360	0	12.0
Consumer Protection	4,025,978	931,023	2,813,419	281,536	0	45.0
Special Purpose	5,371,529	2,676,960	2,694,569	0	0	0.0
<u>Breakdown of Total Appropriation by Bill</u>						
SB 13-230	66,991,115	13,473,403	10,800,781	40,946,567	1,770,364	443.6
SB 13-014	2,318	0	0	2,318	0	0.0
SB 13-026	7,725	0	0	7,725	0	0.0
SB 13-039	11,294	0	0	11,294	0	0.0
SB 13-083	4,635	0	0	4,635	0	0.0
SB 13-151	21,244	0	0	21,244	0	0.0
SB 13-162	5,794	0	0	5,794	0	0.0
SB 13-172	5,021	0	0	5,021	0	0.0
SB 13-180	12,746	0	0	12,746	0	0.0
SB 13-200	24,910	0	0	24,910	0	0.0
SB 13-207	6,180	0	0	6,180	0	0.0
SB 13-219	15,450	0	0	15,450	0	0.1
SB 13-221	69,525	0	0	69,525	0	0.5
SB 13-238	5,794	0	0	5,794	0	0.0
SB 13-241	13,905	0	0	13,905	0	0.0
SB 13-251	7,725	0	0	7,725	0	0.1
SB 13-283	20,000	0	20,000	0	0	0.0
HB 13-1111	16,995	0	0	16,995	0	0.0
HB 13-1180	0	(1,433,351)	1,433,351	0	0	0.0
HB 13-1230	128,662	128,662	0	0	0	1.4
HB 13-1292	46,350	0	0	46,350	0	0.3

Department of Law						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 13-1317	146,684	0	76,000	70,684	0	0.5
HB 14-1240	1,435,826	0	503,049	932,777	0	6.0
FY 2014-15 Total Appropriation:	\$73,966,331	\$13,534,300	\$15,652,579	\$43,031,041	\$1,748,411	464.4
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Administration	14,871,401	2,974,575	1,327,277	10,223,056	346,493	43.7
Legal Services to State Agencies	31,173,988	0	879,912	30,294,076	0	253.6
Criminal Justice and Appellate	16,510,187	5,828,675	7,745,409	1,534,185	1,401,918	109.1
Water and Natural Resources	2,118,999	576,724	862,289	679,986	0	12.0
Consumer Protection	4,401,700	1,106,670	2,995,292	299,738	0	46.0
Special Purpose	4,890,056	3,047,656	1,842,400	0	0	0.0
<u>Breakdown of Total Appropriation by Bill</u>						
HB 14-1336	69,567,702	12,917,348	12,369,385	42,532,558	1,748,411	454.9
SB 14-002	281,952	266,952	15,000	0	0	2.5
SB 14-005	23,225	0	0	23,225	0	0.0
SB 14-029	9,108	0	0	9,108	0	0.0
SB 14-099	18,216	0	0	18,216	0	0.1
SB 14-123	1,612,467	0	1,612,467	0	0	1.4
SB 14-125	9,108	0	0	9,108	0	0.1
SB 14-133	9,057	0	0	9,057	0	0.0
SB 14-172	182	0	0	182	0	0.0
SB 14-188	163,944	0	0	163,944	0	1.0
SB 14-215	1,624,760	0	1,624,760	0	0	3.0
HB 14-1144	350,000	350,000	0	0	0	0.0
HB 14-1199	3,643	0	0	3,643	0	0.0
HB 14-1202	20,000	0	0	20,000	0	0.0
HB 14-1227	56,925	0	0	56,925	0	0.3
HB 14-1319	18,216	0	0	18,216	0	0.0
HB 14-1328	55,741	0	27,324	28,417	0	0.4
HB 14-1329	18,216	0	0	18,216	0	0.1
HB 14-1331	105,653	0	0	105,653	0	0.6
HB 14-1380	3,643	0	3,643	0	0	0.0
HB 14-1398	14,573	0	0	14,573	0	0.0
Increase/(Decrease)	\$4,966,433	\$1,365,586	\$2,819,398	\$803,402	(\$21,953)	11.9
Percentage Change	7.2%	11.2%	22.0%	1.9%	(1.2%)	2.6%

Informational Funds: The FY 2014-15 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Law are annotated with the "(I)". For additional information, see Appendix J.

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2014-15 Appropriations containing an (I) notation	\$2,952,104	\$0	\$1,203,693	\$0	\$1,748,411

Detail of Appropriation by Administrative Section

Administration

This section includes funding for the Attorney General, the Solicitor General, and other management staff, as well as the Department's human resources, accounting/budgeting, information technology, and legal support services units. These units are supported by General Fund and indirect cost recoveries. This section also includes central appropriations for the entire Department, including funding for employee benefits, facilities, vehicles, and information technology. Cash funds appropriations include moneys received by the Attorney General as an award of attorney fees or costs, and various other sources. Reappropriated funds derive from indirect cost recoveries and moneys transferred from a variety of other appropriations. Federal funds are from the Medicaid Fraud Control Program and the Colorado Justice Review Project.

	Administration					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$17,657,601	\$3,302,559	\$1,185,719	\$12,753,161	\$416,162	42.7
HB 13-1180	<u>0</u>	<u>(29,556)</u>	<u>29,556</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$17,657,601	\$3,273,003	\$1,215,275	\$12,753,161	\$416,162	42.7
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$17,657,601	\$3,273,003	\$1,215,275	\$12,753,161	\$416,162	42.7
Centrally appropriated line items	1,632,218	549,759	298,607	782,509	1,343	0.0
Asset maintenance	199,399	152,909	11,992	17,663	16,835	0.0
IT common policy adjustments	103,529	87,529	37,366	(30,220)	8,854	0.0
Database administrator	100,357	0	0	100,357	0	1.0
Attorney registration fees	27,088	8,755	1,698	17,535	(900)	0.0
Annualize prior year budget actions	(4,848,791)	(1,097,380)	(237,661)	(3,417,949)	(95,801)	0.0
HB 14-1336	<u>\$14,871,401</u>	<u>\$2,974,575</u>	<u>\$1,327,277</u>	<u>\$10,223,056</u>	<u>\$346,493</u>	<u>43.7</u>
TOTAL	\$14,871,401	\$2,974,575	\$1,327,277	\$10,223,056	\$346,493	43.7
Increase/(Decrease)	(\$2,786,200)	(\$298,428)	\$112,002	(\$2,530,105)	(\$69,669)	1.0
Percentage Change	(15.8%)	(9.1%)	9.2%	(19.8%)	(16.7%)	2.3%

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Centrally appropriated line items: The appropriation reflects adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; short-term disability; salary survey; merit pay; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; vehicle lease payments; workers' compensation; payment to risk management and property funds; and Carr Judicial Center leased space.

Asset maintenance: The appropriation includes an increase of \$199,399 total funds in the Administration Division, including \$152,909 General Fund, to provide additional resources to support the Department's planned replacement schedule for IT infrastructure.

IT common policy adjustments: The appropriation includes adjustments to the payments made to the Governor's Office of Information Technology (OIT) for the provision of information technology services.

Database administrator: The appropriation includes an increase of \$100,357 reappropriated funds and 1.0 FTE to allow the Department to hire an additional database administrator.

Attorney registration fees: The appropriation reflects an increase of \$27,088 total funds (including \$8,755 General Fund) to pay for increased attorney registration fees in FY 2014-15.

Annualize prior year budget actions: The appropriation includes changes to reflect the out year impact of funding decisions made through the FY 2013-14 appropriation, including the annualization of the FY 2013-14 salary survey and merit pay.

Legal Services to State Agencies

The Department provides legal services on a fee-for-service basis to state agencies and enterprises. This section includes appropriations for the attorneys, legal assistants, and support personnel who provide these services. In most cases, the appropriations in this section are reflected as reappropriated funds because a duplicate appropriation for the purchase of legal services appears in the client agency's budget. Cash funds reflect payments the Department receives from state agencies that are not duplicated in appropriations elsewhere in the budget. In FY 2014-15, the Department expects to provide 403,209 hours of legal service at an average billing rate of \$99.01 per hour, an 8.7 percent increase compared to the FY 2013-14 average billing rate. This increase primarily reflects a one-time need to create a reserve for compensated absences, increased costs for employee salaries and benefits, and increased costs associated with the Department's relocation to the Ralph L. Carr Colorado Judicial Center.

Legal Services to State Agencies						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$26,129,383	\$0	\$848,945	\$25,280,438	\$0	244.5
SB 13-014	2,318	0	0	2,318	0	0.0
SB 13-026	7,725	0	0	7,725	0	0.0
SB 13-039	11,294	0	0	11,294	0	0.0

Legal Services to State Agencies						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
SB 13-083	4,635	0	0	4,635	0	0.0
SB 13-151	21,244	0	0	21,244	0	0.0
SB 13-162	5,794	0	0	5,794	0	0.0
SB 13-172	5,021	0	0	5,021	0	0.0
SB 13-180	12,746	0	0	12,746	0	0.0
SB 13-200	24,910	0	0	24,910	0	0.0
SB 13-207	6,180	0	0	6,180	0	0.0
SB 13-219	15,450	0	0	15,450	0	0.1
SB 13-221	69,525	0	0	69,525	0	0.5
SB 13-238	5,794	0	0	5,794	0	0.0
SB 13-241	13,905	0	0	13,905	0	0.0
SB 13-251	7,725	0	0	7,725	0	0.1
HB 13-1111	16,995	0	0	16,995	0	0.0
HB 13-1292	46,350	0	0	46,350	0	0.3
HB 13-1317	70,684	0	0	70,684	0	0.5
HB 14-1240	<u>982,777</u>	<u>0</u>	<u>0</u>	<u>982,777</u>	<u>0</u>	<u>6.0</u>
TOTAL	\$27,460,455	\$0	\$848,945	\$26,611,510	\$0	252.0
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$27,460,455	\$0	\$848,945	\$26,611,510	\$0	252.0
Annualize prior year budget actions	2,657,824	0	0	2,657,824	0	(4.7)
Provision of legal services	547,024	0	0	547,024	0	3.7
Annualize prior year legislation	32,677	0	0	32,677	0	0.0
Indirect cost assessment	(53,442)	0	0	(53,442)	0	0.0
HB 14-1336	\$30,644,538	\$0	\$848,945	\$29,795,593	\$0	251.0
SB 14-005	23,225	0	0	23,225	0	0.0
SB 14-029	9,108	0	0	9,108	0	0.0
SB 14-099	18,216	0	0	18,216	0	0.1
SB 14-125	9,108	0	0	9,108	0	0.1
SB 14-133	9,057	0	0	9,057	0	0.0
SB 14-172	182	0	0	182	0	0.0
SB 14-188	163,944	0	0	163,944	0	1.0
HB 14-1199	3,643	0	0	3,643	0	0.0
HB 14-1202	20,000	0	0	20,000	0	0.0
HB 14-1227	56,925	0	0	56,925	0	0.3
HB 14-1319	18,216	0	0	18,216	0	0.0
HB 14-1328	55,741	0	27,324	28,417	0	0.4
HB 14-1329	18,216	0	0	18,216	0	0.1
HB 14-1331	105,653	0	0	105,653	0	0.6
HB 14-1380	3,643	0	3,643	0	0	0.0

Legal Services to State Agencies						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 14-1398	<u>14,573</u>	<u>0</u>	<u>0</u>	<u>14,573</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$31,173,988	\$0	\$879,912	\$30,294,076	\$0	253.6
Increase/(Decrease)	\$3,713,533	\$0	\$30,967	\$3,682,566	\$0	1.6
Percentage Change	13.5%	n/a	3.6%	13.8%	n/a	0.6%

FY 2013-14 Appropriation – Mid-year Adjustments

House Bill 14-1240 adds \$982,777 reappropriated funds and 6.0 FTE for the provision of legal services to the Governor's Office, the Department of Public Health and Environment, and the Department of Natural Resources.

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Annualize prior year budget actions: The appropriation includes changes to reflect the out year impact of funding decisions made through the FY 2013-14 appropriation, including the annualization of the FY 2013-14 salary survey and merit pay, which is partially offset by the elimination of one-time funding provided for legal services in FY 2013-14.

Provision of legal services: The appropriation reflects an increase to meet state agencies' anticipated demand for legal services in FY 2014-15.

Annualize prior year legislation: The appropriation reflects a net increase of \$32,677 reappropriated funds to reflect the second year impact prior year legislation.

Indirect cost assessment: The appropriation includes a net decrease in the division's indirect cost assessment.

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

Criminal Justice and Appellate

This section provides funding for department staff who:

- investigate and prosecute certain complex and multi-jurisdictional cases, environmental crimes, and foreign prosecutions;
- investigate and prosecute Medicaid provider fraud and patient abuse;
- investigate and prosecute securities, insurance, and workers' compensation fraud;
- provide investigative and prosecutorial support to district attorneys for certain homicide cases;
- represent the State in criminal appeal cases in state and federal courts; and
- assure that the constitutional and statutory rights of victims are preserved in criminal cases being prosecuted or defended by the Department.

This section also provides funding to support the Peace Officers Standards and Training (P.O.S.T.) Board and the Safe2Tell program.

Cash fund sources include moneys paid by insurance companies for the investigation and prosecution of insurance fraud, fees paid by peace officers for P.O.S.T. Board certification, and a statewide vehicle registration fee to support training for peace officers. Reappropriated fund sources include departmental indirect cost recoveries, moneys transferred from the Department of Public Safety from the Colorado Auto Theft Prevention Cash Fund and from the Victims Assistance and Law Enforcement (VALE) Fund, and moneys transferred from the Department of Regulatory Agencies from fees paid by regulated entities for the investigation and prosecution of securities fraud. Federal moneys help support the Medicaid Fraud Control Unit.

Criminal Justice and Appellate						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$11,918,232	\$4,645,183	\$4,319,775	\$1,599,072	\$1,354,202	99.4
SB 13-283	20,000	0	20,000	0	0	0.0
HB 13-1230	128,662	128,662	0	0	0	1.4
HB 13-1317	<u>76,000</u>	<u>0</u>	<u>76,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$12,142,894	\$4,773,845	\$4,415,775	\$1,599,072	\$1,354,202	100.8
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$12,142,894	\$4,773,845	\$4,415,775	\$1,599,072	\$1,354,202	100.8
Annualize prior year budget actions	802,491	600,073	83,291	67,618	51,509	0.5
Appellate administrative assistant	38,111	38,111	0	0	0	0.9
Change in anticipated grant funding	22,743	0	0	22,743	0	0.0
Fund source adjustments	0	153,397	0	(153,397)	0	0.0
Indirect cost assessment	(11,528)	0	(5,884)	(1,851)	(3,793)	0.0
Annualize prior year legislation	(3,703)	(3,703)	0	0	0	0.0
HB 14-1336	\$12,991,008	\$5,561,723	\$4,493,182	\$1,534,185	\$1,401,918	102.2
SB 14-002	281,952	266,952	15,000	0	0	2.5
SB 14-123	1,612,467	0	1,612,467	0	0	1.4
SB 14-215	<u>1,624,760</u>	<u>0</u>	<u>1,624,760</u>	<u>0</u>	<u>0</u>	<u>3.0</u>
TOTAL	\$16,510,187	\$5,828,675	\$7,745,409	\$1,534,185	\$1,401,918	109.1
Increase/(Decrease)	\$4,367,293	\$1,054,830	\$3,329,634	(\$64,887)	\$47,716	8.3
Percentage Change	36.0%	22.1%	75.4%	(4.1%)	3.5%	8.2%

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Annualize prior year budget actions: The appropriation includes changes to reflect the out year impact of funding decisions made through the FY 2013-14 appropriation, including the annualization of the FY 2013-14 salary survey and merit pay among other actions.

Appellate administrative assistant: The appropriation includes an increase of \$38,111 General Fund and 0.9 FTE to support an additional administrative assistant for the Appellate Unit in response to administrative support needs associated with the addition of 6.0 new attorney FTE to the Appellate Unit in FY 2013-14.

Change in anticipated grant funding: The appropriation includes an anticipated increase of \$22,743 in grant funds from the Department of Public Safety, including \$19,335 for efforts to investigate and prosecute multi-jurisdictional auto theft and \$3,408 for victims assistance efforts supported by a grant from the Victims Assistance and Law Enforcement Fund.

Fund source adjustments: The appropriation includes an increase in General Fund offset by a decrease in reappropriated funds.

Indirect cost assessment: The appropriation includes a net decrease in the division's indirect cost assessment.

Annualize prior year legislation: The appropriation reflects a net decrease of \$3,703 General Fund funds to reflect the second year impact prior year legislation.

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

Water and Natural Resources

This section provides funding for department staff who protect and defend the interests of the State and its citizens in all areas of natural resources law and environmental law, including the use of surface and ground water, oil and gas development, mining and minerals, wildlife, the clean-up of contaminated sites (pursuant to the federal Comprehensive Environmental Response, Compensation and Liability Act or "CERCLA"), the proper storage or disposal of hazardous waste, and protection of the state's air and water. Cash fund sources include the Colorado Water Conservation Board's Litigation Fund and moneys received by the Attorney General as an award of attorney fees or costs. Reappropriated funds are transferred from the Department of Public Health and Environment from the Hazardous Substance Response Fund.

Water and Natural Resources						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	<u>\$2,341,441</u>	<u>\$513,883</u>	<u>\$845,198</u>	<u>\$982,360</u>	<u>\$0</u>	<u>12.0</u>
TOTAL	\$2,341,441	\$513,883	\$845,198	\$982,360	\$0	12.0

Water and Natural Resources						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$2,341,441	\$513,883	\$845,198	\$982,360	\$0	12.0
Annualize prior year budget actions	103,603	62,841	17,091	23,671	0	0.0
CERCLA contracts reduction	(325,000)	0	0	(325,000)	0	0.0
Indirect cost assessment	(1,045)	0	0	(1,045)	0	0.0
HB 14-1336	<u>\$2,118,999</u>	<u>\$576,724</u>	<u>\$862,289</u>	<u>\$679,986</u>	<u>\$0</u>	<u>12.0</u>
TOTAL	\$2,118,999	\$576,724	\$862,289	\$679,986	\$0	12.0
Increase/(Decrease)	(\$222,442)	\$62,841	\$17,091	(\$302,374)	\$0	0.0
Percentage Change	(9.5%)	12.2%	2.0%	(30.8%)	n/a	0.0%

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Annualize prior year budget actions: The appropriation includes changes to reflect the out year impact of funding decisions made through the FY 2013-14 appropriation, including the annualization of the FY 2013-14 salary survey and merit pay.

CERCLA contracts reduction: The appropriation includes a reduction of \$325,000 reappropriated funds to reflect decreased costs.

Indirect cost assessment: The appropriation includes a net decrease in the division's indirect cost assessment.

Consumer Protection

This section provides funding for department staff who protect Colorado consumers against fraud and maintain a competitive business environment by enforcing state and federal laws regarding consumer protection, antitrust, consumer lending, mortgage fraud, predatory lending, debt collection, rent-to-own, and credit repair. This section also provides funding to support one attorney who is responsible for enforcing the tobacco Master Settlement Agreement. Cash fund sources include fees paid by regulated entities, custodial moneys awarded to the Attorney General in consumer protection lawsuits, and tobacco settlement moneys. Reappropriated funds are transferred from the Department of Regulatory Agencies for consumer protection activities related to mortgage brokers.

Consumer Protection						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$4,025,978	\$1,084,818	\$2,659,624	\$281,536	\$0	45.0
HB 13-1180	<u>0</u>	<u>(153,795)</u>	<u>153,795</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$4,025,978	\$931,023	\$2,813,419	\$281,536	\$0	45.0

Consumer Protection						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$4,025,978	\$931,023	\$2,813,419	\$281,536	\$0	45.0
Annualize prior year budget actions	339,558	175,647	144,813	19,098	0	0.0
Consumer protection complaint intake	46,615	0	46,615	0	0	1.0
Indirect cost assessment	(10,451)	0	(9,555)	(896)	0	0.0
HB 14-1336	<u>\$4,401,700</u>	<u>\$1,106,670</u>	<u>\$2,995,292</u>	<u>\$299,738</u>	<u>\$0</u>	<u>46.0</u>
TOTAL	\$4,401,700	\$1,106,670	\$2,995,292	\$299,738	\$0	46.0
Increase/(Decrease)						
	\$375,722	\$175,647	\$181,873	\$18,202	\$0	1.0
Percentage Change						
	9.3%	18.9%	6.5%	6.5%	n/a	2.2%

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Annualize prior year budget actions: The appropriation includes changes to reflect the out year impact of funding decisions made through the FY 2013-14 appropriation, including the annualization of the FY 2013-14 salary survey and merit pay.

Consumer protection complaint intake: The appropriation includes \$46,615 cash funds (from custodial funds collected by the Department) and 1.0 FTE to add a complaint intake professional to support the Consumer Fraud Unit and the Antitrust, Tobacco, and Consumer Protection Unit.

Indirect cost assessment: The appropriation includes a net decrease in the division's indirect cost assessment.

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

Special Purpose

The section includes funding to cover 80.0 percent of the statutory minimum salary for Colorado's twenty-two district attorneys, for unanticipated legal and technology expenses, and for litigation expenses associated with significant lawsuits. Cash fund sources include tobacco settlement moneys, moneys received from State Board of Land Commissioners from its Investment and Development Fund, and moneys received by the Attorney General as an award of attorney fees or costs. Reappropriated funds are transferred from the Office of the Governor.

Special Purpose						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$4,918,480	\$3,926,960	\$941,520	\$50,000	\$0	0.0

Special Purpose						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 13-1180	0	(1,250,000)	1,250,000	0	0	0.0
HB 14-1240	<u>453,049</u>	<u>0</u>	<u>503,049</u>	<u>(50,000)</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$5,371,529	\$2,676,960	\$2,694,569	\$0	\$0	0.0
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$5,371,529	\$2,676,960	\$2,694,569	\$0	\$0	0.0
Centrally appropriated line items	20,696	20,696	0	0	0	0.0
Lowry Range litigation	(727,169)	0	(727,169)	0	0	0.0
Asset maintenance	(125,000)	0	(125,000)	0	0	0.0
HB 14-1336	\$4,540,056	\$2,697,656	\$1,842,400	\$0	\$0	0.0
HB 14-1144	<u>350,000</u>	<u>350,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$4,890,056	\$3,047,656	\$1,842,400	\$0	\$0	0.0
Increase/(Decrease)	(\$481,473)	\$370,696	(\$852,169)	\$0	\$0	0.0
Percentage Change	(9.0%)	13.8%	(31.6%)	n/a	n/a	n/a

FY 2013-14 Appropriation – Mid-year Adjustments

House Bill 14-1240 adds \$503,049 cash funds to support increased litigation expenses associated with the Lowry Range and reduces \$50,000 reappropriated funds to eliminate the appropriation for Lobato litigation expenses for FY 2013-14.

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Centrally appropriated line items: The appropriation includes an increase to cover scheduled increases in supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund related to district attorneys' salaries.

Lowry Range litigation: The appropriation includes \$392,400 cash funds (from the State Land Board's Investment and Development Fund) to support trial preparation and litigation expenses related to the Lowry Range. The appropriation is shown as a reduction from the FY 2013-14 adjusted appropriation because of additional funding provided for trial preparation in FY 2013-14.

Asset maintenance: The appropriation includes a reduction of \$125,000 cash funds from the appropriation for this division to consolidate funding for information technology asset maintenance within a single line item in the Administration division.

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

Recent Legislation

2013 Session Bills

S.B. 13-014 (Immunity for Administering Emergency Drugs to Overdose Victims): Addresses liability issues related to the administration of an opiate antagonist to a person who is believed to be suffering an opiate-related overdose. For FY 2013-14, provides \$2,318 reappropriated funds to the Department of Law for the provision of legal services to DORA. For additional information see the corresponding bill description at the end of Part III for DORA.

S.B. 13-026 (Update Michael Skolnik Medical Transparency Act): Modifies the Michael Skolnik Medical Transparency Act, which requires most regulated medical practitioners to disclose certain information to DORA's Division of Professions and Occupations whenever they obtain or renew a license. For FY 2013-14, provides \$7,725 reappropriated funds to the Department of Law for the provision of legal services to DORA. For additional information see the corresponding bill description at the end of Part III for DORA.

S.B. 13-039 (Regulate Audiology Practice): Reauthorizes DORA's Division of Professions and Occupations to regulate audiologists. For FY 2013-14, provides \$11,294 reappropriated funds to the Department of Law for the provision of legal services to DORA. For additional information see the corresponding bill description at the end of Part III for DORA.

S.B. 13-083 (Prescribed Burn Program in Division of Fire Prevention and Control): Defines the role of the Division of Fire Prevention and Control (DFPC) in the Department of Public Safety (DPS), and specific duties related to the DFPC. For FY 2013-14, provides \$4,635 reappropriated funds to the Department of Law for the provision of legal services to DPS. For additional information see the corresponding bill description at the end of Part III for DPS.

S.B. 13-151 (Sunset Review: Massage Therapists): Continues the regulation of massage therapists until September 1, 2022, and implements the recommendations of the sunset review on the "Massage Therapy Practice Act". For FY 2013-14, provides \$21,244 reappropriated funds to the Department of Law for the provision of legal services to DORA. For additional information see the corresponding bill description at the end of Part III for DORA.

S.B. 13-162 (Sunset Review: Examining Board of Plumbers): Continues the regulation of plumbers until September 1, 2024, and implements the recommendations of the sunset review on the plumbers licensing program. For FY 2013-14, provides \$5,794 reappropriated funds to the Department of Law for the provision of legal services to DORA. For additional information see the corresponding bill description at the end of Part III for DORA.

S.B. 13-172 (Sunset Review: Continue Acupuncture Regulation): Continues the regulation of acupuncturists until September 1, 2022, and implements the recommendations of the sunset review on the acupuncturist licensing program. For FY 2013-14, provides \$5,021 reappropriated funds to the Department of Law for the provision of legal services to DORA. For additional information see the corresponding bill description at the end of Part III for DORA.

S.B. 13-180 (Sunset Review: Occupational Therapy): Continues the regulation of occupational therapists in DORA's Division of Professions and Occupations until September 1, 2018. For FY 2013-14, provides \$12,746

reappropriated funds to the Department of Law for the provision of legal services to DORA. For additional information see the corresponding bill description at the end of Part III for DORA.

S.B. 13-200 (Expand Medicaid Eligibility): Expands Medicaid eligibility from 100 percent of the federal poverty level (FPL) to 133 percent for parents and caretaker relatives with dependent children and adults without dependent children, and allows the state's share of costs for these eligibility groups, up to 133 percent of FPL, to be paid from the Hospital Provider Fee Cash Fund. For FY 2013-14, provides \$24,910 reappropriated funds to the Department of Law for the provision of legal services to the Department of Health Care Policy and Financing (DHCPF). For additional information see the corresponding bill description at the end of Part III for DHCPF.

S.B. 13-207 (Auricular Detox Mental Health Professionals): Allows mental health professionals to perform auricular acudetox under their current scope of practice if they have completed specific training. For FY 2013-14, provides \$6,180 reappropriated funds to the Department of Law for the provision of legal services to DORA. For additional information see the corresponding bill description at the end of Part III for DORA.

S.B. 13-219 (Methamphetamine Laboratory Remediation): Creates a process to certify and monitor the activities of professionals involved in the remediation of property contaminated by illegal drug labs. For FY 2013-14, provides \$15,450 reappropriated funds and 0.1 FTE to the Department of Law for the provision of legal services to the Department of Public Health and Environment (DPHE). For additional information see the corresponding bill description at the end of Part III for DPHE.

S.B. 13-221 (Conservation Easement Tax Credit Certification Application): Requires that the Division of Real Estate in DORA to create an application and certification process for landowners seeking to claim an income tax credit for a conservation easement. For FY 2013-14, provides \$69,525 reappropriated funds and 0.5 FTE to the Department of Law for the provision of legal services to DORA. For additional information see the corresponding bill description at the end of Part III for DORA.

S.B. 13-230 (Long Bill): General appropriations act for FY 2013-14. Also includes a supplemental adjustment to modify appropriations to the Department of Law included in the FY 2012-13 Long Bill (H.B. 12-1335).

S.B. 13-238 (Regulation of Hearing Aid Providers and Sellers): Requires hearing aid providers to be licensed by DORA's Division of Professions and Occupations. For FY 2013-14, provides \$5,794 reappropriated funds to the Department of Law for the provision of legal services to DORA. For additional information see the corresponding bill description at the end of Part III for DORA.

S.B. 13-241 (Industrial Hemp Growers Registration): Repeals H.B. 12-1099, the Industrial Hemp Remediation Pilot Program in the DPHE, and establishes a registration program in the Department of Agriculture for people cultivating industrial hemp either commercially or for research and development purposes. For FY 2013-14, provides \$13,905 reappropriated funds to the Department of Law for the provision of legal services to the Department of Agriculture. For additional information see the corresponding bill description at the end of Part III for the Department of Agriculture.

S.B. 13-246 (Criminal Discovery Task Force): Creates a Discovery Task Force to meet to address the issue of discovery costs in criminal cases. In addition to a non-voting technology advisor from the Office of Information Technology, the Task Force consists of the following 11 members: (1) the Attorney General (or his designee), who shall serve as the Chair of the Task Force; (2) the State Court Administrator (or his designee), who shall serve as the Vice-Chair of the Task Force; (3) the State Public Defender (or his designee); (4) a

representative of the criminal defense bar; (5) three district attorneys (DAs) who represent differently sized judicial districts; (6) a county sheriff; (7) the Alternate Defense Counsel (or her designee); (8) a chief of police; and (9) a district court judge. The Task Force is required to study several topics and report back to the Joint Budget Committee and the Judiciary Committees by January 31, 2014. Topics the Task Force will study include the following:

- The ability of DAs' offices to obtain law enforcement discoverable evidence in an electronic format, and options for addressing the short-term needs of law enforcement and DAs to facilitate greater use of electronic discovery;
- The reimbursements paid to reimburse DAs' offices for the expenses for which the DA is responsible related to the discovery process; and
- An alternative funding process to reimburse the DAs for appropriate discovery costs without requiring the State Public Defender, Alternate Defense Counsel, or any indigent *pro se* defendant to pay for discovery.

S.B. 13-251 (Driver's License and Identification Documentation): Allows the State to issue a driver's license, minor's driver's license, instruction permit or state-issued identification card to a noncitizen resident of Colorado who cannot provide proof of lawful presence in the United States. For FY 2013-14, provides \$7,725 reappropriated funds and 0.1 FTE to the Department of Law for the provision of legal services to the Department of Revenue (DOR). For additional information see the corresponding bill description at the end of Part III for DOR.

S.B. 13-283 (Implement Amendment 64 Consensus): Implements major provisions of Amendment 64, which allows for an adult 21 years or older to consume or possess up to one ounce of marijuana. Encourages the P.O.S.T. Board to include advanced roadside impaired driving enforcement (ARIDE) training in the curriculum for persons who enroll in a training academy for basic peace officer training, and requires the P.O.S.T. Board (subject to available funding) to arrange to provide training in ARIDE to drug recognition experts who will act as trainers in ARIDE for all peace officers. For FY 2013-14, appropriates \$20,000 cash funds from the P.O.S.T. Board Cash Fund for implementation of this provision. For additional information see the corresponding bill description at the end of Part III for DPHE.

S.B. 13-288 (General Assembly Approval of Additional Payments Under Colorado Governmental Immunity Act): Modifies provisions regarding tort claims against the State brought under the "Colorado Governmental Immunity Act". In connection with a recommendation made by the State Claims Board (Board) to make a payment to one or more claimants resulting from a claim of an injury arising out of the March 2012 Lower North Fork wildfire that is received by the General Assembly while it is adjourned *sine die*, upon certification from the Department of Law that the Board process has been satisfied, authorizes the Office of the State Controller to pay one or more additional payments to such claimants from moneys previously appropriated by bill until such specifically appropriated moneys are exhausted or replenished. For additional information see the corresponding bill description at the end of Part III for the Department of Personnel.

H.B. 13-1111 (Regulate Naturopathic Doctors): Creates a registration program for naturopathic doctors in DORA's Division of Professions and Occupations and creates the seven-member Naturopathic Medicine Advisory Committee. For FY 2013-14, provides \$16,995 reappropriated funds to the Department of Law for the provision of legal services to DORA. For additional information see the corresponding bill description at the end of Part III for DORA.

H.B. 13-1180 (Allocation of Tobacco Litigation Settlement Moneys): Reinstates scheduled increases in the allocation of tobacco master settlement agreement (MSA) moneys to the Nurse Home Visitor Program, less amounts that are redirected to the Defense Account of the Tobacco Litigation Settlement Cash Fund. From FY 2012-13 through FY 2015-16, transfers a total of \$4,792,244 of MSA moneys to the Defense Account. Adjusts appropriations to the Department of Law for FY 2013-14, substituting \$1,433,351 cash funds from the Defense Account for \$1,433,351 General Fund that was included in S.B. 13-230. Appropriates \$803,330 cash funds from the Nurse Home Visitor Program Fund to the Department of Human Services for FY 2013-14.

H.B. 13-1230 (Compensation for Persons Wrongly Incarcerated): Creates a state compensation program for persons who are found actually innocent of felony crimes after serving time in jail, prison, or juvenile placement. To become eligible for state funds, the exonerated person must submit a petition and supporting documentation to the district court in the county that heard the original case. The Attorney General and district attorney may concur or contest the petition. If a petition is contested, the burden to prove actual innocence is upon the petitioner. Appropriates \$128,662 General Fund and 1.4 FTE to the Department of Law for FY 2013-14 to respond to petitions, and if appropriate, contest the petition in district court. For additional information see the corresponding bill description at the end of Part III for the Judicial Department.

H.B. 13-1292 (Keep Jobs in Colorado Act): Makes changes to contracting requirements for state and local government agencies. For FY 2013-14, provides a total of \$46,350 reappropriated funds and 0.3 FTE to the Department of Law for the provision of legal services, including \$34,762 and 0.3 FTE for the Department of Labor and Employment (DOLE) and \$11,588 for the Department of Personnel. For additional information see the corresponding bill description at the end of Part III for DOLE.

H.B. 13-1317 (Implement Amendment 64 Majority Recommendations): Implements major provisions of Amendment 64 by creating the Colorado Retail Marijuana Code. For FY 2013-14: appropriates \$76,000 cash funds from the Marijuana Cash Fund to the Department of Law's P.O.S.T. Board for the implementation of a provision in S.B. 13-283 that encourages the Board to include advanced roadside impaired driving enforcement (ARIDE) training in the curriculum for persons who enroll in a training academy for basic peace officer training. Also provides \$70,684 reappropriated funds and 0.5 FTE to the Department of Law for the provision of legal services to the DOR. For additional information see the corresponding bill description at the end of Part III for DOR.

2014 Session Bills

S.B. 14-002 (Safe2Tell Program in Department of Law): Repeals the existing Safe2Tell program, managed by a nonprofit organization, and recreates the program within the Department of Law. Specifies the terms of the transfer to the Department of Law and adds additional duties concerning training and dissemination of educational materials for school districts and law enforcement. For FY 2014-15: (1) reduces the Long Bill appropriation to the Controlled Maintenance Trust Fund by \$266,952 General Fund; and (2) appropriates \$281,952 total funds (including \$266,952 General Fund and \$15,000 cash funds) and 2.5 FTE to the Department of Law.

S.B. 14-005 (Wage Protection Act): Authorizes the Department of Labor and Employment (DOLE) to establish an administrative process to handle wage claim cases received and requires the division to investigate and adjudicate all wage claim cases up to \$7,500 per employee after January 1, 2015. For FY 2014-15, provides \$23,225 reappropriated funds to the Department of Law for the provision of legal services to the DOLE. For additional information see the corresponding bill description at the end of Part III for DOLE.

S.B. 14-029 (Architectural Paint Stewardship Program): Creates a statewide paint stewardship program within the Department of Public Health and Environment (DPHE) for the recycling, reuse, and disposal of post-consumer architectural paint. For FY 2014-15, provides \$9,108 reappropriated funds to the Department of Law for the provision of legal services to DPHE. For additional information see the corresponding bill description at the end of Part III for DPHE.

S.B. 14-099 (Provisional Physical Therapy License): Provides for provisional physical therapy licensing, to be administered by the Department of Regulatory Agencies (DORA). For FY 2014-15, provides \$18,216 reappropriated funds and 0.1 FTE to the Department of Law for the provision of legal services to DORA. For additional information see the corresponding bill description at the end of Part III for DORA.

S.B. 14-123 (P.O.S.T. Board Rule Authority Training Suspensions): Authorizes the Peace Officers Standards and Training (P.O.S.T.) Board to promulgate rules for: the certification of inspectors of vehicle identification numbers; annual in-service training requirements for certified peace officers; and any rules necessary for the functions of the P.O.S.T. Board. Allows the P.O.S.T. Board to increase certification fees from \$125 to \$150. Allows the P.O.S.T. Board to make grants to nonprofit organizations. Allows the P.O.S.T. Board to deny certification to any person convicted of a municipal violation that is the equivalent of a state law violation for which denial is allowed. Increases the registration fee (P.O.S.T. fee) paid by owners of Class A, B, or C vehicles from \$0.60 to \$1.00. For FY 2014-15, appropriates \$1,612,467 cash funds and 1.4 FTE to the Department of Law.

S.B. 14-125 (Transportation Network Companies Regulation): Authorizes the Public Utilities Commission (PUC), within the Department of Regulatory Agencies (DORA), to regulate transportation network companies, which are companies that match drivers and passengers through a digital network, such as a mobile phone application, for transportation from an agreed-upon point of origin to an agreed-upon destination. For FY 2014-15, provides \$9,108 reappropriated funds and 0.1 FTE to the Department of Law for the provision of legal services to the PUC. For additional information see the corresponding bill description at the end of Part III for DORA.

S.B. 14-133 (Mandatory Licensure Private Investigators): Repeals the existing voluntary licensure program for private investigators managed by the Department of Regulatory Agencies (DORA) and replaces it with a mandatory licensure program. For FY 2014-15, provides \$9,057 reappropriated funds to the Department of Law for the provision of legal services to DORA. For additional information see the corresponding bill description at the end of Part III for DORA.

S.B. 14-172 (Firefighter Heart Circulatory Malfunction Benefits): Requires any municipality, special district, fire authority, or county improvement district (employer) employing one or more firefighters to provide benefits for heart and circulatory malfunctions for full-time firefighters, as long as the state provides sufficient funding to cover the cost. For FY 2014-15, provides \$182 reappropriated funds to the Department of Law for the provision of legal services to the Department of Local Affairs (DOLA). For additional information see the corresponding bill description at the end of Part III for DOLA.

S.B. 14-188 (Species Conservation Trust Fund Project List): Transfers \$6.5 million from the Severance Tax Operational Fund to the Species Conservation Trust Fund in FY 2014-15. Appropriates the same amount from the Species Conservation Trust Fund to the Department of Natural Resources (DNR) for programs to conserve native species that have been listed as threatened or endangered under state or federal law, or are likely to become candidate species as determined by the United States Fish and Wildlife Services. Reappropriates

\$163,944 of the authorized expenditures from the Species Conservation Trust Fund and 1.0 FTE to the Department of Law For Endangered Species Act Litigation legal expenses in FY 2014-15. For additional information see the corresponding bill description at the end of Part III for DNR.

S.B. 14-215 (Disposition of Legal Marijuana Related Revenue): Creates the Marijuana Tax Cash Fund (MTCF) and directs that all sales tax moneys collected by the state starting in FY 2014-15 from retail and medical marijuana be deposited in the MTCF instead of the Marijuana Cash Fund. Specifies permissible uses of moneys in the MTCF, including the following purposes relevant to the Department of Law:

- To increase the expertise and knowledge among prosecutors and law enforcement officials regarding the legal and regulatory issues surrounding the legalization of marijuana; and
- To advance roadside impaired driving enforcement training and drug recognition expert training for peace officers.

Reduces the Long Bill appropriation to the Peace Officers Standards and Training (P.O.S.T.) Board by \$76,000 cash funds from the Marijuana Cash Fund and appropriates that amount from the MTCF. Appropriates an additional \$1,624,760 cash funds from the Marijuana Tax Cash Fund and 3.0 FTE to the Department of Law for the following purposes:

- \$1,168,000 and 1.0 FTE to the P.O.S.T. Board for expanded impaired driving enforcement training and drug recognition training for peace officers; and
- \$456,760 and 2.0 FTE to the Special Prosecutions Unit to increase the expertise and knowledge among prosecutors and law enforcement officials regarding the legal and regulatory issues surrounding the legalization of marijuana.

For additional information see the "Recent Legislation" section at the end of Part III for the Department of Revenue.

H.B. 14-1144 (Deputy District Attorney Training): Requires the General Assembly to appropriate \$350,000 per year to the Department of Law beginning in FY 2014-15, to be transferred to the statewide organization representing district attorneys to provide prosecution training, seminars, continuing education programs, and other prosecution-related services. For FY 2014-15: (1) reduces the Long Bill appropriation to the Controlled Maintenance Trust Fund by \$350,000 General Fund; and (2) appropriates \$350,000 General Fund to the Department of Law.

H.B. 14-1199 (Consumer Goods Service Contracts Regulatory Changes): Provides for changes to the regulation of consumer goods service contracts based on the model act of the National Association of Insurance Commissioners. For FY 2014-15, provides \$3,643 reappropriated funds to the Department of Law for the provision of legal services to the Department of Regulatory Agencies (DORA). For additional information see the corresponding bill description at the end of Part III for DORA.

H.B. 14-1202 (Local Accountability Requirements for School Districts): Creates the Standards and Assessment Task Force to study how the statewide assessment system is administered, how data are used, and the impact of statewide student assessments on local testing systems, instructional time, and administrative workload for school districts and public schools. For FY 2014-15, provides \$20,000 reappropriated funds to the Department of Law for the provision of legal services to the Department of Education (DOE). For additional information see the corresponding bill description at the end of Part III for DOE.

H.B. 14-1227 (Sunset Review: Continue Dental Examiners Board): Continues the State Board of Dental Examiners as the Colorado Dental Board until September 1, 2023. For FY 2014-15, provides \$56,925 reappropriated funds and 0.3 FTE to the Department of Law for the provision of legal services to the Department of Regulatory Agencies (DORA). For additional information see the corresponding bill description at the end of Part III for DORA.

H.B. 14-1240 (Supplemental Bill): Supplemental appropriations to the Department of Law to modify FY 2013-14 appropriations included in the FY 2013-14 Long Bill (S.B. 13-230).

H.B. 14-1319 (Outcomes-based Funding for Higher Education): Creates a new mechanism for allocating state funds to institutions of higher education. For FY 2014-15, provides \$18,216 reappropriated funds to the Department of Law for the provision of legal services to the Department of Higher Education (DHE). For additional information see the corresponding bill description at the end of Part III for DHE.

H.B. 14-1328 (Connect Colorado Broadband Act): Creates the 16-member Broadband Deployment Board (BDB) in the Department of Regulatory Agencies (DORA) and the Broadband Fund, administered by the BDB, from which grants are awarded for broadband development in unserved areas of the state. For FY 2014-15, provides \$55,471 total funds (including \$27,324 cash funds and \$28,417 reappropriated funds) and 0.4 FTE to the Department of Law for the provision of legal services to DORA. For additional information see the corresponding bill description at the end of Part III for DORA.

H.B. 14-1329 (Deregulate Internet Protocol Emerging Technology Telecommunications): Deregulates certain telecommunication products, services, and providers and modifies the regulatory authority of the Colorado Public Utilities Commission (PUC) within the Department of Regulatory Agencies (DORA). For FY 2014-15, provides \$18,216 reappropriated funds and 0.1 FTE to the Department of Law for the provision of legal services to DORA. For additional information see the corresponding bill description at the end of Part III for DORA.

H.B. 14-1331 (Regulate Basic Local Exchange Service): Modifies the statutory framework for the regulation of local telephone service. For FY 2014-15, provides a total of \$105,653 reappropriated funds and 0.6 FTE to the Department of Law for the provision of legal services to the Department of Regulatory Agencies (DORA). For additional information see the corresponding bill description at the end of Part III for DORA.

H.B. 14-1336 (Long Bill): General appropriations act for FY 2014-15.

H.B. 14-1380 (Colorado Coroners Standards and Training Board): Makes changes to the Colorado Coroners Standards and Training Board within the Department of Public Health and Environment (DPHE). For FY 2014-15, provides \$3,643 cash funds from the Coroners Training Fund to the Department of Law for the provision of legal services to DPHE.

H.B. 14-1398 (Authorize Marijuana Financial Service): Allows for the creation and regulation of marijuana financial services cooperatives, to be regulated by the Division of Financial Services in the Department of Regulatory Agencies (DORA). For FY 2014-15, provides a total of \$14,573 reappropriated funds to the Department of Law for the provision of legal services to DORA. For additional information see the corresponding bill description at the end of Part III for DORA

Department Details

LEGISLATIVE BRANCH

FY 2013-14 and FY 2014-15 Appropriations by Division and Bill

Legislative Department						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Total Appropriation:	\$40,399,019	\$38,592,648	\$179,000	\$1,627,371	\$0	272.6
<u>Breakdown of Total Appropriation by Administrative Section</u>						
General Assembly	15,350,413	15,251,597	90,000	8,816	0	66.0
State Auditor	9,032,604	7,575,049	89,000	1,368,555	0	68.0
Joint Budget Committee	1,641,201	1,641,201	0	0	0	16.0
Legislative Council	8,693,286	8,443,286	0	250,000	0	69.3
Committee on Legal Services	5,681,515	5,681,515	0	0	0	53.3
<u>Breakdown of Total Appropriation by Bill</u>						
SB 13-187 (Legislative Appropriation)	35,989,551	34,906,735	179,000	903,816	0	271.0
SB 13-230 (Long Bill)	4,228,189	3,509,634	0	718,555	0	0.0
SB 13-007	6,061	6,061	0	0	0	0.1
HB 13-1079	75,247	75,247	0	0	0	1.2
HB 13-1296	5,000	0	0	5,000	0	0.0
HB 13-1299	89,971	89,971	0	0	0	0.3
HB 13-1301	5,000	5,000	0	0	0	0.0
FY 2014-15 Total Appropriation:	\$42,029,278	\$40,946,462	\$179,000	\$903,816	\$0	278.6
<u>Breakdown of Total Appropriation by Administrative Section</u>						
General Assembly	15,443,485	15,349,669	90,000	3,816	0	66.0
State Auditor	9,331,896	8,342,896	89,000	900,000	0	72.0
Joint Budget Committee	1,774,744	1,774,744	0	0	0	16.0
Legislative Council	9,226,527	9,226,527	0	0	0	71.3
Committee on Legal Services	6,252,626	6,252,626	0	0	0	53.3
<u>Breakdown of Total Appropriation by Bill</u>						
HB 14-1293 (Legislative Appropriation)	38,205,116	37,122,300	179,000	903,816	0	276.6
HB 14-1336 (Long Bill)	3,029,251	3,029,251	0	0	0	0.0
SB 14-021	3,366	3,366	0	0	0	0.0
SB 14-115	15,792	15,792	0	0	0	0.0
SB 14-153	87,098	87,098	0	0	0	0.0
SB 14-214	375,000	375,000	0	0	0	0.0

Legislative Department						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 14-1303	135,354	135,354	0	0	0	1.0
HB 14-1395	178,301	178,301	0	0	0	1.0
Increase/(Decrease)	\$1,630,259	\$2,353,814	\$0	(\$723,555)	\$0	6.0
Percentage Change	4.0%	6.1%	0.0%	(44.5%)	n/a	2.2%

Informational Funds: The FY 2014-15 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. No amounts in the Legislative Department are annotated with an "(I)" notation.

Detail of Appropriation by Administrative Section

General Assembly

Comprised of 35 members in the Senate and 65 members in the House of Representatives, the General Assembly meets annually beginning in early January and, per the Colorado Constitution, must adjourn within 120 days. The Colorado Constitution vests all legislative power in the General Assembly, except those powers specifically reserved by the people.

General Assembly						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-187 (Legislative Appropriation)	\$12,858,825	\$12,765,009	\$90,000	\$3,816	\$0	66.0
SB 13-230 (Long Bill)	2,401,134	2,401,134	0	0	0	0.0
HB 13-1079	5,610	5,610	0	0	0	0.0
HB 13-1296	5,000	0	0	5,000	0	0.0
HB 13-1299	74,844	74,844	0	0	0	0.0
HB 13-1301	<u>5,000</u>	<u>5,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$15,350,413	\$15,251,597	\$90,000	\$8,816	\$0	66.0
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$15,350,413	\$15,251,597	\$90,000	\$8,816	\$0	66.0
Salary/benefits/operating adjustments	423,814	423,814	0	0	0	0.0
Centrally appropriated line items	(424,886)	(424,886)	0	0	0	0.0
Annualize prior year legislation	(10,000)	(5,000)	0	(5,000)	0	0.0
HB 14-1293 (Legislative Appropriation)¹	\$13,448,590	\$13,354,774	\$90,000	\$3,816	\$0	66.0
HB 14-1336 (Long Bill)¹	\$1,890,751	\$1,890,751	\$0	\$0	\$0	0.0
SB 14-021	3,366	3,366	0	0	0	0.0

General Assembly						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
SB 14-115	13,680	13,680	0	0	0	0.0
SB 14-153	<u>87,098</u>	<u>87,098</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$15,443,485	\$15,349,669	\$90,000	\$3,816	\$0	66.0
Increase/(Decrease)	\$93,072	\$98,072	\$0	(\$5,000)	\$0	0.0
Percentage Change	0.6%	0.6%	0.0%	(56.7%)	n/a	0.0%

⁷¹The FY 2014-15 Appropriation plus the sum of the appropriation highlights equals the combination of H.B. 14-1293 (Legislative Appropriation) and H.B. 14-1336 (Long Bill).

FY 2014-15 Appropriation – H.B. 14-1293 (Legislative Appropriation) and H.B. 14-1336 (Long Bill) Issue Descriptions

Salary/benefits/operating adjustments: The appropriation includes a net increase due to increases for base salary adjustments; increases for ongoing investment in information technology; increases for the legislative aides program; increases for State Patrol Capitol security; increases in various operating expenses and an increase for dues and joint governmental agencies. Offsetting these increases is a decrease for changes in health, life, and dental insurance benefits.

Centrally appropriated line items: The appropriation includes a net decrease that is the result of decreases in workers compensation, payments to risk management and property funds, capitol complex maintenance costs, and information technology common policy issues that are offset by increases for amortization equalization disbursement, supplemental amortization equalization disbursement, and legal services.

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

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

State Auditor

The duties of the State Auditor are to conduct post audits of all financial transactions and accounts of all state departments, institutions, and agencies of the executive, legislative, and judicial branches; conduct performance post audits; and prepare summary audit reports and recommendations concerning each agency. Legislative oversight is provided by the Legislative Audit Committee, which is comprised of four senators, two from each major political party, and four representatives, two from each major political party.

State Auditor						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-187 (Legislative Appropriation)	\$8,564,049	\$7,575,049	\$89,000	\$900,000	\$0	68.0
SB 13-230 (Long Bill)	<u>468,555</u>	<u>0</u>	<u>0</u>	<u>468,555</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$9,032,604	\$7,575,049	\$89,000	\$1,368,555	\$0	68.0
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$9,032,604	\$7,575,049	\$89,000	\$1,368,555	\$0	68.0
Salary/benefits/operating adjustments	306,703	306,703	0	0	0	4.0
Centrally appropriated line items	86,144	86,144	0	0	0	0.0
Annualize prior year legislation	(468,555)	0	0	(468,555)	0	0.0
HB 14-1293 (Legislative Appropriation)	\$8,956,896	\$7,967,896	\$89,000	\$900,000	\$0	72.0
SB 14-214	<u>375,000</u>	<u>375,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$9,331,896	\$8,342,896	\$89,000	\$900,000	\$0	72.0
Increase/(Decrease)	\$299,292	\$767,847	\$0	(\$468,555)	\$0	4.0
Percentage Change	3.3%	10.1%	0.0%	(34.2%)	n/a	5.9%

FY 2014-15 Appropriation – H.B. 14-1293 (Legislation Appropriation) Issue Descriptions

Salary/benefits/operating adjustments: The appropriation includes an increase that is primarily the result of changes in health, life, and dental insurance benefits; increases for base salary adjustments (including parity adjustments and funding for an additional 4.0 FTE); and increases for various operating costs.

Centrally appropriated line items: The appropriation includes increases for amortization equalization disbursement and supplemental amortization equalization disbursement.

Annualize prior year legislation: The appropriation includes a decrease for the elimination of one-time funding from prior year legislation.

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

Joint Budget Committee

The Joint Budget Committee is the permanent fiscal and budget review agency of the General Assembly. The six-member committee is comprised of three members from the House, including two from the majority political party, and three members from the Senate, including two from the majority political party. The Committee, through its staff, is responsible for analyzing the programs, management, operations, and fiscal needs of state agencies. After holding budget hearings with all state departments and agencies, the Committee and its staff prepare the annual appropriations bill. The staff is also responsible for providing support for both the House and Senate Appropriations Committees.

Joint Budget Committee						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-187 (Legislative Appropriation)	\$1,641,201	\$1,641,201	\$0	\$0	\$0	16.0
TOTAL	\$1,641,201	\$1,641,201	\$0	\$0	\$0	16.0
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$1,641,201	\$1,641,201	\$0	\$0	\$0	16.0
Salary/benefits/operating adjustments	115,138	115,138	0	0	0	0.0
Centrally appropriated line items	18,405	18,405	0	0	0	0.0
HB 14-1293 (Legislative Appropriation)	<u>\$1,774,744</u>	<u>\$1,774,744</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>16.0</u>
TOTAL	\$1,774,744	\$1,774,744	\$0	\$0	\$0	16.0
Increase/(Decrease)	\$133,543	\$133,543	\$0	\$0	\$0	0.0
Percentage Change	8.1%	8.1%	n/a	n/a	n/a	0.0%

FY 2014-15 Appropriation – H.B. 14-1293 (Legislative Appropriation) Issue Descriptions

Salary/benefits/operating adjustments: The appropriation includes an increase that is primarily the result of changes in health, life, and dental insurance benefits; and increases for base salary adjustments (including parity adjustments for junior level staff).

Centrally appropriated line items: The appropriation includes increases for amortization equalization disbursement and supplemental amortization equalization disbursement.

Legislative Council

The Legislative Council is comprised of 18 legislators, nine from the House and nine from the Senate. The staff of the Council provides fact-finding and information-collecting services for all members of the General Assembly. In addition, the staff provides support for all standing committees except Appropriations, and for most interim committees. The staff maintains a reference library for all legislators and staff, and the Council contracts for special studies as needed. The State Capitol Building tour guide coordinator is an employee of the Council. The Council staff is also responsible for preparing fiscal notes on new legislation and for providing revenue estimates.

Legislative Council						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-187 (Legislative Appropriation)	\$7,263,550	\$7,263,550	\$0	\$0	\$0	68.0

Legislative Council						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
SB 13-230 (Long Bill)	1,358,500	1,108,500	0	250,000	0	0.0
HB 13-1079	56,109	56,109	0	0	0	1.0
HB 13-1299	<u>15,127</u>	<u>15,127</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.3</u>
TOTAL	\$8,693,286	\$8,443,286	\$0	\$250,000	\$0	69.3
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$8,693,286	\$8,443,286	\$0	\$250,000	\$0	69.3
Salary/benefits/operating adjustments	366,846	366,846	0	0	0	0.0
Centrally appropriated line items	71,156	71,156	0	0	0	0.0
Property tax adjustment	30,000	30,000	0	0	0	0.0
Cost of living study	(250,000)	0	0	(250,000)	0	0.0
HB 14-1293 (Legislative Appropriation)¹	\$7,772,788	\$7,772,788	\$0	\$0	\$0	69.3
HB 14-1336 (Long Bill)¹	\$1,138,500	\$1,138,500	\$0	\$0	\$0	0.0
SB 14-115	1,584	1,584	0	0	0	0.0
HB 14-1303	135,354	135,354	0	0	0	1.0
HB 14-1395	<u>178,301</u>	<u>178,301</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1.0</u>
TOTAL	\$9,226,527	\$9,226,527	\$0	\$0	\$0	71.3
Increase/(Decrease)	\$533,241	\$783,241	\$0	(\$250,000)	\$0	2.0
Percentage Change	6.1%	9.3%	n/a	(100.0%)	n/a	2.9%

¹The FY 2014-15 Appropriation plus the sum of the appropriation highlights equals the combination of H.B. 14-1293 (Legislative Appropriation) and H.B. 14-1336 (Long Bill).

FY 2014-15 Appropriation – H.B. 14-1293 (Legislative Appropriation) and H.B. 14-1336 (Long Bill) Issue Descriptions

Salary/benefits/operating adjustments: The appropriation includes an increase that is primarily the result of changes in health, life, and dental insurance benefits; increases for base salary adjustments; and increases for various operating costs.

Centrally appropriated line items: The appropriation includes increases for amortization equalization disbursement and supplemental amortization equalization disbursement.

Property tax adjustment: The appropriation includes an increase of \$30,000 General Fund for the audit of county assessor values that the Legislative Council staff is required to complete annually pursuant to Section 39-1-104 (16) (a), C.R.S.

Cost of living study: The appropriation includes a decrease of \$250,000 reappropriated funds for a cost of living study. Legislative Council staff, pursuant to Section 22-54-104 (5) (c) (III) (A), C.R.S., is required to certify the cost of living factor for each school district every two years based on a cost of living analysis that is typically conducted through a contract. The appropriation is eliminated for FY 2014-15 as the Legislative Council staff is not required to perform the analysis in FY 2014-15.

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

Committee on Legal Services

The Committee on Legal Services consists of ten members, five from the House of Representatives and five from the Senate. It provides legislative oversight to the Office of Legislative Legal Services and coordinates litigation involving the General Assembly.

The Office of Legislative Legal Services drafts and prepares bills, resolutions, amendments, conference committee reports, and digests of enacted bills. The Office also reviews rules promulgated by executive agencies to determine whether they are within the powers delegated to the agency; performs legal research; aids in legal representation of the General Assembly; participates in the review of and comments on the titles given to initiated measures; and assists in staffing interim committees.

The Office is also responsible for compiling, editing, arranging, and preparing for publication all of the laws of the State of Colorado, and for assisting in publication and distribution of portions of the statutes in accordance with Section 2-5-118, C.R.S. Annually, the Office prepares the session laws and supplements to the statutes as necessary and also prepares the index and case law annotations for the Colorado Revised Statutes.

The Colorado Commission of Uniform State Laws, comprised of seven members who are attorneys-at-law in Colorado (three of whom are state legislators), represents Colorado at the National Conference of Commissioners on Uniform State Laws. The purpose of the conference is to promote the uniformity of state laws on all subjects where uniformity is deemed desirable and practical.

Committee on Legal Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-187 (Legislative Appropriation)	\$5,661,926	\$5,661,926	\$0	\$0	\$0	53.0
SB 13-007	6,061	6,061	0	0	0	0.1
HB 13-1079	<u>13,528</u>	<u>13,528</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.2</u>
TOTAL	\$5,681,515	\$5,681,515	\$0	\$0	\$0	53.3
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$5,681,515	\$5,681,515	\$0	\$0	\$0	53.3
Salary/benefits/operating adjustments	501,337	501,337	0	0	0	0.0
Centrally appropriated line items	69,246	69,246	0	0	0	0.0
HB 14-1293 (Legislative Appropriation)	\$6,252,098	\$6,252,098	\$0	\$0	\$0	53.3
SB 14-115	<u>528</u>	<u>528</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$6,252,626	\$6,252,626	\$0	\$0	\$0	53.3

Committee on Legal Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Increase/(Decrease)	\$571,111	\$571,111	\$0	\$0	\$0	(0.0)
Percentage Change	10.1%	10.1%	n/a	n/a	n/a	(0.0%)

FY 2014-15 Appropriation – H.B. 14-1293 (Legislative Appropriation) Issue Descriptions

Salary/benefits/operating adjustments: The appropriation includes an increase that is primarily the result of changes in health, life, and dental insurance benefits; and increases for base salary adjustments (including parity adjustments for various staff positions).

Centrally appropriated line items: The appropriation includes increases for amortization equalization disbursement and supplemental amortization equalization disbursement.

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

Recent Legislation

2013 Session Bills

S.B. 13-007 (Eliminate Repeal of CCJJ): Extends the repeal date of the Colorado Commission on Criminal and Juvenile Justice (CCJJ) from July 1, 2013, to July 1, 2018. Includes an appropriation of \$6,061 General Fund and 0.1 FTE for allocation to the committee on legal services for support of the Colorado commission on criminal and juvenile justice

S.B. 13-187 (Legislative Appropriation): Separate legislative appropriations act for FY 2013-14.

S.B. 13-230 (Long Bill): General appropriations act for FY 2013-14.

H.B. 13-1079 (Creation of the Joint Technology Committee): Creates the Joint Technology Committee to oversee state agencies, projects, and issues related to information technology. The committee will oversee the Governor's Office of Information Technology (OIT), including its annual budget requests and any significant information technology projects managed or initiated by OIT. The committee also oversees and may review any information technology purchased or implemented by a state agency that is not managed by, or does not follow, the standards of OIT. Higher education institutions are exempt from the committee's oversight. Includes appropriations of 1) \$61,719 General Fund and 1.0 FTE for Legislative Council; and 2) \$13,528 General Fund and 0.2 FTE for the Committee on Legal Services.

H.B. 13-1296 (Civil Commitments and Task Force): Creates the Civil Commitment Statute Review Committee in the Department of Human Services to meet during the 2013 legislative interim. The task force is required to study and prepare recommendations concerning the consolidation of mental health, alcohol, and substance abuse disorder statutes concerning civil commitments. Includes an appropriation of \$5,000

reappropriated funds for reimbursement and compensation of task force members who are also members of the General Assembly.

H.B. 13-1299 (Changes to the SMART Government Act of 2010): Modifies the SMART Act and the legislative interim committee process. Includes appropriations of: 1) \$74,844 General Fund for the General Assembly; and 2) \$15,127 General Fund and 0.3 FTE for Legislative Council.

H.B. 13-1301 (Procurement Technical Assistance Centers): Creates the Procurement Technical Assistance task force. Includes an appropriation of \$5,000 General Fund for reimbursement and compensation of task force members who are also members of the General Assembly.

2014 Session Bills

S.B. 14-021 (Persons with Mental Illness Criminal Justice): Extends the repeal date of the legislative oversight committee, task force, and cash fund from July 1, 2015, to July 1, 2020. The Legislative Oversight Committee, task force, and cash fund are renamed. Expands task force membership by adding two new members, increasing membership from 30 members to 32 members. One new member is from the Office of the Child's Representative and the other is from the Office of the Alternate Defense Counsel. Allows members of the committee to receive compensation and reimbursement for expenses directly related to fulfilling their duties. Includes an appropriation of \$3,366 General Fund per year beginning in FY 2014-15 for reimbursement of legislators for travel.

S.B. 14-115 (State Water Plan Public Review & General Assembly Approval): Requires the Colorado Water Conservation Board (CWCB) to adopt and update, as warranted, a state water plan. The Water Resources Review Committee (WRRC) is required to review statewide planning for water resources. Includes an appropriation of \$15,792 General Fund in FY 2014-15 and anticipates a need for at least \$13,160 General Fund in FY 2015-16 for legislator travel, legislator per diem, and advertising costs for public notices.

S.B. 14-153 (Legislative Members Compensation Boards & Commissions): Includes a net appropriation of \$82,522 General Fund beginning in FY 2014-15. This increase will be an annual cost. Costs will increase by a total of \$87,098 for Legislative Council Staff to provide per diem and travel reimbursement to legislative members. However, appropriations were reduced by \$4,576 per year for departments that provide reimbursement to legislative members. It should be noted that most departments are not appropriated moneys for this purpose or are limited to providing reimbursement subject to available cash funds. As a result, legislative members typically have not requested or been provided with reimbursement. The Department of Public Safety (\$1,408 General Fund for the Colorado Commission on Criminal and Juvenile Justice), Department of Local Affairs (\$352 cash funds for the Local Government Limited Gaming Impact Advisory Committee), and Secretary of State (\$2,816 cash funds for the Colorado Voter Access and Modernized Elections Commission) have appropriations that were reduced under the bill.

S.B. 14-214 (PERA Studies Conducted by Actuarial Firm): Requires the state personnel director within the Department of Personnel and the state auditor within the State Auditor's Office to conduct a total compensation study. Includes an appropriation of \$125,000 General Fund in FY 2014-15 to the Department of Personnel and an appropriation of \$375,000 General Fund in FY 2014-15 to the Office of the State Auditor.

H.B. 14-1293 (Legislative Appropriation): Separate legislative appropriations act for FY 2014-15.

H.B. 14-1303 (Legislature Take Public Testimony Remote Locations): Allows the Executive Committee of the Legislative Council to consider, recommend, and establish policies allowing legislative committees to take remote testimony from one or more locations in Colorado. Includes an appropriation of \$135,354 General Fund and an allocation of 1.0 FTE for Legislative Council Staff for FY 2014-15.

H.B. 14-1336 (Long Bill): General appropriations act for FY 2014-15.

H.B. 14-1395 (Information Technology Requests): Requires the Joint Technology Committee (JTC) to produce written reports setting forth recommendations, prioritization, findings, and other comments with respect to each information technology (IT) budget request. The reports must be submitted to the Joint Budget Committee by February 15 of each year. The JTC is also required to forecast future IT budget needs for the state. Legislative Council Staff is directed to assist and advise the JTC in its work. Provides a General Fund appropriation to the Legislative Department of \$178,301 and 1.0 FTE for FY 2014-15.

Department Details

DEPARTMENT OF LOCAL AFFAIRS

FY 2013-14 and FY 2014-15 Appropriations by Division and Bill

Department of Local Affairs						
	Total Funds	General Fund ¹	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Total Appropriation:	\$309,522,327	\$17,710,455	\$213,224,629	\$8,630,903	\$69,956,340	164.3
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	6,165,157	995,134	549,826	3,671,918	948,279	14.2
Property Taxation	3,542,025	1,309,049	1,173,291	1,059,685	0	49.9
Division of Housing	61,812,032	7,824,284	1,078,105	211,722	52,697,921	47.8
Division of Local Government	238,003,113	7,581,988	210,423,407	3,687,578	16,310,140	52.4
<u>Breakdown of Total Appropriation by Bill</u>						
SB 13-146	0	(150,000)	150,000	0	0	0.0
SB 13-210	2,788,851	2,788,851	0	0	0	0.0
SB 13-230	302,416,196	15,059,717	208,770,557	8,629,582	69,956,340	164.3
SB 14-106	4,304,072	0	4,304,072	0	0	0.0
HB 14-1241	13,208	11,887	0	1,321	0	0.0
FY 2014-15 Total Appropriation:	\$310,257,918	\$21,655,439	\$209,046,119	\$9,260,768	\$70,295,592	168.4
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	6,188,973	1,304,962	640,241	3,277,276	966,494	14.2
Property Taxation	3,653,774	1,409,210	1,151,418	1,093,146	0	49.9
Division of Housing	67,828,180	13,432,850	1,066,720	393,083	52,935,527	52.3
Division of Local Government	232,586,991	5,508,417	206,187,740	4,497,263	16,393,571	52.0
<u>Breakdown of Total Appropriation by Bill</u>						
HB 14-1336	308,503,775	20,751,294	209,046,471	8,410,418	70,295,592	167.8
SB 14-153	(352)	0	(352)	0	0	0.0
SB 14-172	1,754,495	904,145	0	850,350	0	0.6
Increase/(Decrease)	\$735,591	\$3,944,984	(\$4,178,510)	\$629,865	\$339,252	4.1
Percentage Change	0.2%	22.3%	(2.0%)	7.3%	0.5%	2.5%

¹ Includes \$4,294,753 in FY 2013-14 and \$4,294,753 in FY 2014-15 General Fund that is not subject to the statutory limitation on General Fund appropriations imposed by Section 24-75-201.1, C.R.S.

General Fund Exempt: Amounts in the General Fund column include appropriations from both the General Fund and General Fund Exempt Account. The General Fund Exempt Account was created by Referendum C, passed by Colorado voters in November 2005. Referendum C allowed the State to retain for FY 2005-06 through FY 2009-10 all revenue collected in excess of the TABOR limit and for FY 2010-11 and subsequent fiscal years all revenues in excess of the TABOR limit but less than the excess state revenues cap. The retained revenue must be placed in the General Fund Exempt Account. The table below shows the amount appropriated from the General Fund Exempt Account for FY 2013-14 and FY 2014-15 for volunteer firefighter retirement plans and death and disability insurance, pursuant to Section 24-77-103.6 (2) (c), C.R.S.

General Fund Summary	Total General Fund	General Fund	General Fund Exempt
FY 2013-14	\$17,710,455	\$13,415,702	\$4,294,753
FY 2014-15	\$21,655,439	\$17,360,686	\$4,294,753

Informational Funds: The FY 2014-15 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Local Affairs are annotated with the "(I)". For additional information, see Appendix J.

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2014-15 Appropriations containing an (I) notation	\$279,591,096	\$4,294,753	\$205,000,751	\$0	\$70,295,592

Detail of Appropriation by Administrative Section

Executive Director's Office

This division is responsible for the management and administration of the Department, including accounting, budgeting, and human resources. The appropriation includes centrally appropriated funds which are further distributed to the various divisions. The Division also conducts several miscellaneous functions statutorily assigned to the Department, including administration of the Moffat Tunnel Improvement District. Cash funds appropriations to this office involve a number of individual cash funds related to programs administered through the various divisions, as well as lease revenues generated from the operation of the Moffat Tunnel. Reappropriated fund sources include indirect cost recoveries, federal funds transferred from other agencies, and severance tax revenues and federal mineral lease revenues transferred from the Local Government Mineral and Energy Impact Grants and Disbursements line item within the Division of Local Government.

Executive Director's Office						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	6,151,949	983,247	549,826	3,670,597	948,279	14.2
HB 14-1241	<u>13,208</u>	<u>11,887</u>	<u>0</u>	<u>1,321</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$6,165,157	\$995,134	\$549,826	\$3,671,918	\$948,279	14.2

Executive Director's Office						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$6,165,157	\$995,134	\$549,826	\$3,671,918	\$948,279	14.2
Centrally appropriated line items	451,617	281,060	152,154	(93,685)	112,088	0.0
Annualize prior year budget actions	(376,519)	(1,006)	(59,568)	(228,476)	(87,469)	0.0
IT common policy adjustments	(51,282)	29,774	(2,171)	(72,481)	(6,404)	0.0
HB 14-1336	<u>\$6,188,973</u>	<u>\$1,304,962</u>	<u>\$640,241</u>	<u>\$3,277,276</u>	<u>\$966,494</u>	<u>14.2</u>
TOTAL	\$6,188,973	\$1,304,962	\$640,241	\$3,277,276	\$966,494	14.2
Increase/(Decrease)	\$23,816	\$309,828	\$90,415	(\$394,642)	\$18,215	0.0
Percentage Change	0.4%	31.1%	16.4%	(10.7%)	1.9%	0.0%

FY 2013-14 Appropriation – Mid-year Adjustments

House Bill 14-1241 modified the FY 2013-14 appropriation by adding \$13,208 total funds including \$11,887 General Fund to the vehicle lease payments line item in the Executive Director's Office.

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

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

Annualize prior year budget actions: The appropriation includes a number of changes to reflect the out year impact of funding decisions made through the FY 2013-14 Long Bill including the annualization of FY 2013-14 salary survey and merit pay.

IT common policy adjustments: The appropriation includes adjustments to the payments made to the Governor's Office of Information Technology for the provision of information technology services and for COFRS modernization.

Property Taxation

The Division of Property Taxation issues appraisal standards and provides training and technical assistance to county assessors, values multi-county companies, and grants taxation exemptions. This section also provides funding for the State Board of Equalization, which supervises the administration of property tax laws by local county assessors, as well as the Board of Assessment Appeals, which hears petitions for appeal on valuation, abatements, exemptions, and valuation of state-assessed properties. Cash fund appropriations are from the Property Tax Exemption Fund and the Board of Assessment Appeals Cash Fund. Reappropriated funds are from severance tax revenues and federal mineral lease revenues transferred from the Local Government Mineral and Energy Impact Grants and Disbursements line item within the Division of Local Government.

Property Taxation						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$3,542,025	\$1,459,049	\$1,023,291	\$1,059,685	\$0	49.9
SB 13-146	<u>0</u>	<u>(150,000)</u>	<u>150,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$3,542,025	\$1,309,049	\$1,173,291	\$1,059,685	\$0	49.9
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$3,542,025	\$1,309,049	\$1,173,291	\$1,059,685	\$0	49.9
Annualize prior year budget actions	92,388	27,225	31,201	33,962	0	0.0
Indirect cost assessment	19,361	0	19,862	(501)	0	0.0
Board of Assessment Appeals GF refinance	0	72,936	(72,936)	0	0	0.0
HB 14-1336	<u>\$3,653,774</u>	<u>\$1,409,210</u>	<u>\$1,151,418</u>	<u>\$1,093,146</u>	<u>\$0</u>	<u>49.9</u>
TOTAL	\$3,653,774	\$1,409,210	\$1,151,418	\$1,093,146	\$0	49.9
Increase/(Decrease)	\$111,749	\$100,161	(\$21,873)	\$33,461	\$0	0.0
Percentage Change	3.2%	7.7%	(1.9%)	3.2%	n/a	0.0%

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Annualize prior year budget actions: The appropriation includes a number of changes to reflect the out year impact of funding decisions made through the FY 2013-14 Long Bill including the annualization of FY 2013-14 salary survey and merit pay.

Indirect cost assessment: The appropriation includes a net increase in the section's indirect cost assessment.

Board of Assessment Appeals GF refinance: The appropriation includes an increase of \$72,936 General Fund to replace \$72,936 cash fund spending authority from the Board of Assessment Appeals Cash Fund to account for decreased regular tax appeal filing in a non-assessment tax year.

Division of Housing

This Division provides financial and technical assistance to help communities provide affordable housing to low-income, elderly, and disabled individuals. The Division administers state and federal affordable housing programs and regulates the manufacture of factory-built residential and commercial buildings. Cash fund appropriations are from the Building Regulation Fund, the Private Activity Bond Allocations Fund, and the Homeless Prevention Activities Cash Fund. Reappropriated funds are from severance tax revenues and federal mineral lease revenues transferred from the Local Government Mineral and Energy Impact Grants and Disbursements line item within the Division of Local Governments. The Division also administers the Home Modification Benefit, which was transferred from the Department of Health Care Policy and Financing in FY 2014-15 and is funded with reappropriated funds from that Department.

Division of Housing						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$59,023,181	\$5,035,433	\$1,078,105	\$211,722	\$52,697,921	47.8
SB 13-210	<u>2,788,851</u>	<u>2,788,851</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$61,812,032	\$7,824,284	\$1,078,105	\$211,722	\$52,697,921	47.8
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$61,812,032	\$7,824,284	\$1,078,105	\$211,722	\$52,697,921	47.8
Housing development grants and loans	4,163,560	4,163,560	0	0	0	2.7
Medicaid Home Modification Benefit administration	655,521	450,375	0	205,146	0	1.8
Annualize prior year budget actions	633,923	559,631	15,825	8,112	50,355	0.0
Annualize prior year legislation	435,000	435,000	0	0	0	0.0
Indirect cost assessment	128,144	0	(27,210)	(31,897)	187,251	0.0
HB 14-1336	<u>\$67,828,180</u>	<u>\$13,432,850</u>	<u>\$1,066,720</u>	<u>\$393,083</u>	<u>\$52,935,527</u>	<u>52.3</u>
TOTAL	\$67,828,180	\$13,432,850	\$1,066,720	\$393,083	\$52,935,527	52.3
Increase/(Decrease)	\$6,016,148	\$5,608,566	(\$11,385)	\$181,361	\$237,606	4.5
Percentage Change	9.7%	71.7%	(1.1%)	85.7%	0.5%	9.4%

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Housing development grants and loans: The appropriation includes an increase of \$4,163,560 General Fund and 2.7 FTE to expand the availability of affordable housing by providing loans and grants to developers. The Department expects the additional funding to stimulate the construction of 800 affordable housing units, bringing the number of affordable housing units expected to be constructed to 2,480 per year.

Medicaid Home Modification Benefit administration: The appropriation includes an increase of \$655,521 total funds, including \$450,375 General Fund, to administer the existing Medicaid Home Modification Benefit which provides access to a safe and accessible home environment for persons with a disability. The General Fund will provide 75 housing assistance payments (HAPs), and will grow to 225 HAPs by FY 2016-17, to help persons in the Community Choice Transitions program find affordable accommodations.

Annualize prior year budget actions: The appropriation includes a number of changes to reflect the out year impact of funding decisions made through the FY 2013-14 Long Bill including:

- Annualization of FY 2013-14 salary survey and merit pay; and
- Increases related to low income housing vouchers for behavioral health services, which provides housing subsidies for 107 individuals needing behavioral health services who are on the waitlist for federally funded vouchers or do not qualify for federal vouchers.

Annualize prior year legislation: The appropriation includes an increase of \$435,000 General Fund for the second year impact of S.B. 13-210 (Employment Conditions for Correctional Officers) which included transitioning Fort Lyon from a prison facility to a supportive residential community for the treatment of chronically homeless people.

Indirect cost assessment: The appropriation includes a net increase in the Division's indirect cost assessment.

Division of Local Government

This Division provides information and training for local governments in budget development, purchasing, demographics, land use planning, and regulatory issues. It also manages federal and state funding programs to support infrastructure and local services development. To provide this assistance to local governments, the Division operates eight field offices. Significant cash fund sources include: (1) severance tax revenues; (2) federal mineral lease revenues; (3) net lottery proceeds; and (4) gaming revenues. Reappropriated funds are primarily from severance tax revenues and federal mineral lease revenues transferred within this Division from the Local Government Mineral and Energy Impact Grants and Disbursements line item. Federal funds in this section include the Community Development Block Grant and the Community Services Block Grant.

Division of Local Government						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$233,699,041	\$7,581,988	\$206,119,335	\$3,687,578	\$16,310,140	52.4
SB 14-106	<u>4,304,072</u>	<u>0</u>	<u>4,304,072</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$238,003,113	\$7,581,988	\$210,423,407	\$3,687,578	\$16,310,140	52.4
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$238,003,113	\$7,581,988	\$210,423,407	\$3,687,578	\$16,310,140	52.4
Geothermal energy impacts grants	50,000	0	50,000	0	0	0.0
Downtown revitalization technical assistance	4,000	0	0	4,000	0	0.0
Annualize prior year legislation	(4,304,072)	0	(4,304,072)	0	0	0.0
Annualize prior year budget actions	(2,868,971)	(2,977,716)	10,481	66,977	31,287	(1.0)
Indirect cost assessment	(51,222)	0	8,276	(111,642)	52,144	0.0
HB 14-1336	\$230,832,848	\$4,604,272	\$206,188,092	\$3,646,913	\$16,393,571	51.4
SB 14-153	(352)	0	(352)	0	0	0.0
SB 14-172	<u>1,754,495</u>	<u>904,145</u>	<u>0</u>	<u>850,350</u>	<u>0</u>	<u>0.6</u>
TOTAL	\$232,586,991	\$5,508,417	\$206,187,740	\$4,497,263	\$16,393,571	52.0
Increase/(Decrease)	(\$5,416,122)	(\$2,073,571)	(\$4,235,667)	\$809,685	\$83,431	(0.4)
Percentage Change	(2.3%)	(27.3%)	(2.0%)	22.0%	0.5%	(0.8%)

FY 2013-14 Appropriation – Mid-year Adjustments

Senate Bill 14-106 provided \$4.3 million cash funds from the Local Government Permanent Fund for distribution to municipalities, counties, and divisions of government affected by mineral extraction.

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Geothermal energy impacts grants: The appropriation includes an increase of \$50,000 cash fund spending authority for the Division to administer the program for geothermal energy impact grants, as directed by Section 34-63-105, C.R.S., to be provided to state agencies, school districts, and political subdivisions affected by geothermal development and production for planning and providing services necessitated by geothermal energy development. Currently, no qualified geothermal energy is being produced in Colorado; however, the Geothermal Resource Leasing Fund receives a portion of all revenues paid to the State for geothermal energy developed on federal lands including lease payments (which are paid even when geothermal resources have not been developed).

Downtown revitalization technical assistance: The appropriation includes an increase of \$4,000 reappropriated funds from the Governor's Office of Economic Development and International Trade to eliminate redundant paperwork filed by communities receiving downtown revitalization technical assistance grants.

Annualize prior year legislation: The appropriation includes a reduction to the appropriation for Mineral and Energy Impact Grants by \$4.3 million to reflect the one time backfill funding provided by S.B. 14-106 (Appropriations from Local Government Permanent Fund).

Annualize prior year budget actions: The appropriation includes a number of changes to reflect the out year impact of funding decisions made through the FY 2013-14 Long Bill including:

- Annualization of FY 2013-14 salary survey and merit pay; and
- Annualization of one-time funding provided to assist rural communities dependent on one employer or employing industry.

Indirect cost assessment: The appropriation includes a net decrease in the Division's indirect cost assessment.

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

Recent Legislation

2013 Session Bills

S.B. 13-146 (Board of Assessment Appeals): Implements recommendations in the December 2011 Performance Audit of the Board of Assessment Appeals (BAA) in the Department of Local Affairs. Establishes the Board of Assessment Appeals Cash Fund and shifts \$150,000 in fees from the General Fund to cash funds by changing the designation of fees received by the BAA.

S.B. 13-210 (Corrections Officer Staffing Levels): Requires the Department of Local Affairs to establish a supportive residential community for the homeless at Fort Lyon. Includes an appropriation of \$2,788,851 General Fund for FY 2013-14 to fund case management, substance abuse treatment costs, limited medical care, and the operations and maintenance of the transitional therapeutic residential community. For additional information on S.B. 13-210, see the "Recent Legislation" section at the end of the Department of Corrections.

S.B. 13-230 (Long Bill): General appropriations act for FY 2013-14.

2014 Session Bills

S.B. 14-106 (Appropriations from the Local Government Permanent Fund): Changes current statute to allow the Department of Local Affairs to request a backfill when anticipated revenues from federal mineral leasing activities are projected to be at least ten percent less than the amount deposited in the previous fiscal year based on the December revenue forecast instead of the March forecast. Appropriates \$4.3 million from the Local Government Permanent Fund to be distributed to local divisions of government consistent with regular distributions.

S.B. 14-153 (Legislative Members Compensation for Boards and Committees): Establishes uniform payments of per diem and the reimbursement of expenses to current members of the General Assembly who are appointed to serve on state entities created or authorized by statute on which members of the General Assembly are statutorily required to be appointed to serve. When the General Assembly is in session and legislative members attend meetings of a state entity to which they are appointed, legislative members will only receive the per diem lodging and expense allowances and travel expenses that they receive as legislative members. When the General Assembly is not in session or is in recess for more than 3 days and legislative members attend meetings of a state entity to which they are appointed, legislative members will receive the same per diem and travel and subsistence expenses received by legislative members for necessary attendance at meetings or functions matters during the legislative recess or interim.

S.B. 14-172 (Firefighter Heart Circulatory Malfunction Benefits): Requires any municipality, special district, fire authority, or county improvement district (employer) employing one or more firefighters to provide benefits for heart and circulatory malfunctions for full-time firefighters, as long as the state provides sufficient funding to cover the cost. The employer may purchase accident insurance, self-insure, or participate in a self-insurance pool, or multi-employer health trust. Employers may also provide similar insurance for volunteer firefighters. The bill establishes the amounts of minimum benefit payments, which must increase proportionally and concurrently with any benefit increases provided by the Fire and Police Pension Association (FPPA).

H.B. 14-1241 (Supplemental Bill): Increases the appropriation for vehicle lease payments by \$13,208, including \$11,887 General Fund for FY 2013-14.

H.B. 14-1336 (Long Bill): General appropriations act for FY 2014-15.

Department Details

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

FY 2013-14 and FY 2014-15 Appropriations by Division and Bill

Department of Military and Veterans Affairs						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Total Appropriation:	\$223,858,252	\$7,378,715	\$1,239,695	\$800,000	\$214,439,842	1,389.6
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director and Army National Guard	11,691,902	4,951,474	125,764	800,000	5,814,664	85.7
Division of Veterans Affairs	3,293,178	2,062,347	1,113,931	0	116,900	16.3
Air National Guard	3,226,803	364,894	0	0	2,861,909	48.6
Federal Funded Programs	205,646,369	0	0	0	205,646,369	1,239.0
<u>Breakdown of Total Appropriation by Bill</u>						
SB 13-230	223,858,252	7,378,715	1,239,695	800,000	214,439,842	1,389.6
FY 2014-15 Total Appropriation:	\$225,304,185	\$8,185,530	\$1,282,783	\$1,100,000	\$214,735,872	1,391.2
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director and Army National Guard	12,894,068	5,670,766	128,045	1,100,000	5,995,257	85.8
Division of Veterans Affairs	3,410,317	2,138,679	1,154,738	0	116,900	17.8
Air National Guard	3,353,431	376,085	0	0	2,977,346	48.6
Federal Funded Programs	205,646,369	0	0	0	205,646,369	1,239.0
<u>Breakdown of Total Appropriation by Bill</u>						
HB 14-1336	224,704,185	7,885,530	1,282,783	800,000	214,735,872	1,390.8
SB 14-157	600,000	300,000	0	300,000	0	0.0
HB 14-1205	0	0	0	0	0	0.4
Increase/(Decrease)	\$1,445,933	\$806,815	\$43,088	\$300,000	\$296,030	1.6
Percentage Change	0.6%	10.9%	3.5%	37.5%	0.1%	0.1%

Informational Funds: The FY 2014-15 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Military and Veterans Affairs are annotated with the "(I)". For additional information, see Appendix J.

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2014-15 Appropriations containing an (I) notation	\$214,735,872	\$0	\$0	\$0	\$214,735,872

Detail of Appropriation by Administrative Section

Executive Director and Army National Guard

This division is responsible for the overall management and administration of the Department. The appropriation includes the operating budget for the Executive Director as well as all centrally appropriated line items for the Department. It also includes appropriations for tuition assistance for National Guard members attending college and the State's share of maintenance for Army National Guard facilities.

The federal government fully funds National Guard training and provides most of the funding for construction of armories and other military facilities. Under the cooperative agreements with the federal government, the Department provides varying levels of maintenance and utilities costs for the military facilities in the State. Most of the Department's General Fund expenditures for personal services costs are for administrative and professional staff in the Executive Director/Army National Guard office, and for the labor trades and crafts employees who maintain and repair the armories and other military facilities. The Division also provides support for the Colorado Wing of the Civil Air Patrol and administers the Colorado National Guard tuition program.

The cash funds sources are armory rental fees, the Western Slope Military Veterans' Cemetery Fund, real estate proceeds, and the Distance Learning Cash Fund. The reappropriated funds source is the Colorado Commission on Higher Education financial assistance program. Federal Funds are provided through cooperative agreements with the federal government for operations of the Colorado National Guard.

Executive Director and Army National Guard						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	<u>\$11,691,902</u>	<u>\$4,951,474</u>	<u>\$125,764</u>	<u>\$800,000</u>	<u>\$5,814,664</u>	<u>85.7</u>
TOTAL	\$11,691,902	\$4,951,474	\$125,764	\$800,000	\$5,814,664	85.7
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$11,691,902	\$4,951,474	\$125,764	\$800,000	\$5,814,664	85.7
Centrally appropriated line items	499,315	214,435	7,240	0	277,640	0.0
Operations and maintenance growth	277,000	277,000	0	0	0	0.0
IT common policy adjustments	15,537	(20,735)	0	0	36,272	0.0
Camp George West utilities transfer	0	0	0	0	0	0.0
Annualize prior year budget actions	(189,686)	(51,408)	(4,959)	0	(133,319)	0.1
HB 14-1336	\$12,294,068	\$5,370,766	\$128,045	\$800,000	\$5,995,257	85.8

Executive Director and Army National Guard						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
SB 14-157	<u>600,000</u>	<u>300,000</u>	<u>0</u>	<u>300,000</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$12,894,068	\$5,670,766	\$128,045	\$1,100,000	\$5,995,257	85.8
Increase/(Decrease)	\$1,202,166	\$719,292	\$2,281	\$300,000	\$180,593	0.1
Percentage Change	10.3%	14.5%	1.8%	37.5%	3.1%	0.1%

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; short-term disability; salary survey; merit pay; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; vehicle lease payments; workers' compensation; legal services; payment to risk management and property funds; and Capitol complex leased space.

Operations and maintenance growth: The appropriation includes an increase of \$277,000 General Fund for increased utilities costs at newly opened armory facilities and to support controlled maintenance projects costs.

IT common policy adjustments: The appropriation includes adjustments to the payments made to the Governor's Office of Information Technology for the provision of information technology services.

Camp George West utilities transfer: The appropriation includes a budget neutral adjustment of funds from Capitol Complex Leased Space to Operating Expenses to support direct billing for utilities expenses at Camp George West.

Annualize prior year budget actions: The appropriation includes adjustments to reflect the second year impact of budget decisions made through the FY 2013-14 Long Bill, including the annualization of the FY 2013-14 salary survey and merit pay and the addition of 1.0 human resources FTE.

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

Division of Veterans Affairs

The Division of Veterans Affairs represents veterans in federal benefits claims, and provides information, training, and direct funding to county veterans service officers. The State Board of Veterans Affairs makes grants to veterans service organizations from the Veterans Trust Fund, which receives tobacco settlement revenue. The Division has received an appropriation of \$1.0 million General Fund in FY 2012-13 and FY 2013-14 to provide additional grants to organizations serving veterans, with priority given to homeless veterans services. The Division also maintains the Western Slope Veterans' Cemetery in Grand Junction.

The cash funds sources are the Colorado State Veterans Trust Fund and the Western Slope Military Veterans' Cemetery Fund. The federal funds source is interment fees from the U.S. Department of Veterans Affairs,

which the Department obtains from the U.S. Department of Veterans Affairs to defray the interment costs at the Western Slope Military Veterans Cemetery.

Division of Veterans Affairs						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	<u>\$3,293,178</u>	<u>\$2,062,347</u>	<u>\$1,113,931</u>	<u>\$0</u>	<u>\$116,900</u>	<u>16.3</u>
TOTAL	\$3,293,178	\$2,062,347	\$1,113,931	\$0	\$116,900	16.3
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$3,293,178	\$2,062,347	\$1,113,931	\$0	\$116,900	16.3
Annualize prior year budget actions	42,304	37,559	4,745	0	0	0.2
Veterans' cemetery growth	38,773	38,773	0	0	0	0.9
Tobacco revenue forecast adjustment	36,062	0	36,062	0	0	0.0
HB 14-1336	\$3,410,317	\$2,138,679	\$1,154,738	\$0	\$116,900	17.4
HB 14-1205	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.4</u>
TOTAL	\$3,410,317	\$2,138,679	\$1,154,738	\$0	\$116,900	17.8
Increase/(Decrease)	\$117,139	\$76,332	\$40,807	\$0	\$0	1.5
Percentage Change	3.6%	3.7%	3.7%	n/a	0.0%	9.2%

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Annualize prior year budget actions: The appropriation includes adjustments to reflect the second year impact of budget decisions made through the FY 2013-14 Long Bill, including the annualization of the FY 2013-14 salary survey and merit pay and the expansion of the Veterans Affairs staff.

Veterans' cemetery growth: The appropriation includes an increase of \$38,773 General Fund and 0.9 FTE to fund an additional groundskeeper to support facility maintenance and repair at the Western Slope Veterans' Cemetery in Grand Junction, CO.

Tobacco revenue forecast adjustment: The appropriation includes an increase of \$36,062 cash funds to reflect anticipated transfers from the tobacco settlement forecast.

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

Air National Guard

This division provides funding for the operations of the Buckley and Greeley Air National Guard bases. The State's share of operating and maintenance costs varies under its agreements with the federal government, and is based on the type and use of the building and whether it is on state or federal land. The federal government also

funds five full-time security guards at the space command facility at Greeley. Federal funds are provided through cooperative agreements with the federal government for the operations of the Colorado National Guard.

Air National Guard						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	<u>\$3,226,803</u>	<u>\$364,894</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,861,909</u>	<u>48.6</u>
TOTAL	\$3,226,803	\$364,894	\$0	\$0	\$2,861,909	48.6
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$3,226,803	\$364,894	\$0	\$0	\$2,861,909	48.6
Annualize prior year budget actions	126,628	11,191	0	0	115,437	0.0
HB 14-1336	<u>\$3,353,431</u>	<u>\$376,085</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,977,346</u>	<u>48.6</u>
TOTAL	\$3,353,431	\$376,085	\$0	\$0	\$2,977,346	48.6
Increase/(Decrease)	\$126,628	\$11,191	\$0	\$0	\$115,437	0.0
Percentage Change	3.9%	3.1%	n/a	n/a	4.0%	0.0%

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Annualize prior year budget actions: The appropriation includes adjustments to reflect the second year impact of budget decisions made through the FY 2013-14 Long Bill, including the annualization of the FY 2013-14 salary survey and merit pay.

Federal Funded Programs

This section is included in the Long Bill for informational purposes only. It describes funding that is managed by the Department but is not subject to appropriation by the General Assembly and does not flow through the State accounting system. This funding supports training for members of the Colorado National Guard, and the operations, maintenance, and construction of armories and other military facilities. Funding is based on the federal fiscal year, which begins October 1, 2013. Federal funds are pursuant to cooperative agreements with the federal government for the operations of the Colorado National Guard.

Federal Funded Programs						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	<u>\$205,646,369</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$205,646,369</u>	<u>1,239.0</u>
TOTAL	\$205,646,369	\$0	\$0	\$0	\$205,646,369	1,239.0

Federal Funded Programs						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$205,646,369	\$0	\$0	\$0	\$205,646,369	1,239.0
HB 14-1336	<u>\$205,646,369</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$205,646,369</u>	<u>1,239.0</u>
TOTAL	\$205,646,369	\$0	\$0	\$0	\$205,646,369	1,239.0
Increase/(Decrease)	\$0	\$0	\$0	\$0	\$0	0.0
Percentage Change	0.0%	n/a	n/a	n/a	0.0%	0.0%

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

No Changes: The appropriation does not contain changes from the FY 2013-14 appropriation.

Recent Legislation

2013 Session Bills

S.B. 13-230 (Long Bill): General appropriations act for FY 2013-14.

S.B. 13-235 (Transfer to the Colorado State Veterans Trust Fund): Transfers \$3.9 million General Fund to the Colorado State Veterans Trust Fund to repay moneys borrowed to fund National Guard armory construction.

2014 Session Bills

S.B. 14-157 (DMVA Commission Report Value of US Military Activities): Requires the Department of Military and Veterans Affairs to contract with an outside contractor to prepare a report demonstrating to policymakers in the federal Department of Defense (DOD) the strategic and economic advantages of maintaining and expanding military missions, defense spending, and defense-related investment in Colorado. The Department of Military and Veterans Affairs must solicit proposals by August 1, 2014 and award the contract no later than October 1, 2014. The contractor must complete the report by April 15, 2015. For FY 2014-15, appropriates \$300,000 General Fund to the Comprehensive Report on the Value of United States Military Activities Fund created in the bill and reappropriates that amount to the Department of Military and Veterans Affairs.

H.B. 14-1205 (Veterans Assistance Grant Program): Creates the Veterans Assistance Grant Program within the Department of Military and Veterans Affairs to provide financial assistance to nonprofit organizations and governmental agencies providing services to improve the health and well-being of veterans in Colorado. The bill creates the Veterans Grant Program Cash Fund, which may receive gifts, grants, and donations, in addition to annual appropriations from the General Assembly. The FY 2014-15 Long Bill (H.B. 14-1336) includes \$1.0 million General Fund for the grant program. For FY 2014-15, this bill appropriates 0.4 FTE to the Department of Military and Veterans Affairs to provide staffing to support the grant program.

H.B. 14-1336 (Long Bill): General appropriations act for FY 2014-15.

Department Details

DEPARTMENT OF NATURAL RESOURCES

FY 2013-14 and FY 2014-15 Appropriations by Division and Bill

Department of Natural Resources						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Total Appropriation:	\$277,676,404	\$25,126,713	\$215,232,947	\$8,778,322	\$28,538,422	1,439.1
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	56,269,576	5,897,013	38,903,527	8,231,735	3,237,301	50.5
Division of Reclamation, Mining, and Safety	7,746,999	0	4,398,942	30,000	3,318,057	68.9
Geological Survey	0	0	0	0	0	0.0
Oil and Gas Conservation Commission	11,132,051	0	11,029,226	0	102,825	95.4
State Board of Land Commissioners	5,332,877	0	5,107,877	225,000	0	40.0
Division of Parks and Wildlife	135,672,343	500,000	113,629,217	0	21,543,126	886.5
Colorado Water Conservation Board	40,649,562	0	40,217,362	291,587	140,613	45.7
Water Resources Division	20,872,996	18,729,700	1,946,796	0	196,500	252.1
<u>Breakdown of Total Appropriation by Bill</u>						
SB 13-230	241,007,024	24,978,508	178,674,931	8,774,311	28,579,274	1,438.8
SB 13-181	32,340,000	0	32,340,000	0	0	0.0
SB 13-188	51,800	0	51,800	0	0	0.0
SB 13-202	100,000	0	100,000	0	0	0.0
HB 13-1278	10,417	0	10,417	0	0	0.0
HB 13-1283	4,000,000	0	4,000,000	0	0	0.0
HB 14-1242	167,163	148,205	55,799	4,011	(40,852)	0.3
FY 2014-15 Total Appropriation:	\$256,122,267	\$26,226,310	\$192,978,621	\$8,026,022	\$28,891,314	1,444.0
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	60,187,743	6,631,465	42,685,368	7,479,435	3,391,475	50.8
Division of Reclamation, Mining, and Safety	7,926,136	0	4,462,496	30,000	3,433,640	68.9
Geological Survey	0	0	0	0	0	0.0
Oil and Gas Conservation Commission	11,002,960	0	10,901,375	0	101,585	96.3
State Board of Land Commissioners	4,664,478	0	4,439,478	225,000	0	40.0
Division of Parks and Wildlife	136,808,958	0	115,209,801	0	21,599,157	886.5
Colorado Water Conservation Board	13,726,262	0	13,268,275	291,587	166,400	45.7
Water Resources Division	21,805,730	19,594,845	2,011,828	0	199,057	255.8

Department of Natural Resources						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<u>Breakdown of Total Appropriation by Bill</u>						
HB 14-1336	244,161,842	26,226,310	181,018,196	8,026,022	28,891,314	1,443.1
SB 14-188	6,500,000	0	6,500,000	0	0	0.0
HB 14-1333	5,380,000	0	5,380,000	0	0	0.0
HB 14-1356	80,425	0	80,425	0	0	0.9
Increase/(Decrease)	(\$21,554,137)	\$1,099,597	(\$22,254,326)	(\$752,300)	\$352,892	4.9
Percentage Change	(7.8%)	4.4%	(10.3%)	(8.6%)	1.2%	0.3%

Informational Funds: The FY 2014-15 Long Bill and other legislation indicate when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Natural Resources are annotated with the "(I)". For additional information, see Appendix J.

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2014-15 Appropriations containing an (I) notation	\$53,664,926	\$0	\$24,753,612	\$0	\$28,891,314

Detail of Appropriation by Administrative Section

Executive Director's Office

This office is responsible for the management and administration of the Department, including the following functional areas: departmental administration and policy development, human resources, accounting and purchasing, budgeting, and information technology services. Cash funding for this division consists of \$34.5 million from various cash funds and \$1.7 million from the Severance Tax Operational Fund to pay for employee benefits and other central services provided by the Department of Personnel and the Governor's Office, as well as \$6.5 million from the Species Conservation Trust Fund pursuant to S.B. 14-188 (Species Conservation Trust Fund Projects). Reappropriated funds are from indirect cost recoveries.

Executive Director's Office						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$52,050,613	\$5,748,808	\$34,795,928	\$8,227,724	\$3,278,153	50.2
SB 13-188	51,800	0	51,800	0	0	0.0
HB 13-1283	4,000,000	0	4,000,000	0	0	0.0
HB 14-1242	<u>167,163</u>	<u>148,205</u>	<u>55,799</u>	<u>4,011</u>	<u>(40,852)</u>	<u>0.3</u>
TOTAL	\$56,269,576	\$5,897,013	\$38,903,527	\$8,231,735	\$3,237,301	50.5

Executive Director's Office						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$56,269,576	\$5,897,013	\$38,903,527	\$8,231,735	\$3,237,301	50.5
Centrally appropriated line items	6,426,600	1,952,813	5,068,379	(889,787)	295,195	0.0
Additional legal services for OGCC	215,842	0	215,842	0	0	0.0
Additional legal services for DWR	178,218	178,218	0	0	0	0.0
CAIC stabilization of funding for salaries	105,540	0	103,951	1,589	0	0.6
Vehicles for OGCC field staff	45,745	0	45,745	0	0	0.0
DWR Well Enforcement Team Vehicles	5,088	5,088	0	0	0	0.0
Vehicles for new DWR FTE	1,696	1,696	0	0	0	0.0
Operating adjustment	472	0	15	457	0	0.0
Annualize prior year legislation	(4,218,963)	(148,205)	(4,107,599)	(4,011)	40,852	(0.3)
Annualize prior year budget actions	(3,763,339)	(562,931)	(3,072,461)	(9,683)	(118,264)	0.0
IT common policy adjustments	(1,434,900)	348,455	(790,058)	(928,262)	(65,035)	0.0
Adjustments to leased space	(120,158)	36,715	(158,743)	0	1,870	0.0
Indirect cost assessment	(23,674)	(1,077,397)	(23,230)	1,077,397	(444)	0.0
HB 14-1336	\$53,687,743	\$6,631,465	\$36,185,368	\$7,479,435	\$3,391,475	50.8
SB 14-188	<u>6,500,000</u>	<u>0</u>	<u>6,500,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$60,187,743	\$6,631,465	\$42,685,368	\$7,479,435	\$3,391,475	50.8
Increase/(Decrease)	\$3,918,167	\$734,452	\$3,781,841	(\$752,300)	\$154,174	0.3
Percentage Change	7.0%	12.5%	9.7%	(9.1%)	4.8%	0.6%

FY 2013-14 Appropriation – Mid-year Adjustments

House Bill 14-1242 modifies the FY 2013-14 appropriation as follows:

- an increase of \$163,944 General Fund for an additional 1,800 legal services hours;
- an increase of \$80,077 total funds and 0.3 FTE for the Colorado Avalanche Information Center to purchase equipment and permanently fund FTE;
- an increase of \$15,248 cash funds for vehicles for Oil and Gas Conservation Commission field staff; and
- a decrease of \$92,106 total funds for a mid-year billing adjustment for vehicle lease payments.

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; shift differential; vehicle lease payments; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; and Capitol complex leased space.

Additional legal services for OGCC: The appropriation includes an increase of \$215,842 cash funds for the provision of 2,180 additional legal services hours for the Oil and Gas Conservation Commission Enforcement Unit.

Additional legal services for DWR: The appropriation includes an increase of \$178,218 General Fund for the provision of 1,800 additional legal services hours for the Division of Water Resources.

CAIC stabilization of funding for salaries: The appropriation includes an increase of \$105,540 and 0.6 FTE for the Colorado Avalanche Information Center to permanently fund 4.0 full-time FTE, purchase two-way satellite radios for forecasters, and lease four vehicles from State Fleet.

Vehicles for OGCC field staff: The appropriation includes an increase of \$45,745 cash funds to continue lease payments on ten four-wheel drive vehicles for new Oil and Gas Conservation Commission field inspectors and environmental specialists added in FY 2013-14.

DWR Well Enforcement Team Vehicles: The appropriation includes an increase of \$5,088 General Fund for vehicle lease payments on three four-wheel drive vehicles for South Platte Well Measurement and Enforcement Team field staff.

Vehicles for new DWR FTE: The appropriation includes an increase of \$1,696 General Fund for lease payments on vehicles for 3.7 new FTE: a Chief of Water Information, a Hydrographer, and a Well Technician for the South Platte River Basin; and a Subdistrict Coordinator for the Rio Grande River Basin.

Operating adjustment: The appropriation includes an increase of \$472 total funds for the Division's share of an increase in postage and envelope costs in the Department of Personnel.

Annualize prior year legislation: The appropriation includes a reduction of \$4.2 million total funds for the second year impact of legislation. The primary changes are the elimination of \$4.0 million cash funds appropriated in H.B. 13-1283 (Species Conservation Trust Fund Projects).

Annualize prior year budget actions: The appropriation includes a number of changes to the out year impact of funding decisions made through the FY 2013-14 appropriation including the annualization of the FY 2013-14 salary survey and merit pay.

IT common policy adjustments: The appropriation includes adjustments to the payments made to the Governor's Office of Information Technology for the provision of information technology services.

Adjustments to Leased Space: The appropriation includes net decrease of \$120,158 total funds for a refinance of the leased space line item including a decrease of \$158,743 cash funds offset by an increase of \$36,715 General Fund.

Indirect cost assessment: The appropriation includes a net decrease in the Division's indirect cost assessment.

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

Division of Reclamation, Mining, and Safety

This division includes the following programs:

- **Coal Land Reclamation** -- This program issues and enforces mining and reclamation permits for coal mines in Colorado on state, federal, and private lands, including ensuring compliance with the requirements of the federal Surface Mining Control and Reclamation Act. The program is currently responsible for 39 permits and 83 exploration units (permitted areas covering 185,515 acres).
- **Inactive Mines** -- This program safeguards mine openings, inspects and monitors mine sites, and reclaims abandoned mines. There are over 23,000 hazardous mine openings in Colorado, of which about 9,075 have been reclaimed.
- **Minerals** -- This program issues and enforces mining and reclamation permits for all non-coal mines in Colorado on state, federal, and private lands. The program permits and inspects the 1,505 non-coal mines in Colorado (permitted areas covering 171,000 acres) and regulates 212 active prospecting operations.
- **Mine Safety Training** -- This program regulates active mines for safety, inspects tourist mines, performs safety audits, administers certification programs for mining employees, provides training in mine rescue and safety, and regulates underground diesel equipment and mining explosives.

The primary source of cash funds is the Severance Tax Operational Fund. The reappropriated funds are from the Department of Public Health and Environment for reclamation of inactive mines.

Division of Reclamation, Mining, and Safety						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	<u>\$7,746,999</u>	<u>\$0</u>	<u>\$4,398,942</u>	<u>\$30,000</u>	<u>\$3,318,057</u>	<u>68.9</u>
TOTAL	\$7,746,999	\$0	\$4,398,942	\$30,000	\$3,318,057	68.9
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$7,746,999	\$0	\$4,398,942	\$30,000	\$3,318,057	68.9
Annualize prior year budget actions	139,986	0	52,246	0	87,740	0.0
DRMS Emergency Response Cost increase	75,000	0	75,000	0	0	0.0
Operating adjustment	1,127	0	719	0	408	0.0
Indirect cost assessment	(36,976)	0	(64,411)	0	27,435	0.0
HB 14-1336	<u>\$7,926,136</u>	<u>\$0</u>	<u>\$4,462,496</u>	<u>\$30,000</u>	<u>\$3,433,640</u>	<u>68.9</u>
TOTAL	\$7,926,136	\$0	\$4,462,496	\$30,000	\$3,433,640	68.9
Increase/(Decrease)	\$179,137	\$0	\$63,554	\$0	\$115,583	0.0
Percentage Change	2.3%	n/a	1.4%	0.0%	3.5%	0.0%

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Annualize prior year budget actions: The appropriation includes a number of changes to the out year impact of funding decisions made through the FY 2013-14 Long Bill including:

- Annualization of FY 2013-14 salary survey and merit pay;
- Annualization of the one-year reallocation of \$99,850 cash funds from the Inactive Mines, Abandoned Mine Safety line item to the Minerals, Program Costs line item to develop an electronic permitting system; and
- Annualization of the one-year reallocation of 0.2 FTE from the Inactive Mines, Abandoned Mine Safety line item to the Inactive Mines, Program Costs line item to support federally funded projects in the subdivision.

DRMS Emergency Response Cost increase: The appropriation includes an increase of \$75,000 cash funds from the Severance Tax Operational Fund to fund the initial response of the Division of Reclamation, Mining, and Safety to any environmental emergencies at mining sites.

Operating adjustment: The appropriation includes an increase of \$1,127 total funds for the Division's share of an increase in postage and envelope costs in the Department of Personnel.

Indirect cost assessment: The appropriation includes a net decrease in the Division's indirect cost assessment.

Geological Survey

The Colorado Geological Survey (Survey) was a division within the Department of Natural Resources until January 31, 2013. Pursuant to H.B. 12-1355, the Survey was transferred to the Colorado School of Mines and no longer exists as a division within the Department of Natural Resources. However, H.B. 13-1057 allowed the Department to retain the Colorado Avalanche Information Center (CAIC), formerly a unit within the Survey, but moved the CAIC to the Executive Director's Office.

Oil and Gas Conservation Commission

The Oil and Gas Conservation Commission (OGCC) is responsible for promoting the exploration, development, and conservation of Colorado's oil and natural gas resources. The OGCC also has the authority to regulate oil and gas operations so as to protect public health, prevent significant adverse environmental impacts, and prevent waste. In addition to enforcement, this responsibility involves answering complaints and inquiries, responding to oil and gas spills and other environmental emergencies at production sites, managing plugging and reclamation work at abandoned well sites, and performing baseline water quality studies.

Funding for the OGCC is from the Oil and Gas Conservation and Environmental Response Fund, supported by a mil levy on oil and gas production, and from the Severance Tax Operational Fund.

Oil and Gas Conservation Commission						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$11,021,634	\$0	\$10,918,809	\$0	\$102,825	95.4
SB 13-202	100,000	0	100,000	0	0	0.0

Oil and Gas Conservation Commission						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 13-1278	<u>10,417</u>	<u>0</u>	<u>10,417</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$11,132,051	\$0	\$11,029,226	\$0	\$102,825	95.4
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$11,132,051	\$0	\$11,029,226	\$0	\$102,825	95.4
Operating adjustment	529	0	529	0	0	0.0
Annualize prior year legislation	(110,417)	0	(110,417)	0	0	0.0
Annualize prior year budget actions	(73,858)	0	(73,858)	0	0	0.0
Indirect cost assessment	(25,770)	0	(24,530)	0	(1,240)	0.0
HB 14-1336	\$10,922,535	\$0	\$10,820,950	\$0	\$101,585	95.4
HB 14-1356	<u>80,425</u>	<u>0</u>	<u>80,425</u>	<u>0</u>	<u>0</u>	<u>0.9</u>
TOTAL	\$11,002,960	\$0	\$10,901,375	\$0	\$101,585	96.3
Increase/(Decrease)	(\$129,091)	\$0	(\$127,851)	\$0	(\$1,240)	0.9
Percentage Change	(1.2%)	n/a	(1.2%)	n/a	(1.2%)	0.9%

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Operating adjustment: The appropriation includes an increase of \$529 cash funds for the Division's share of an increase in postage and envelope costs in the Department of Personnel.

Annualize prior year legislation: The appropriation includes a reduction of \$110,417 total funds for the second year impact of legislation. The primary changes are the elimination of one-time funding appropriated in S.B. 13-202 (Additional Inspections at Oil & Gas Facilities) and H.B. 13-1278 (Oil Spill Reporting).

Annualize prior year budget actions: The appropriation includes a number of changes to the out year impact of funding decisions made through the FY 2013-14 appropriation including the annualization of the FY 2013-14 salary survey and merit pay.

Indirect cost assessment: The appropriation includes a net decrease in the Division's indirect cost assessment.

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

State Board of Land Commissioners

The State Board of Land Commissioners (State Land Board) manages eight public trusts of land including the Public School Trust, to raise money for the benefit of K-12 education, as well as seven other smaller trusts set up in the Colorado Constitution or in statute. Approximately 98.7 percent of State Land Board revenue is attributable to the Public School Trust. Funding for this division reflects the State Land Board's operating costs.

Cash funds are from a portion of School Trust revenues, and the reappropriated funds are transferred from the Division of Parks and Wildlife.

State Board of Land Commissioners						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$5,332,877	\$0	\$5,107,877	\$225,000	\$0	40.0
HB 14-1242	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$5,332,877	\$0	\$5,107,877	\$225,000	\$0	40.0
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$5,332,877	\$0	\$5,107,877	\$225,000	\$0	40.0
Operating adjustment	818	0	818	0	0	0.0
Annualize prior year budget actions	(661,026)	0	(661,026)	0	0	0.0
Indirect cost assessment	(8,191)	0	(8,191)	0	0	0.0
HB 14-1336	<u>\$4,664,478</u>	<u>\$0</u>	<u>\$4,439,478</u>	<u>\$225,000</u>	<u>\$0</u>	<u>40.0</u>
TOTAL	\$4,664,478	\$0	\$4,439,478	\$225,000	\$0	40.0
Increase/(Decrease)	(\$668,399)	\$0	(\$668,399)	\$0	\$0	0.0
Percentage Change	(12.5%)	n/a	(13.1%)	0.0%	n/a	0.0%

FY 2013-14 Appropriation – Mid-year Adjustments

House Bill 14-1242 modified the FY 2013-14 appropriation with the addition a footnote to the Asset Management System Upgrade line item to make the appropriation for the asset management system upgrade project available to the State Land Board until the completion of the project or through the end of FY 2015-16.

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Operating adjustment: The appropriation includes an increase of \$818 cash funds for the Division's share of an increase in postage and envelope costs in the Department of Personnel.

Annualize prior year budget actions: The appropriation includes a number of changes to the out year impact of funding decisions made through the FY 2013-14 appropriation including:

- Annualization of the FY 2013-14 salary survey and merit pay;
- Annualization of one-time funding associated with addition 3.0 FTE related to the coordination of mineral development on State Land Board lands and efforts to diversify trust revenue sources; and
- Annualization of the FY 2012-13 two-year appropriation for the development of an asset management system.

Indirect cost assessment: The appropriation includes a net decrease in the Division's indirect cost assessment.

Division of Parks and Wildlife

The Division of Parks and Wildlife (DPW) manages 42 parks and several special purpose programs including the snowmobile program, the off-highway vehicle program, river outfitters regulation, federal grants, aquatic nuisance species control and prevention, and the distribution of trails grants. Funding for the State Parks programs is a mixture of cash funds from license fees, lottery funds, off-highway vehicle recreation funds, severance tax dollars, and other state and federal funds.

The DPW also manages the state's 960 game and non-game wildlife species by issuing fishing and hunting licenses, enforcing wildlife regulations, protecting habitat and native wildlife populations, and managing approximately 1.43 million acres including 345 state wildlife areas. Funding for Wildlife operations and programs is a mixture of cash funds from license fees (primarily hunting and fishing licenses), federal funds, Great Outdoors Colorado funds, and various other sources.

Division of Parks and Wildlife						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$135,672,343	\$500,000	\$113,629,217	\$0	\$21,543,126	886.5
TOTAL	\$135,672,343	\$500,000	\$113,629,217	\$0	\$21,543,126	886.5
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$135,672,343	\$500,000	\$113,629,217	\$0	\$21,543,126	886.5
Annualize prior year budget actions	1,880,476	(500,000)	2,377,443	0	3,033	0.0
Operating adjustment	36,264	0	36,264	0	0	0.0
Indirect cost assessment	(620,125)	0	(673,123)	0	52,998	0.0
DPW line item reorganization	(160,000)	0	(160,000)	0	0	0.0
HB 14-1336	\$136,808,958	\$0	\$115,209,801	\$0	\$21,599,157	886.5
TOTAL	\$136,808,958	\$0	\$115,209,801	\$0	\$21,599,157	886.5
Increase/(Decrease)	\$1,136,615	(\$500,000)	\$1,580,584	\$0	\$56,031	(0.0)
Percentage Change	0.8%	(100.0%)	1.4%	n/a	0.3%	(0.0%)

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Annualize prior year budget actions: The appropriation includes a number of changes to the out year impact of funding decisions made through the FY 2013-14 appropriation including the annualization of the FY 2013-14 salary survey and merit pay as well as a one-time appropriation of \$500,00 General Fund for wildlife youth hunting and fishing programs.

Operating adjustment: The appropriation includes an increase of \$36,264 cash funds for the Division's share of an increase in postage and envelope costs in the Department of Personnel.

Indirect cost assessment: The appropriation includes a net decrease in the Division's indirect cost assessment.

DPW line item reorganization: The appropriation includes a decrease of \$160,000 cash funds related to the reorganization and consolidation of 25 Long Bill line items in the Division of Parks and Wildlife to more accurately reflect the functions of program units following the 2011 Parks and Wildlife merger (SB 11-208).

Colorado Water Conservation Board

Under the guidance of the Board, this division is responsible for protecting, conserving, and developing the state's water resources, and minimizing the risk of flood damage and associated economic loss. The Colorado Water Conservation Board is divided into two main functional areas: administration and special purpose programs. This division is primarily supported by cash funds from the Colorado Water Conservation Board Construction Fund. Special purpose programs are generally supported by specific cash funds or federal funds.

Colorado Water Conservation Board						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$8,609,562	\$0	\$8,177,362	\$291,587	\$140,613	45.7
SB 13-181	<u>32,040,000</u>	<u>0</u>	<u>32,040,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$40,649,562	\$0	\$40,217,362	\$291,587	\$140,613	45.7
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$40,649,562	\$0	\$40,217,362	\$291,587	\$140,613	45.7
Annualize prior year budget actions	128,228	0	123,137	0	5,091	0.0
Operating adjustment	133	0	133	0	0	0.0
Annualize prior year legislation	(32,040,000)	0	(32,040,000)	0	0	0.0
Indirect cost assessment	(61,661)	0	(82,357)	0	20,696	0.0
HB 14-1336	\$8,676,262	\$0	\$8,218,275	\$291,587	\$166,400	45.7
HB 14-1333	<u>5,050,000</u>	<u>0</u>	<u>5,050,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$13,726,262	\$0	\$13,268,275	\$291,587	\$166,400	45.7
Increase/(Decrease)	(\$26,923,300)	\$0	(\$26,949,087)	\$0	\$25,787	0.0
Percentage Change	(66.2%)	n/a	(67.0%)	0.0%	18.3%	0.0%

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Annualize prior year budget actions: The appropriation includes a number of changes to the out year impact of funding decisions made through the FY 2013-14 appropriation including the annualization of the FY 2013-14 salary survey and merit pay.

Operating adjustment: The appropriation includes an increase of \$133 cash funds for the Division's share of an increase in postage and envelope costs in the Department of Personnel.

Annualize prior year legislation: The appropriation includes a reduction of \$32.0 million cash funds for the second year impact of S.B. 13-181 (CWCBC Construction Fund Projects).

Indirect cost assessment: The appropriation includes a net decrease in the Division's indirect cost assessment.

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

Water Resources Division

This division, also called the Office of the State Engineer, is primarily responsible for administration of water resources. This includes daily oversight of water allocations within the state and downstream interstate compact compliance, monitoring of water supply through stream-flow measurements, and groundwater regulation. The Division administers and operates over 170,000 surface and ground water rights and is responsible for dam safety inspections and groundwater well construction regulation. The Water Resources Cash Fund, the Colorado Water Conservation Board Construction Fund, the Well Inspection Cash Fund, and the Satellite Monitoring System Cash Fund provide the bulk of cash fund revenue.

Water Resources Division						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$20,572,996	\$18,729,700	\$1,646,796	\$0	\$196,500	252.1
SB 13-181	<u>300,000</u>	<u>0</u>	<u>300,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$20,872,996	\$18,729,700	\$1,946,796	\$0	\$196,500	252.1
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$20,872,996	\$18,729,700	\$1,946,796	\$0	\$196,500	252.1
Annualize prior year budget actions	575,390	560,945	14,445	0	0	0.0
Division of Water Resources FTE	278,507	278,507	0	0	0	3.7
Equipment for DWR Well Enforcement Team	24,415	24,415	0	0	0	0.0
Indirect cost assessment	23,144	0	20,587	0	2,557	0.0
Operating adjustment	1,278	1,278	0	0	0	0.0
Annualize prior year legislation	(300,000)	0	(300,000)	0	0	0.0
HB 14-1336	\$21,475,730	\$19,594,845	\$1,681,828	\$0	\$199,057	255.8
HB 14-1333	<u>330,000</u>	<u>0</u>	<u>330,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$21,805,730	\$19,594,845	\$2,011,828	\$0	\$199,057	255.8
Increase/(Decrease)	\$932,734	\$865,145	\$65,032	\$0	\$2,557	3.7
Percentage Change	4.5%	4.6%	3.3%	n/a	1.3%	1.5%

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Annualize prior year budget actions: The appropriation includes a number of changes to the out year impact of funding decisions made through the FY 2013-14 appropriation including the annualization of the FY 2013-14 salary survey and merit pay.

Division of Water Resources FTE: The appropriation includes an increase of \$278,507 General Fund and 3.7 FTE for the DWR Water Administration Program to fund a Chief of Water Information, a Hydrographer, and a Well Technician for the South Platte River Basin, as well as a Subdistrict Coordinator for the Rio Grande Basin.

Equipment for DWR Well Enforcement Team: The appropriation includes an increase of \$24,415 General Fund to provide one set of well testing equipment for the South Platte Well Measurement and Enforcement Team.

Indirect cost assessment: The appropriation includes a net increase in the Division's indirect cost assessment.

Operating adjustment: The appropriation includes an increase of \$1,278 General Fund for the Division's share of an increase in postage and envelope costs in the Department of Personnel.

Annualize prior year legislation: The appropriation includes a reduction of \$300,000 cash funds for the second year impact of S.B. 13-181 (CWCB Construction Fund Projects).

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

Division of Forestry

The Division of Forestry was created pursuant to H.B. 00-1460 (Hoppe/Hillman), which established a collaborative relationship between the Department of Natural Resources and the Colorado State Forest Service, a program of Colorado State University. The Division monitors the health of all forests in the state, including national and private forests. By statute, the Division of Forestry is headed by the State Forester and is staffed by the Colorado State Forest Service. There are no appropriations to the Division of Forestry for FY 2013-14 or FY 2014-15.

Recent Legislation

2013 Session Bills

S.B. 13-181 (CWCB Construction Fund Projects): Appropriates \$32,340,000 cash funds from the Colorado Water Conservation Board (CWCB) Construction Fund to the Department of Natural Resources in FY 2013-14 for various water-related projects. Increases the transfers from the Severance Tax Perpetual Base Fund to the CWCB Construction Fund for the Chatfield Reservoir Reallocation Project from thirteen million to sixty-two million over four fiscal years (FY 2012-13, FY 2013-14, and FY 2015-16). Transfers \$2.0 million in FY 2013-14 from the Severance Tax Perpetual Base Fund to the CWCB Construction Fund for the Windy Gap Reservoir Bypass project. Transfers \$300,000 in FY 2013-14 from the CWCB Construction Fund to the Flood and

Drought Response Fund. Clarifies that the Department of Natural Resources shall administer the Severance Tax Trust Fund. Changes the name of the Perpetual Base Account of the Severance Tax Trust Fund to the Severance Tax Perpetual Base Fund. Changes the name of the Operational Account of the Severance Tax Trust Fund to the Severance Tax Operational Fund.

S.B. 13-188 (Landowner Preference Wildlife Hunting License): Replaces the current set of landowner preference programs for hunting licenses with a single program. Defines the new program. For FY 2013-14 appropriates \$51,800 cash funds from the Wildlife Cash Fund to the Division of Parks and Wildlife.

S.B. 13-202 (Additional Inspections at Oil & Gas Facilities): Requires the Colorado Oil and Gas Conservation Commission to report to the Joint Budget Committee and House and Senate committees of reference with jurisdiction over energy by February 1, 2014, on utilizing a risk-based strategy for inspecting oil and gas locations that targets operational phases that are most likely to experience spills, excess emissions, and other types of violations. Appropriates \$100,000 cash funds from the Oil and Gas Conservation and Environmental Response Fund to the Oil and Gas Conservation Commission to allow the Department to contract with an external entity to produce the report.

S.B. 13-230 (Long Bill): General appropriations act for FY 2013-14.

S.B. 13-236 (Transfers of Money Related to Capital Construction): Requires transfer to the Colorado Water Conservation Board Construction Fund any excess General Fund reserve for the fiscal year 2013-14 that is equal to the lesser of thirty million dollars or the total General Fund surplus. For additional information on S.B. 13-236, see the "Recent Legislation" section for Capital Construction.

H.B. 13-1057 (Retain Avalanche Information Center in DNR): Reverses provisions of H.B. 12-1355 that would have transferred the Colorado Avalanche Information Center (CAIC) to the Colorado School of Mines and retains the CAIC as a program within the Executive Director's Office of the Department of Natural Resources. Creates a new cash fund for training and materials fees received by the CAIC.

H.B. 13-1278 (Oil Spill Reporting): Requires oil and gas operators to report all spills of one or more barrel of oil or exploration and production waste outside of berms or other secondary containment devices to the Colorado Oil and Gas Conservation Commission and to the entity with jurisdiction over emergency response for the well site within 24 hours of the discovery of the spill. Appropriates \$10,417 cash funds from the Oil and Gas Conservation and Environmental Response Fund to the Oil and Gas Conservation Commission to support rulemaking hearings to implement the bill.

H.B. 13-1283 (Species Conservation Trust Fund Projects): Reduces from \$6.6 million to \$4.0 million the FY 2013-14 transfer of money from the Operational Account of the Severance Tax Trust Fund to the Capital Account of the Species Conservation Trust Fund (SCTF) to fund programs submitted by the executive director of the Department of Natural Resources. Appropriates \$4,000,000 from the Species Conservation Trust Fund to the Department of Natural Resources in FY 2013-14 for programs to conserve native species that have been listed as threatened or endangered under state or federal law, or are candidate species or are likely to become candidate species as determined by the United States Fish and Wildlife Services.

2014 Session Bills

S.B. 14-188 (Species Conservation Trust Fund Projects): Transfers \$6.5 million from the Severance Tax Operational fund to the Species Conservation Trust Fund in FY 2014-15. Appropriates the same amount from the Species Conservation Trust Fund to the Department of Natural Resources for programs to conserve native species that have been listed as threatened or endangered under state or federal law, or are likely to become candidate species as determined by the United States Fish and Wildlife Services. Reappropriates \$163,944 of the authorized expenditures from the Species Conservation Trust Fund and 1.0 FTE to the Department of Law for legal expenses for Endangered Species Act litigation in FY 2014-15. Transfers \$5.0 million between the Severance Tax Operational Fund and the Species Conservation Trust Fund annually beginning July 1, 2015 and ending July 1, 2018.

H.B. 14-1242 (Supplemental Bill): Supplemental appropriation to the Department of Natural Resources to modify FY 2013-14 appropriations included in the FY 2013-14 Long Bill (S.B. 13-230).

H.B. 14-1333 (CWCB Construction Fund Projects): Appropriates \$5,380,000 cash funds from the Colorado Water Conservation Board (CWCB) Construction Fund to the Department of Natural Resources in FY 2014-15 for various water-related projects. Authorizes \$131,199,000 in loans to special water districts from moneys available in the CWCB Construction fund or the Severance Tax Perpetual Base fund. Transfers \$1,575,000 in FY 2014-15 from the Severance Tax Perpetual Base Fund to the CWCB Construction Fund for the Long Hollow Reservoir Construction project. Transfers \$1,200,000 from the CWCB Construction Fund to the Litigation Fund. Transfers \$500,000 in FY 2014-15 from the CWCB Construction Fund to the Flood and Drought Response Fund. Extends CWCB spending authority for the Windy Gap Reservoir Bypass Channel Project through July 1, 2016.

H.B. 14-1336 (Long Bill): General appropriations act for FY 2014-15.

H.B. 14-1356 (Increase OGCC Penalty Authority): Increases the maximum daily penalty to \$15,000 and repeals the maximum total penalty for violations of the Oil and Gas Conservation Act. Requires the Oil and Gas Conservation Commission to promulgate rules to determine the duration of a violation, publish a quarterly report on penalties assessed, and make an annual presentation on penalties to General Assembly committees of reference. Appropriates \$80,425 cash funds from the Oil and Gas Conservation and Environmental Response Fund and 0.9 FTE to the Department of Natural Resources for expected increases in enforcement expenditures in FY 2014-15

Department Details

DEPARTMENT OF PERSONNEL

FY 2013-14 and FY 2014-15 Appropriations by Division and Bill

Department of Personnel						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Total Appropriation:	\$196,532,032	\$31,439,880	\$13,628,813	\$151,463,339	\$0	393.1
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	15,068,860	4,820,112	1,008,240	9,240,508	0	44.2
Division of Human Resources	88,340,241	25,268,984	2,350,858	60,720,399	0	46.7
Constitutionally Independent Entities	524,164	522,986	1,178	0	0	4.8
Central Services	78,914,897	46,130	1,541,325	77,327,442	0	185.6
Division of Accounts and Control - Controller	10,128,357	781,668	8,621,296	725,393	0	71.8
Administrative Courts	3,555,513	0	105,916	3,449,597	0	40.0
<u>Breakdown of Total Appropriation by Bill</u>						
SB 13-230	172,942,077	9,154,163	12,354,837	151,433,077	0	393.4
SB 13-200	12,122	0	0	12,122	0	0.0
SB 13-276	1,173,976	0	1,173,976	0	0	0.0
SB 13-285	100,000	0	100,000	0	0	0.0
HB 13-1286	(58,777)	(58,777)	0	0	0	(0.8)
HB 13-1292	36,588	36,588	0	0	0	0.0
SB 14-223	7,101,298	7,101,298	0	0	0	0.0
HB 14-1243	2,174,318	2,156,178	0	18,140	0	0.5
HB 14-1336	13,050,430	13,050,430	0	0	0	0.0
FY 2014-15 Total Appropriation:	\$173,354,939	\$6,767,176	\$13,231,074	\$153,356,689	\$0	393.6
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	14,373,606	4,546,841	1,068,405	8,758,360	0	45.8
Division of Human Resources	64,723,371	425,000	2,426,786	61,871,585	0	46.7
Constitutionally Independent Entities	526,781	525,603	1,178	0	0	4.8
Central Services	80,097,460	106,438	1,556,325	78,434,697	0	179.7
Division of Accounts and Control - Controller	9,827,564	1,105,248	8,063,877	658,439	0	76.1
Administrative Courts	3,806,157	58,046	114,503	3,633,608	0	40.5
<u>Breakdown of Total Appropriation by Bill</u>						
HB 14-1336	173,191,421	6,642,176	13,231,074	153,318,171	0	393.6

Department of Personnel						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
SB 14-002	2,618	0	0	2,618	0	0.0
SB 14-014	31,400	0	0	31,400	0	0.0
SB 14-214	125,000	125,000	0	0	0	0.0
HB 14-1170	4,500	0	0	4,500	0	0.0
Increase/(Decrease)	(\$23,177,093)	(\$24,672,704)	(\$397,739)	\$1,893,350	\$0	0.5
Percentage Change	(11.8%)	(78.5%)	(2.9%)	1.3%	n/a	0.1%

Informational Funds: The FY 2014-15 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Personnel are annotated with the "(I)". For additional information, see Appendix J.

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2014-15 Appropriations containing an (I) notation	\$55,747,687	\$0	\$1,225,821	\$54,521,866	\$0

Detail of Appropriation by Administrative Section

Executive Director's Office

This division provides centralized accounting, personnel, and budgeting services for the Department. It also includes the Colorado State Employees Assistance Program, the Office of the State Architect, and the Colorado State Archives. The primary fund source is reappropriated funds, which originate as indirect cost recoveries from other divisions within the Department, as well as user fees from other state agencies.

Executive Director's Office						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$14,942,612	\$4,693,864	\$1,008,240	\$9,240,508	\$0	43.7
HB 13-1292	36,588	36,588	0	0	0	0.0
HB 14-1243	<u>89,660</u>	<u>89,660</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.5</u>
TOTAL	\$15,068,860	\$4,820,112	\$1,008,240	\$9,240,508	\$0	44.2
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$15,068,860	\$4,820,112	\$1,008,240	\$9,240,508	\$0	44.2
Centrally appropriated line items	429,373	125,385	177,056	126,932	0	0.0
Legislative audio digitization	175,833	175,833	0	0	0	2.0

Executive Director's Office						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Fund source adjustment	0	(20,749)	4,141	16,608	0	0.0
Annualize prior year funding	(977,078)	(299,122)	(105,964)	(571,992)	0	(0.4)
IT common policy adjustments	(291,674)	(254,618)	(15,068)	(21,988)	0	0.0
Indirect cost assessment	(31,708)	0	0	(31,708)	0	0.0
HB 14-1336	<u>\$14,373,606</u>	<u>\$4,546,841</u>	<u>\$1,068,405</u>	<u>\$8,758,360</u>	<u>\$0</u>	<u>45.8</u>
TOTAL	\$14,373,606	\$4,546,841	\$1,068,405	\$8,758,360	\$0	45.8
Increase/(Decrease)	(\$695,254)	(\$273,271)	\$60,165	(\$482,148)	\$0	1.6
Percentage Change	(4.6%)	(5.7%)	6.0%	(5.2%)	n/a	3.6%

FY 2013-14 Appropriation – Mid-year Adjustments

House Bill 14-1243 added \$89,660 General Fund and 0.5 FTE for legislative audio digitization at the State Archives.

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; shift differential; vehicle lease payments; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; and Capitol complex leased space.

Legislative audio digitization: The appropriation includes an increase of \$175,833 General Fund for the digitization of legislative audio records at the State Archives.

Fund source adjustment: The appropriation includes an increase in the amount of statewide indirect cost recoveries applied to offset the need for General Fund.

Annualize prior year funding: The appropriation includes the annualization of the FY 2013-14 salary survey and merit pay, other prior year budget actions, and prior year legislation.

IT common policy adjustments: The appropriation includes adjustments to the payments made to the Governor's Office of Information Technology for the provision of information technology services.

Indirect cost assessment: The appropriation includes a net decrease in the division's indirect cost assessment.

Division of Human Resources

This division is responsible for the administration of the state's personnel system, the state's employee benefit programs, and the risk management program for all state agencies, including all components of property,

liability, and workers' compensation claims. The majority of the reappropriated funds are user fees that are transferred from other state agencies.

Division of Human Resources						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$66,021,995	\$3,050,738	\$2,250,858	\$60,720,399	\$0	46.7
SB 13-285	100,000	0	100,000	0	0	0.0
SB 14-223	7,101,298	7,101,298	0	0	0	0.0
HB 14-1243	2,066,518	2,066,518	0	0	0	0.0
HB 14-1336	<u>13,050,430</u>	<u>13,050,430</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$88,340,241	\$25,268,984	\$2,350,858	\$60,720,399	\$0	46.7
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$88,340,241	\$25,268,984	\$2,350,858	\$60,720,399	\$0	46.7
Operating common policy adjustments	857,304	0	0	857,304	0	0.0
Total compensation vendor	300,000	300,000	0	0	0	0.0
Indirect cost assessment	263,144	0	196,840	66,304	0	0.0
Fund source adjustment	0	(58,983)	0	58,983	0	0.0
Annualize Lower North Fork Fire funds	(25,053,984)	(25,053,984)	0	0	0	0.0
Annualize prior year funding	(64,675)	(156,017)	(72,753)	164,095	0	0.0
Other	(48,159)	0	(48,159)	0	0	0.0
HB 14-1336	\$64,593,871	\$300,000	\$2,426,786	\$61,867,085	\$0	46.7
SB 14-214	125,000	125,000	0	0	0	0.0
HB 14-1170	<u>4,500</u>	<u>0</u>	<u>0</u>	<u>4,500</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$64,723,371	\$425,000	\$2,426,786	\$61,871,585	\$0	46.7
Increase/(Decrease)	(\$23,616,870)	(\$24,843,984)	\$75,928	\$1,151,186	\$0	0.0
Percentage Change	(26.7%)	(98.3%)	3.2%	1.9%	n/a	0.0%

FY 2013-14 Appropriation – Mid-year Adjustments

Senate Bill 14-223 added \$7,101,298 General Fund, H.B. 14-1336 added \$13,050,430 General Fund, and H.B. 14-1243 added \$2,066,518 for additional claims payments for Lower North Fork Fire claimants.

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Operating common policy adjustments: The appropriation includes an increase of \$857,304 reappropriated funds for policy and base adjustments for workers' compensation, liability, and property programs in Risk Management.

Total compensation vendor: The appropriation includes an increase of \$300,000 General Fund to contract the total compensation survey.

Indirect cost assessment: The appropriation includes a net increase in the division's indirect cost assessment.

Fund source adjustment: The appropriation includes an increase in the amount of statewide indirect cost recoveries applied to offset the need for General Fund.

Annualize Lower North Fork Fire funds: The appropriation includes a reduction of \$25,053,984 General Fund to annualize additional payments for Lower North Fork Fire claims paid in FY 2013-14.

Annualize prior year funding: The appropriation includes the annualization of the FY 2013-14 salary survey and merit pay, other prior year budget actions, and prior year legislation.

Other: The appropriation includes other minor adjustments.

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

Constitutionally Independent Entities

This division includes the State Personnel Board. The five-member Board has the authority to adopt, by rule, a uniform grievance procedure to be used by all state agencies for classified employees in the state personnel system. The Board adjudicates employment disputes within the state classified system and is responsible for promulgating rules to ensure that state employment is based on merit.

Constitutionally Independent Entities						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	<u>\$524,164</u>	<u>\$522,986</u>	<u>\$1,178</u>	<u>\$0</u>	<u>\$0</u>	<u>4.8</u>
TOTAL	\$524,164	\$522,986	\$1,178	\$0	\$0	4.8
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$524,164	\$522,986	\$1,178	\$0	\$0	4.8
Other	2,617	2,617	0	0	0	0.0
HB 14-1336	<u>\$526,781</u>	<u>\$525,603</u>	<u>\$1,178</u>	<u>\$0</u>	<u>\$0</u>	<u>4.8</u>
TOTAL	\$526,781	\$525,603	\$1,178	\$0	\$0	4.8
Increase/(Decrease)	\$2,617	\$2,617	\$0	\$0	\$0	0.0
Percentage Change	0.5%	0.5%	0.0%	n/a	n/a	0.0%

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Other: The appropriation includes other minor adjustments.

Central Services

This division is responsible for providing the following services to state agencies: management of the statewide travel program; mail and messenger services; copying, printing and graphics design; management of the state's motor vehicle fleet; and operation and maintenance of buildings in the capitol complex and other state-owned facilities.

Central Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$78,896,757	\$46,130	\$1,541,325	\$77,309,302	\$0	185.6
HB 14-1243	<u>18,140</u>	<u>0</u>	<u>0</u>	<u>18,140</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$78,914,897	\$46,130	\$1,541,325	\$77,327,442	\$0	185.6
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$78,914,897	\$46,130	\$1,541,325	\$77,327,442	\$0	185.6
Operating common policy adjustments	801,311	0	0	801,311	0	0.0
Annualize prior year funding	389,527	0	15,000	374,527	0	(7.3)
Address confidentiality program resources	60,308	60,308	0	0	0	1.4
Indirect cost assessment	(102,601)	0	0	(102,601)	0	0.0
HB 14-1336	\$80,063,442	\$106,438	\$1,556,325	\$78,400,679	\$0	179.7
SB 14-002	2,618	0	0	2,618	0	0.0
SB 14-014	<u>31,400</u>	<u>0</u>	<u>0</u>	<u>31,400</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$80,097,460	\$106,438	\$1,556,325	\$78,434,697	\$0	179.7
Increase/(Decrease)	\$1,182,563	\$60,308	\$15,000	\$1,107,255	\$0	(5.9)
Percentage Change	1.5%	130.7%	1.0%	1.4%	n/a	(3.2%)

FY 2013-14 Appropriation – Mid-year Adjustments

House Bill 14-1243 added \$18,140 reappropriated funds for vehicle replacement lease purchase payments in Fleet Management.

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Operating common policy adjustments: The appropriation includes an increase of \$801,311 reappropriated funds for policy and base adjustments for Fleet Management and Capitol Complex.

Annualize prior year funding: The appropriation includes the annualization of the FY 2013-14 salary survey and merit pay, other prior year budget actions, and prior year legislation.

Address confidentiality program resources: The appropriation includes an increase of \$60,308 General Fund for the Address Confidentiality Program.

Indirect cost assessment: The appropriation includes a net decrease in the division's indirect cost assessment.

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

Division of Accounts and Control - Controller

This division includes the Office of the State Controller, which manages the financial affairs of all of the departments. The Division also administers a statewide procurement program through the State Purchasing Office; meets the product and service needs of state agencies by negotiating contracts for goods and services; conducts statewide financial reporting, policy and procedural guidance; manages contracts; develops the statewide indirect cost allocation plan; and is responsible for the collection of debts due to the state.

Division of Accounts and Control - Controller						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$9,013,158	\$840,445	\$7,447,320	\$725,393	\$0	72.6
SB 13-276	1,173,976	0	1,173,976	0	0	0.0
HB 13-1286	<u>(58,777)</u>	<u>(58,777)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(0.8)</u>
TOTAL	\$10,128,357	\$781,668	\$8,621,296	\$725,393	\$0	71.8
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$10,128,357	\$781,668	\$8,621,296	\$725,393	\$0	71.8
Central collections customer service	389,022	0	389,022	0	0	3.6
Transparency online project modernization	142,235	142,235	0	0	0	0.5
Indirect cost assessment	56,611	0	56,611	0	0	0.0
Fund source adjustment	0	66,954	0	(66,954)	0	0.0
Annualize prior year funding	(888,661)	114,391	(1,003,052)	0	0	0.2
HB 14-1336	<u>\$9,827,564</u>	<u>\$1,105,248</u>	<u>\$8,063,877</u>	<u>\$658,439</u>	<u>\$0</u>	<u>76.1</u>
TOTAL	\$9,827,564	\$1,105,248	\$8,063,877	\$658,439	\$0	76.1
Increase/(Decrease)	(\$300,793)	\$323,580	(\$557,419)	(\$66,954)	\$0	4.3
Percentage Change	(3.0%)	41.4%	(6.5%)	(9.2%)	n/a	6.0%

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Central collections customer service: The appropriation includes an increase of \$389,022 cash funds for Collections Services.

Transparency online project modernization: The appropriation includes an increase of \$142,235 General Fund for the implementation of the transparency online project system with the Colorado Operations Resource Engine (CORE).

Indirect cost assessment: The appropriation includes a net increase in the division's indirect cost assessment.

Fund source adjustment: The appropriation includes an increase in General Fund offset by a decrease in reappropriated funds for the purpose of balancing statewide indirect cost recoveries.

Annualize prior year funding: The appropriation includes the annualization of the FY 2013-14 salary survey and merit pay, other prior year budget actions, and prior year legislation.

Administrative Courts

This division provides an independent administrative law adjudication system for state agencies in order to resolve cases related to workers' compensation, human resources, and regulatory law. It offers a full range of alternative dispute resolution options, including evidentiary hearings, settlement conferences, and mediation. Approximately one-half of all hearings are related to workers' compensation cases. The division is primarily funded with reappropriated funds transferred from user agencies, and it receives a small amount of cash funds that originate as user fees from non-state agencies.

Administrative Courts						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$3,543,391	\$0	\$105,916	\$3,437,475	\$0	40.0
SB 13-200	<u>12,122</u>	<u>0</u>	<u>0</u>	<u>12,122</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$3,555,513	\$0	\$105,916	\$3,449,597	\$0	40.0
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$3,555,513	\$0	\$105,916	\$3,449,597	\$0	40.0
Annualize prior year funding	191,611	58,046	0	133,565	0	0.5
Indirect cost assessment	59,033	0	8,587	50,446	0	0.0
HB 14-1336	<u>\$3,806,157</u>	<u>\$58,046</u>	<u>\$114,503</u>	<u>\$3,633,608</u>	<u>\$0</u>	<u>40.5</u>
TOTAL	\$3,806,157	\$58,046	\$114,503	\$3,633,608	\$0	40.5
Increase/(Decrease)	\$250,644	\$58,046	\$8,587	\$184,011	\$0	0.5
Percentage Change	7.0%	n/a	8.1%	5.3%	n/a	1.3%

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Annualize prior year funding: The appropriation includes the annualization of the FY 2013-14 salary survey and merit pay, other prior year budget actions, and prior year legislation.

Indirect cost assessment: The appropriation includes a net increase in the division's indirect cost assessment.

Recent Legislation

2013 Session Bills

S.B. 13-076 (Use of Archived Material for Legislative Branch): Exempts a member of the General Assembly and staff from legislative service agencies from fees charged by the State Archives associated with requests for legislative material related to official legislative duties.

S.B. 13-200 (Expand Medicaid Eligibility): Expands Medicaid eligibility for adults to 133 percent of the federal poverty level (FPL). Appropriates \$12,122 in reappropriated funds from the Department of Health Care Policy and Financing to the Department for the provision of administrative law judge services.

S.B. 13-230 (Long Bill): General appropriations act for FY 2013-14.

S.B. 13-263 (Capitol Complex Master Plan): Requires the Department of Personnel to enter into competitive negotiations for the development of a comprehensive master plan for the Capitol Complex, with final approval from the Office of State Planning and Budgeting and the Capital Development Committee. Requires that all real estate-related capital requests by executive branch departments or the legislative branch for the Capitol Complex be evaluated by the Office of State Planning and Budgeting and the Capital Development Committee against the Capitol Complex Master Plan.

S.B. 13-271 (Funding the Address Confidentiality Program): Repeals the prohibition on using General Fund for the Address Confidentiality Program in the Department for the protection of victims of domestic violence, sexual offenses, or stalking.

S.B. 13-276 (Disability Investigational and Pilot Support Fund): Relocates the Coordinated Care for People with Disabilities Fund and renames it the Disability Investigational and Pilot Support Fund (Fund). Requires the Fund to be used for grants and loans to projects or programs that study or pilot new and innovative ideas, which will lead to an improved quality of life or increased independence for people with disabilities. Outlines the requirements and membership of the disability-benefit support contract committee. Appropriates \$1,173,976 cash funds from the Disability Investigational and Pilot Support Fund to the Department for FY 2013-14.

S.B. 13-285 (Workers' Compensation): Requires a claimant to be reimbursed by the employer or workers' compensation carrier for medical treatment provided if the employer, after notice of the injury, fails to provide medical treatment. Appropriates \$100,000 cash funds from the State Employee Workers' Compensation Account in the Risk Management Fund to the Department in FY 2013-14 for claims related to the implementation of the act.

S.B. 13-288 (Additional Payments Under CGIA): Modifies provisions regarding tort claims against the State brought under the "Colorado Governmental Immunity Act" (CGIA) as follow:

- Clarifies the existing method for exceeding the CGIA limit based on the State Claims Board (Board) recommendation and authorization by the General Assembly through a bill.
- In connection with a recommendation made by the Board to make a payment to one or more claimants resulting from a claim of an injury arising out of the March 2012 Lower North Fork Wildfire that is received by the General Assembly while adjourned sine die, certified by the Department of Law that the Board process has been satisfied, authorizes the Office of the State Controller to pay one or more additional payments to such claimants from moneys previously appropriated by bill until such specifically appropriated moneys are exhausted or replenished.
- In connection with any claim arising out of an injury that does not arise out of the Lower North Fork wildfire, where the Board has made a recommendation to the General Assembly for an additional payment while the General Assembly has adjourned sine die, the payment is authorized where all of the members of the Joint Budget Committee have voted to authorize the additional payment; except that the act prohibits payment from being made until the General Assembly has ratified by bill the authorization to make the payment.

H.B. 13-1184 (Supplier Database Cash Fund): Consolidates the Electronic Procurement Program Account in the Supplier Database Cash Fund with the Supplier Database Cash Fund and provides interest and unexpended moneys remain in the fund.

H.B. 13-1286 (Suspend State Recovery Audits): Suspends recovery audits for three years in order to allow the Colorado Financial Reporting System (COFRS) modernization project to be completed and all relevant data to be entered into the modernized COFRS system before the next series of recovery audits is conducted. Decreases the appropriation for the Office of the State Controller by \$58,777 General Fund and 0.8 FTE in FY 2013-14.

H.B. 13-1292 (Keep Jobs in Colorado Act): Requires the Department of Labor and Employment to enforce and impose fines on contractors that violate the 80 percent labor law by hiring less than 80 percent of Colorado residents for construction projects financed in whole or part by state funds. Directs the Department of Personnel to administer a resident bidder preference, and allows competitive sealed best value bidding for construction projects. Appropriates \$36,588 General Fund in FY 2013-14 to the Department for computer programming costs and legal services.

H.B. 13-1298 (Employment Policies for Nonclassified Employees): Modifies employment policies related to personnel in the Senior Executive Service and specified departmental positions who are not in the state personnel system as follows:

- Salaries are based on policies established by the State Personnel Director;
- If an employee in the Senior Executive Service is dismissed for failure to perform, he or she is not permitted to appeal directly to the State Personnel Board;
- Senior Executive Service employees have no right to any position within the State; and
- Departmental employees are not entitled to anniversary-based merit increases.

2014 Session Bills

S.B. 14-002 (Safe2Tell Program in Department of Law): Repeals the existing Safe2Tell Program and recreates it in the Department of Law. Appropriates \$2,618 reappropriated funds to the Department for vehicle replacement lease/purchase costs for FY 2014-15.

S.B. 14-014 (Property Tax Rent Heat Fuel Grants for Low-income): Modifies the Property Tax, Rent, and Heat Rebate Program administered by the Colorado Department of Revenue. Appropriates \$31,400 reappropriated funds to the Department for allocation to Integrated Document Solutions for the provision of postage, data entry, imaging, and printing for FY 2014-15.

S.B. 14-108 (Capital Outlay Reserve for Department of Personnel Revolving Fund): Sets an alternate target reserve for the Department of Personnel Revolving Fund in the Department, established as 16.5 percent of the amount expended in a given fiscal year, plus any balance identified in the *capital outlay reserve* funded by accumulated depreciation. Specifies that any uncommitted capital outlay reserves available at the end of a fiscal year may be appropriated for capital outlay through the annual budget process.

S.B. 14-120 (Workers' Compensation Account Continuous Appropriation): Provides continuous spending authority for the benefits portion of the workers' compensation program; all direct and indirect administrative costs for the program remain subject to annual appropriation. Administrative costs include operational expenses for the risk management system, legal services, litigation expenses, and third-party administrator expenses.

S.B. 14-214 (PERA Actuarial Studies): Requires a study of PERA within the total compensation survey and requires an actuarial study of PERA to be contracted by the State Auditor. Appropriates \$125,000 General Fund to the Department and \$375,000 General Fund to the Legislative Department for allocation to the Office of the State Auditor for FY 2014-15.

S.B. 14-223 (Lower North Fork Fire Claims Payments): Directs the State Claims Board to compromise or settle claims brought by certain claimants who have suffered damages or other losses in connection with the Lower North Fork Fire in March 2012 to reimburse them for their economic and noneconomic losses as well as interest on such amounts. Appropriates \$7,101,298 General Fund to the Department for FY 2013-14 for allocation to Risk Management for payment of claims and makes reductions to partially offset the appropriation as follows:

- Reduces the appropriation to the Department of Human Services for Behavioral Health Services by \$4,281,893 General Fund for FY 2013-14.
- Reduces the appropriation to the Governor's Office for general economic incentives and marketing by \$1,000,000 General Fund and increases the cash funds appropriation by \$1,000,000 conditioned upon the transfer of General Fund surplus to the Colorado Economic Development Fund for FY 2014-15.
- Reduces the appropriation to the Controlled Maintenance Trust Fund by \$589,099 General Fund for FY 2014-15.

H.B. 14-1170 (CBI Pueblo Lab Lease-purchase): Authorizes the State Treasurer to enter into lease-purchase agreements on behalf of the Colorado Bureau of Investigation within the Department of Public Safety for a period of up to 20 years to purchase and renovate a new building to house the CBI Pueblo forensic laboratory

and regional office. Appropriates \$4,500 reappropriated funds to the Department of Personnel for allocation to Risk Management for property insurance for FY 2014-15.

H.B. 14-1194 (Re-create Legislative Digital Policy Advisory Committee): Recreates the Legislative Digital Policy Advisory Committee (LDPAC) and adds the Revisor of Statutes, the Secretary of State, and the President of the State Historical Society. The LDPAC is required to:

- monitor the digitization of archived recordings;
- make recommendations for implementation of the "Uniform Electronic Legal Material Act" for legislative electronic records; and
- make recommendations for an optimal method of records creation, storage, and access for other state electronic records.

The LDPAC is required to report its findings and recommendations to the Committee on Legal Services and Joint Budget Committee on or before October 1, 2014, and October 1, 2015. The LDPAC is repealed on July 1, 2016.

H.B. 14-1243 (Supplemental Bill): Supplemental appropriations bill for the Department of Personnel for FY 2013-14. Includes supplemental appropriations to the Department of Personnel for FY 2012-13.

H.B. 14-1336 (Long Bill): General appropriations act for FY 2014-15. Includes supplemental appropriations to the Department of Personnel for FY 2013-14.

Department Details

DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT

FY 2013-14 and FY 2014-15 Appropriations by Division and Bill

Department of Public Health and Environment						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Total Appropriation:	\$527,047,365	\$54,127,441	\$152,000,369	\$29,645,685	\$291,273,870	1,239.3
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Administration and Support	40,502,886	8,456,079	12,984,947	18,513,930	547,930	74.7
Center for Health and Environmental Information	15,885,498	654,989	6,974,839	4,354,302	3,901,368	77.9
Laboratory Services	13,018,260	1,058,393	7,893,985	332,382	3,733,500	75.2
Air Pollution Control Division	24,968,726	1,034,873	18,965,901	0	4,967,952	174.4
Water Quality Control Division	37,561,550	18,746,064	5,239,313	39,673	13,536,500	173.1
Hazardous Materials and Waste Management Division	30,421,539	0	20,381,926	280,060	9,759,553	114.3
Division of Environmental Health and Sustainability	7,474,522	1,253,938	4,290,751	105,433	1,824,400	43.1
Disease Control and Environmental Epidemiology Division	97,219,737	5,865,067	6,738,470	0	84,616,200	149.9
Prevention Services Division	217,722,270	13,808,295	53,597,800	1,418,387	148,897,788	181.6
Health Facilities and Emergency Medical Services Division	26,628,302	1,649,664	14,932,437	4,601,518	5,444,683	139.5
Office of Emergency Preparedness and Response	15,644,075	1,600,079	0	0	14,043,996	35.6
<u>Breakdown of Total Appropriation by Bill</u>						
SB 13-230	527,884,495	39,423,458	166,674,257	29,677,710	292,109,070	1,239.6
SB 13-011	4,021	0	4,021	0	0	0.1
SB 13-050	204,593	0	204,593	0	0	0.0
SB 13-219	61,491	0	61,491	0	0	0.5
SB 13-222	68,054	68,054	0	0	0	1.0
SB 13-225	41,402	41,402	0	0	0	0.6
SB 13-232	0	0	0	0	0	0.0
SB 13-255	456,966	456,966	0	0	0	4.0
SB 13-283	307,542	0	307,542	0	0	4.0
HB 13-1117	(19,904,563)	(1,453,849)	(17,602,514)	0	(848,200)	(7.5)
HB 13-1191	15,000,000	15,000,000	0	0	0	0.0

Department of Public Health and Environment						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 13-1239	(133,284)	(133,284)	0	0	0	(2.0)
HB 13-1317	87,615	0	87,615	0	0	1.0
HB 14-1244	2,969,033	724,694	2,263,364	(32,025)	13,000	(2.0)
FY 2014-15 Total Appropriation:	\$551,305,467	\$63,968,977	\$160,444,430	\$35,574,429	\$291,317,631	1,265.0
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Administration and Support	51,537,312	8,672,339	14,266,100	28,023,257	575,616	78.5
Center for Health and Environmental Information	8,387,030	0	6,243,027	5,887	2,138,116	76.0
Laboratory Services	12,856,594	1,088,163	8,266,196	418,549	3,083,686	75.0
Air Pollution Control Division	22,767,001	445,076	17,860,446	0	4,461,479	174.4
Water Quality Control Division	44,985,736	22,974,851	7,510,207	39,673	14,461,005	175.5
Hazardous Materials and Waste Management Division	32,073,705	500,000	21,287,094	282,060	10,004,551	116.6
Division of Environmental Health and Sustainability	10,851,954	2,732,648	6,446,510	107,433	1,565,363	42.6
Disease Control and Environmental Epidemiology Division	101,121,666	9,770,567	6,909,513	0	84,441,586	151.4
Prevention Services Division	221,249,786	14,472,162	56,138,712	1,438,093	149,200,819	192.4
Health Facilities and Emergency Medical Services Division	28,187,470	1,709,782	15,516,625	5,259,477	5,701,586	147.0
Office of Emergency Preparedness and Response	17,287,213	1,603,389	0	0	15,683,824	35.6
<u>Breakdown of Total Appropriation by Bill</u>						
HB 14-1336	525,821,265	45,995,844	153,043,361	35,464,429	291,317,631	1,251.8
SB 14-029	84,045	0	84,045	0	0	0.9
SB 14-050	49,161	49,161	0	0	0	0.8
SB 14-051	34,120	0	34,120	0	0	0.6
SB 14-073	20,000	0	20,000	0	0	0.0
SB 14-088	73,972	73,972	0	0	0	0.9
SB 14-180	(55,000)	(55,000)	0	0	0	0.0
SB 14-187	400,000	400,000	0	0	0	0.0
SB 14-192	30,986	0	30,986	0	0	0.4
SB 14-215	6,587,169	0	6,587,169	0	0	5.2
HB 14-1002	17,000,000	17,000,000	0	0	0	1.0
HB 14-1042	14,423	0	14,423	0	0	0.3
HB 14-1045	0	0	0	0	0	0.0
HB 14-1207	55,000	5,000	50,000	0	0	0.0
HB 14-1352	882,343	500,000	382,343	0	0	1.0
HB 14-1360	307,983	0	197,983	110,000	0	2.1

Department of Public Health and Environment						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Increase/(Decrease)	\$24,258,102	\$9,841,536	\$8,444,061	\$5,928,744	\$43,761	25.7
Percentage Change	4.6%	18.2%	5.6%	20.0%	0.0%	2.1%

General Fund Exempt: Amounts in the General Fund column include appropriations from both the General Fund and General Fund Exempt Account. The General Fund Exempt Account was created by Referendum C, passed by Colorado voters in November 2005. Referendum C allowed the State to retain for FY 2005-06 through FY 2009-10 all revenue collected in excess of the TABOR limit and for FY 2010-11 and subsequent fiscal years all revenues in excess of the TABOR limit but less than the excess state revenues cap. The retained revenue must be placed in the General Fund Exempt Account.

The General Fund Exempt amount for the Department of Public Health and Environment includes money from Amendment 35 to the Colorado Constitution, passed by Colorado voters in November 2004. Amendment 35 requires that 3.0 percent of the new tobacco tax be appropriated to the General Fund and be distributed back to the Department for immunization services provided by local public health agencies. Because Amendment 35 moneys are exempt from the TABOR limit, the General Fund appropriations of these moneys are General Fund Exempt pursuant to Section 24-22-117 (3), C.R.S. The table below shows the amount appropriated from the General Fund Exempt Account for FY 2013-14 and FY 2014-15 for the purposes of funding immunization services provided by local public health agencies pursuant to Sections 24-77-103.6 (2) (a) and 24-77-104.5 (2) (a) (I), C.R.S.

General Fund Summary	Total General Fund	General Fund	General Fund Exempt
FY 2013-14	54,127,441	53,689,141	438,300
FY 2014-15	63,968,977	63,545,377	423,600

Informational Funds: The FY 2014-15 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Public Health and Environment are annotated with the "(I)". For additional information, see Appendix J.

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2014-15 Appropriations containing an (I) notation	\$269,097,207	\$0	\$2,000,000	\$0	\$267,097,207

Detail of Appropriation by Administrative Section

Administration and Support: This division is comprised of three subdivisions: Administration, Office of Health Disparities, and Local Public Health Planning and Support.

(A) Administration

This subdivision performs operations that are common to all divisions including accounting, budgeting, data processing, human resources, purchasing, and information technology services provided to the Department by the Governor's Office of Information Technology Services. Funding for this subdivision is primarily from indirect cost recoveries.

(B) Office of Health Disparities

This subdivision is responsible for administration of the Health Disparities Grant Program which works to overcome the differences in the quality of health care and associated health outcomes for different racial and ethnic groups across Colorado. The Office is primarily funded by 2.4 percent of the Amendment 35 tobacco tax revenue and a small amount of General Fund. Funding for this subdivision is cash funds from the Health Disparities Grant Fund.

(C) Local Public Health Planning and Support

This subdivision provides local public health agencies with planning, technical, and financial support to ensure that local public health agencies are able to effectively deliver health and environmental services. Funding for this subdivision is a combination of General Fund, federal funds, and tobacco settlement moneys.

Administration and Support						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$40,352,217	\$8,271,385	\$13,049,947	\$18,495,955	\$534,930	74.7
HB 14-1244	<u>150,669</u>	<u>184,694</u>	<u>(65,000)</u>	<u>17,975</u>	<u>13,000</u>	<u>0.0</u>
TOTAL	\$40,502,886	\$8,456,079	\$12,984,947	\$18,513,930	\$547,930	74.7
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$40,502,886	\$8,456,079	\$12,984,947	\$18,513,930	\$547,930	74.7
Base adjustments	7,955,400	654,989	1,154,497	4,367,046	1,778,868	2.8
Centrally appropriated line items	2,002,101	(201,305)	768,334	1,437,345	(2,273)	0.0
IT common policy adjustments	736,136	(237,424)	(872,692)	3,625,120	(1,778,868)	0.0
Appropriation of fund balance	432,626	0	432,626	0	0	0.0
Risk based contract monitoring	79,816	0	0	79,816	0	1.0
Indirect cost assessment	71,133	0	41,174	0	29,959	0.0
Annualize prior year legislation	(139,303)	0	(139,303)	0	0	0.0
Amendment 35 revenue adjustment	(117,600)	0	(117,600)	0	0	0.0
Tobacco settlement revenue adjustment	(39,443)	0	(39,443)	0	0	0.0
HB 14-1336	\$51,483,752	\$8,672,339	\$14,212,540	\$28,023,257	\$575,616	78.5
HB 14-1360	<u>53,560</u>	<u>0</u>	<u>53,560</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$51,537,312	\$8,672,339	\$14,266,100	\$28,023,257	\$575,616	78.5

Administration and Support						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Increase/(Decrease)	\$11,034,426	\$216,260	\$1,281,153	\$9,509,327	\$27,686	3.8
Percentage Change	27.2%	2.6%	9.9%	51.4%	5.1%	5.1%

FY 2013-14 Appropriation – Mid-year Adjustments

House Bill 14-1244 modified the FY 2013-14 appropriations by adding \$0.2 million General Fund for legal services and reducing \$61,000 total funds for common policy adjustments.

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Base adjustments: The appropriation includes a net zero change to consolidate functions funded with indirect cost assessments into the Administration subdivision. The increase shown in this division is offset by a reduction in the second division.

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; shift differential; vehicle lease payments; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; and Capitol complex leased space.

IT common policy adjustments: The appropriation includes adjustments to the payments made to the Governor's Office of Information Technology for the provision of information technology services.

Appropriation of fund balance: The appropriation includes a one-time appropriation of the fund balance in the Health Disparities Program Grant Fund to enable the Program to use excess reserve funds for grants.

Risk based contract monitoring: The appropriation includes funding for 1.0 FTE to evaluate, develop, and implement a Department-wide plan for improving and standardizing grant program processes.

Indirect cost assessment: The appropriation includes a net increase in the division's indirect cost assessment.

Annualize prior year legislation: The appropriation includes a reduction of cash funds for the fourth-year impact of legislation.

Amendment 35 revenue adjustment: The appropriation includes a reduction of funds based on the FY 2014-15 Amendment 35 revenue forecast.

Tobacco settlement revenue adjustment: The appropriation includes an adjustment based on revenue projected to be available from the tobacco master settlement agreement.

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

Center for Health and Environmental Information

This division is comprised of three subdivisions: Health Statistics and Vital Records, Medical Marijuana Registry, and Indirect Cost Assessment.

(A) Health Statistics and Vital Records

This subdivision is responsible for the maintenance of Colorado birth, death, marriage, divorce, and other vital records-related certificates. The subdivision administers the Voluntary Adoption Registry, which facilitates voluntary contact between Colorado-born adoptees 18 years of age and older and their birth parents. The following services are provided by division staff: training on vital records rules, regulations and statutes to individuals and local public health agencies. Data users include the Center for Disease Control, local public health agencies, and epidemiologists. This subdivision is primarily funded with cash funds from the Vital Statistics Records Cash Fund and federal funds.

(B) Medical Marijuana Registry

The Department is required to administer the Medical Marijuana Registry, which serves as the state database for all individuals who have satisfied the medical requirements to use medical marijuana and have paid the Medical Marijuana Registry fee. The Medical Marijuana Registry is entirely cash funded by the Medical Marijuana Program Cash Fund.

Center for Health and Environmental Information						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$15,031,477	\$654,989	\$6,070,818	\$4,404,302	\$3,901,368	77.8
SB 13-011	4,021	0	4,021	0	0	0.1
HB 14-1244	<u>850,000</u>	<u>0</u>	<u>900,000</u>	<u>(50,000)</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$15,885,498	\$654,989	\$6,974,839	\$4,354,302	\$3,901,368	77.9
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$15,885,498	\$654,989	\$6,974,839	\$4,354,302	\$3,901,368	77.9
Indirect cost assessment	312,470	0	251,923	(31,369)	91,916	0.0
Annualize prior year budget actions	122,244	0	122,244	0	0	0.0
Base adjustments	(7,905,400)	(654,989)	(1,154,497)	(4,317,046)	(1,778,868)	(2.8)
Informational funds adjustment	(76,300)	0	0	0	(76,300)	0.0
Annualize prior year legislation	(25)	0	(25)	0	0	0.0
HB 14-1336	\$8,338,487	\$0	\$6,194,484	\$5,887	\$2,138,116	75.1
SB 14-051	34,120	0	34,120	0	0	0.6
HB 14-1042	<u>14,423</u>	<u>0</u>	<u>14,423</u>	<u>0</u>	<u>0</u>	<u>0.3</u>
TOTAL	\$8,387,030	\$0	\$6,243,027	\$5,887	\$2,138,116	76.0

Center for Health and Environmental Information						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Increase/(Decrease)	(\$7,498,468)	(\$654,989)	(\$731,812)	(\$4,348,415)	(\$1,763,252)	(1.9)
Percentage Change	(47.2%)	(100.0%)	(10.5%)	(99.9%)	(45.2%)	(2.4%)

FY 2013-14 Appropriation – Mid-year Adjustments

House Bill 14-1244 modified the division's FY 2013-14 indirect cost assessment.

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Indirect cost assessment: The appropriation includes a net increase in the division's indirect cost assessment.

Annualize prior year budget actions: The appropriation includes a number of changes to reflect the out-year impact of funding decisions made through the FY 2013-14 Long Bill.

Base adjustments: The appropriation includes a net zero change to consolidate functions funded with indirect cost assessments into the Administration subdivision. The decrease shown in this division is offset by an increase in the Administration division.

Informational funds adjustments: The appropriation includes a reduction of federal funds reflected in the Long Bill for informational purposes only.

Annualize prior year legislation: The appropriation includes a reduction of cash funds for the second-year impact of legislation.

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

Laboratory Services

This division is primarily funded with cash funds from the Newborn Screening and Genetic Counseling Cash Fund, the Laboratory Cash Fund, the Law Enforcement Assistance Fund, and federal funds. This division is comprised of the following three sections:

- The Director's Office provides managerial and administrative support for the Division.
- The Chemistry and Microbiology Section performs the following activities: analyzing blood and tissue specimens, testing for newborn genetic disorders, diagnostic testing for bacterial diseases, analysis for disease outbreaks, and water and environmental testing.
- The Certification section certifies private medical laboratories, environmental laboratories, including water testing laboratories, on-site dairy laboratories, and the state and local law enforcement breath-alcohol testing devices (intoxilyzers) throughout the state.

Laboratory Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$12,980,645	\$1,058,393	\$7,856,370	\$332,382	\$3,733,500	74.2
HB 13-1317	87,615	0	87,615	0	0	1.0
HB 14-1244	<u>(50,000)</u>	<u>0</u>	<u>(50,000)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$13,018,260	\$1,058,393	\$7,893,985	\$332,382	\$3,733,500	75.2
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$13,018,260	\$1,058,393	\$7,893,985	\$332,382	\$3,733,500	75.2
Indirect cost assessment	333,861	0	261,675	0	72,186	0.0
Medical inflation	134,436	6,572	108,245	0	19,619	0.0
Annualize prior year budget actions	109,104	23,198	85,906	0	0	0.0
Marijuana lab certification	86,167	0	0	86,167	0	0.8
Informational funds adjustment	(741,619)	0	0	0	(741,619)	0.0
Annualize prior year legislation	(83,615)	0	(83,615)	0	0	(1.0)
HB 14-1336	<u>\$12,856,594</u>	<u>\$1,088,163</u>	<u>\$8,266,196</u>	<u>\$418,549</u>	<u>\$3,083,686</u>	<u>75.0</u>
TOTAL	\$12,856,594	\$1,088,163	\$8,266,196	\$418,549	\$3,083,686	75.0
Increase/(Decrease)	(\$161,666)	\$29,770	\$372,211	\$86,167	(\$649,814)	(0.2)
Percentage Change	(1.2%)	2.8%	4.7%	25.9%	(17.4%)	(0.3%)

FY 2013-14 Appropriation – Mid-year Adjustments

House Bill 14-1244 modified the division's FY 2013-14 indirect cost assessment.

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Indirect cost assessment: The appropriation includes a net increase in the division's indirect cost assessment.

Medical inflation: The appropriation includes an increase for a 4.6 percent medical inflation rate applied to medical supplies and medical laboratory supplies and a 6.9 percent medical inflation rate applied to pharmaceutical costs.

Annualize prior year budget actions: The appropriation includes a number of changes to reflect the out-year impact of funding decisions made through the FY 2013-14 Long Bill.

Marijuana lab certification: The appropriation includes an increase of cash funds for the certification of marijuana labs as required by statute.

Informational funds adjustments: The appropriation includes a reduction of federal funds reflected in the Long Bill for informational purposes only.

Annualize prior year legislation: The appropriation includes a reduction of cash funds for the second-year impact of legislation.

Air Pollution Control Division: This division is comprised of four subdivisions: Administration, Technical Services, Mobile Sources, and Stationary Sources. The Division's major sources of cash funds are fees charged for air pollution permits and inspections.

(A) Administration

This subdivision provides administrative support to the Air Quality Control Commission and manages the implementation of air programs by the other subdivisions.

(B) Technical Services

This subdivision houses the Air Quality Monitoring, Modeling and Analysis, and Visibility and Risk Assessment Programs.

(C) Mobile Sources

This subdivision is comprised of the Research and Support Program which contains four subprograms: (1) the High Altitude Testing Program, (2) the Oxygenated Fuel Program, (3) the Clean Fuel Fleet Program, and (4) the Inspection and Maintenance Program. The Inspection and Maintenance Program works to reduce motor vehicle-related pollution through the inspection and emissions-related repair of motor vehicles. Emissions testing of gas and diesel powered vehicles is required when registering, renewing, or selling vehicles within the program areas along Colorado's Front Range.

(D) Stationary Sources

This subdivision is responsible for controlling and reducing air pollutants from stationary sources (i.e., factories, power plants, wood stoves, etc.) through permits, monitoring, and inspections of stationary sources that emit air pollutants. The subdivision houses the following three programs: the Inventory and Support Services Program, the Permits and Compliance Assurance Program, and the Hazardous and Toxic Control Program.

Air Pollution Control Division						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$22,618,726	\$494,873	\$17,155,901	\$0	\$4,967,952	174.4
HB 14-1244	<u>2,350,000</u>	<u>540,000</u>	<u>1,810,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$24,968,726	\$1,034,873	\$18,965,901	\$0	\$4,967,952	174.4
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$24,968,726	\$1,034,873	\$18,965,901	\$0	\$4,967,952	174.4
Indirect cost assessment	622,606	0	514,327	0	108,279	0.0
Annualize prior year budget actions	(1,961,096)	(589,797)	(1,371,299)	0	0	0.0
Informational funds adjustment	(614,752)	0	0	0	(614,752)	0.0

Air Pollution Control Division						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Cash fund adjustment	(248,483)	0	(248,483)	0	0	0.0
HB 14-1336	<u>\$22,767,001</u>	<u>\$445,076</u>	<u>\$17,860,446</u>	<u>\$0</u>	<u>\$4,461,479</u>	<u>174.4</u>
TOTAL	\$22,767,001	\$445,076	\$17,860,446	\$0	\$4,461,479	174.4
Increase/(Decrease)	(\$2,201,725)	(\$589,797)	(\$1,105,455)	\$0	(\$506,473)	(0.0)
Percentage Change	(8.8%)	(57.0%)	(5.8%)	n/a	(10.2%)	(0.0%)

FY 2013-14 Appropriation – Mid-year Adjustments

House Bill 14-1244 modified the FY 2013-14 appropriations to add \$2.0 million total funds, including \$540,000 General Fund and \$1.46 million cash funds for the Front Range Air Pollution and Photochemistry Experiment, and adds \$0.35 million cash funds for the division's FY 2013-14 indirect cost assessment.

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Indirect cost assessment: The appropriation includes a net increase in the division's indirect cost assessment.

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

Informational funds adjustment: The appropriation includes a reduction of federal funds reflected in the Long Bill for informational purposes only.

Cash fund adjustment: The appropriation includes a reduction of cash funds for which the Department no longer requires spending authority.

Water Quality Control Division

This division is comprised of three subdivisions: Administration, Clean Water Program, and Drinking Water Program. The Division's major sources of cash funds are fees charged for water quality permits. Reappropriated funds are from the Department of Agriculture for groundwater protection.

(A) Administration

This subdivision provides management and support staff for the Water Quality Control Commission, clerical support for other subdivisions, and maintains a centralized records system for the Division. This subdivision is responsible for training and certifying the operators of all water and wastewater treatment facilities in the state.

(B) Clean Water Program

This subdivision is comprised of the Watershed Assessment, Outreach, and Assistance Program which houses three sections: monitoring, assessment, and outreach. The subdivision also includes the Permitting and Compliance Assurance Program which is responsible for issuing discharge permits, monitoring compliance

with permits, conducting inspections, providing technical assistance, and as necessary, pursuing enforcement actions.

(C) Drinking Water Program

The Drinking Water Program is established under the federal Safe Drinking Water Act and is used to implement measures to ensure that public water systems throughout Colorado provide safe drinking water for Colorado citizens.

Water Quality Control Division						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$22,661,550	\$3,746,064	\$5,339,313	\$39,673	\$13,536,500	173.1
HB 13-1191	15,000,000	15,000,000	0	0	0	0.0
HB 14-1244	<u>(100,000)</u>	<u>0</u>	<u>(100,000)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$37,561,550	\$18,746,064	\$5,239,313	\$39,673	\$13,536,500	173.1
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$37,561,550	\$18,746,064	\$5,239,313	\$39,673	\$13,536,500	173.1
Water infrastructure	4,000,000	2,000,000	2,000,000	0	0	0.0
Informational funds adjustment	689,900	0	0	0	689,900	0.0
Indirect cost assessment	415,070	0	180,465	0	234,605	0.0
Annualize prior year budget actions	319,216	228,787	90,429	0	0	1.4
Annualize prior year legislation	(15,000,000)	(15,000,000)	0	0	0	0.0
HB 14-1336	\$27,985,736	\$5,974,851	\$7,510,207	\$39,673	\$14,461,005	174.5
HB 14-1002	<u>17,000,000</u>	<u>17,000,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1.0</u>
TOTAL	\$44,985,736	\$22,974,851	\$7,510,207	\$39,673	\$14,461,005	175.5
Increase/(Decrease)	\$7,424,186	\$4,228,787	\$2,270,894	\$0	\$924,505	2.4
Percentage Change	19.8%	22.6%	43.3%	0.0%	6.8%	1.4%

FY 2013-14 Appropriation – Mid-year Adjustments

House Bill 14-1244 modified the division's FY 2013-14 indirect cost assessment.

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Water infrastructure: The appropriation includes the appropriation of \$2.0 million General Fund into the Nutrients Grant Fund and an associated informational appropriation of \$2.0 million cash funds from the Nutrients Grant Fund for water and waste water facility infrastructure improvements to comply with water nutrient regulations.

Informational funds adjustments: The appropriation includes an increase of federal funds reflected in the Long Bill for informational purposes only.

Indirect cost assessment: The appropriation includes a net increase in the division's indirect cost assessment.

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

Annualize prior year legislation: The appropriation includes the second year impact of H.B. 13-1191 (Nutrient Grant Domestic Wastewater Treatment Plant).

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

Hazardous Materials and Waste Management Division

This division is comprised of six subdivisions: Administration, Hazardous Waste Control Program, Solid Waste Control Program, Contaminated Site Cleanups and Remediation Programs, Radiation Management, and the Waste Tire Program.

(A) Administration

This subdivision provides division-wide administrative and management support services. The primary source of funding is various division cash funds, reappropriated funds from the Local Governmental Severance Tax Fund, and federal funds.

(B) Hazardous Waste Control Program

This subdivision has four primary responsibilities: permitting, compliance assurance, corrective action, and compliance assistance. This subdivision monitors compliance and enforces hazardous waste regulations over 500 large-quantity hazardous waste generators, 3,000 small generators, hazardous waste transporters, and 50 hazardous waste treatment, storage and disposal facilities. Funding for this subdivision is from the Hazardous Waste Service Cash Fund and federal funds.

(C) Solid Waste Control Program

This subdivision is responsible for the regulation of all solid waste management facilities in Colorado, including landfills, composting facilities, recycling facilities, transfer facilities, certain types of waste surface impoundments, asbestos waste facilities, solid waste incinerators, and medical waste facilities. Funding for this subdivision is from cash funds, including the Solid Waste Management Fund and the Radiation Control Fund.

(D) Contaminated Site Cleanups and Remediation Programs

This subdivision contains four programs outlined below and is funded primarily from the Hazardous Substance Response Fund and federal funds.

- The Superfund Program works with the Environmental Protection Agency as either the lead agency or support agency in the review and implementation of cleanup plans and oversight of the cleanup work at superfund sites. Funding for cleanup of the Rocky Mountain Arsenal superfund site is included in this program.

- The Contaminated Site Cleanups Program works to facilitate the cleanup of contaminated sites that have not been designated as superfund sites.
- The subdivision provides the Department of Law with technical support relating to the federal Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA).
- The Uranium Mill Tailings Remedial Action Program assists local governments in managing mill tailings that were not removed during the cleanup and are disturbed during road work or other renewal or building activities.

(E) Radiation Management

This subdivision provides regulatory services for radioactive materials through the review of license applications and inspections of facilities; administration of contract services with local public health agencies for indoor radon testing, prevention, and education; and the monitoring of low-level radioactive waste producers to ensure proper and economically sound disposal. Funding for this subdivision is primarily from the Radiation Control Fund and federal funds.

(F) Waste Tire Program

This program is responsible for regulating the reuse and disposal of waste tires including:

- Regulation of waste tire haulers and facilities that generate, collect, store, process and/or use waste tires;
- Awarding grants to local agencies for equipment, training and other activities related to prevention and response to waste tire fires;
- Developing initiatives designed to encourage the disposal, recycling or reuse of illegally dumped tires and the recycling or reuse of waste tires; and
- Payment of rebates to waste tire end users.

Hazardous Materials and Waste Management Division						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$30,360,048	\$0	\$20,320,435	\$280,060	\$9,759,553	113.8
SB 13-219	<u>61,491</u>	<u>0</u>	<u>61,491</u>	<u>0</u>	<u>0</u>	<u>0.5</u>
TOTAL	\$30,421,539	\$0	\$20,381,926	\$280,060	\$9,759,553	114.3
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$30,421,539	\$0	\$20,381,926	\$280,060	\$9,759,553	114.3
Indirect cost assessment	460,187	0	303,723	0	156,464	0.0
Annualize prior year budget actions	149,000	0	147,000	2,000	0	0.0
Informational funds adjustment	61,700	0	0	0	61,700	0.0
Centrally appropriated line items	52,194	0	25,360	0	26,834	0.0

Hazardous Materials and Waste Management Division						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Department of Law CERCLA costs	12,768	0	12,768	0	0	0.0
Waste tire revenue adjustment	(84,767)	0	(84,767)	0	0	0.0
Annualize prior year legislation	(16,290)	0	(16,290)	0	0	0.0
HB 14-1336	\$31,056,331	\$0	\$20,769,720	\$282,060	\$10,004,551	114.3
SB 14-029	84,045	0	84,045	0	0	0.9
SB 14-073	20,000	0	20,000	0	0	0.0
SB 14-192	30,986	0	30,986	0	0	0.4
HB 14-1352	<u>882,343</u>	<u>500,000</u>	<u>382,343</u>	<u>0</u>	<u>0</u>	<u>1.0</u>
TOTAL	\$32,073,705	\$500,000	\$21,287,094	\$282,060	\$10,004,551	116.6
Increase/(Decrease)	\$1,652,166	\$500,000	\$905,168	\$2,000	\$244,998	2.3
Percentage Change	5.4%	n/a	4.4%	0.7%	2.5%	2.0%

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Indirect cost assessment: The appropriation includes a net increase in the division's indirect cost assessment.

Annualize prior year budget actions: The appropriation includes a number of changes to reflect the out year impact of funding decisions made through the FY 2013-14 Long Bill.

Informational funds adjustment: The appropriation includes an increase of federal funds reflected in the Long Bill for informational purposes only.

Centrally appropriated line items: The appropriation includes adjustments to the legal services rate.

Department of Law CERCLA costs: The appropriation includes an increase in cash funds that are transferred to the Department of Law for work related to contaminated site maintenance and cleanup and a net zero change to adjust the appropriation of dollars for work related to the federal Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) based on the Department of Law's and this department's work load.

Waste tire revenue adjustment: The appropriation in the Long Bill includes a reduction of waste tire cash funds based on the projection of FY 2014-15 waste tire revenue. Please note that H.B. 14-1352 increases the appropriation for the Waste Tire Program by an additional \$0.3 million based on a revised revenue estimate of \$6.0 million.

Annualize prior year legislation: The appropriation includes a reduction of cash funds for the second- or third-year impact of legislation.

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

Division of Environmental Health and Sustainability

This division is responsible for programs designed to protect the public from disease and injury through identification and control of environmental factors in food, drugs, medical devices, institutions, consumer products, and insect and rodent vectors affecting public health. The division has responsibility for the following programs, and is funded with General Fund, cash funds from inspection fees, and federal funds.

- The Dairy Inspection Program inspects dairy farms; milk haulers, tankers and receivers; milk cooperatives; milk processing plants; and manufactured dairy product plants.
- The Retail Food Service Inspection Program inspects restaurants, grocery stores, school cafeterias, and food programs for the elderly.
- The Wholesale Food Manufacturing and Storage Program inspects food storage and warehouse facilities, food manufacturers, and shellfish dealers.
- The Insect/Vector Control Program monitors diseases that are spread by insects and rodents, such as encephalitis, the plague, and West Nile Virus.
- The Environmental Institutions Program inspects child care centers, summer camps, public and private schools, and private correctional facilities.
- The Health Fraud Program prepares and disseminates information related to potentially harmful and/or recalled products.
- The Drug/Medical Device Program inspects body art facilities, drug manufacturers, and medical device manufacturers.
- The division oversees following environmental sustainability programs: the Recycling Resources Program, the Economic Opportunity Program, and the Animal Feeding Operations Program.
- The division inspects tanning facilities and responds to complaints about hotels, motels, mobile home park operators, and camp ground operators.

Division of Environmental Health and Sustainability						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$7,424,929	\$1,253,938	\$4,241,158	\$105,433	\$1,824,400	43.1
SB 13-050	204,593	0	204,593	0	0	0.0
HB 14-1244	<u>(155,000)</u>	<u>0</u>	<u>(155,000)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$7,474,522	\$1,253,938	\$4,290,751	\$105,433	\$1,824,400	43.1
FY 2014-15 Appropriation:						

Division of Environmental Health and Sustainability						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation	\$7,474,522	\$1,253,938	\$4,290,751	\$105,433	\$1,824,400	43.1
Transfer to RREO Fund	3,000,000	1,500,000	1,500,000	0	0	0.0
Annualize prior year legislation	409,186	0	409,186	0	0	0.0
Indirect cost assessment	161,517	0	98,354	0	63,163	0.0
Annualize prior year budget actions	73,929	23,710	48,219	2,000	0	0.0
Informational funds adjustment	(272,200)	0	0	0	(272,200)	0.0
Base adjustments	(50,000)	(50,000)	50,000	0	(50,000)	(0.5)
HB 14-1336	\$10,796,954	\$2,727,648	\$6,396,510	\$107,433	\$1,565,363	42.6
HB 14-1207	<u>55,000</u>	<u>5,000</u>	<u>50,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$10,851,954	\$2,732,648	\$6,446,510	\$107,433	\$1,565,363	42.6
Increase/(Decrease)	\$3,377,432	\$1,478,710	\$2,155,759	\$2,000	(\$259,037)	(0.5)
Percentage Change	45.2%	117.9%	50.2%	1.9%	(14.2%)	(1.2%)

FY 2013-14 Appropriation – Mid-year Adjustments

House Bill 14-1244 modified the division's FY 2013-14 indirect cost assessment.

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Transfer to RREO Fund: The appropriation includes an appropriation of \$1.5 million General Fund to the Recycling Resources Economic Opportunity Fund and an associated appropriation from the Fund of \$1.5 million cash funds.

Annualize prior year legislation: The appropriation includes an increase of cash funds for the second- or third-year impact of legislation.

Indirect cost assessment: The appropriation includes a net increase in the division's indirect cost assessment.

Annualize prior year budget actions: The appropriation includes a number of changes to reflect the out-year impact of funding decisions made through the FY 2013-14 Long Bill.

Informational funds adjustment: The appropriation includes a reduction of federal funds reflected in the Long Bill for informational purposes only.

Base adjustments: The appropriation includes a transfer of \$50,000 General Fund and 0.5 FTE to the Disease Control and Environmental Epidemiology Division to consolidate staff responsible for disease control and surveillance and an increase of \$50,000 cash funds from the Animal Feeding Operations Fund to offset the loss of federal funds.

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

Disease Control and Environmental Epidemiology Division

This division is comprised of three subdivisions: Administration, General Disease Control, and Surveillance; Special Purpose Disease Control Programs; and Environmental Epidemiology. The primary sources of funding for this division include General Fund, cash funds from the tobacco master settlement agreement, and federal funds.

(A) Administration, General Disease Control and Surveillance

This subdivision has three areas of responsibility: (1) provision of division-wide administration and support, (2) maintaining and monitoring the disease-monitoring network, and (3) operation of the immunization program.

The Immunization Program consists of the following components:

- The Immunization Outreach Program provides free immunization clinics around the state.
- The Colorado Immunization Information System collects and stores a child's immunization records, which enables health care providers to easily check a child's immunization status during a health care visit. This helps to ensure that a child is up-to-date on their immunizations and is not over-immunized. The system can also send reminders to parents of children who are not up-to-date on their immunizations.
- The Immunization Program also provides of grants to local public health agencies for the operation of immunization clinics.

(B) Special Purpose Disease Control Programs

This subdivision is responsible for the following disease control programs which are targeted to controlling and preventing certain communicable diseases including: sexually transmitted infections; HIV and AIDS; and tuberculosis.

(C) Environmental Epidemiology

This subdivision is responsible for the Birth Defects Monitoring and Prevention Program, which identifies children up to age three who have birth defects, developmental disabilities, or risks of developmental delay. Once a child is identified as eligible for the program, they are referred to a community provider of early intervention services, with the goal of reducing and/or preventing secondary disabilities.

Disease Control and Environmental Epidemiology Division						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$96,970,777	\$5,797,013	\$6,557,564	\$0	\$84,616,200	146.9
SB 13-222	68,054	68,054	0	0	0	1.0
SB 13-283	307,542	0	307,542	0	0	4.0
HB 14-1244	<u>(126,636)</u>	<u>0</u>	<u>(126,636)</u>	<u>0</u>	<u>0</u>	<u>(2.0)</u>
TOTAL	\$97,219,737	\$5,865,067	\$6,738,470	\$0	\$84,616,200	149.9

Disease Control and Environmental Epidemiology Division						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$97,219,737	\$5,865,067	\$6,738,470	\$0	\$84,616,200	149.9
EHR system	3,274,079	3,274,079	0	0	0	0.0
Medical inflation	815,705	104,552	0	0	711,153	0.0
HIE funding	533,516	533,516	0	0	0	0.0
Indirect cost assessment	487,637	0	9,404	0	478,233	0.0
Annualize prior year legislation	71,428	(68,054)	139,482	0	0	1.0
Base adjustments	50,000	50,000	0	0	0	0.5
Annualize prior year budget actions	45,274	26,107	19,167	0	0	0.0
Tobacco settlement revenue adjustment	17,690	0	17,690	0	0	0.0
Informational funds adjustment	(1,364,000)	0	0	0	(1,364,000)	0.0
Amendment 35 revenue adjustment	(29,400)	(14,700)	(14,700)	0	0	0.0
HB 14-1336	\$101,121,666	\$9,770,567	\$6,909,513	\$0	\$84,441,586	151.4
SB 14-215	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$101,121,666	\$9,770,567	\$6,909,513	\$0	\$84,441,586	151.4
Increase/(Decrease)	\$3,901,929	\$3,905,500	\$171,043	\$0	(\$174,614)	1.5
Percentage Change	4.0%	66.6%	2.5%	n/a	(0.2%)	1.0%

FY 2013-14 Appropriation – Mid-year Adjustments

House Bill 14-1244 modified the FY 2013-14 appropriation clause in S.B. 13-283 (Implement Amendment 64 Consensus Recommendations).

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

EHR system: The appropriation includes a General Fund increase for the first year of developing and implementing an electronic health records (EHR) system for local public health agencies.

Medical inflation: The appropriation includes an increase for a 4.6 percent medical inflation rate applied to medical supplies and medical laboratory supplies and a 6.9 percent medical inflation rate applied to pharmaceutical costs.

HIE funding: The appropriation includes a General Fund increase for non-Medicaid eligible costs associated with the funding provided to the Department of Health Care Policy and Financing to build a Health Information Exchange (HIE) which will enable state, local, and private providers to access a patient's medical records regardless of the location of services.

Indirect cost assessment: The appropriation includes a net increase in the division's indirect cost assessment.

Annualize prior year legislation: The appropriation includes a reduction of cash funds for the second- or third-year impact of legislation.

Base adjustments: The appropriation includes a transfer to this division from the Division for Environmental Health and Sustainability of \$50,000 General Fund and 0.5 FTE to consolidate staff responsible for disease control and surveillance.

Annualize prior year budget actions: The appropriation includes a number of changes to reflect the out-year impact of funding decisions made through the FY 2013-14 Long Bill.

Tobacco settlement revenue adjustment: The appropriation includes an adjustment based on revenue projected to be available from the tobacco master settlement agreement.

Informational funds adjustment: The appropriation includes a reduction of federal funds reflected in the Long Bill for informational purposes only.

Amendment 35 revenue adjustment: The appropriation includes an adjustment based on the FY 2014-15 projection of Amendment 35 tobacco tax revenue.

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

Prevention Services Division

This division is comprised of the following five subdivisions: Administration, Chronic Disease Prevention Programs, Primary Care Office, Family and Community Health, and Nutrition Services.

(A) Administration

This subdivision provides administrative services to the other division programs. Fund sources include General Fund, various division cash funds, and federal funds.

(B) Chronic Disease Prevention Programs

These programs target the prevention of specific chronic diseases including: breast and cervical cancer, lung cancer, and cardiovascular and chronic pulmonary disease. This subdivision also includes oral health programs and tobacco cessation, education, and prevention programs. Fund sources include cash funds from the tobacco settlement and tobacco tax revenue and federal funds.

(C) Primary Care Office

This office assesses the need for primary health care professionals in various parts of the state and directs incentives to qualified professionals and clinics willing to serve in areas that are short of providers. Funding for the Office includes cash funds from the tobacco settlement revenue and federal funds.

(D) Family and Community Health

This subdivision includes the following three program areas: (1) Women's Health Programs, (2) Children and Youth Programs, and (3) Injury, Suicide, and Violence Prevention Programs. Women's Health Programs include health services for low-income women, prenatal and postpartum services, and counseling and education to low-income pregnant women and their newborns. Children and Youth Programs include the children with special needs health care program, genetics counseling for children with possible genetic disorders, and school-

based health centers. Injury, Suicide and Prevention Programs include suicide and injury prevention programs. Fund sources include General Fund, federal funds, and cash funds from the tobacco settlement revenue.

(E) Nutrition Services

This subdivision includes the Women, Infants and Children (WIC) Nutrition Program and the Child and Adult Food Care Program. WIC provides a monthly check to low-income (185.0 percent of federal poverty guidelines) women and children who are at-risk of poor nutritional outcomes. The Child and Adult Food Care Program provides reimbursement for nutritious foods to participating child care centers, Head Start programs, family day care homes, and adult day care centers. These programs are entirely federally funded.

Prevention Services Division						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$237,303,151	\$14,938,462	\$71,200,314	\$1,418,387	\$149,745,988	187.1
SB 13-232	0	0	0	0	0	0.0
SB 13-255	456,966	456,966	0	0	0	4.0
HB 13-1117	(19,904,563)	(1,453,849)	(17,602,514)	0	(848,200)	(7.5)
HB 13-1239	<u>(133,284)</u>	<u>(133,284)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(2.0)</u>
TOTAL	\$217,722,270	\$13,808,295	\$53,597,800	\$1,418,387	\$148,897,788	181.6
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$217,722,270	\$13,808,295	\$53,597,800	\$1,418,387	\$148,897,788	181.6
Indirect cost assessment	603,249	0	150,559	0	452,690	0.0
Annualize prior year legislation	113,239	113,239	0	0	0	(1.0)
Annualize prior year budget actions	98,539	44,760	53,779	0	0	0.0
Medical inflation	96,937	86,896	0	0	10,041	0.0
FMAP adjustment	19,706	0	0	19,706	0	0.0
Amendment 35 revenue adjustment	(2,209,423)	0	(2,209,423)	0	0	0.0
Eliminate HCPF transfer	(2,000,000)	0	(2,000,000)	0	0	0.0
Informational funds adjustment	(159,700)	0	0	0	(159,700)	5.7
Appropriation of fund balance	(41,172)	0	(41,172)	0	0	0.0
HB 14-1336	\$214,243,645	\$14,053,190	\$49,551,543	\$1,438,093	\$149,200,819	186.3
SB 14-088	73,972	73,972	0	0	0	0.9
SB 14-180	(55,000)	(55,000)	0	0	0	0.0
SB 14-187	400,000	400,000	0	0	0	0.0
SB 14-215	6,587,169	0	6,587,169	0	0	5.2
HB 14-1045	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$221,249,786	\$14,472,162	\$56,138,712	\$1,438,093	\$149,200,819	192.4
Increase/(Decrease)	\$3,527,516	\$663,867	\$2,540,912	\$19,706	\$303,031	10.8
Percentage Change	1.6%	4.8%	4.7%	1.4%	0.2%	5.9%

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Indirect cost assessment: The appropriation includes an increase in the division's indirect cost assessment.

Annualize prior year legislation: The appropriation includes an increase in General Fund for the second- or third-year impact of legislation.

Annualize prior year budget actions: The appropriation includes a number of changes related to the out-year impact of funding decisions made through the FY 2013-14 Long Bill.

Medical inflation: The appropriation includes an increase for a 4.6 percent medical inflation rate applied to medical supplies and medical laboratory supplies and a 6.9 percent medical inflation rate applied to pharmaceutical costs.

FMAP adjustment: The appropriation includes an increase for the enhanced Federal Medical Assistance Program (FMAP) match rate Colorado will receive beginning October 1, 2014 for the Colorado Quitline.

Amendment 35 revenue adjustment: The appropriation includes an adjustment based on the FY 2014-15 projection of Amendment 35 tobacco tax revenue.

Eliminate HCPF transfer: The appropriation includes a reduction of cash funds transferred to the Department of Health Care Policy and Financing.

Informational funds adjustment: The appropriation includes a reduction of federal funds and an increase of FTE reflected in the Long Bill for informational purposes only.

Appropriation of fund balance: The appropriation includes a reduction of cash funds spending authority due to a reduction of excess cash fund reserves.

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

Health Facilities and Emergency Medical Services Division

This division establishes and enforces standards for the operation of health care facilities and the provision of emergency medical and trauma services. The Division licenses hospitals, nursing homes, and other health care facilities; licenses home health care providers; certifies health care facilities for Medicaid and Medicare; trains individuals to administer medications in residential and non-residential care facilities; trains and regulates emergency medical personnel; provides technical assistance and grants to local emergency medical service providers; and oversees the state's trauma care system. The Division's cash funds derive from fees paid by licensees and from the Highway Users Tax Fund. Reappropriated funds are transferred from the Department of Health Care Policy and Financing.

(A) Operations Management

This subdivision provides administrative services to the various division programs.

(B) Health Facilities Programs

This subdivision licenses and regulates eleven types of medical facilities. Licensing activities conducted by this division include performing fitness reviews, conducting fire safety inspections, investigating complaints and conducting enforcement activities.

(C) Emergency Medical Services

This subdivision certifies and regulates emergency medical services providers, licenses air ambulance agencies, administers grants, and coordinates the designation of trauma centers.

Health Facilities and Emergency Medical Services Division						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$26,536,900	\$1,608,262	\$14,882,437	\$4,601,518	\$5,444,683	138.9
HB 14-1244	<u>91,402</u>	<u>41,402</u>	<u>50,000</u>	<u>0</u>	<u>0</u>	<u>0.6</u>
TOTAL	\$26,628,302	\$1,649,664	\$14,932,437	\$4,601,518	\$5,444,683	139.5
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$26,628,302	\$1,649,664	\$14,932,437	\$4,601,518	\$5,444,683	139.5
Indirect cost assessment	508,995	0	305,448	0	203,547	0.0
Transfer IDD survey staff	457,722	0	0	457,722	0	5.0
Annualize prior year budget actions	227,919	15,660	170,333	38,203	3,723	0.0
Transfer to Department of Public Safety	101,667	0	0	52,034	49,633	0.0
Annualize prior year legislation	(40,719)	(4,703)	(36,016)	0	0	(0.4)
HB 14-1336	\$27,883,886	\$1,660,621	\$15,372,202	\$5,149,477	\$5,701,586	144.1
SB 14-050	49,161	49,161	0	0	0	0.8
HB 14-1360	<u>254,423</u>	<u>0</u>	<u>144,423</u>	<u>110,000</u>	<u>0</u>	<u>2.1</u>
TOTAL	\$28,187,470	\$1,709,782	\$15,516,625	\$5,259,477	\$5,701,586	147.0
Increase/(Decrease)	\$1,559,168	\$60,118	\$584,188	\$657,959	\$256,903	7.5
Percentage Change	5.9%	3.6%	3.9%	14.3%	4.7%	5.4%

FY 2013-14 Appropriation – Mid-year Adjustments

House Bill 14-1244 modified the division's FY 2013-14 indirect cost assessment and corrected the FY 2013-14 appropriation clause in S.B. 13-225 (STEMI Heart Attack Stroke Data Hospital Designation).

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Indirect cost assessment: The appropriation includes an increase in the division's indirect cost assessment.

Transfer IDD survey staff: The appropriation includes an increase of Medicaid reappropriated funds and 5.0 FTE for the transfer of health survey staff for providers and group homes serving individuals with intellectual

and development disabilities (IDD) from the Department of Health Care Policy and Financing. There is an associated reduction to the Department of Health Care Policy and Financing.

Annualize prior year budget actions: The appropriation includes a number of changes to reflect the out-year impact of funding decisions made through the FY 2013-14 Long Bill.

Transfer to Department of Public Safety: The appropriation includes an increase in Medicaid and Medicare funds transferred to the Department of Public Safety for health safety code surveys.

Annualize prior year legislation: The appropriation includes a reduction of cash funds for the second- or third-year impact of legislation.

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

Office of Emergency Preparedness and Response

This office helps responders prepare for a wide variety of man-made and natural disasters, including floods, wildfires, tornados, infectious disease epidemics, food and water borne disease outbreaks, and terrorist attacks. The Office coordinates a statewide network of laboratories, agencies, hospitals, and other resources. Approximately half of the appropriation is redistributed to local public health agencies and hospitals to support emergency preparedness activities statewide. The Office is funded by General Fund and matching federal funds.

Office of Emergency Preparedness and Response						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$15,644,075	\$1,600,079	\$0	\$0	\$14,043,996	35.6
SB 13-225	41,402	41,402	0	0	0	0.6
HB 14-1244	(41,402)	(41,402)	0	0	0	(0.6)
TOTAL	\$15,644,075	\$1,600,079	\$0	\$0	\$14,043,996	35.6
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$15,644,075	\$1,600,079	\$0	\$0	\$14,043,996	35.6
Informational funds adjustment	1,494,500	0	0	0	1,494,500	0.0
Indirect cost assessment	145,328	0	0	0	145,328	0.0
Annualize prior year budget actions	3,310	3,310	0	0	0	0.0
HB 14-1336	<u>\$17,287,213</u>	<u>\$1,603,389</u>	<u>\$0</u>	<u>\$0</u>	<u>\$15,683,824</u>	<u>35.6</u>
TOTAL	\$17,287,213	\$1,603,389	\$0	\$0	\$15,683,824	35.6
Increase/(Decrease)	\$1,643,138	\$3,310	\$0	\$0	\$1,639,828	0.0
Percentage Change	10.5%	0.2%	n/a	n/a	11.7%	0.0%

FY 2013-14 Appropriation – Mid-year Adjustments

House Bill 14-1244 modified the FY 2013-14 appropriations to correct the FY 2013-14 appropriation clause in S.B. 13-225 (STEMI Heart Attack Stroke Data Hospital Designation).

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Informational funds adjustment: The appropriation includes an increase of federal funds reflected in the Long Bill for informational purposes only.

Indirect cost assessment: The appropriation includes an increase in the division's indirect cost assessment.

Annualize prior year budget actions: The appropriation includes a number of changes to reflect the out-year impact of funding decisions made through the FY 2013-14 Long Bill.

Recent Legislation

2013 Session Bills

S.B. 13-011 (Colorado Civil Union Act): Authorizes the creation of civil unions in Colorado, allows two persons regardless of gender to enter into a civil union if they are not related by blood, not married to or in a civil union with another person, and are over the age of 18. Specifies the persons who may certify a civil union, and the rights, benefits, protections, duties, obligations, responsibilities, and other incidents under law that are granted or imposed under the law to spouses apply in like manner to parties to a civil union. Appropriates \$6,976 and 0.1 FTE to the Department for FY 2012-13, and appropriates \$4,021 and 0.1 FTE to the Department for FY 2013-14.

S.B. 13-050 (Recycling Resources Economic Opportunity Fund): Increases the waste disposal fee from \$.07 per cubic yard per load to \$.14 per cubic yard per load over three years; extends the repeal of the Recycling Resources Economic Opportunity Fund to July 1, 2026, outlines the responsibilities of the Prevention Advisory Board Assistance Committee and the Pollution Prevention Advisory Board. Extends the statutory deadline for the elimination of monofills by five years. Appropriates \$204,593 cash funds from the Recycling Resources Economic Opportunity Fund to the Department in FY 2013-14.

S.B. 13-219 (Methamphetamine Laboratory Remediation): Requires the implementation of State Board of Health approved rules governing the testing, evaluation, and cleanup of illegal drug laboratories. Requires the Board to establish fees and administrative penalties. Allows a person convicted of possession of chemicals, supplies, or equipment with intent to manufacture the illegal drugs to be the subject of a lawsuit. Creates the Illegal Drug Laboratory Fund and appropriates \$61,491 and 0.5 FTE from the Fund to Department in FY 2013-14, and reappropriates \$15,450 to the Department of Law for the provision of legal services.

S.B. 13-222 (Improve Access Childhood Immunization): Allows the Department to establish a universal purchasing system for procuring vaccines for insured individuals in the state, and to explore authorizing the Department of Health Care Policy and Financing to purchase vaccines recommended by the federal advisory committee on immunization practices. Requires the Department to convene a stakeholder task force to make

recommendations regarding the financing and delivery of childhood immunizations, including through a vaccine purchasing system; and authorizes the State Board of Health to adopt rules to implement the task force's recommendations. Allows the Department to expend moneys in the Immunization Fund to purchase vaccines through a vaccine purchasing system, if developed. The act also permits the Department of Health Care Policy and Financing to purchase recommended vaccines through a vaccine purchasing system, if developed, for children enrolled in the children's basic health plan. Appropriates \$68,054 General Fund and 1.0 FTE to the Department in FY 2013-14.

S.B. 13-225 (STEMI Heart Attack Stroke Data Hospital Designation): Creates the STEMI Task Force to study and make recommendations for developing a statewide plan to improve quality of care to ST-elevation myocardial infarction (STEMI) heart attack patients; and the Stroke Advisory Board to study and make recommendations for developing a statewide plan to improve quality of care for stroke patients. Outlines the demographic of the membership on each board. Allows hospitals that have an accreditation, certification, or designation in STEMI or stroke care from a nationally recognized accrediting body to send information and supporting documentation to the Department, and requires the Department to make a hospital's national accreditation, certification, or designation available to the public and deem the hospital as satisfying requirements for recognition and publication by the Department. Appropriates \$41,402 and 0.6 FTE to the Department in FY 2013-14.

S.B. 13-230 (Long Bill): General appropriations act for FY 2013-14.

S.B. 13-232 (Continue Tobacco Tax Medicaid Management Transfer): Eliminates the repeal of a transfer of \$2.0 million from the Prevention, Early Detection, and Treatment Fund (Fund) to the Department of Health Care Policy and Financing (HCPF) for Medicaid disease management and treatment programs. Reduces the appropriation to HCPF by \$2.0 million General Fund in FY 2013-14 and increases the HCPF appropriation by \$2.0 million cash funds from the Fund.

S.B. 13-255 (Statutory Changes to Child Fatality Review Teams): Requires local public health agencies to establish child fatality prevention review teams operating under the purview of the Department of Public Health and Environment. Outlines the responsibilities of the review teams. Adds a definition for "local or regional review team". Changes the membership of the Department's child fatality prevention review team and outlines the duties of this team. Updates the review time frame for the Department of Human Services (DHS) review team, and requires DHS review team to make annual policy recommendations that address systems involved with children and to follow up on specific system recommendations. Appropriates \$456,966 General Fund and 4.0 FTE to the Department of Public Health and Environment for FY 2013-14. Appropriates \$63,755 General Fund and 1.0 FTE to the Department of Human Services for FY 2013-14.

S.B. 13-283 (Implement Amendment 64 Consensus Recommendations): Permits a local government to prohibit the use of a compressed flammable gas as a solvent in residential marijuana cultivation, and allows retail marijuana businesses to participate in the medical marijuana responsible vendor program. Requires the drug policy task force of the Colorado Commission on Criminal and Juvenile Justice to make recommendations to the General Assembly regarding criminal law changes that need to be made in order to conform to Amendment 64. Requires the Governor to designate the appropriate state agency to:

- Create a list of banned substances in marijuana cultivation;
- Work with a private organization to develop good cultivation and handling practices;
- Work with a private organization to develop good laboratory practices; and

- Establish an educational oversight committee for marijuana issues.

Encourages peace officer training to include advanced roadside impairment driving enforcement training, and subject to available funds, the Peace Officers Standards and Training (P.O.S.T.) Board shall arrange training in advanced impairment driving enforcement for drug-recognition experts who will act as trainers for all other peace officers.

Requires the Division of Criminal Justice in the Department of Public Safety to undertake or contract for a scientific study of law enforcement activities related to retail marijuana implementation, and the Department of Public Health and Environment to monitor the emerging science and medical information regarding marijuana through a panel of health care experts.

Clarifies that drug paraphernalia does not include marijuana accessories as defined by Amendment 64 if used or possessed by someone 21 years of age or older. Prohibits the use of retail marijuana products on school property, adds marijuana to the "Colorado Clean Indoor Air Act", and creates an open container offense for marijuana to mirror the open container offense for alcohol. Outlines which business operating licenses can be revoked if retail marijuana is consumed or cultivated onsite. Prohibits the cultivation, use, or consumption of marijuana at a community residential home or regional center. Permits certain business deductions to be used to calculate the state tax owed. Appropriates the following amounts in FY 2013-14 to implement the act:

- \$307,542 cash funds and 4.0 FTE from the Marijuana Cash Fund to the Department of Public Health and Environment;
- \$154,034 General Fund to the Department of Public Safety;
- \$280,000 General Fund to the Department of Revenue; and
- \$20,000 General Funds to the Department of Law.

H.B. 13-1117 (Alignment of Child Development Programs): Creates the Office of Early Childhood in the Department of Human Services (DHS). Moves the Early Childhood Leadership Council from the Governor's Office to DHS and makes changes to the composition of the Council. Moves the following programs from the Department of Public Health and Environment to DHS: Nurse Home Visitor Program, Tony Grampas Youth Services Program, the Colorado Youth Mentoring Services Program, the Colorado Student Dropout Prevention and Intervention Program, the Colorado Student Before-and-After-School Project; the Colorado Children's Trust Fund, and the family resource center program. Reduces the appropriation to the Department of Public Health and Environment by \$19,904,563 total funds, including \$1,453,849 General Fund, \$17,602,514 cash funds, and \$848,200 federal funds and 7.5 FTE, and increases the appropriation to the Department of Human Services by a like amount.

H.B. 13-1155 (Correct HB 12-1268 Provisions That Effect Transfers): Makes the interdepartmental transfer of the staff responsible for the life safety code inspections of health facilities contained in H.B. 12-1268 from the Department of Public Health and Environment (DPHE) to the Division of Fire Prevention and Control in the Department of Public Safety (DPS) contingent upon approval from the Secretary of the federal Department of Health and Human Services (federal DHHS). Due to the fact that the bill was signed into law on March 14, 2013, a reduction totaling \$1,207,865 and 15.0 FTE in FY 2013-14 to the Department of Public Health and Environment and associated increase of a like amount in the Department of Public Safety were included in S.B. 13-230.

H.B. 13-1191 (Nutrient Grant Domestic Wastewater Treatment Plant): Creates the Nutrients Grant Fund which is continuously appropriated and directs the Department to award grants from the Fund to local governments for the planning, design, construction, or improvement of domestic wastewater treatment works owned or operated by a local government that are needed to comply with the commission's nutrients management control regulation. Appropriates \$15,000,000 General Fund to the Fund in FY 2013-14.

H.B. 13-1239 (Creation of a Statewide Youth Development Plan): Directs the Department of Human Services, Tony Grampas Youth Services Board, and stakeholders to create a statewide youth development plan and a baseline measurement of youth activities based on available data and resources. Authorizes the board to award up to \$300,000 for technical assistance grants for community-based prevention and intervention organizations that work with youth to assist those organizations in developing evidence-based programs. In FY 2013-14 reduces the appropriation to the Department of Public Health and Environment by \$133,284 General Fund and 2.0 FTE and increases the appropriation to the Department of Human Services by \$133,284 General Fund and 1.0 FTE.

H.B. 13-1317 (Implement Amendment 64 Majority Recommendation): Requires the Department to establish standards and criteria for testing and certification of marijuana and to regulate those entities that provide such independent testing and certification. Appropriates \$87,615 cash funds from the Marijuana Cash Fund and 1.0 FTE for FY 2013-14. For additional information, see the corresponding bill description at the end of Part III for the Department of Revenue.

2014 Session Bills

S.B. 14-029 (Architectural Paint Stewardship Program): Creates a statewide paint stewardship program for the recycling, reuse, and disposal of post-consumer architectural paint. Requires each producer to implement or participate in a Paint Stewardship Program that has been approved by the Department's Executive Director. Establishes minimum requirements for a Paint Stewardship Program, and requires each program to be self-funded through a paint stewardship fee that a producer charges to retailers and distributors for each container of paint sold. Creates the Paint Stewardship Program Cash Fund. Each producer is responsible for education and outreach to communicate to retailers and consumers about the program. Prohibits programs from charging the fee directly to customers for the collection of paint. Appropriates \$84,045 cash funds from the Paint Stewardship Program Cash Fund and 0.9 FTE to the Department for FY 2014-15.

S.B. 14-050 (Financial Assistance in Colorado Hospitals): Requires hospitals to alert patients on each billing statement that financial assistance may be available and provide contact information, and if a hospital discovers an omission of required information, the hospital must correct the error and inform the patient and the Department of the omission and take corrective action. Requires the Department to promulgate rules, investigate complaints, and monitor each licensed hospital for noncompliance and conduct periodic reviews of hospital compliance. Requires corrective action within 90 days. Allows the Department to fine the hospital up to \$5,000 based on the severity of the offense and for failure to implement the corrective action in 90 days, and makes information concerning investigations and complaints available to the public. Creates the Hospital Financial Assistance Standards Committee which must meet within 60 days of the effective date of the bill and develop recommendations for uniform standards within 120 days. Appropriates \$49,161 General Fund and 0.8 FTE to the Department for FY 2014-15.

S.B. 14-051 (Access to Adoption Records and Birth Certificates): Eliminates different standards of access to adoption records for adoptees, birth parents, and adoptive parents, as well as their descendants, based on the law

in existence on the date the adoption was finalized. Requires the Department to update the contact preference form by birth parents. Clarifies that a birth certificate is not to be released if the birth parent had previously provided a contact preference form stating that release of the birth certificate is prohibited. Appropriates \$34,120 cash funds from the Vital Statistics Records Cash Fund and 0.6 FTE to the Department for FY 2014-15.

S.B. 14-073 (Brownfield Contaminated Land Income Tax Credit): Allows the Department to authorize \$3.0 million in tax credits each year the credit is available, and no credit shall be allowed for any costs exceeding \$1.5 million dollars on any individual project. Requires a certificate from the Department verifying the project to claim the income tax credit. For additional information, see the "Recent Legislation" section at the end of the Department of Revenue. Appropriates \$20,000 cash funds from the Hazardous Substance Response Fund to the Department of Public Health and Environment for FY 2014-15.

S.B. 14-088 (Suicide Prevention Commission): Creates the Suicide Prevention Commission (Commission) to provide leadership and make recommendations. Requires the Executive Director to appoint no more than twenty-five members to the Commission, and requires the Department to provide administrative support. Allows the Department to accept gifts, grants, and donations from public and private entities which are credited to the Suicide Prevention Coordination Cash Fund. Repeals the Commission on September 1, 2024. Appropriates \$73,972 General Fund and 0.9 FTE to the Department for FY 2014-15.

S.B. 14-180 (Transfer Senior Dental Program to HCPF): Transfers the Dental Assistance Program for Seniors, also known as the Old Age Pension (OAP) Dental Program, from the Department of Public Health and Environment (DPHE) to the Department of Health Care Policy and Financing (HCPF) as of July 1, 2015. Renames the program to the Colorado Dental Health Care Program for Low-Income Seniors. Modifies the eligibility criteria to align with other dental benefits for seniors and to target services to economically disadvantaged seniors as defined in rule. Provides funds to qualified grantees, including Area Agencies on Aging, community organizations, Local Public Health Agencies, federally qualified health centers, and private dental practices. Requires HCPF to award grants to qualified grantees on or after July 1, 2015, and to establish rates for dental services under the program. Grantees are required to provide outreach, identify eligible seniors and dental care providers, and pay claims for services. Creates the Senior Dental Advisory Committee. Reduces the appropriation in the DPHE by \$55,000 General Fund and increases the appropriation in HCPF by \$55,000 General Fund and 0.8 FTE for FY 2014-15.

S.B. 14-187 (Colorado Commission Affordable Health Care): Establishes the Colorado Commission on Affordable Health Care which must study the drivers of health care costs and evidence-based cost containment strategies, and make recommendations for action. The Commission will have 12 voting members, representing various public and private sector health care experts and 5 nonvoting members from state government. Allows the Commission to create small advisory committees to study specific areas and coordinate with other Colorado entities studying health care costs as appropriate. Requires the Commission to provide two annual reports to the General Assembly in FY 2014-15 and FY 2015-16 and a final report by June 30, 2016, and repeals the Commission on July 1, 2017. Creates the Colorado Commission on Affordable Health Care Cash Fund within the Department and appropriates \$400,000 General Fund to the Fund in FY 2014-15.

S.B. 14-192 (Uranium Processing Groundwater Protection): Requires uranium and thorium mines that are not using conventional open or underground mining techniques obtain a radioactive materials license from the Department. Requires a radioactive materials license for mines using underground aqueous extraction of ore. Eliminates the statutory deadline for the Department to make an initial draft decision on a license application for a facility, site, or shipment for disposal of radioactive waste. Increases the amount an applicant must pay to

the board of county commissioners of the county in which the radioactive waste is proposed to be received for storage, processing or disposal from \$50,000 to \$50,000 adjusted for inflation since 2003. Requires, when remediating radioactive contamination to groundwater wells, all groundwater wells be restored to at least the numeric groundwater standards as established by the Water Quality Control Commission. Requires the licensee: to remediate any release affecting groundwater wells in the most expedited manner reasonably possible using the best available active restoration and groundwater monitoring technologies; to provide notice to the Department as soon as practicable upon discovery of any spill or release involving toxic or radioactive materials; and provide an initial written report within seven days after the discovery. Requires the Department to post these reports on its website no later than seven days after receipt of the information. Appropriates \$30,986 cash funds from the Radiation Control Fund and 0.4 FTE to the Department for FY 2014-15.

S.B. 14-215 (Disposition of Legal Marijuana Related Revenue): Creates the Marijuana Tax Cash Fund and identifies within the Department of Public Health and Environment the following allowable uses of the Fund:

- obtaining health data through surveys or other means regarding marijuana and other drug use and monitoring the health effects of marijuana, including changes in drug use patterns and the emerging science and medical information relevant to the health effects associated with marijuana use; and
- developing and implementing marijuana education and prevention campaigns.

Appropriates \$6,587,169 cash funds from the Marijuana Tax Cash Fund and 5.2 FTE to the Department for FY 2014-15. For additional information, see the "Recent Legislation" section at the end of the Department of Revenue.

H.B. 14-1002 (Water Infrastructure Natural Disaster Grant Fund): Creates the continuously-appropriated Natural Disaster Grant Fund in the Department for grants to local governments, including local governments accepting grants on behalf of and in coordination with not-for-profit public water systems, to recover from the September 2013 floods. Priority is given to applicants that have the lowest financial ability to pay for the necessary construction, improvements, renovation, or reconstruction of water infrastructure. Grant funds are available for two fiscal years; on September 1, 2015, any remaining funds are to be transferred to the Nutrients Grant Fund. Appropriates \$17.0 million General Fund to the Natural Disaster Grant Fund for FY 2014-15.

H.B. 14-1045 (Breast and Cervical Cancer Treatment): Extends the Breast and Cervical Cancer Prevention and Treatment Program in the Department of Health Care Policy and Financing (HCPF) through July 1, 2019. Eliminates the transfer of Amendment 35 revenues from the Department of Public Health and Environment (DPHE) to HCPF. Makes net zero appropriation changes in DPHE to eliminate the transfer and increase the appropriation by a like amount to the DPHE breast and cervical cancer screening program.

H.B. 14-1207 (Household Medication Take-Back Program): Creates the Household Medication Take-Back Program (Program) in the Department to collect and dispose of unused household medications. Requires the Program to allow individuals to dispose of unused household medications at approved collection sites, and for carriers to transport the unused medications from approved collection sites to disposal locations. Creates the Household Medication Take-Back Cash Fund. Exempts collection sites, carriers, and disposal locations acting in good faith from liability for incidents arising from the collection, transport, or disposal of household medications. Allows the Solid and Hazardous Waste Commission to adopt rules for the implementation of the Program. Clarifies that nothing in the bill prohibits the operation of existing medication take-back and disposal programs regulated by the Department. Appropriates \$55,000 total funds, of which \$5,000 is General Fund and

\$50,000 is cash funds from the Household Medication Take-Back Cash Fund, to the Department for FY 2014-15.

H.B. 14-1244 (Supplemental Bill): Supplemental appropriations for FY 2013-14

H.B. 14-1336 (Long Bill): General appropriations act for FY 2014-15.

H.B. 14-1352 (Update Waste Tire Management System): Repeals and reenacts the state's waste tire laws into a new part of the solid waste statutes and makes changes to the Waste Tire Program. Modifies the distribution of the \$1.50 per tire waste tire fee, consolidates several cash funds, creates three new cash funds, and specifies how the moneys in each cash fund are to be used. Reduces the waste tire fee to \$0.55 per tire beginning January 1, 2018, and repeals the End Users and Processors Rebate Program at that time. Requires the Department to administer and collect the waste tire fee, among other duties, in lieu of the Department of Revenue (DOR). Establishes new regulations for waste tire haulers, generators, processors, end users, collection facilities, mobile processors, used tire sellers, and waste tire monofills. Repeals the Waste Tire Advisory Committee.

Between July 1, 2014, and December 31, 2017, the \$1.50 per tire waste tire fee is distributed to the newly-created funds as follows:

- 65.0 percent to the End Users Fund;
- 30.0 percent to the Waste Tire Administration, Enforcement, and Cleanup Fund; and
- 5.0 percent to the Waste Tire Market Development Fund.

Beginning January 1, 2018, the fee is distributed entirely to the Waste Tire Administration, Enforcement, and Cleanup Fund, and the other two funds are repealed. Allows the rebate to be paid to end users, retailers who sell tire-derived products, and Colorado processors of waste tires who sell tire-derived products to out-of-state end users. Requires the Commission to set the monthly rebate amount, which is payable from the End Users Fund, not to exceed \$80 per ton, and in an amount that is the same each month for each successive 12-month period. Additionally, the rules governing administration of the rebate must specify that, if the weight of the waste tires submitted for a rebate in any one month multiplied by the amount of the rebate exceeds the balance of the End Users Fund, the fee will be reduced; and requires the Department to notify end users of the date on which the balance of the End Users Fund is anticipated to be insufficient to pay all of the rebates that were applied for. Until rules are promulgated by the Commission, the rebate amount is set at \$40 per ton. Appropriates \$882,343 total funds, of which \$500,000 is General Fund and \$382,343 is cash funds, and 1.0 FTE to the Department for FY 2014-15.

H.B. 14-1360 (Sunset Review Licensure of Home Care Agencies): Continues the regulation of home care agencies and home care placement agencies until September 1, 2019, and implements the recommendations of the sunset report. Allows HCPF-certified community-centered boards or services agencies (CCB) that provide in-home personal care services to obtain a home care agency license, prohibits the Department from conducting inspections related to a home care agency license renewal, or from assessing fees for a new or renewal home care agency license, for certified CCBs until July 1, 2016. Until that date, requires the Department and HCPF to establish a work group with CCBs and recipients of Medicaid Home- and Community-Based Services (HCBS) waivers to identify gaps or conflicts between home care agency license requirements and HCBS provider requirements. Requires the work group to submit recommendations for resolving gaps or conflicts to the State Board of Health and the Medical Services Board, and requires the boards to adopt rules regarding the gaps and conflicts by July 1, 2016. Requires the Departments to report on the progress of these requirements

during the 2014 and 2015 annual SMART Act presentations to the joint committees of reference. Appropriates \$307,983 total funds, of which \$197,983 is cash funds from the Home Care Agency Cash Fund and \$110,000 is reappropriated funds from HCPF, and 2.1 FTE to the Department for FY 2014-15.

Department Details

DEPARTMENT OF PUBLIC SAFETY

FY 2013-14 and FY 2014-15 Appropriations by Division and Bill

Department of Public Safety						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Total Appropriation:	\$417,172,827	\$168,464,555	\$166,495,597	\$26,975,529	\$55,237,146	1,618.2
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	47,949,969	8,624,435	28,521,479	8,947,890	1,856,165	48.2
Colorado State Patrol	130,343,916	4,869,159	111,093,946	9,317,817	5,062,994	1,130.8
Division of Fire Prevention and Control	10,092,928	518,029	8,518,931	725,516	330,452	81.0
Division of Criminal Justice	88,776,149	61,408,612	2,773,363	3,416,909	21,177,265	65.2
Colorado Bureau of Investigation	37,785,715	22,000,511	11,076,890	3,861,301	847,013	244.0
Division of Homeland Security and Emergency Management	102,224,150	71,043,809	4,510,988	706,096	25,963,257	49.0
<u>Breakdown of Total Appropriation by Bill</u>						
SB 13-230	332,885,649	90,128,524	161,806,324	25,776,057	55,174,744	1,575.1
SB 13-007	255,443	255,443	0	0	0	2.5
SB 13-083	4,635	0	0	0	4,635	0.0
SB 13-123	184,902	15,000	169,902	0	0	3.0
SB 13-138	68,398	68,398	0	0	0	1.0
SB 13-283	154,034	0	154,034	0	0	0.0
HB 13-1020	6,351,002	6,351,002	0	0	0	0.0
HB 13-1031	260,114	260,114	0	0	0	2.8
HB 13-1129	739,591	739,591	0	0	0	6.0
HB 13-1163	167,067	167,067	0	0	0	0.2
HB 13-1195	9,020	9,020	0	0	0	0.1
HB 13-1228	0	(1,032,376)	1,032,376	0	0	0.0
HB 13-1229	1,415,932	0	1,415,932	0	0	24.7
HB 13-1241	434,720	434,720	0	0	0	0.0
HB 13-1317	155,760	0	155,760	0	0	0.7
HB 14-1170	37,500	37,500	0	0	0	0.0
HB 14-1245	73,272,230	71,253,722	1,761,269	199,472	57,767	2.1
HB 14-1336	776,830	(223,170)	0	1,000,000	0	0.0

Department of Public Safety						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Total Appropriation:	\$401,203,913	\$133,598,400	\$175,885,160	\$33,284,468	\$58,435,885	1,688.3
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	52,673,763	14,382,446	28,267,568	8,894,665	1,129,084	48.2
Colorado State Patrol	137,964,624	5,483,282	118,165,559	9,222,593	5,093,190	1,135.3
Division of Fire Prevention and Control	35,625,250	20,839,905	9,557,995	4,890,741	336,609	109.1
Division of Criminal Justice	102,769,353	69,207,023	2,832,048	5,754,202	24,976,080	74.0
Colorado Bureau of Investigation	38,636,531	21,399,228	12,551,002	3,816,030	870,271	270.0
Division of Homeland Security and Emergency Management	33,534,392	2,286,516	4,510,988	706,237	26,030,651	51.7
<u>Breakdown of Total Appropriation by Bill</u>						
HB 14-1336	396,860,817	130,120,718	175,068,422	33,235,792	58,435,885	1,657.2
SB 14-002	48,676	0	0	48,676	0	0.5
SB 14-008	27,175	27,175	0	0	0	0.5
SB 14-027	68,636	0	68,636	0	0	0.3
SB 14-127	589,618	589,618	0	0	0	0.9
SB 14-133	10,544	0	10,544	0	0	0.0
SB 14-153	(1,408)	(1,408)	0	0	0	0.0
SB 14-164	0	0	0	0	0	19.3
SB 14-215	0	0	0	0	0	0.0
HB 14-1037	339,602	339,602	0	0	0	0.6
HB 14-1095	174,357	174,357	0	0	0	1.8
HB 14-1170	984,542	984,542	0	0	0	0.0
HB 14-1273	263,796	263,796	0	0	0	1.8
HB 14-1340	1,796,592	1,100,000	696,592	0	0	5.2
HB 14-1360	40,966	0	40,966	0	0	0.2
Increase/(Decrease)	(\$15,968,914)	(\$34,866,155)	\$9,389,563	\$6,308,939	\$3,198,739	70.1
Percentage Change	(3.8%)	(20.7%)	5.6%	23.4%	5.8%	4.3%

Informational Funds: The FY 2014-15 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Public Safety are annotated with the "(I)". For additional information, see Appendix J.

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2014-15 Appropriations containing an (I) notation	\$69,257,803	\$0	\$6,727,063	\$4,094,855	\$58,435,885

Detail of Appropriation by Administrative Section

Executive Director's Office

This Office manages the administrative and fiscal affairs of the Department. It also administers the Witness Protection Program and houses the Colorado Integrated Criminal Justice Information System. The primary cash funds and reappropriated funds sources include the Highway Users Tax Fund, indirect cost recoveries, and other various funds.

Executive Director's Office						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$47,337,827	\$8,581,760	\$27,961,455	\$8,943,082	\$1,851,530	47.2
SB 13-083	4,635	0	0	0	4,635	0.0
SB 13-138	68,398	68,398	0	0	0	1.0
HB 13-1031	108,000	108,000	0	0	0	0.0
HB 13-1228	0	(107,739)	107,739	0	0	0.0
HB 13-1229	324,806	0	324,806	0	0	0.0
HB 14-1245	<u>106,303</u>	<u>(25,984)</u>	<u>127,479</u>	<u>4,808</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$47,949,969	\$8,624,435	\$28,521,479	\$8,947,890	\$1,856,165	48.2
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$47,949,969	\$8,624,435	\$28,521,479	\$8,947,890	\$1,856,165	48.2
Centrally appropriated line items	1,959,784	500,573	431,052	1,763,196	(735,037)	0.0
Central costs for additional staff	995,590	697,214	225,168	73,208	0	0.0
IT common policy adjustments	973,427	3,721,003	(873,801)	(1,884,821)	11,046	0.0
Annualize prior year legislation	(77,049)	(32,821)	(36,330)	(4,808)	(3,090)	0.0
HB 14-1336	\$51,801,721	\$13,510,404	\$28,267,568	\$8,894,665	\$1,129,084	48.2
HB 14-1170	<u>872,042</u>	<u>872,042</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$52,673,763	\$14,382,446	\$28,267,568	\$8,894,665	\$1,129,084	48.2
Increase/(Decrease)	\$4,723,794	\$5,758,011	(\$253,911)	(\$53,225)	(\$727,081)	0.0
Percentage Change	9.9%	66.8%	(0.9%)	(0.6%)	(39.2%)	0.0%

FY 2013-14 Appropriation – Mid-year Adjustments

House Bill 14-1245 modified the FY 2013-14 appropriations for Purchase of Services from Computer Center, Vehicle Lease Payments, and Leased Space.

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

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

Central costs for additional staff: The appropriation includes funding for central costs associated with various increases in staffing throughout the Department.

IT common policy adjustments: The appropriation includes adjustments to the payments made to the Governor's Office of Information Technology for the provision of information technology services.

Annualize prior year legislation: The appropriation includes a reduction for the second year impact of legislation.

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

Colorado State Patrol

This Division is responsible for the safe and efficient movement of motor vehicle traffic on federal, state, and county roads in Colorado. The State Patrol enforces motor vehicle laws, assists motorists in need, conducts automotive and motor carrier safety checks, investigates traffic accidents, and oversees the transportation of hazardous materials. The primary cash funds and reappropriated funds sources include: the Highway Users Tax Fund, limited gaming funds transferred from the Department of Revenue, funds transferred from the Department of Transportation, the Vehicle Identification Number Inspection Fund, the Auto Theft Prevention Fund, and user fees from state and non-state agencies.

Colorado State Patrol						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$127,250,279	\$4,761,928	\$109,355,390	\$8,126,654	\$5,006,307	1,130.8
HB 14-1245	2,093,637	107,231	1,738,556	191,163	56,687	0.0
HB 14-1336	<u>1,000,000</u>	<u>0</u>	<u>0</u>	<u>1,000,000</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$130,343,916	\$4,869,159	\$111,093,946	\$9,317,817	\$5,062,994	1,130.8
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$130,343,916	\$4,869,159	\$111,093,946	\$9,317,817	\$5,062,994	1,130.8
Annualize prior year budget actions	7,614,505	421,354	6,832,621	194,575	165,955	0.0
Portable radios	1,343,900	0	1,343,900	0	0	0.0
Additional Capitol Complex security	300,000	300,000	0	0	0	4.0

Colorado State Patrol						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Indirect cost assessment	229,244	0	311,715	(7,422)	(75,049)	0.0
World Alpine Ski Championship	178,020	0	178,020	0	0	0.0
Fund source adjustment	0	0	143,913	(139,890)	(4,023)	0.0
Annualize prior year legislation	(2,093,637)	(107,231)	(1,738,556)	(191,163)	(56,687)	0.0
HB 14-1336	\$137,915,948	\$5,483,282	\$118,165,559	\$9,173,917	\$5,093,190	1,134.8
SB 14-002	<u>48,676</u>	<u>0</u>	<u>0</u>	<u>48,676</u>	<u>0</u>	<u>0.5</u>
TOTAL	\$137,964,624	\$5,483,282	\$118,165,559	\$9,222,593	\$5,093,190	1,135.3
Increase/(Decrease)	\$7,620,708	\$614,123	\$7,071,613	(\$95,224)	\$30,196	4.5
Percentage Change	5.8%	12.6%	6.4%	(1.0%)	0.6%	0.4%

FY 2013-14 Appropriation – Mid-year Adjustments

House Bill 14-1336 modified the FY 2013-14 appropriations by adding \$1,000,000 reappropriated funds for traffic control services provided by the Colorado State Patrol to the Department of Transportation.

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Annualize prior year budget actions: The appropriation includes a number of changes for the out-year impact of funding decisions made through the FY 2013-14 appropriation.

Portable radios: The appropriation includes funding to replace part of the Colorado State Patrol's portable radios.

Additional Capitol Complex security: The appropriation includes funding for additional security at the legislative offices located at 1525 Sherman Street in Denver.

Indirect cost assessment: The appropriation includes a net increase in the division's indirect cost assessment.

World Alpine Ski Championship: The appropriation provides one-time funding for lodging and per diem for forty-three members of the Colorado State Patrol (CSP) who will provide traffic enforcement and accident investigation for the 2015 World Alpine Ski Championship.

Fund source adjustment: The appropriation includes an adjustment to dispatch billing.

Annualize prior year legislation: The appropriation includes various changes for the second year impact of legislation including the elimination of \$1.3 million cash funds to replace part of the Colorado State Patrol's portable radios in FY 2013-14, and the elimination of \$704,000 for the purchase of a radio tower in the Raymer area of Weld County.

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

Division of Fire Prevention and Control

The Division of Fire Prevention and Control, created in H.B. 12-1283, incorporated the Office of Fire Safety and wildfire-related powers and duties of the state forest service previously housed in the Colorado State University. The Division is tasked with fire code enforcement, training, certification, and wildfire preparedness, response, suppression, coordination, and management. The primary sources of cash funds for this Division include: proceeds of insurance premium taxes into the Wildfire Preparedness Fund; the Public School Construction and Inspection Cash Fund; the Emergency Fire Fund; the Wildland Fire Equipment Repair Cash Fund; the Firefighter, First Responder, and Hazardous Materials Responder Certification Fund; the Fire Suppression Cash Fund; and the Wildfire Emergency Response Fund.

Division of Fire Prevention and Control						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$10,078,372	\$457,802	\$8,564,602	\$725,516	\$330,452	80.4
HB 14-1245	<u>14,556</u>	<u>60,227</u>	<u>(45,671)</u>	<u>0</u>	<u>0</u>	<u>0.6</u>
TOTAL	\$10,092,928	\$518,029	\$8,518,931	\$725,516	\$330,452	81.0
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$10,092,928	\$518,029	\$8,518,931	\$725,516	\$330,452	81.0
Colorado Firefighting Air Corps	19,672,000	19,672,000	0	0	0	0.0
Wildfire Preparedness Fund	8,300,000	0	4,150,000	4,150,000	0	0.0
State engine staffing	566,524	566,524	0	0	0	8.0
Annualize prior year budget actions	138,592	31,368	94,447	6,063	6,714	0.0
Budget and policy analyst	85,036	85,036	0	0	0	0.9
Additional vehicles	59,400	0	59,400	0	0	0.0
Annualize prior year legislation	(3,310,227)	(60,227)	(3,250,000)	0	0	(0.6)
Indirect cost assessment	(6,178)	0	(14,783)	9,162	(557)	0.0
HB 14-1336	\$35,598,075	\$20,812,730	\$9,557,995	\$4,890,741	\$336,609	89.3
SB 14-008	27,175	27,175	0	0	0	0.5
SB 14-164	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>19.3</u>
TOTAL	\$35,625,250	\$20,839,905	\$9,557,995	\$4,890,741	\$336,609	109.1
Increase/(Decrease)	\$25,532,322	\$20,321,876	\$1,039,064	\$4,165,225	\$6,157	28.1
Percentage Change	253.0%	3,922.9%	12.2%	574.1%	1.9%	34.7%

FY 2013-14 Appropriation – Mid-year Adjustments

House Bill 14-1245 modified the FY 2013-14 appropriations by moving \$45,671 cash funds to the Executive Director's Office for leased space related to H.B. 12-1283, which transferred fire prevention and suppression functions from the Colorado State Forest Service to the Division, and added \$60,277 General Fund and 0.6 FTE for additional staff in the State Engine Program.

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Colorado Firefighting Air Corps: The appropriation provides \$19.7 million General Fund for the Colorado Firefighting Air Corps.

Wildfire Preparedness Fund: The appropriation increases cash funds from the proceeds of insurance premium taxes into the Wildfire Preparedness Fund, and reappropriates the funds for the ongoing funding of wildfire suppression functions within the Division.

State engine staffing: The appropriation includes funding for additional staff in the State Engine Program.

Annualize prior year budget actions: The appropriation includes a number of changes to the out-year impact of funding decisions made through the FY 2013-14 appropriation.

Budget and policy analyst: The appropriation includes funding for a Division budget and policy analyst.

Additional vehicles: The appropriation includes funding for eleven additional vehicles for health facility inspectors.

Annualize prior year legislation: The appropriation includes various changes for the second year impact of legislation including the elimination of \$3.25 million cash funds from the Wildfire Preparedness Fund provided through S.B. 11-238 (Extend Wildfire Preparedness Fund).

Indirect cost assessment: The appropriation includes a net decrease in the division's indirect cost assessment.

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

Division of Criminal Justice

This division:

- Provides funding for the state's community corrections programs and for local oversight boards;
- Administers state and federally funded grant programs targeting juvenile delinquency and federally funded grant programs that help local and state law enforcement agencies improve the services they deliver;
- Administers state and federally funded grant programs that help state and local agencies assist crime victims, operates the state's Victim's Rights Act Compliance Program, and responds to requests for assistance in implementing Colorado's Victim's Rights Amendment;
- Assists the Domestic Violence Offender Management Board and the Sex Offender Management Board in developing and implementing standards and policies for the evaluation, treatment, monitoring, and management of adults convicted of domestic violence and sex offenses;
- Analyzes and distributes criminal justice data and information, evaluates criminal justice programs, provides research support to the Colorado Commission on Criminal and Juvenile Justice; and
- Helps strengthen the performance and professionalism of Colorado law enforcement agencies through training, education, and technical assistance programs.

The primary sources of cash funds are the Victims Assistance and Law Enforcement Fund (the State VALE fund), the Child Abuse Investigation Surcharge Fund, and the Sex Offender Surcharge Fund. The primary source of reappropriated funds is transfers of moneys appropriated to the Correctional Treatment Cash Fund in the Judicial Department, followed by appropriations of departmental indirect cost recoveries. Sources of federal funds include Federal Victims Assistance and Compensation Grants and State and Local Crime Control and System Improvement Grants.

Division of Criminal Justice						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$87,335,181	\$60,057,042	\$2,683,965	\$3,416,909	\$21,177,265	56.4
SB 13-007	255,443	255,443	0	0	0	2.5
SB 13-283	154,034	0	154,034	0	0	0.0
HB 13-1129	739,591	739,591	0	0	0	6.0
HB 13-1163	167,067	167,067	0	0	0	0.2
HB 13-1195	9,020	9,020	0	0	0	0.1
HB 13-1241	434,720	434,720	0	0	0	0.0
HB 14-1245	(95,737)	(31,101)	(64,636)	0	0	0.0
HB 14-1336	<u>(223,170)</u>	<u>(223,170)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$88,776,149	\$61,408,612	\$2,773,363	\$3,416,909	\$21,177,265	65.2
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$88,776,149	\$61,408,612	\$2,773,363	\$3,416,909	\$21,177,265	65.2
Community provider rate	6,991,441	6,991,441	0	0	0	0.0
Align appropriation with revenue	3,763,326	0	(36,674)	(50,000)	3,850,000	0.0
Correctional Treatment Cash Fund	2,385,000	0	0	2,385,000	0	0.0
Children's Advocacy Center funding	500,000	500,000	0	0	0	0.0
Eliminate one-time community corrections funding	223,170	223,170	0	0	0	0.0
Annualize prior year legislation	197,556	126,971	70,585	0	0	4.9
Community corrections FTE support	175,803	175,803	0	0	0	2.1
Annualize prior year budget actions	126,836	84,838	17,980	8,121	15,897	0.0
CCIB system funding	25,000	25,000	0	0	0	0.0
Eliminate funding for Subsistence Grace Period Pilot Project	(591,200)	(591,200)	0	0	0	0.0
Indirect cost assessment	(66,116)	0	6,794	(5,828)	(67,082)	0.0
HB 14-1336	\$102,506,965	\$68,944,635	\$2,832,048	\$5,754,202	\$24,976,080	72.2
SB 14-153	(1,408)	(1,408)	0	0	0	0.0
SB 14-215	0	0	0	0	0	0.0
HB 14-1273	<u>263,796</u>	<u>263,796</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1.8</u>
TOTAL	\$102,769,353	\$69,207,023	\$2,832,048	\$5,754,202	\$24,976,080	74.0

Division of Criminal Justice						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Increase/(Decrease)	\$13,993,204	\$7,798,411	\$58,685	\$2,337,293	\$3,798,815	8.8
Percentage Change	15.8%	12.7%	2.1%	68.4%	17.9%	13.5%

FY 2013-14 Appropriation - Mid-year Adjustments

House Bill 14-1245 made the following technical corrections to the FY 2013-14 appropriation: (1) moving \$31,101 General Fund from this Division to the Executive Director's Office and (2) reducing cash fund appropriations to this division by \$64,636. House Bill 14-1336 corrected a technical error in S.B. 13-230 by reducing the appropriation for community corrections placements by \$223,170 General Fund.

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Community provider rate: The appropriation provides additional General Fund for community corrections programs.

Align appropriation with revenue: The appropriation includes an increase to align it with expected revenue.

Correctional Treatment Cash Fund: The appropriation provides additional funds from the Correctional Treatment Cash Fund for: (1) forty-eight additional intensive residential treatment (IRT) beds for condition-of-parole offenders with severe substance abuse problems; and (2) additional substance-abuse treatment for offenders who do not require IRT.

Children's Advocacy Center funding: The appropriation increases funding for medical exams at Children's Advocacy Centers.

Eliminate one-time community corrections funding: The appropriation includes a FY 2014-15 adjustment that is a consequence of the one-time impact of a FY 2013-14 technical correction that affected community corrections.

Annualize prior year legislation: The appropriation reflects the out-year impact of prior session bills, including:

- \$135,125 and 3.0 FTE for HB 13-1129, Epic Resource Center;
- \$70,585 cash funds and 2.0 FTE for S.B. 13-283, Implement Amendment 64;
- \$866 General Fund for H.B. 13-1163, Sex Assault Victim Emergency Payments; and
- (\$9,020) General Fund and (0.1) FTE for H.B. 13-1195, Human Trafficking.

Community corrections FTE support: The appropriation provides additional funding and FTE for support for community corrections programs.

Annualize prior year budget actions: The appropriation includes a number of changes to the out-year impact of funding decisions made through the FY 2013-14 Long Bill.

CCIB system funding: The appropriation increases funding for the Community Corrections Information and Billing (CCIB) system.

Eliminate funding for Subsistence Grace Period Pilot Project: The appropriation ends funding for a one-year Subsistence Grace Period Pilot Project for community corrections.

Indirect cost assessment: The appropriation includes a net decrease in the division's indirect cost assessment.

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

Colorado Bureau of Investigation

The Bureau provides information technology, laboratory, and investigative services to local, state, and federal law enforcement agencies upon request. The Colorado Crime Information Center (CCIC) provides information around the clock to law enforcement agencies on warrants, case status, stolen property, vehicle registration, known offenders, and drivers' licenses. The Bureau also operates the State's "instacheck" criminal background check program for the firearms industry. The laboratory analyzes DNA, fingerprint, firearms and tool marks, physiological fluids, toxicology, chemical, document, and digital evidence, as well as trace evidence and shoe and tire track evidence. Major cash fund sources include the CBI Identification Unit Fund, the Instant Criminal Background Check Cash Fund, the Offender Identification Fund, the State Toxicology Laboratory Fund, and the Colorado Identity Theft and Financial Fraud Cash Fund.

Colorado Bureau of Investigation						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$28,872,683	\$15,439,026	\$8,729,924	\$3,857,800	\$845,933	214.6
SB 13-123	184,902	15,000	169,902	0	0	3.0
HB 13-1020	6,351,002	6,351,002	0	0	0	0.0
HB 13-1228	0	(924,637)	924,637	0	0	0.0
HB 13-1229	1,091,126	0	1,091,126	0	0	24.7
HB 13-1317	155,760	0	155,760	0	0	0.7
HB 14-1170	37,500	37,500	0	0	0	0.0
HB 14-1245	<u>1,092,742</u>	<u>1,082,620</u>	<u>5,541</u>	<u>3,501</u>	<u>1,080</u>	<u>1.0</u>
TOTAL	\$37,785,715	\$22,000,511	\$11,076,890	\$3,861,301	\$847,013	244.0
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$37,785,715	\$22,000,511	\$11,076,890	\$3,861,301	\$847,013	244.0
Testing evidence of sexual assault	5,236,487	5,236,487	0	0	0	17.3
Annualize prior year budget actions	510,359	398,779	106,529	(19,609)	24,660	0.0
Indirect cost assessment	8,463	0	30,946	(22,161)	(322)	0.0
Annualize prior year legislation	(7,447,690)	(7,963,008)	519,899	(3,501)	(1,080)	0.6
HB 14-1336	\$36,093,334	\$19,672,769	\$11,734,264	\$3,816,030	\$870,271	261.9

Colorado Bureau of Investigation						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
SB 14-027	68,636	0	68,636	0	0	0.3
SB 14-133	10,544	0	10,544	0	0	0.0
HB 14-1037	339,602	339,602	0	0	0	0.6
HB 14-1095	174,357	174,357	0	0	0	1.8
HB 14-1170	112,500	112,500	0	0	0	0.0
HB 14-1340	1,796,592	1,100,000	696,592	0	0	5.2
HB 14-1360	<u>40,966</u>	<u>0</u>	<u>40,966</u>	<u>0</u>	<u>0</u>	<u>0.2</u>
TOTAL	\$38,636,531	\$21,399,228	\$12,551,002	\$3,816,030	\$870,271	270.0
Increase/(Decrease)	\$850,816	(\$601,283)	\$1,474,112	(\$45,271)	\$23,258	26.0
Percentage Change	2.3%	(2.7%)	13.3%	(1.2%)	2.7%	10.7%

FY 2013-14 Appropriation – Mid-year Adjustments

House Bill 14-1170 modified the FY 2013-14 appropriation to provide \$37,500 General Fund to the Department to hire a project manager in FY 2013-14 to supervise the purchase and renovation of a new CBI forensic laboratory in Pueblo. House Bill 14-1245 modified the FY 2013-14 appropriation to provide: (1) \$954,890 General Fund and 1.0 FTE for the Department to continue testing forensic medical evidence of alleged sexual assault pursuant to H.B. 13-1020; (2) \$133,285 total funds, including \$127,730 General Fund, for vehicle lease payments; and (3) \$4,567 cash funds from the Statewide Instant Criminal Background Check Cash Fund.

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Testing evidence of sexual assault: The appropriation includes funding for the Department to continue testing forensic medical evidence of alleged sexual assault pursuant to H.B. 13-1020.

Annualize prior year budget actions: The appropriation includes a number of changes to the out-year impact of funding decisions made through the FY 2013-14 Long Bill.

Indirect cost assessment: The appropriation includes a net increase in the division's indirect cost assessment.

Annualize prior year legislation: The appropriation includes various changes for the second year impact of legislation including the elimination of the one-time \$6.4 million General Fund appropriated in H.B. 13-1020 for the testing of backlog evidence of alleged sexual assault.

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

Division of Homeland Security and Emergency Management

The Division of Homeland Security and Emergency Management, created in H.B. 12-1283, consists of three offices: Office of Emergency Management, Office of Prevention and Security, Office of Preparedness. The Division is tasked with consolidating and restructuring the state's homeland security and disaster preparedness and response functions by better coordination of emergency management, homeland security, and public health entities in the state. This division is primarily federally funded. The primary cash fund source is the Disaster Emergency Fund.

Division of Homeland Security and Emergency Management						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$32,011,307	\$830,966	\$4,510,988	\$706,096	\$25,963,257	45.7
HB 13-1031	152,114	152,114	0	0	0	2.8
HB 14-1245	<u>70,060,729</u>	<u>70,060,729</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.5</u>
TOTAL	\$102,224,150	\$71,043,809	\$4,510,988	\$706,096	\$25,963,257	49.0
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$102,224,150	\$71,043,809	\$4,510,988	\$706,096	\$25,963,257	49.0
Sustainability of State Fusion Center	498,667	498,667	0	0	0	0.0
Annualize prior year budget actions	112,952	41,325	0	0	71,627	0.2
Statewide interoperability	110,266	110,266	0	0	0	1.0
Cyber-crime initiative	62,365	62,365	0	0	0	0.9
Annualize prior year legislation	(70,059,534)	(70,059,534)	0	0	0	(0.3)
Indirect cost assessment	(4,092)	0	0	141	(4,233)	0.0
HB 14-1336	\$32,944,774	\$1,696,898	\$4,510,988	\$706,237	\$26,030,651	50.8
SB 14-127	<u>589,618</u>	<u>589,618</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.9</u>
TOTAL	\$33,534,392	\$2,286,516	\$4,510,988	\$706,237	\$26,030,651	51.7
Increase/(Decrease)	(\$68,689,758)	(\$68,757,293)	\$0	\$141	\$67,394	2.7
Percentage Change	(67.2%)	(96.8%)	0.0%	0.0%	0.3%	5.5%

FY 2013-14 Appropriation – Mid-year Adjustments

House Bill 14-1245 modified the FY 2013-14 appropriation to provide: (1) \$70.0 million General Fund to the Disaster Emergency Fund; and (2) \$60,729 General Fund and 0.5 FTE for the Colorado Information Analysis Center (CIAC).

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Sustainability of State Fusion Center: The appropriation includes a General Fund appropriations increase for the Colorado Information Analysis Center (CIAC).

Annualize prior year budget actions: The appropriation includes a number of changes to the out year impact of funding decisions made through the FY 2013-14 appropriation.

Statewide interoperability: The appropriation includes funding for a statewide interoperability coordinator and operating funds for the Colorado Statewide Interoperability Executive Council.

Cyber-crime initiative: The appropriation provides funding for a cyber-security intelligence analyst at the Office of Prevention and Security.

Annualize prior year legislation: The appropriation includes various changes for the second year impact of legislation. The primary change is the elimination of the one-time \$70.0 million General Fund appropriated in H.B. 13-1245 (FY 2013-14 Supplemental) to the Disaster Emergency Fund.

Indirect cost assessment: The appropriation includes a net decrease in the division's indirect cost assessment.

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

Recent Legislation

2013 Session Bills

S.B. 13-007 (Extend Repeal of CCJJ): Changes the repeal date for the Colorado Commission on Criminal and Juvenile Justice (CCJJ) from July 1, 2013 to July 1, 2018. Requires the Office of Legislative Legal Services to provide a staff member to attend meetings of the Commission upon request. Makes the following FY 2013-14 General Fund appropriations: \$255,433 to the Department of Public Safety, \$56,100 to the Department of Corrections, and \$6,061 to the Legislative Department.

S.B. 13-083 (Colorado Prescribed Burning Act): Creates the "Colorado Prescribed Burning Act". Requires the Division of Fire Prevention and Control to implement a prescribed burning program. Appropriates \$4,635 federal funds to the Department of Public Safety for legal services from the Department of Law in FY 2013-14.

S.B. 13-123 (Collateral Consequences): Allows defendants who enter into an agreement alternative to sentencing or receive probation or a sentence to community corrections to apply for an order of collateral relief for the conviction, and establishes procedures for the application and standards for granting the relief. Provides that a pardon or commutation of sentence issued by the Governor waives all collateral consequences associated with each conviction for which the person received a pardon unless the pardon limits the scope of the pardon or commutation regarding collateral consequences. If the Governor grants a pardon or a commutation of sentence, the Governor shall provide a copy of the pardon or commutation to the Colorado Bureau of Investigation (CBI), and the CBI shall include a note in the individual's record in the Colorado Crime Information Center that a pardon was issued or clemency was granted. Appropriates \$184,902 and 3.0 FTE to the Department of Public Safety's Colorado Bureau of Investigation for FY 2013-14, including \$169,902 cash funds from the Colorado Bureau of Investigation Identification Unit Fund, and 3.0 FTE, and \$15,000 General Fund. For additional information on S.B. 13-123, see the "Recent Legislation" section for the Judicial Department.

S.B. 13-129 (Modification of Audit Requirements): Modifies several statutory duties for the Office of the State Auditor (OSA). Changes the cycle for regular audits by the OSA of the Colorado Auto Theft Prevention Cash Fund from every two years to every five years. Reduces the FY 2012-13 appropriation to the Automobile Theft Prevention Authority in the Colorado State Patrol by \$6,500 cash funds.

S.B. 13-138 (School Resource Officer Program): Defines "school resource officer" and "community partners" and expressly includes school resource officers as community partners for the purposes of school safety, readiness, and incident management. Requires the School Safety Resource Center to hire or contract for the services of an emergency response consultant with experience in law enforcement and school safety to provide guidance to school districts and schools for school building safety assessments and the use of best practices for school security, emergency preparedness and response, interoperable communications, and obtaining grants. Requires the School Safety Resource Center to provide suggestions concerning training for school resource officers. For FY 2013-14 appropriates \$68,398 General Fund and 1.0 FTE to the Schools Safety Resource Center.

S.B. 13-230 (Long Bill): General appropriations act for FY 2013-14. Also includes supplemental adjustments to modify appropriations to the Department of Public Safety included in the FY 2012-13 Long Bill (H.B. 12-1335).

S.B. 13-283 (Implement Amendment 64 Consensus): Requires the Colorado Commission on Criminal and Juvenile Justice to make recommendations to the General Assembly regarding criminal law changes that must be made to conform to Amendment 64. Requires the Division of Criminal Justice to undertake or contract for a study of law enforcement activities related to retail marijuana implementation. For FY 2013-14 appropriates \$154,034 from the Marijuana Cash Fund to the Department of Public Safety. For additional information on S.B. 13-283, see the "Recent Legislation" section for the Department of Public Health and Environment.

H.B. 13-1020 (Testing Evidence of Alleged Sexual Assault): Sets forth new requirements concerning the collection and treatment of forensic medical evidence of alleged sexual assault. Requires the Department of Public Safety to convene a group of stakeholders to develop rules on the standards and timing for submitting, analyzing, and comparing such evidence going forward. Requires law enforcement agencies and personnel at medical facilities performing forensic medical examinations to comply with the new rules within 90 days after their promulgation. A law enforcement agency may develop its own plan to analyze forensic evidence if the evidence will be analyzed by a date specified in rule by the executive director. Directs the Department of Public Safety to include within the funding requests submitted to the joint budget committee money to analyze the backlog of forensic medical evidence. For FY 2013-14 appropriates \$6,351,002 General Fund to the Colorado Bureau of Investigation for the testing of backlog forensic evidence.

H.B. 13-1031 (All-hazards Resource Mobilization): Clarifies the powers and duties of the Office of Emergency Management in relation to the Statewide All-Hazards Mobilization Plan. Establishes the means by which mobilized governmental entities may seek reimbursement for costs incurred by rendering inter-jurisdictional disaster assistance. Creates the Resource Mobilization Fund, the moneys in which are used by the executive director of the department to reimburse state agencies and jurisdictions in accordance with the plan. Authorizes the governor to transfer moneys to the Resource Mobilization Fund from the Disaster Emergency Fund when he or she believes that a disaster is imminent. For FY 2013-14 appropriates \$260,114 General Fund and 2.8 FTE to the Department of Public Safety.

H.B. 13-1129 (EPIC Resource Center): Creates the Evidence-based Practices Implementation for Capacity (EPIC) Resource Center in the Division of Criminal Justice, to help agencies serving juvenile and adult offender

populations develop, implement, and sustain evidence-based practices. The EPIC Center was developed in 2009 as an initiative of the Colorado Commission on Criminal and Juvenile Justice and is funded with federal Justice Assistance Grant funds, set to end on September 30, 2013. For FY 2013-14, appropriates \$739,591 General Fund and 6.0 FTE to the Division of Criminal Justice to replace the expiring federal support.

H.B. 13-1155 (Revise Transfer of Health Care Facilities Building and Fire Code Inspections): Makes the interdepartmental transfer of staff responsible for the life safety code inspections of health facilities contained in H.B. 12-1268 from the Department of Public Health and Environment (DPHE) to the Division of Fire Prevention and Control in the Department of Public Safety (DPS) contingent upon approval from the Secretary of the federal Department of Health and Human Services (federal DHHS). Due to the fact that the bill was signed into law on March 14, 2013, transfer appropriations totaling \$1,207,865 and 15.0 FTE in FY 2013-14 were included in S.B. 13-230.

H.B. 13-1163 (Medical Costs for Sexual Assault Victims): Creates an Emergency Payment Program in the Division of Criminal Justice for victims of sexual assault who need additional time to determine if they wish to pursue legal action. The Program serves as payer of last resort for victims who require financial assistance to pay the costs of a forensic medical exam. For FY 2013-14, appropriates \$167,067 General Fund and 0.2 FTE to the Division of Criminal Justice.

H.B. 13-1195 (Review Human Trafficking Statutes): Directs the Colorado Commission on Criminal and Juvenile Justice to review the State's implementation of human trafficking statutes since their inception in 2007. The Commission must report its findings to the General Assembly by January 1, 2014. For FY 2013-14, appropriates \$9,020 General Fund to the Division of Criminal Justice.

H.B. 13-1228 (Payment for Background Checks for Firearm Transfers): Requires the Colorado Bureau of Investigation (CBI) to charge a fee for performing instant criminal background checks related to the transfer of firearms. The fee may not exceed the direct and indirect costs associated with performing the background checks. Creates the Instant Criminal Background Check Cash Fund. Authorizes the CBI to continue using General Fund in FY 2013-14 until sufficient moneys exist in the fund to pay for the performing of criminal background checks. For FY 2013-14 reduces \$1,032,276 General Fund and 15.0 FTE and appropriates \$1,032,276 and 15.0 FTE from the Instant Criminal Background Check Cash Fund to the Department of Public Safety.

H.B. 13-1229 (Expand Background Checks for Firearm Transfers): Expands instant criminal background checks related to the transfer of firearms to all firearms transfers on and after July 1, 2013. Requires a prospective firearm transferor to arrange for the services of one or more licensed gun dealers to obtain a background check. Prohibits a prospective firearm transferee from accepting possession of a firearm unless the prospective firearm transferor has obtained approval of the transfer from the Colorado Bureau of Investigation after a background check has been requested by a licensed gun dealer. For FY 2012-13 appropriates \$362,467 General Fund and 4.0 FTE to the Department of Public Safety. For FY 2013-14 appropriates \$1,415,932 cash funds from the Instant Criminal Background Check Cash Fund and 24.7 FTE to the Department of Public Safety.

H.B. 13-1241 (Statewide Victim Information and Notification System): Directs the Division of Criminal Justice to distribute moneys for a statewide victim information and notification system that already exists and is operated by the County Sheriffs of Colorado. For FY 2013-14, appropriates \$434,720 General Fund to the Division of Criminal Justice to pay for expenses of the system, with \$10,000 reappropriated to the DYC to pay

for the DYC's share of system costs. Adjusts FY 2013-14 appropriations to the DYC, reducing General Fund by \$10,000 and increasing reappropriated funds from the Department of Public Safety by \$10,000.

H.B. 13-1317 (Implement Amendment 64): Establishes the regulatory framework to implement Amendment 64, which legalizes the possession of small amounts of marijuana. For FY 2013-14 appropriates \$155,760 cash funds from the Colorado Bureau of Investigation Identification Unit Fund and 0.7 FTE to the Department of Public Safety for fingerprint-based criminal history record checks. For additional information on H.B. 13-1317, see the "Recent Legislation" section for the Department of Revenue.

2014 Session Bills

S.B. 14-002 (Safe2Tell Program in Department of Law): Repeals the existing Safe2Tell program, managed by a nonprofit organization, and recreates the program within the Department of Law. For FY 2014-15 appropriates \$48,676 reappropriated funds (from an appropriation to the Department of Law) and 0.5 FTE to the Department of Public Safety for dispatch services and text message tip reporting. For additional information on S.B. 14-002, see the "Recent Legislation" section for the Department of Law.

S.B. 14-008 (Wildfire Information Resources Center): Creates the Wildfire Information Resources Center in the Department of Public Safety. The Division of Fire Prevention and Control is charged with collecting wildfire-related information and provide on-line resources for homeowners, fire professionals, the media, and educators. For FY 2014-15 appropriates \$27,175 General Fund and 0.5 FTE to the Division of Fire Prevention and Control.

S.B. 14-027 (Judicial Department Background Checks): Authorizes the Colorado Supreme Court to request a criminal history background check from the Colorado Bureau of Investigation as part of the licensing process for attorneys. Also, requires a person who wishes to be appointed as a child family investigator to undergo a background check. For FY 2014-15 appropriates \$68,636 cash funds and 0.3 FTE to the Department of Public Safety for criminal history record checks.

S.B. 14-127 (Statewide Radio Communications): Reorganizes the Consolidated Communications System Authority as a subcommittee under the Homeland Security and All-Hazards Senior Advisory Committee in the Division of Homeland Security and Emergency Management. The authority was established pursuant to H.B. 12-1224 to represent the primary users and report on the ongoing operating and capital needs of the Digital Trunked Radio System (DTRS). For FY 2014-15 appropriates 589,618 General Fund and 0.9 FTE to the Division of Homeland Security and Emergency Management to hire staff and to conduct a statewide radio communications needs assessment and business plan.

S.B. 14-133 (Mandatory Licensure Private Investigators): Repeals the existing voluntary licensure program for private investigators (PIs) and replaces it with a mandatory licensure program. For FY 2014-15 appropriates \$10,544 cash funds to the Colorado Bureau of Investigation for fingerprint-based criminal history checks. For additional information on S.B. 14-133, see the "Recent Legislation" section for the Department of Regulatory Agencies.

S.B. 14-153 (Legislative Member Compensation for Boards and Commissions): Establishes uniform payments of per diem and travel expenses for members of the General Assembly who are statutorily appointed to serve on state entities. Reduces appropriations to the Department by \$1,408 General Fund for FY 2014-15.

S.B. 14-164 (Maximize Aerial Firefighting and Analytical Capacity): Amends statutes concerning the Colorado Firefighting Air Corps: (a) adds potential revenue sources to the Colorado Firefighting Air Corps Fund; (b) requires the Division of Fire Prevention and Control to make an annual report to the Wildfire Matters Review Committee with information and recommendations regarding wildfire threats, state firefighting resources, and the status of state aerial firefighting resources; (c) establishes standards for the acquisition of certain aircraft; (d) requires the operation of a center of excellence; (e) requires the Wildfire Matters Review Committee to consider the creation of a Colorado Wildland and Prescribed Fire Advisory Committee in 2014; and (f) provides the Director of the Division of Fire Prevention and Control with rulemaking authority to implement any aspect of the Colorado Firefighting Air Corps. For FY 2014-15 appropriates 19.3 FTE to the Division of Fire Prevention and Control for firefighting air crew and personnel as well as the operation of a center of excellence for advanced technology aerial firefighting (the FY 2014-15 Long Bill, H.B. 14-1336, includes \$19.7 million General Fund for the Colorado Firefighting Air Corps).

S.B. 14-215 (Disposition of Legal Marijuana Related Revenue): Creates the Marijuana Tax Cash Fund (MTCF) and directs that all sales tax moneys collected by the state starting in FY 2014-15 from retail and medical marijuana be deposited in the MTCF instead of the Marijuana Cash Fund. Specifies permissible uses of moneys in the MTCF, including for the study of law enforcement's activity and costs related to the implementation of the laws legalizing retail marijuana in the Department of Public Safety. Reduces the Long Bill (H.B. 14-1336) appropriation to the Division of Criminal Justice by \$159,983 cash funds from the Marijuana Cash Fund and appropriates that amount from the MTCF. For additional information on S.B. 14-215, see the "Recent Legislation" section for the Department of Revenue.

H.B. 14-1037 (Enforcing Laws Against Designer Drugs): Prohibits the distribution, dispensing, manufacturing, display, offer, or sales of any product labeled as incense or any other trademark if the product contains synthetic cannabinoids. Establishes civil penalties for violations of the law. Beginning September 1, 2014, the Colorado Bureau of Investigation is required to purchase and maintain field test kits and make them available to local law enforcement agencies and the Liquor Enforcement Division of the Department of Revenue. For FY 2014-15 appropriates \$339,602 General Fund and 0.6 FTE to the Department of Public Safety.

H.B. 14-1095 (CBI Authority to Investigate Computer Crime): Authorizes the Colorado Bureau of Investigation to conduct criminal investigations related to computer crime upon the request of law enforcement officials or the Governor, or upon its own discovery of such crime. For FY 2014-15 appropriates \$174,357 General Fund and 1.8 FTE to the Department of Public Safety.

H.B. 14-1170 (Lease-purchase Agreement for Pueblo CBI Office): Authorizes the State Treasurer to enter into lease-purchase agreements on behalf of the Colorado Bureau of Investigation for a period of up to 20 years to purchase and renovate a new building to house the CBI Pueblo forensic laboratory and regional office. For FY 2013-14 appropriates \$37,500 General Fund to the Department of Public Safety. For FY 2014-15 appropriates \$984,542 General Fund to the Department of Public Safety.

H.B. 14-1245 (Supplemental Bill): Supplemental appropriation for FY 2013-14 for the Department of Public Safety. Corrects technical errors in FY 2013-14 appropriations by reducing by \$64,636 the cash funds appropriation to the Department that is contained in S.B. 13-283 and reallocating \$31,101 of the General Fund appropriation to the Department that is contained in H.B. 13-1129.

H.B. 14-1273 (Human Trafficking): Repeals, reenacts, and makes changes to existing laws concerning human trafficking. Creates the Colorado Human Trafficking Council within the Division of Criminal Justice and

specifies a number of duties for the Council. Appropriates \$263,796 General Fund and 1.8 FTE to the Department FY 2014-15.

H.B. 14-1336 (Long Bill): General appropriations act for FY 2014-15. Corrects a technical error in prior appropriations by reducing the FY 2013-14 appropriation for community corrections placements by \$223,170 General Fund and appropriates \$1,000,000 reappropriated funds for traffic control services provided by the Colorado State Patrol to the Department of Transportation.

H.B. 14-1340 (State Toxicology Laboratory): Requires the Colorado Bureau of Investigation to operate a state toxicology laboratory on or before July 1, 2015, to assist local law enforcement agencies in the enforcement of laws for driving under the influence (DUI) of alcohol or drugs. For FY 2014-15 appropriates \$1,796,592 total funds, including \$1,100,000 General Fund, and 5.2 FTE to the Department of Public Safety.

H.B. 14-1360 (Sunset Review Licensure of Home Care Agencies): Continues the regulation of home care agencies and home care placement agencies until September 1, 2019, and implements the recommendations of the sunset report. For FY 2014-15 appropriates \$40,966 cash funds and 0.2 FTE to the Department of Public Safety for fingerprint-based criminal history record checks. For additional information on H.B. 14-1360, see the "Recent Legislation" section for the Department of Public Health and Environment.

Department Details

DEPARTMENT OF REGULATORY AGENCIES

FY 2013-14 and FY 2014-15 Appropriations by Division and Bill

Department of Regulatory Agencies						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Total Appropriation:	\$81,184,712	\$1,703,494	\$73,652,864	\$4,504,371	\$1,323,983	572.7
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office and Administrative Services	27,680,160	659,565	23,058,656	3,627,425	334,514	29.5
Division of Banking	4,396,128	0	4,396,128	0	0	40.0
Civil Rights Division	1,755,833	1,043,929	0	281,164	430,740	27.0
Office of Consumer Counsel	901,856	0	901,856	0	0	7.0
Division of Financial Services	1,394,679	0	1,394,679	0	0	13.0
Division of Insurance	7,374,287	0	6,833,119	0	541,168	85.0
Public Utilities Commission	13,232,774	0	13,215,213	0	17,561	95.0
Division of Real Estate	4,493,978	0	4,493,978	0	0	52.4
Division of Professions and Occupations	16,674,882	0	16,079,100	595,782	0	199.8
Division of Securities	3,280,135	0	3,280,135	0	0	24.0
<u>Breakdown of Total Appropriation by Bill</u>						
SB 13-230	80,850,194	1,703,494	73,318,346	4,504,371	1,323,983	559.9
SB 13-014	8,318	0	8,318	0	0	0.0
SB 13-026	146,353	0	146,353	0	0	2.0
SB 13-039	58,966	0	58,966	0	0	0.6
SB 13-125	(2,400)	0	(2,400)	0	0	0.0
SB 13-151	149,691	0	149,691	0	0	1.9
SB 13-162	259,175	0	259,175	0	0	3.6
SB 13-172	5,021	0	5,021	0	0	0.0
SB 13-180	37,737	0	37,737	0	0	0.2
SB 13-189	5,000	0	5,000	0	0	0.0
SB 13-194	(725,548)	0	(725,548)	0	0	0.0
SB 13-204	2,100	0	2,100	0	0	0.0
SB 13-207	10,020	0	10,020	0	0	0.0
SB 13-221	275,046	0	275,046	0	0	3.5
SB 13-238	5,794	0	5,794	0	0	0.0
SB 13-277	8,756	0	8,756	0	0	0.1
HB 13-1111	90,489	0	90,489	0	0	0.9

Department of Regulatory Agencies						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Total Appropriation:	\$86,666,820	\$1,882,646	\$78,674,683	\$4,722,507	\$1,386,984	587.6
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office and Administrative Services	30,311,844	705,811	25,509,907	3,769,487	326,639	29.5
Division of Banking	4,499,138	0	4,499,138	0	0	40.0
Civil Rights Division	2,026,112	1,176,835	0	357,238	492,039	27.2
Office of Consumer Counsel	926,687	0	926,687	0	0	7.0
Division of Financial Services	1,437,793	0	1,437,793	0	0	13.0
Division of Insurance	7,603,614	0	7,052,869	0	550,745	85.1
Public Utilities Commission	13,945,065	0	13,927,504	0	17,561	100.5
Division of Real Estate	4,927,610	0	4,927,610	0	0	55.9
Division of Professions and Occupations	17,549,253	0	16,953,471	595,782	0	205.4
Division of Securities	3,439,704	0	3,439,704	0	0	24.0
<u>Breakdown of Total Appropriation by Bill</u>						
HB 14-1336	85,864,050	1,882,646	77,871,913	4,722,507	1,386,984	580.6
SB 14-099	18,336	0	18,336	0	0	0.0
SB 14-125	179,777	0	179,777	0	0	2.5
SB 14-133	28,300	0	28,300	0	0	0.3
HB 14-1199	13,560	0	13,560	0	0	0.2
HB 14-1227	109,008	0	109,008	0	0	1.0
HB 14-1283	7,500	0	7,500	0	0	0.0
HB 14-1328	86,518	0	86,518	0	0	0.7
HB 14-1329	39,436	0	39,436	0	0	0.3
HB 14-1331	270,335	0	270,335	0	0	2.0
HB 14-1398	50,000	0	50,000	0	0	0.0
Increase/(Decrease)	\$5,482,108	\$179,152	\$5,021,819	\$218,136	\$63,001	14.9
Percentage Change	6.8%	10.5%	6.8%	4.8%	4.8%	2.6%

Informational Funds: The FY 2014-15 Long Bill and other legislation indicate when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Regulatory Agencies are annotated with the "(I)". For additional information, see Appendix J.

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2014-15 Appropriations containing an (I) notation	\$3,387,526	\$0	\$2,000,542	\$0	\$1,386,984

Detail of Appropriation by Administrative Section

Executive Director's Office and Administrative Services

The Executive Director's Office performs department-wide administrative functions including: accounting, budgeting, data processing, purchasing, facilities planning, and management reporting. The Office of Policy, Research and Regulatory Reform is located within the Executive Director's Office and is responsible for conducting sunrise and sunset reviews of state divisions and programs. The majority of cash funds in this division are from various department cash funds for centrally appropriated line items. The reappropriated funds are primarily from indirect cost recoveries paid by the divisions for central services.

Executive Director's Office and Administrative Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$27,396,263	\$659,565	\$22,774,759	\$3,627,425	\$334,514	29.5
SB 13-014	2,318	0	2,318	0	0	0.0
SB 13-026	23,709	0	23,709	0	0	0.0
SB 13-039	22,287	0	22,287	0	0	0.0
SB 13-151	21,244	0	21,244	0	0	0.0
SB 13-162	5,794	0	5,794	0	0	0.0
SB 13-172	5,021	0	5,021	0	0	0.0
SB 13-180	19,850	0	19,850	0	0	0.0
SB 13-189	5,000	0	5,000	0	0	0.0
SB 13-207	6,180	0	6,180	0	0	0.0
SB 13-221	144,525	0	144,525	0	0	0.0
SB 13-238	5,794	0	5,794	0	0	0.0
HB 13-1111	<u>22,175</u>	<u>0</u>	<u>22,175</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$27,680,160	\$659,565	\$23,058,656	\$3,627,425	\$334,514	29.5
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$27,680,160	\$659,565	\$23,058,656	\$3,627,425	\$334,514	29.5
Centrally appropriated line items	2,814,506	45,401	2,586,950	170,041	12,114	0.0
IT common policy adjustments	1,090,981	52,282	1,036,696	0	2,003	0.0
New vehicles for PUC	7,017	0	7,017	0	0	0.0
Fund source adjustment	0	(380)	26,640	(26,260)	0	0.0
Annualize prior year budget actions	(1,552,128)	(51,057)	(1,477,360)	(1,719)	(21,992)	0.0
HB 14-1336	\$30,040,536	\$705,811	\$25,238,599	\$3,769,487	\$326,639	29.5
SB 14-099	18,216	0	18,216	0	0	0.0
SB 14-125	9,108	0	9,108	0	0	0.0
SB 14-133	9,057	0	9,057	0	0	0.0
HB 14-1199	3,643	0	3,643	0	0	0.0
HB 14-1227	56,925	0	56,925	0	0	0.0

Executive Director's Office and Administrative Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 14-1283	7,500	0	7,500	0	0	0.0
HB 14-1328	28,417	0	28,417	0	0	0.0
HB 14-1329	18,216	0	18,216	0	0	0.0
HB 14-1331	105,653	0	105,653	0	0	0.0
HB 14-1398	<u>14,573</u>	<u>0</u>	<u>14,573</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$30,311,844	\$705,811	\$25,509,907	\$3,769,487	\$326,639	29.5
Increase/(Decrease)	\$2,631,684	\$46,246	\$2,451,251	\$142,062	(\$7,875)	0.0
Percentage Change	9.5%	7.0%	10.6%	3.9%	(2.4%)	0.0%

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; vehicle lease payments; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; and Capitol complex leased space.

IT common policy adjustments: The appropriation includes adjustments to the payments made to the Governor's Office of Information Technology for the provision of information technology services.

New vehicles for PUC: The appropriation includes an increase of \$7,017 cash funds for vehicle lease payments for two additional vehicles for the Public Utilities Commission.

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

Annualize prior year budget actions: The appropriation includes the annualization of the FY 2013-14 salary survey and merit pay and prior year legislation.

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

Division of Banking

The Division of Banking regulates state-chartered commercial and industrial banks, trust companies, debt adjusters, and money order companies. Division staff conduct examinations of banking institutions and ensure compliance with the Public Deposit Protection Act. This Division is entirely cash funded from the Division of Banking Cash Fund pursuant to Section 11-102-403, C.R.S.

Division of Banking						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	<u>\$4,396,128</u>	<u>\$0</u>	<u>\$4,396,128</u>	<u>\$0</u>	<u>\$0</u>	<u>40.0</u>
TOTAL	\$4,396,128	\$0	\$4,396,128	\$0	\$0	40.0
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$4,396,128	\$0	\$4,396,128	\$0	\$0	40.0
Annualize prior year budget actions	96,877	0	96,877	0	0	0.0
Indirect cost assessment	6,133	0	6,133	0	0	0.0
HB 14-1336	<u>\$4,499,138</u>	<u>\$0</u>	<u>\$4,499,138</u>	<u>\$0</u>	<u>\$0</u>	<u>40.0</u>
TOTAL	\$4,499,138	\$0	\$4,499,138	\$0	\$0	40.0
Increase/(Decrease)	\$103,010	\$0	\$103,010	\$0	\$0	0.0
Percentage Change	2.3%	n/a	2.3%	n/a	n/a	0.0%

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Annualize prior year budget actions: The appropriation includes the annualization of the FY 2013-14 salary survey and merit pay.

Indirect cost assessment: The appropriation includes a net increase in the division's indirect cost assessment.

Civil Rights Division

The Civil Rights Division is the enforcement arm of the Colorado Civil Rights Commission, and is responsible for the enforcement of state laws that prohibit discrimination in employment, housing, and public accommodations on the basis of race, gender, national origin, ancestry, a physical or mental disability, religion, color, marital status, or sexual orientation. The Division is primarily funded with General Fund and federal funds from the Equal Employment Opportunity Commission and the U.S. Department of Housing and Urban Development.

Civil Rights Division						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	<u>\$1,755,833</u>	<u>\$1,043,929</u>	<u>\$0</u>	<u>\$281,164</u>	<u>\$430,740</u>	<u>27.0</u>
TOTAL	\$1,755,833	\$1,043,929	\$0	\$281,164	\$430,740	27.0

Civil Rights Division						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$1,755,833	\$1,043,929	\$0	\$281,164	\$430,740	27.0
Replace FY 2010-11 GF reductions	194,314	145,931	0	0	48,383	0.0
Annualize prior year budget actions	71,592	63,049	0	0	8,543	0.2
Indirect cost assessment	4,373	0	0	0	4,373	0.0
Fund source adjustment	0	(76,074)	0	76,074	0	0.0
HB 14-1336	<u>\$2,026,112</u>	<u>\$1,176,835</u>	<u>\$0</u>	<u>\$357,238</u>	<u>\$492,039</u>	<u>27.2</u>
TOTAL	\$2,026,112	\$1,176,835	\$0	\$357,238	\$492,039	27.2
Increase/(Decrease)						
	\$270,279	\$132,906	\$0	\$76,074	\$61,299	0.2
Percentage Change						
	15.4%	12.7%	n/a	27.1%	14.2%	0.7%

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Replace FY 2010-11 GF reductions: The appropriation includes an increase of \$194,314 total funds to replace General Fund reductions taken in FY 2010-11.

Annualize prior year budget actions: The appropriation includes the annualization of the FY 2013-14 salary survey and merit pay and prior year legislation including H.B. 13-1136 (Job Protection Civil Rights Enforcement Act of 2013).

Indirect cost assessment: The appropriation includes a net increase in the division's indirect cost assessment.

Fund source adjustment: The appropriation includes an increase in the amount of statewide indirect cost recoveries applied to offset the need for General Fund in this division.

Office of Consumer Counsel

The Office of Consumer Counsel represents the interests of residential, agricultural and small business consumers at electric, gas and telecommunications rate and service proceedings before the Public Utilities Commission. This Division is entirely cash funded from the Public Utilities Commission Fixed Utility Fund pursuant to Section 40-2-114, C.R.S.

Office of Consumer Counsel						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	<u>\$901,856</u>	<u>\$0</u>	<u>\$901,856</u>	<u>\$0</u>	<u>\$0</u>	<u>7.0</u>
TOTAL	\$901,856	\$0	\$901,856	\$0	\$0	7.0

Office of Consumer Counsel						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$901,856	\$0	\$901,856	\$0	\$0	7.0
Annualize prior year budget actions	23,758	0	23,758	0	0	0.0
Indirect cost assessment	1,073	0	1,073	0	0	0.0
HB 14-1336	<u>\$926,687</u>	<u>\$0</u>	<u>\$926,687</u>	<u>\$0</u>	<u>\$0</u>	<u>7.0</u>
TOTAL	\$926,687	\$0	\$926,687	\$0	\$0	7.0
Increase/(Decrease)						
	\$24,831	\$0	\$24,831	\$0	\$0	0.0
Percentage Change	2.8%	n/a	2.8%	n/a	n/a	0.0%

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Annualize prior year budget actions: The appropriation includes the annualization of the FY 2013-14 salary survey and merit pay.

Indirect cost assessment: The appropriation includes a net increase in the division's indirect cost assessment.

Division of Financial Services

This Division regulates state-chartered credit unions, life care institutions, and savings and loan associations. Division staff conduct examinations of financial service institutions to ensure compliance with regulatory standards. This Division is entirely cash funded from the Division of Financial Services Cash Fund pursuant to Section 11-40-106 (2), C.R.S.

Division of Financial Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	<u>\$1,394,679</u>	<u>\$0</u>	<u>\$1,394,679</u>	<u>\$0</u>	<u>\$0</u>	<u>13.0</u>
TOTAL	<u>\$1,394,679</u>	<u>\$0</u>	<u>\$1,394,679</u>	<u>\$0</u>	<u>\$0</u>	<u>13.0</u>
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$1,394,679	\$0	\$1,394,679	\$0	\$0	13.0
Annualize prior year budget actions	35,694	0	35,694	0	0	0.0
Indirect cost assessment	1,993	0	1,993	0	0	0.0
Operating expenses reduction	(30,000)	0	(30,000)	0	0	0.0
HB 14-1336	<u>\$1,402,366</u>	<u>\$0</u>	<u>\$1,402,366</u>	<u>\$0</u>	<u>\$0</u>	<u>13.0</u>
HB 14-1398	<u>35,427</u>	<u>0</u>	<u>35,427</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	<u>\$1,437,793</u>	<u>\$0</u>	<u>\$1,437,793</u>	<u>\$0</u>	<u>\$0</u>	<u>13.0</u>

Division of Financial Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Increase/(Decrease)	\$43,114	\$0	\$43,114	\$0	\$0	0.0
Percentage Change	3.1%	n/a	3.1%	n/a	n/a	0.0%

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Annualize prior year budget actions: The appropriation includes the annualization of the FY 2013-14 salary survey and merit pay.

Indirect cost assessment: The appropriation includes a net increase in the division's indirect cost assessment.

Operating expenses reduction: The appropriation includes a reduction of \$30,000 cash funds for operating expenses.

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

Division of Insurance

This Division is responsible for the licensing of insurance agents and adjusters, and regulation of insurance companies, non-profit hospitals, prepaid dental plans, health maintenance organizations, workers' compensation self-insurance pools, bail bondsmen, and pre-need funeral contracts. The Division of Insurance Cash Fund, created in Section 10-1-103 (3), C.R.S., is the primary source of cash funds.

Division of Insurance						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$7,367,931	\$0	\$6,826,763	\$0	\$541,168	84.9
SB 13-125	(2,400)	0	(2,400)	0	0	0.0
SB 13-277	<u>8,756</u>	<u>0</u>	<u>8,756</u>	<u>0</u>	<u>0</u>	<u>0.1</u>
TOTAL	\$7,374,287	\$0	\$6,833,119	\$0	\$541,168	85.0
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$7,374,287	\$0	\$6,833,119	\$0	\$541,168	85.0
Annualize prior year budget actions	204,346	0	195,552	0	8,794	(0.1)
Indirect cost assessment	13,493	0	12,710	0	783	0.0
Other	1,571	0	1,571	0	0	0.0
HB 14-1336	\$7,593,697	\$0	\$7,042,952	\$0	\$550,745	84.9
HB 14-1199	<u>9,917</u>	<u>0</u>	<u>9,917</u>	<u>0</u>	<u>0</u>	<u>0.2</u>
TOTAL	\$7,603,614	\$0	\$7,052,869	\$0	\$550,745	85.1

Division of Insurance						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Increase/(Decrease)	\$229,327	\$0	\$219,750	\$0	\$9,577	0.1
Percentage Change	3.1%	n/a	3.2%	n/a	1.8%	0.1%

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Annualize prior year budget actions: The appropriation includes the annualization of the FY 2013-14 salary survey and merit pay and prior year legislation including S.B. 13-277 (Prior Authorization Process Drug Benefits).

Indirect cost assessment: The appropriation includes a net increase in the division's indirect cost assessment.

Other: The appropriation includes other minor adjustments.

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

Public Utilities Commission

The Public Utilities Commission regulates the rates and services of fixed utilities and transportation utilities located in the state, and administers the Colorado Telecommunications High Cost Program, the Low-Income Telephone Assistance Program, the Highway Crossing Protection Program, and the Disabled Telephone Users Program. This Division is entirely cash funded, primarily from the Public Utilities Commission Fixed Utility Fund, the Disabled Telephone Users Fund, the Low-Income Telephone Assistance Fund, and the Public Utilities Commission Motor Carrier Fund.

Public Utilities Commission						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$13,958,322	\$0	\$13,940,761	\$0	\$17,561	95.0
SB 13-194	<u>(725,548)</u>	<u>0</u>	<u>(725,548)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$13,232,774	\$0	\$13,215,213	\$0	\$17,561	95.0
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$13,232,774	\$0	\$13,215,213	\$0	\$17,561	95.0
Annualize prior year budget actions	262,387	0	262,387	0	0	0.0
Indirect cost assessment	14,565	0	14,565	0	0	0.0
New vehicles for PUC	(7,017)	0	(7,017)	0	0	0.0
Other	27,684	0	27,684	0	0	0.0

Public Utilities Commission						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 14-1336	\$13,530,393	\$0	\$13,512,832	\$0	\$17,561	95.0
SB 14-125	170,669	0	170,669	0	0	2.5
HB 14-1328	58,101	0	58,101	0	0	0.7
HB 14-1329	21,220	0	21,220	0	0	0.3
HB 14-1331	<u>164,682</u>	<u>0</u>	<u>164,682</u>	<u>0</u>	<u>0</u>	<u>2.0</u>
TOTAL	\$13,945,065	\$0	\$13,927,504	\$0	\$17,561	100.5
Increase/(Decrease)	\$712,291	\$0	\$712,291	\$0	\$0	5.5
Percentage Change	5.4%	n/a	5.4%	n/a	0.0%	5.8%

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Annualize prior year budget actions: The appropriation includes the annualization of the FY 2013-14 salary survey and merit pay.

Indirect cost assessment: The appropriation includes a net increase in the division's indirect cost assessment.

New vehicles for PUC: The appropriation includes a decrease of \$7,017 cash funds from operating expenses for two additional vehicles for the Public Utilities Commission and increasing vehicle lease payments in the Executive Director's Office and Administrative Services by a like amount.

Other: The appropriation includes other minor adjustments.

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

Division of Real Estate

The Division of Real Estate licenses real estate brokers and appraisal professionals, analyzes subdivision offerings on undeveloped land, and administers an enforcement program that responds to the needs of the industry and the consumer. Additional protection is offered to the public through the Real Estate Recovery Fund and errors and omissions insurance for all real estate licensees. The Division is entirely cash funded primarily from the Division of Real Estate Cash Fund and the Mortgage Broker Licensing Cash Fund.

Division of Real Estate						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$4,363,457	\$0	\$4,363,457	\$0	\$0	48.9
SB 13-221	<u>130,521</u>	<u>0</u>	<u>130,521</u>	<u>0</u>	<u>0</u>	<u>3.5</u>
TOTAL	\$4,493,978	\$0	\$4,493,978	\$0	\$0	52.4

Division of Real Estate						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$4,493,978	\$0	\$4,493,978	\$0	\$0	52.4
Annualize prior year budget actions	352,489	0	352,489	0	0	3.5
Indirect cost assessment	61,686	0	61,686	0	0	0.0
Other	19,457	0	19,457	0	0	0.0
HB 14-1336	<u>\$4,927,610</u>	<u>\$0</u>	<u>\$4,927,610</u>	<u>\$0</u>	<u>\$0</u>	<u>55.9</u>
TOTAL	\$4,927,610	\$0	\$4,927,610	\$0	\$0	55.9
Increase/(Decrease)	\$433,632	\$0	\$433,632	\$0	\$0	3.5
Percentage Change	9.6%	n/a	9.6%	n/a	n/a	6.7%

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Annualize prior year budget actions: The appropriation includes the annualization of the FY 2013-14 salary survey and merit pay and prior year legislation including S.B. 13-221 (Conservation Easement Tax Credit Pre-approval) and H.B. 13-1277 (HOA Licensing).

Indirect cost assessment: The appropriation includes a net increase in the division's indirect cost assessment.

Other: The appropriation includes other minor adjustments.

Division of Professions and Occupations

This Division regulates over 366,000 licensees in over fifty professions and occupations. Boards and Commissions establish regulatory standards to ensure a minimum level of licensee competency and rules to ensure a safe environment for professionals and customers. The Division is primarily funded with cash funds from the Division of Professions and Occupations Cash Fund. Reappropriated funds are primarily from Departmental indirect cost recoveries.

Division of Professions and Occupations						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$16,035,590	\$0	\$15,439,808	\$595,782	\$0	190.6
SB 13-014	6,000	0	6,000	0	0	0.0
SB 13-026	122,644	0	122,644	0	0	2.0
SB 13-039	36,679	0	36,679	0	0	0.6
SB 13-151	128,447	0	128,447	0	0	1.9
SB 13-162	253,381	0	253,381	0	0	3.6

Division of Professions and Occupations						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
SB 13-180	17,887	0	17,887	0	0	0.2
SB 13-204	2,100	0	2,100	0	0	0.0
SB 13-207	3,840	0	3,840	0	0	0.0
HB 13-1111	<u>68,314</u>	<u>0</u>	<u>68,314</u>	<u>0</u>	<u>0</u>	<u>0.9</u>
TOTAL	\$16,674,882	\$0	\$16,079,100	\$595,782	\$0	199.8
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$16,674,882	\$0	\$16,079,100	\$595,782	\$0	199.8
Annualize prior year budget actions	669,195	0	669,195	0	0	4.3
Indirect cost assessment	133,730	0	133,730	0	0	0.0
HB 14-1336	\$17,477,807	\$0	\$16,882,025	\$595,782	\$0	204.1
SB 14-099	120	0	120	0	0	0.0
SB 14-133	19,243	0	19,243	0	0	0.3
HB 14-1227	<u>52,083</u>	<u>0</u>	<u>52,083</u>	<u>0</u>	<u>0</u>	<u>1.0</u>
TOTAL	\$17,549,253	\$0	\$16,953,471	\$595,782	\$0	205.4
Increase/(Decrease)	\$874,371	\$0	\$874,371	\$0	\$0	5.6
Percentage Change	5.2%	n/a	5.4%	0.0%	n/a	2.8%

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Annualize prior year budget actions: The appropriation includes the annualization of the FY 2013-14 salary survey and merit pay and prior year legislation including S.B. 13-026, S.B. 13-151, S.B. 13-162, S.B. 13-180, and H.B. 13-1111.

Indirect cost assessment: The appropriation includes a net increase in the division's indirect cost assessment.

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

Division of Securities

This Division monitors the conduct of state-licensed securities broker-dealers and sales representatives, and investigates complaints and other indications of securities fraud. Division staff perform examinations of dealer offices and investment advisory firms to ensure compliance with regulatory laws. The Division is entirely cash funded from the Division of Securities Cash Fund created in Section 11-51-707 (2), C.R.S.

Division of Securities						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	<u>\$3,280,135</u>	<u>\$0</u>	<u>\$3,280,135</u>	<u>\$0</u>	<u>\$0</u>	<u>24.0</u>
TOTAL	\$3,280,135	\$0	\$3,280,135	\$0	\$0	24.0
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$3,280,135	\$0	\$3,280,135	\$0	\$0	24.0
Annualize prior year budget actions	66,528	0	66,528	0	0	0.0
Indirect cost assessment	3,680	0	3,680	0	0	0.0
Other	89,361	0	89,361	0	0	0.0
HB 14-1336	<u>\$3,439,704</u>	<u>\$0</u>	<u>\$3,439,704</u>	<u>\$0</u>	<u>\$0</u>	<u>24.0</u>
TOTAL	\$3,439,704	\$0	\$3,439,704	\$0	\$0	24.0
Increase/(Decrease)	\$159,569	\$0	\$159,569	\$0	\$0	0.0
Percentage Change	4.9%	n/a	4.9%	n/a	n/a	0.0%

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Annualize prior year budget actions: The appropriation includes the annualization of the FY 2013-14 salary survey and merit pay.

Indirect cost assessment: The appropriation includes a net increase in the division's indirect cost assessment.

Other: The appropriation includes other minor adjustments.

Recent Legislation

2013 Session Bills

S.B. 13-014 (Immunity for Administering Emergency Drugs to Overdose Victims): Provides immunity to a person other than a health care provider or a health care facility who acts in good faith to administer an opiate antagonist to another person whom the person believes to be suffering an opiate-related drug overdose event; appropriates \$8,318 cash funds from the Division of Professions and Occupations Cash Fund for rule-making in FY 2013-14.

S.B. 13-026 (Update Michael Skolnik Medical Transparency Act): Modifies the Michael Skolnik Medical Transparency Act by requiring compliance from additional health care providers; appropriates \$146,353 cash funds and 2.0 FTE from the Division of Professions and Occupations Cash Fund in FY 2013-14.

S.B. 13-039 (Regulate Audiology Practice): Reauthorizes the Division of Professions and Occupations to regulate audiologists. Appropriates \$58,966 and 0.6 FTE from the Division of Professions and Occupations Cash Fund in FY 2013-14.

S.B. 13-125 (Preneed Funeral Contracts): Modifies the regulation of preneed funeral contracts by the Commissioner of Insurance; reduces the cash funds appropriation from the Division of Insurance Cash Fund by \$2,400 in FY 2013-14.

S.B. 13-151 (Sunset Review Massage Therapists): Continues and modifies the regulation of massage therapists; appropriates an additional \$149,691 cash funds and 1.9 FTE from the Division of Professions and Occupations Cash Fund in FY 2013-14.

S.B. 13-162 (Sunset Examining Board of Plumbers): Continues and modifies the Examining Board of Plumbers and the regulation of plumbers; appropriates an additional \$259,175 cash funds and 3.6 FTE from the Division of Professions and Occupations Cash Fund in FY 2013-14.

S.B. 13-172 (Sunset Continue Acupuncture Regulation): Continues and modifies the regulation of acupuncturists; appropriates an additional \$5,021 cash funds from the Division of Professions and Occupations Cash Fund for legal services related to rule-making in FY 2013-14.

S.B. 13-180 (Sunset Review Occupational Therapy): Continues and modifies the regulation of occupational therapists; appropriates an additional \$37,737 cash funds and 0.2 FTE from the Division of Professions and Occupations Cash Fund in FY 2013-14.

S.B. 13-189 (Motor Carrier Fines Outreach): Creates the Moving Outreach Fund to be used to educate consumers about their rights and the responsibilities of movers and allocates half the civil penalties collected by the Public Utilities Commission from movers of household goods; appropriates \$5,000 cash funds from the Moving Outreach Fund to the Executive Director's Office and Administrative Services in FY 2013-14.

S.B. 13-194 (Repeal Low Income Telephone Assistance): Repeals the Low Income Telephone Assistance Program (Program), reduces by \$725,548 the informational cash funds appropriation from the Low-Income Telephone Assistance Fund (Fund) for the Public Utilities Commission, and decreases by \$118,272 cash funds and 1.5 FTE, the appropriation from the Fund to the Department of Human Services for administration of the Program in FY 2013-14.

S.B. 13-204 (Board of Chiropractic Examiners Addition of Members): Increases the number of members on the Colorado State Board of Chiropractic Examiners to seven. Appropriates an additional \$2,100 cash funds from the Division of Professions and Occupations Cash Fund for board member expenses in FY 2013-14.

S.B. 13-207 (Auricular Acudetox Mental Health Professionals): Allows a licensed or certified mental health care professional with appropriate training to perform auricular acudetox, defined as the subcutaneous insertion of sterile, disposable acupuncture needles on five specific locations of a person's ear, and appropriates an additional \$10,020 cash funds from the Division of Professions and Occupations Cash Fund in FY 2013-14.

S.B. 13-221 (Conservation Easement Tax Credit Pre-approval): Provides a conservation easement tax credit pre-approval process for tax years beginning January 1, 2014, and creates the Conservation Easement Tax Credit Certificate Review Fund (Fund); appropriates \$275,046 cash funds and 3.5 FTE from the Fund to the Division of Real Estate, reappropriates \$69,525 and 0.5 FTE to the Department of Law for the provision of

legal services, and appropriates \$48,000 General Fund to the Department of Revenue in FY 2013-14. Provides a General Fund loan to the Department of Regulatory Agencies beginning July 1, 2013 for implementation of the process.

S.B. 13-230 (Long Bill): General appropriations act for FY 2013-14.

S.B. 13-238 (Regulation of Hearing Aid Providers): Regulates hearing aid providers by the Division of Professions and Occupations and appropriates \$5,794 cash funds to the Executive Director's Office and Administrative Services from the Division of Professions and Occupations Cash Fund for legal services and reappropriates that amount to the Department of Law in FY 2013-14.

S.B. 13-277 (Prior Authorization Process Drug Benefits): Requires the Commissioner of Insurance to develop, by July 31, 2014, and prescribing providers, carriers, and, pharmacy benefit management firms to use, by January 1, 2015, a uniform prior authorization process for purposes of submitting and receiving requests for prior coverage approval of a drug benefit; appropriates \$8,756 cash funds and 0.1 FTE to the Division of Insurance from the Division of Insurance Cash Fund in FY 2013-14.

H.B. 13-1111 (Regulate Naturopathic Doctors): Regulates naturopathic doctors by the Division of Professions and Occupations; appropriates \$90,489 cash funds and 0.9 FTE to the Division of Professions and Occupations from the Division of Professions and Occupations Cash Fund in FY 2013-14.

H.B. 13-1183 (Extend Conservation Easement Tax Credit Cap): Imposes an aggregate annual cap of \$45.0 million for Conservation Easement Tax Credit Certificates issued by the Division of Real Estate beginning in calendar year 2014. Credits that exceed the limit are placed on a wait list for a future year; limits the ongoing wait list to \$15.0 million for the following calendar year.

H.B. 13-1277 (HOA Licensing): Requires any person who manages the affairs of a common interest community on behalf of a homeowner association (HOA) for compensation, on or after July 1, 2015, to meet minimum qualifications and obtain a license from the Division of Real Estate and creates the Community Association Manager Licensing Cash Fund (Fund) in Section 12-61-1012, C.R.S.

2014 Session Bills

S.B. 14-099 (Provisional Physical Therapy License): Provides for provisional physical therapy licensing. Persons holding a provisional license may only practice under the supervision of a physical therapist actively licensed in Colorado. Provisional physical therapy licenses may only be issued one time and are valid for no more than 120 days. Appropriates \$18,336 cash funds from the Division of Professions and Occupations Cash Fund to the Department for FY 2014-15, including \$120 to the Division of Professions and Occupations for operating expenses and reappropriates \$18,216 to the Department of Law for the provision of legal services.

S.B. 14-125 (Transportation Network Companies Regulation): Authorizes the Public Utilities Commission (PUC) to regulate transportation network companies, which are companies that match drivers and passengers through a digital network, such as a mobile phone application, for transportation from an agreed-upon point of origin to an agreed-upon destination. Exempts transportation network companies from much of the PUC's authority, including regulation of rates, entry, operational requirements, and general requirements governing common carriers, contract carriers, and motor carriers, but does require a transportation network company to obtain a permit from the PUC and authorizes the PUC to regulate permit holders with respect to safety

conditions, insurance requirements, and driver qualifications. Creates the Transportation Network Company Fund and appropriates 2.5 FTE and \$179,777 cash funds from the fund to the Department and reappropriates \$9,108 and 0.1 FTE to the Department of Law for the provision of legal services for FY 2014-15.

S.B. 14-133 (Mandatory Licensure Private Investigators): Repeals the existing voluntary licensure program for private investigators (PIs) and replaces it with a mandatory licensure program. Provides for repayment of the current voluntary program's deficit through a license surcharge to be paid over the life of the new mandatory program, which is scheduled to repeal on September 1, 2020. Appropriates 0.3 FTE and \$28,300 cash funds from the Division of Professions and Occupations Cash Fund to the Department for FY 2014-15, including \$19,243 and 0.3 FTE to the Division of Professions and Occupations for personal services and reappropriates \$9,057 to the Department of Law for the provision of legal services. Also appropriates \$10,544 cash funds from the Colorado Bureau of Investigation Identification Unit Fund for fingerprint-based criminal history checks for FY 2014-15.

H.B. 14-1081 (Motor Carrier Safety Fund): Creates the Motor Carrier Safety Fund to be used for the advancement of highway safety relating to commercial carrier operations. Beginning with FY 2013-14, excess uncommitted reserves in the Public Utilities Commission Motor Carrier Fund are transferred to the Motor Carrier Safety Fund instead of the Hazardous Materials Safety Fund and the Nuclear Materials Transportation Fund. Also transfers \$1,730,839 from the Hazardous Materials Safety Fund to the Motor Carrier Safety Fund on February 27, 2014.

H.B. 14-1195 (Insurance Premium Tax Diversions to Cash Funds): Clarifies the methods for diversions of Insurance Premium Taxes to specified cash funds that would otherwise be deposited in the General Fund.

H.B. 14-1199 (Consumer Goods Service Contracts Regulation): Provides for changes to the regulation of consumer goods service contracts based on the model act of the National Association of Insurance Commissioners. Appropriates \$13,560 cash funds from the Division of Insurance Cash Fund to the Department for FY 2014-15, including 0.2 FTE and \$9,917 to the Division of Insurance for personal services, and reappropriates \$3,643 to the Department of Law for the provision of legal services.

H.B. 14-1227 (Sunset Continue Dental Examiners Board): Continues the State Board of Dental Examiners as the Colorado Dental Board until September 1, 2023. Amends the "Dental Practice Law of Colorado" to implement the recommendations contained in the sunset review and report of the State Board of Dental Examiners, as modified by the House Health, Insurance, and Environment Committee (sunset committee) during the sunset hearing. Appropriates \$109,008 cash funds from the Division of Professions and Occupations Cash Fund to the Department for FY 2014-15, including 1.0 FTE and \$42,530 to the Division of Professions and Occupations for personal services, \$5,653 to the Division for operating expenses and capital outlay, and \$3,900 to the Division for board expenses, and reappropriates \$56,925 and 0.3 FTE to the Department of Law for the provision of legal services.

H.B. 14-1283 (Modify Prescription Drug Monitoring Program): Makes modifications to the Prescription Drug Monitoring Program. Appropriates \$7,500 cash funds from the Prescription Drug Monitoring Cash Fund to the Department for information technology modifications.

H.B. 14-1328 (Connect Colorado Broadband Act): Creates the 16-member Broadband Deployment Board (BDB) in the Department of Regulatory Agencies and the Broadband Fund, administered by the BDB, from which grants are awarded for broadband development in unserved areas of the state. Moneys in the Broadband Fund are appropriated in statute to the BDB. Funding to the Broadband Fund is provided by transfer from

surcharges in the High Cost Support Mechanism, as determined by the Public Utilities Commission. Appropriates \$86,518 cash funds from the Colorado High Cost Administration Fund to the Department for FY 2014-15, including \$52,733 and 0.7 FTE to the PUC for personal services, \$5,368 to the PUC for operating expenses and capital outlay, and reappropriates \$28,417 and 0.2 FTE to the Department of Law for the provision of legal services. Also appropriates an additional \$27,324 cash funds and 0.2 FTE from the Broadband Fund to the Department of Law for the provision of legal services for FY 2014-15.

H.B. 14-1329 (Deregulate Internet Protocol Telecomm): Deregulates certain telecommunication products, services and providers. Eliminates the authority of the Public Utilities Commission (PUC) to regulate advanced and premium telephone services (e.g., call waiting, three-way calling), internet-protocol-enabled service and voice-over-internet protocol service (VoIP), most long-distance services, private line service with fewer than 24 lines, certain operator services, and any telecommunication product or service not otherwise defined or classified in statute for the purposes of PUC regulation. The PUC retains authority to regulate "cramming" (unauthorized charges) and "slamming" (unauthorized changes of a carrier) by long-distance carriers. Appropriates \$39,436 cash funds from the Public Utilities Commission Fixed Utility Fund to the Department for FY 2014-15, including \$21,220 and 0.3 FTE to the Public Utilities Commission for personal services and reappropriates \$18,216 to the Department of Law for the provision of legal services.

H.B. 14-1331 (Regulate Basic Local Exchange Service): Modifies the statutory framework for the regulation of local telephone service. Limits, but retains authority for the Colorado Public Utilities Commission (PUC) to regulate basic emergency service and the providers of basic local exchange service. Eliminates the PUC's authority to regulate long-distance telecommunications, the white page directory and other listed telephone number services, operator services, advanced features (e.g., call waiting, three-way calling) and premium services, "touch-tone" dialing, private telecommunications networks, and telecommunications services and products not otherwise classified under PUC statutes. Appropriates \$270,335 cash funds from the Public Utilities Commission Fixed Utility Fund to the Department for FY 2014-15, including \$153,376 and 2.0 FTE to the PUC for personal services, \$11,306 to the PUC for operating expenses and capital outlay, and reappropriates \$105,653 and 0.6 FTE to the Department of Law for the provision of legal services.

H.B. 14-1336 (Long Bill): General appropriations act for FY 2014-15.

H.B. 14-1398 (Authorize Marijuana Financial Service Cooperatives): Allows for the creation and regulation of marijuana financial services cooperatives referred to as "cannabis credit co-ops" or CCCs, a new type of financial services entity with membership restricted to licensed marijuana businesses, conditional upon certain events occurring. CCCs are regulated by the Division of Financial Services in the Department. Once an incorporator of a CCC receives approval from the Federal Reserve System Board of Governors, the Department must convene a stakeholder group to discuss any conflicts in law that may exist and to recommend ways to resolve any conflicts. No CCC application may be approved until this stakeholder group has met and the General Assembly has resolved all identified conflicts. If no CCC charters are issued by August 1, 2017, the regulation of CCCs is repealed on September 1, 2017. Otherwise, the regulation of CCCs is scheduled to repeal on September 1, 2020. Appropriates \$50,000 from the Marijuana Tax Cash Fund to the Department for FY 2014-15, including \$35,427 to the Division of Financial Services for stakeholder workgroup expenses and reappropriates \$14,573 to the Department of Law for the provision of legal services.

Department Details

DEPARTMENT OF REVENUE

FY 2013-14 and FY 2014-15 Appropriations by Division and Bill

Department of Revenue						
	Total Funds	General Fund ¹	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Total Appropriation:	\$307,480,144	\$80,547,235	\$221,039,808	\$5,068,713	\$824,388	1,253.2
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	52,415,579	22,337,668	25,977,748	4,100,163	0	68.1
Central Department Operations Division	10,808,015	9,710,292	628,874	468,849	0	80.6
Information Technology Division	5,900,971	1,908,865	3,992,106	0	0	0.0
Taxation Business Group	51,427,508	45,498,646	4,884,389	220,085	824,388	333.2
Division of Motor Vehicles	36,777,198	744,426	36,032,772	0	0	416.8
Enforcement Business Group	52,746,060	347,338	52,119,106	279,616	0	237.4
State Lottery Division	97,404,813	0	97,404,813	0	0	117.1
<u>Breakdown of Total Appropriation by Bill</u>						
SB 13-230	299,057,894	76,836,412	216,328,381	5,068,713	824,388	1,237.6
SB 13-001	60,000	60,000	0	0	0	0.0
SB 13-004	4,588	0	4,588	0	0	0.0
SB 13-060	3,605	0	3,605	0	0	0.0
SB 13-120	3,315	0	3,315	0	0	0.0
SB 13-170	16,000	16,000	0	0	0	0.0
SB 13-221	48,000	48,000	0	0	0	0.0
SB 13-224	8,892	0	8,892	0	0	0.0
SB 13-251	436,292	436,292	0	0	0	0.0
SB 13-280	25,900	0	25,900	0	0	0.0
HB 13-1011	5,000	0	5,000	0	0	0.0
HB 13-1022	5,000	0	5,000	0	0	0.0
HB 13-1042	280,000	280,000	0	0	0	0.0
HB 13-1071	193,489	0	193,489	0	0	0.0
HB 13-1110	254,096	0	254,096	0	0	0.0
HB 13-1119	72,800	0	72,800	0	0	0.0
HB 13-1135	86,672	0	86,672	0	0	0.0
HB 13-1142	1,600	1,600	0	0	0	0.0
HB 13-1153	98,411	98,411	0	0	0	0.4
HB 13-1240	126,834	0	126,834	0	0	1.0
HB 13-1288	80,089	80,089	0	0	0	0.0

Department of Revenue						
	Total Funds	General Fund ¹	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 13-1317	1,227,026	0	1,227,026	0	0	2.7
HB 13-1318	4,246,090	0	4,246,090	0	0	11.5
SB 14-129	4,120	0	4,120	0	0	0.0
SB 14-161	30,000	30,000	0	0	0	0.0
HB 14-1178	31,000	31,000	0	0	0	0.0
HB 14-1246	2,913,431	2,909,431	4,000	0	0	0.0
HB 14-1336	(1,840,000)	(280,000)	(1,560,000)	0	0	0.0
FY 2014-15 Total Appropriation:	\$327,080,067	\$101,668,190	\$219,053,032	\$5,534,457	\$824,388	1,322.0
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	58,842,869	27,914,761	26,147,234	4,780,874	0	112.6
Central Department Operations Division	0	0	0	0	0	0.0
Information Technology Division	5,682,645	1,931,483	3,751,162	0	0	0.0
Taxation Business Group	66,244,666	60,023,436	5,176,757	220,085	824,388	371.4
Division of Motor Vehicles	44,404,928	11,448,339	32,702,329	254,260	0	482.3
Enforcement Business Group	54,157,866	350,171	53,528,457	279,238	0	238.6
State Lottery Division	97,747,093	0	97,747,093	0	0	117.1
<u>Breakdown of Total Appropriation by Bill</u>						
HB 14-1336	323,518,116	98,459,137	218,700,134	5,534,457	824,388	1,316.7
SB 14-014	2,534,094	2,534,094	0	0	0	0.5
SB 14-030	824	0	824	0	0	0.0
SB 14-036	10,040	0	10,040	0	0	0.0
SB 14-041	5,778	0	5,778	0	0	0.0
SB 14-073	58,710	58,710	0	0	0	0.0
SB 14-075	116,858	12,828	104,030	0	0	0.0
SB 14-087	43,260	43,260	0	0	0	0.0
SB 14-194	191,651	191,651	0	0	0	2.7
SB 14-215	0	0	0	0	0	0.0
HB 14-1003	30,900	30,900	0	0	0	0.0
HB 14-1006	14,811	14,811	0	0	0	0.0
HB 14-1012	16,480	16,480	0	0	0	0.0
HB 14-1029	84,147	66,689	17,458	0	0	0.0
HB 14-1034	5,202	0	5,202	0	0	0.0
HB 14-1066	67,856	61,264	6,592	0	0	0.0
HB 14-1072	61,381	61,381	0	0	0	0.6
HB 14-1100	97,850	0	97,850	0	0	0.0
HB 14-1228	(73,145)	0	(73,145)	0	0	0.0
HB 14-1326	412	0	412	0	0	0.0
HB 14-1327	73,725	73,725	0	0	0	0.9

Department of Revenue						
	Total Funds	General Fund ¹	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 14-1350	43,260	43,260	0	0	0	0.0
HB 14-1352	43,867	0	43,867	0	0	0.6
HB 14-1361	100,000	0	100,000	0	0	0.0
HB 14-1367	33,990	0	33,990	0	0	0.0
Increase/(Decrease)	\$19,599,923	\$21,120,955	(\$1,986,776)	\$465,744	\$0	68.8
Percentage Change	6.4%	26.2%	(0.9%)	9.2%	0.0%	5.5%

¹ Includes \$19,309,431 in FY 2013-14 and \$24,891,790 in FY 2014-15 that is not subject to the statutory limitation on General Fund appropriations imposed by Section 24-75-201.1, C.R.S.

Informational Funds: The FY 2014-15 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Revenue are annotated with the "(I)". For additional information, see Appendix J.

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2014-15 Appropriations containing an (I) notation	\$61,950,436	\$24,891,790	\$36,234,258	\$0	\$824,388

Detail of Appropriation by Administrative Section

Executive Director's Office

The Executive Director's Office includes a citizens' advocate, a public information officer, and the following units: Central Budget Office, Accounting and Financial Services, Internal Audit, Office of Human Resources, and Office of Research and Analysis. The Executive Director's Office section of the Long Bill includes centrally appropriated direct and indirect costs. Cash funds sources include various other division cash funds. The sources of reappropriated funds are primarily from indirect costs.

Executive Director's Office						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$51,834,419	\$22,257,454	\$25,476,802	\$4,100,163	\$0	63.9
SB 13-251	7,725	7,725	0	0	0	0.0
HB 13-1288	72,489	72,489	0	0	0	0.0
HB 13-1317	390,494	0	390,494	0	0	2.7
HB 13-1318	102,332	0	102,332	0	0	1.5
SB 14-129	4,120	0	4,120	0	0	0.0
HB 14-1246	<u>4,000</u>	<u>0</u>	<u>4,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>

Executive Director's Office						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
TOTAL	\$52,415,579	\$22,337,668	\$25,977,748	\$4,100,163	\$0	68.1
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$52,415,579	\$22,337,668	\$25,977,748	\$4,100,163	\$0	68.1
Central department operations realignment	6,606,920	6,180,297	426,623	0	0	44.0
Centrally appropriated line items	1,104,449	(309,390)	733,128	680,711	0	0.0
Customer service enhancements	423,726	423,726	0	0	0	0.0
Gambling Payment Intercept Cash Fund	29,000	0	29,000	0	0	0.0
IT common policy adjustments	(2,030,355)	(723,553)	(1,306,802)	0	0	0.0
Annualize prior year legislation	(52,855)	(80,214)	27,359	0	0	0.5
HB 14-1336	\$58,496,464	\$27,828,534	\$25,887,056	\$4,780,874	\$0	112.6
SB 14-030	824	0	824	0	0	0.0
SB 14-036	4,120	0	4,120	0	0	0.0
SB 14-041	4,120	0	4,120	0	0	0.0
SB 14-075	104,030	0	104,030	0	0	0.0
SB 14-087	43,260	43,260	0	0	0	0.0
SB 14-194	6,077	6,077	0	0	0	0.0
HB 14-1003	30,900	30,900	0	0	0	0.0
HB 14-1006	5,990	5,990	0	0	0	0.0
HB 14-1029	4,120	0	4,120	0	0	0.0
HB 14-1034	4,120	0	4,120	0	0	0.0
HB 14-1066	6,592	0	6,592	0	0	0.0
HB 14-1100	97,850	0	97,850	0	0	0.0
HB 14-1326	412	0	412	0	0	0.0
HB 14-1367	<u>33,990</u>	<u>0</u>	<u>33,990</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$58,842,869	\$27,914,761	\$26,147,234	\$4,780,874	\$0	112.6
Increase/(Decrease)	\$6,427,290	\$5,577,093	\$169,486	\$680,711	\$0	44.5
Percentage Change	12.3%	25.0%	0.7%	16.6%	n/a	65.3%

FY 2013-14 Appropriation – Mid-year Adjustments

Senate Bill 14-129 provides \$4,120 cash funds to the Department for FY 2013-14 for payments to OIT for updates to the Department's Driver License System. House Bill 14-1246 provides \$4,000 cash funds to the Department for FY 2013-14 for direct and indirect costs associated with the administration of the Gaming Payment Intercept Act.

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Central department operations realignment: The appropriation eliminates the Central Department Operations Division by moving part of the existing appropriations (\$6.6 million total funds and 44.0 FTE) into

the Executive Director's Office and part of the appropriations (\$3.5 million total funds and 23.0 FTE) into the Taxpayer Services Division in the Taxation Business Group. The net impact of the realignment is a reduction of \$148,136 cash funds.

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

Customer service enhancements: The appropriation provides a total of \$3.8 million General Fund and 52.0 FTE, including \$2.0 million and 52.0 FTE for additional driver services personnel and \$1.5 million to fund an expansion of a wait-less queuing and data management technology to 43 driver license offices in the Division of Motor Vehicles for FY 2014-15.

Gambling Payment Intercept Cash Fund: The appropriation includes an increase of \$29,000 cash funds from the Gambling Payment Intercept Cash Fund for the direct and indirect costs associated with the administration of the Gambling Payment Intercept Act pursuant to Section 24-35-605.5 (2) (b) (II), C.R.S.

IT common policy adjustments: The appropriation includes adjustments to the payments made to the Governor's Office of Information Technology for the provision of information technology services.

Annualize prior year legislation: The appropriation includes various changes for the second year impact of legislation including: S.B. 13-129, S.B. 13-251, H.B. 13-1288, H.B. 13-1317, H.B. 13-1318, S.B. 14-129, and H.B. 14-1246.

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

Central Department Operations Division

This Division records and maintains transactions that enable the Department to meet various statutory responsibilities, many of which are related to taxes, licensing, and various other fee payments. Such transactions also include the deposit of tax remittances; the processing of tax documents from the receipt of returns through the issuance of applicable refunds; and the processing of income tax refund warrants. This division also performs a variety of incoming and outgoing mail services. Major sources of cash funds include the Auto Dealers License Fund, the Liquor Enforcement Division and State Licensing Authority Cash Fund, the Racing Cash Fund, the Aviation Fund, the Highway Users Tax Fund, the Identification Security Fund, the Colorado State Titling and Registration Account, the Limited Gaming Fund, the Driver's License Administrative Revocation Account, the Outstanding Judgments and Warrants Account, and the AIR Account. Sources of reappropriated funds are the State Lottery Fund and the Limited Gaming Fund.

Central Department Operations Division						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$10,793,405	\$9,710,292	\$614,264	\$468,849	\$0	80.6
HB 13-1110	<u>14,610</u>	<u>0</u>	<u>14,610</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$10,808,015	\$9,710,292	\$628,874	\$468,849	\$0	80.6
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$10,808,015	\$9,710,292	\$628,874	\$468,849	\$0	80.6
Indirect cost assessment	0	468,849	0	(468,849)	0	0.0
Central department operations realignment	(10,286,550)	(9,672,286)	(614,264)	0	0	(67.0)
Annualize prior year budget actions	(506,855)	(506,855)	0	0	0	(13.6)
Annualize prior year legislation	(14,610)	0	(14,610)	0	0	0.0
HB 14-1336	<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
Increase/(Decrease)	(\$10,808,015)	(\$9,710,292)	(\$628,874)	(\$468,849)	\$0	(80.6)
Percentage Change	(100.0%)	(100.0%)	(100.0%)	(100.0%)	n/a	(100.0%)

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Indirect cost assessment: The appropriation includes a net zero change in the division's indirect cost assessment.

Central department operations realignment: The appropriation eliminates the Central Department Operations Division by moving part of the existing appropriations (\$6.6 million total funds and 44.0 FTE) into the Executive Director's Office and part of the appropriations (\$3.5 million total funds and 23.0 FTE) into the Taxpayer Services Division in the Taxation Business Group. The net impact of the realignment is a reduction of \$148,136 cash funds.

Annualize prior year budget actions: The appropriation includes a number of changes to the out year impact of funding decisions made through the FY 2013-14 Long Bill including annualizations of the FY 2013-14 salary survey and merit pay.

Annualize prior year legislation: The appropriation includes various changes for the second year impact of legislation.

Information Technology Division

The appropriations in this Division provide funding for contract services and maintenance for information technology systems not maintained by the Governor's Office of Information Technology and the Colorado State Titling and Registration System (CSTARS), which was created in 1983 to automate the distribution of vehicle

registration taxes among the State, the counties, and the Highway Users Tax Fund (HUTF). All FTE in the Division were transferred to OIT as part of the statewide consolidation in FY 2010-11. The services of those personnel are included in the Executive Director's Office centrally appropriated line items.

Major sources of cash funds include the Racing Cash Fund, the Liquor Enforcement Division and State Licensing Authority Cash Fund, the Auto Dealers License Fund, the Aviation Fund, the Highway Users Tax Fund, the Colorado State Titling and Registration Account, the Limited Gaming Fund, the Driver's License Administrative Revocation Account, the AIR Account, and the Outstanding Judgments and Warrants Account. Sources of reappropriated funds are the State Lottery Fund and the Limited Gaming Fund.

Information Technology Division						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$5,260,084	\$1,516,072	\$3,744,012	\$0	\$0	0.0
SB 13-004	4,588	0	4,588	0	0	0.0
SB 13-060	2,972	0	2,972	0	0	0.0
SB 13-120	2,960	0	2,960	0	0	0.0
SB 13-224	2,972	0	2,972	0	0	0.0
SB 13-251	392,793	392,793	0	0	0	0.0
SB 13-280	25,900	0	25,900	0	0	0.0
HB 13-1071	604	0	604	0	0	0.0
HB 13-1110	68,212	0	68,212	0	0	0.0
HB 13-1119	7,800	0	7,800	0	0	0.0
HB 13-1135	31,672	0	31,672	0	0	0.0
HB 13-1240	26,714	0	26,714	0	0	0.0
HB 13-1317	<u>73,700</u>	<u>0</u>	<u>73,700</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$5,900,971	\$1,908,865	\$3,992,106	\$0	\$0	0.0
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$5,900,971	\$1,908,865	\$3,992,106	\$0	\$0	0.0
Replace capitol annex cabling	863,218	863,218	0	0	0	0.0
Annualize prior year budget actions	(558,807)	(558,807)	0	0	0	0.0
Annualize prior year legislation	(522,737)	(281,793)	(240,944)	0	0	0.0
HB 14-1336	<u>\$5,682,645</u>	<u>\$1,931,483</u>	<u>\$3,751,162</u>	<u>\$0</u>	<u>\$0</u>	<u>0.0</u>
TOTAL	\$5,682,645	\$1,931,483	\$3,751,162	\$0	\$0	0.0
Increase/(Decrease)	(\$218,326)	\$22,618	(\$240,944)	\$0	\$0	0.0
Percentage Change	(3.7%)	1.2%	(6.0%)	n/a	n/a	0.0%

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Replace capitol annex cabling: The appropriation includes one-time funding totaling \$863,218 General Fund to replace the data network cabling in the Capitol Annex located at 1375 Sherman Street from Category-3 cabling to Category-5 cabling.

Annualize prior year budget actions: The appropriation includes a number of changes to the out year impact of funding decisions made through the FY 2013-14 Long Bill.

Annualize prior year legislation: The appropriation includes various changes for the second year impact of legislation.

Taxation Business Group

The Taxation Business Group administers, collects, and enforces business taxes, income taxes, severance taxes, estate and transfer taxes, special taxes, including gasoline, special fuel, aviation fuel, cigarette, tobacco, and liquor excise taxes, public utility assessments, and food service licensing fees. Sources of cash funds include the Private Letter Ruling Fund, the Aviation Fund, the Tobacco Tax Cash Fund, the Alternative Fuels Rebate Fund, the Highway Users Tax Fund (for the Fuel Tracking System), the Mineral Audit Program, and the State Board of Land Commissioners. Sources of reappropriated funds include the Mineral Audit Program (federal funds), the State Board of Land Commissioners, and the Oil and Gas Conservation Commission.

The Mineral Audit Division audits oil, gas, and mineral rents and royalties; the mill levy from oil and gas production; and severance taxes from federal, state, and private lands. It receives funding from the U.S. Department of Interior's Minerals Management Service under a cooperative agreement for delegated authority to audit federal minerals production in Colorado.

The Taxation Business Group manages the State's subsystem of the International Fuel Tracking System, which licenses fuel distributors, suppliers, importers, exporters and transporters, and collects fuel taxes for the Highway Users Tax Fund. This group also administers the old age heat and fuel and property tax assistance grants, the cigarette tax rebate to local governments, the Amendment 35 tobacco tax distribution to local governments of proceeds from the tobacco tax fund.

Taxation Business Group						
	Total Funds	General Fund ¹	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$45,481,444	\$42,345,015	\$2,091,956	\$220,085	\$824,388	323.2
SB 13-001	60,000	60,000	0	0	0	0.0
SB 13-170	16,000	16,000	0	0	0	0.0
SB 13-221	48,000	48,000	0	0	0	0.0
HB 13-1042	280,000	280,000	0	0	0	0.0
HB 13-1110	160,675	0	160,675	0	0	0.0
HB 13-1142	1,600	1,600	0	0	0	0.0
HB 13-1153	80,000	80,000	0	0	0	0.0

Taxation Business Group						
	Total Funds	General Fund ¹	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 13-1288	7,600	7,600	0	0	0	0.0
HB 13-1317	48,000	0	48,000	0	0	0.0
HB 13-1318	4,143,758	0	4,143,758	0	0	10.0
HB 14-1178	31,000	31,000	0	0	0	0.0
HB 14-1246	2,909,431	2,909,431	0	0	0	0.0
HB 14-1336	<u>(1,840,000)</u>	<u>(280,000)</u>	<u>(1,560,000)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$51,427,508	\$45,498,646	\$4,884,389	\$220,085	\$824,388	333.2
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$51,427,508	\$45,498,646	\$4,884,389	\$220,085	\$824,388	333.2
Retail marijuana sales tax distribution to local governments	9,191,790	9,191,790	0	0	0	0.0
Central department operations realignment	3,531,494	3,491,989	39,505	0	0	23.0
Annualize prior year budget actions	2,750,420	2,747,853	2,567	0	0	0.0
Indirect cost assessment	1,494	(60)	1,554	0	0	0.0
Annualize prior year legislation	(2,798,378)	(3,003,253)	204,875	0	0	12.6
Forecast adjustments	(700,000)	(700,000)	0	0	0	0.0
HB 14-1336	\$63,404,328	\$57,226,965	\$5,132,890	\$220,085	\$824,388	368.8
SB 14-014	2,534,094	2,534,094	0	0	0	0.5
SB 14-073	58,710	58,710	0	0	0	0.0
SB 14-215	0	0	0	0	0	0.0
HB 14-1006	8,821	8,821	0	0	0	0.0
HB 14-1012	16,480	16,480	0	0	0	0.0
HB 14-1072	61,381	61,381	0	0	0	0.6
HB 14-1327	73,725	73,725	0	0	0	0.9
HB 14-1350	43,260	43,260	0	0	0	0.0
HB 14-1352	<u>43,867</u>	<u>0</u>	<u>43,867</u>	<u>0</u>	<u>0</u>	<u>0.6</u>
TOTAL	\$66,244,666	\$60,023,436	\$5,176,757	\$220,085	\$824,388	371.4
Increase/(Decrease)	\$14,817,158	\$14,524,790	\$292,368	\$0	\$0	38.2
Percentage Change	28.8%	31.9%	6.0%	0.0%	0.0%	11.5%

¹ Includes \$19,309,431 in FY 2013-14 and \$27,248,755 in FY 2014-15 that is exempt from the statutory limit on state General Fund appropriations pursuant to Section 24-75-201.1, C.R.S. For FY 2013-14, this amount includes \$9,300,000 for the Cigarette Tax rebate, \$7,100,000 for the Old Age Heat and Fuel and Property Tax Assistance grant, and \$2,909,431 for Retail Marijuana Sales Tax Distribution to Local Governments. For FY 2014-15, this amount includes \$8,800,000 for the Cigarette Tax rebate, \$9,256,965 for the Old Age Heat and Fuel and Property Tax Assistance grant, and \$9,191,790 for Retail Marijuana Sales Tax Distribution to Local Governments. Pursuant to Section 39-22-623 (1) (a) (II) (B), C.R.S. for the Cigarette Tax rebate, Section 39-31-102 (1), C.R.S. for the Old Age Heat and Fuel and Property Tax Assistance grant, and Section 39-28.8-203 (1) (a) (V) C.R.S., these amounts are included in the Long Bill for informational purposes and shall not be deemed to be an appropriation subject to the limitations of Section 24-75-201.1, C.R.S.

FY 2013-14 Appropriation – Mid-year Adjustments

House Bill 14-1178 provides \$31,000 General Fund to the Department of Revenue for FY 2013-14 for programming of the state tax administration software.

House Bill 14-1246 provides \$2,909,431 General Fund to create a mechanism for distribution of retail marijuana sales tax collections to local governments for informational purposes pursuant to Section 39-28.8-203 (1) (a) (V), C.R.S.

House Bill 14-1336 decreases the FY 2013-14 appropriation by \$1,840,000 total funds, including \$280,000 General Fund provided in H.B. 13-1042 (Marijuana Business Tax Deduction for computer programming) and \$1,560,000 cash funds provided in H.B. 13-1318 (Retail Marijuana Tax Implementation for computer programming). The Department is unable to finish the required programming in FY 2013-14.

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Retail marijuana sales tax distribution to local governments: The appropriation reflects a \$9.2 million General Fund increase in order to reflect the distribution of retail marijuana sales tax collections to local governments. The appropriation is for informational purposes pursuant to Section 39-28.8-203 (1) (a) (V), C.R.S.

Central department operations realignment: The appropriation eliminates the Central Department Operations Division by moving part of the existing appropriations (\$6.6 million total funds and 44.0 FTE) into the Executive Director's Office and part of the appropriations (\$3.5 million total funds and 23.0 FTE) into the Taxpayer Services Division in the Taxation Business Group. The net impact of the realignment is a reduction of \$148,136 cash funds.

Annualize prior year budget actions: The appropriation includes a number of changes to the out year impact of funding decisions made through the FY 2013-14 Long Bill. Of the \$2.7 million General Fund increase, \$2.1 million reflects the inflator to the Colorado Integrated Tax Architecture (CITA), the Departments new tax collection system's contract maintenance costs, and \$600,000 annualizations of the FY 2013-14 salary survey and merit pay.

Indirect cost assessment: The appropriation includes a net increase in the division's indirect cost assessment.

Annualize prior year legislation: The appropriation includes various changes for the second year impact of legislation.

Forecast adjustments: The appropriation includes adjustments to the Cigarette Tax Rebate line item, the Old Age Heat and Fuel and Property Tax Assistance Grant line item, and the Retail Marijuana Retail Sales Tax Distribution to Local Governments line item based on the March 2014 Revenue Forecast.

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

Division of Motor Vehicles

This division is responsible for licensing drivers and issuing driver's licenses and state identification cards; maintaining driver records and administering driver sanctions; titling and registering motor vehicles; regulating commercial driving schools; enforcing the state's emissions program; administering the Motorist Insurance Identification Database Program; and assisting first time drunk driving offenders obtain ignition interlock devices required for those offenders to drive motor vehicles.

Major sources of cash funds are the Licensing Services Cash Fund and the License Plate Cash Fund. Other cash funds sources include the Highway Users Tax Fund, the Colorado State Titling and Registration System Account, the AIR Account, the Driver's License Administrative Revocation Account, the Identification Security Account, and the Motorist Insurance Identification Account.

Division of Motor Vehicles						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$36,252,501	\$660,241	435,592,260	\$0	\$0	415.4
SB 13-060	633	0	633	0	0	0.0
SB 13-120	355	0	355	0	0	0.0
SB 13-224	5,920	0	5,920	0	0	0.0
SB 13-251	35,774	35,774	0	0	0	0.0
HB 13-1011	5,000	0	5,000	0	0	0.0
HB 13-1022	5,000	0	5,000	0	0	0.0
HB 13-1071	192,885	0	192,885	0	0	0.0
HB 13-1110	10,599	0	10,599	0	0	0.0
HB 13-1119	65,000	0	65,000	0	0	0.0
HB 13-1135	55,000	0	55,000	0	0	0.0
HB 13-1153	18,411	18,411	0	0	0	0.4
HB 13-1240	100,120	0	100,120	0	0	1.0
SB 14-161	<u>30,000</u>	<u>30,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$36,777,198	\$744,426	\$36,032,772	\$0	\$0	416.8
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$36,777,198	\$744,426	\$36,032,772	\$0	\$0	416.8
Customer service enhancements	3,507,360	3,507,360	0	0	0	52.0
Funding deficit	2,300,000	6,200,000	(3,900,000)	0	0	0.0
Driver license examiner reclassification	837,502	837,502	0	0	0	0.0
Annualize prior year budget actions	729,266	35,628	693,638	0	0	0.0
Annualize prior year legislation	386,745	(51,611)	438,356	0	0	7.1
Pre-release services	254,260	0	0	254,260	0	3.7
Indirect cost assessment	(507,575)	2,633	(510,208)	0	0	0.0
Appropriation restructure	(153,954)	(153,954)	0	0	0	0.0
HB 14-1336	\$44,130,802	\$11,121,984	\$32,754,558	\$254,260	\$0	479.6

Division of Motor Vehicles						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
SB 14-036	5,920	0	5,920	0	0	0.0
SB 14-041	1,658	0	1,658	0	0	0.0
SB 14-075	12,828	12,828	0	0	0	0.0
SB 14-194	185,574	185,574	0	0	0	2.7
HB 14-1029	80,027	66,689	13,338	0	0	0.0
HB 14-1066	61,264	61,264	0	0	0	0.0
HB 14-1228	(73,145)	0	(73,145)	0	0	0.0
TOTAL	\$44,404,928	\$11,448,339	\$32,702,329	\$254,260	\$0	482.3
Increase/(Decrease)	\$7,627,730	\$10,703,913	(\$3,330,443)	\$254,260	\$0	65.5
Percentage Change	20.7%	1,437.9%	(9.2%)	n/a	n/a	15.7%

FY 2013-14 Appropriation – Mid-year Adjustments

Senate Bill 14-161 provides \$30,000 General Fund to the Department of Revenue for FY 2013-14 for modifications to the voter registration system.

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Customer service enhancements: The appropriation provides 52.0 FTE for additional driver services personnel and funding for an expansion of wait-less queuing and data management technology to 43 driver license offices in the Division of Motor Vehicles for FY 2014-15.

Funding deficit: The appropriation provides General Fund support to the Division to account for a projected shortfall in revenues to the Licensing Services Cash Fund.

Driver license examiner reclassification: The appropriation provides funding for the Division to re-classify 177 positions in the Driver License Examiner class series to Technician and General Professional class series.

Annualize prior year budget actions: The appropriation includes annualizations of the FY 2013-14 salary survey and merit pay.

Annualize prior year legislation: The appropriation includes various changes for the second year impact of legislation.

Pre-release services: The appropriation provides funding for dedicated Division of Motor Vehicles personnel to help obtain identification documents for offenders under the custody of the Department of Corrections prior to their release.

Indirect cost assessment: The appropriation includes a net decrease in the division's indirect cost assessment.

Appropriation restructure: The appropriation changes the Long Bill structure for the Division.

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

Enforcement Business Group

This Division regulates the limited gaming industry; regulates horse and dog racing events; enforces the state's liquor, tobacco, and marijuana; licenses liquor retailers, wholesalers, and manufacturers, and medical marijuana retailers and manufacturing and cultivation facilities; regulates the motor vehicles sales industry and manages adjudication hearings related to drivers licenses, certain racing licenses, and some tax disputes. Major sources of cash funds include the Limited Gaming Fund, the Auto Dealers License Fund, the Liquor Enforcement Division and State Licensing Authority Cash Fund, the Medical Marijuana License Cash Fund, the Racing Cash Fund, the Horse Breeders' and Owners' Awards and Supplemental Purse Fund, the Driver's License Administrative Revocation Account, and the Tobacco Education Programs Fund. The source of reappropriated funds is the Limited Gaming Fund.

Enforcement Business Group						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$52,031,228	\$347,338	\$51,404,274	\$279,616	\$0	237.4
HB 13-1317	<u>714,832</u>	<u>0</u>	<u>714,832</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$52,746,060	\$347,338	\$52,119,106	\$279,616	\$0	237.4
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$52,746,060	\$347,338	\$52,119,106	\$279,616	\$0	237.4
Indirect cost assessment	631,425	(12,926)	644,729	(378)	0	0.0
Annualize prior year budget actions	546,042	15,759	530,283	0	0	0.0
Auto industry license system	188,440	0	188,440	0	0	0.0
Marijuana lab certification in DPHE	86,187	0	86,187	0	0	0.0
Annualize prior year legislation	(141,370)	0	(141,370)	0	0	1.2
HB 14-1336	\$54,056,784	\$350,171	\$53,427,375	\$279,238	\$0	238.6
SB 14-215	0	0	0	0	0	0.0
HB 14-1034	1,082	0	1,082	0	0	0.0
HB 14-1361	<u>100,000</u>	<u>0</u>	<u>100,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$54,157,866	\$350,171	\$53,528,457	\$279,238	\$0	238.6
Increase/(Decrease)	\$1,411,806	\$2,833	\$1,409,351	(\$378)	\$0	1.2
Percentage Change	2.7%	0.8%	2.7%	(0.1%)	n/a	0.5%

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Indirect cost assessment: The appropriation includes a net increase in the division's indirect cost assessment.

Annualize prior year budget actions: The appropriation includes annualizations of the FY 2013-14 salary survey and merit pay.

Auto industry licensing system: The appropriation provides funding for the implementation of an integrated licensing, accounting, and imaging software system for the Auto Industry Division (AID) which regulates the motor vehicle and power sports industry.

Marijuana lab certification in DPHE: The appropriation provides funding for the Department of Public Health and Environment (DPHE) to certify marijuana laboratories.

Annualize prior year legislation: The appropriation includes various changes for the second year impact of legislation.

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

State Lottery Division

The State Lottery Division regulates and administers the State Lottery. It is an enterprise under the provisions of Article X, Section 20, of the Colorado Constitution (the Taxpayer's Bill of Rights). Expenditures are paid from the State Lottery Fund and appropriated as cash funds. The Lottery's direct costs for centrally appropriated items are shown in consolidated budget lines within the Executive Director's Office. Proceeds from the Lottery are distributed to: the Conservation Trust Fund for parks, recreation, and open space purposes; the Division of Parks and Outdoor Recreation in the Department of Natural Resources for the acquisition, development and improvement of new and existing state parks, recreation areas and recreational trails; Great Outdoors Colorado; and public school capital improvements.

State Lottery Division						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	<u>\$97,404,813</u>	<u>\$0</u>	<u>\$97,404,813</u>	<u>\$0</u>	<u>\$0</u>	<u>117.1</u>
TOTAL	\$97,404,813	\$0	\$97,404,813	\$0	\$0	117.1
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$97,404,813	\$0	\$97,404,813	\$0	\$0	117.1
Annualize prior year budget actions	255,762	0	255,762	0	0	0.0
Indirect cost assessment	86,518	0	86,518	0	0	0.0
HB 14-1336	<u>\$97,747,093</u>	<u>\$0</u>	<u>\$97,747,093</u>	<u>\$0</u>	<u>\$0</u>	<u>117.1</u>
TOTAL	\$97,747,093	\$0	\$97,747,093	\$0	\$0	117.1

State Lottery Division						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Increase/(Decrease)	\$342,280	\$0	\$342,280	\$0	\$0	0.0
Percentage Change	0.4%	n/a	0.4%	n/a	n/a	0.0%

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Annualize prior year budget actions: The appropriation includes annualizations of the FY 2013-14 salary survey and merit pay.

Indirect cost assessment: The appropriation includes a net increase in the division's indirect cost assessment.

Recent Legislation

2013 Session Bills

S.B. 13-001 (Colorado Working Families Economic Opportunities Act): Establishes two refundable tax credits in Colorado Statutes: The first credit is the Earned Income Tax Credit (EITC) which is currently a Taxpayer Bill of Rights (TABOR) refund mechanism. This credit will become permanent after the next time a TABOR EITC refund is triggered (which is not expected through at least FY 2015-16). The EITC is set a 10.0 percent of the federal EITC and is refundable, meaning that the taxpayer is eligible for a refund even if credit exceeds the taxpayer's tax liability prior to the credit.

The second credit established is the Child Tax Credit (CTC), which is set at a percentage of the federal Child Tax Credit, based upon adjusted gross income. The establishment of the tax credit is conditioned on enactment of the federal Marketplace Fairness Act (MFA) of 2013, or any other act with substantially similar requirements, and H.B. 13-1295 which implements the minimum simplification requirements of the MFA. The MFA will require the seller to collect sales taxes for out-of-state purchases under certain circumstances. The CTC is also a refundable tax credit.

Appropriates \$60,000 General Fund to the Department of Revenue for FY 2013-14 to implement the CTC if the federal MFA is enacted.

S.B. 13-004 (Electronic Renewal Senior Identification Card): Allows the holder of a State issued identification card who is sixty-five years of age to renew by electronic means or mail for every renewal period, provided that the holder attests, under penalty of perjury, that he/she is lawfully present in the United States and a resident of Colorado. Current law allows renewals by mail for every other renewal. Appropriates \$4,588 cash funds to the Department of Revenue for FY 2013-14 for the purchase of Computer Center services from the Governor's OIT.

S.B. 13-060 (Civil Air Patrol Motor Vehicle License Plate): Creates the Civil Air Patrol special license plate. Any person who pays the requisite fees is eligible to purchase the special plates. The fees are the regular registration and license plate fees plus an additional one-time \$50 fee which is split evenly between the

Highway Users Tax Fund (HUTF) and the Licensing Services Cash Fund (LSCF). Appropriates \$3,605 from several cash funds to the Department of Revenue for FY 2013-14 for the purchase of computer programming services from the Governor's OIT and for the purchase of license plates from Correctional Industries.

S.B. 13-114 (Investigation and Application Fees Racing Cash Fund): Requires that investigation and application fees related to horse racing and dog racing be credited to the Racing Cash Fund. Currently the fees are not credited to any fund. The FY 2013-14 appropriation from the Fund was made in the Long Bill (S.B. 13-230).

S.B. 13-115 (Waste Tire Fee Administration Cash Fund): Creates the Waste Tire Administration Cash Fund for fees collected from retailers for the sale of each new tire, in the amount of the Department of Revenue's direct and indirect administrative costs in collecting the fees. The FY 2013-14 appropriation from the Fund was made in the Long Bill (S.B. 13-230).

S.B. 13-120 (Navy SEAL Motor Vehicle License Plate): Creates the Navy SEAL special license plate. The plate is available to an active or honorably discharged retired or reserve member of the Navy SEALs. A person who purchases the special license plate must pay regular registration and license plate fees, plus an additional one-time \$50 fee which is split evenly between the HUTF and the LSCF. Appropriates \$3,315 from several cash funds to the Department of Revenue for FY 2013-14 for the purchase of computer programming services from the Governor's OIT and for the purchase of license plates from Correctional Industries.

S.B. 13-170 (Motor Vehicle License Plate Auction Group): Grants the License Plate Auction Group (LPAG) authority to issue a non-refundable income tax credit of 20.0 percent of the amount that exceed the appraised value of uniquely valuable license plate number. The credit may be carried forward for up to five years and the General Fund must be reimbursed for the value of the credit from the Registration Number Fund.

Authorizes an auctioneer or other seller of license plate number to retain a commission of 20.0 percent; increases the membership of the Board of the LPAG; allows the LPAG to sell license plates made of alternative materials, if approved by the Department of Revenue; allows the sale of license plates containing any symbol on the standard American keyboard or any symbol approved by the LPAG Board; and authorizes the Board to make business decision to carry out license plate auctions. Appropriates \$16,000 General Fund to the DOR for FY 2013-14 for contract programming services required to implement the tax credit.

S. B. 13-221 (Conservation Easement Tax Credit Certification): Provides a conservation easement tax credit pre-approval process for tax years beginning January 1, 2014. Appropriates \$48,000 General Fund to the Department for FY 2013-14 for contract programming services. For additional information on S.B. 13-221, see the "Recent Legislation" section for the Department of Regulatory Agencies.

S.B. 13-224 (Protect Our Rivers License Plate): Creates the Protect Our Rivers special license plate. The plate is available to all applicants who demonstrate that they have donated \$25 to Colorado Trout Unlimited, a non-profit organization. The donation is not to be used for litigation or lobbying. A person who purchases the special license plate must pay regular registration and license plate fees, plus an additional one-time \$50 fee which is split evenly between the HUTF and the LSCF. The bill appropriates \$8,892 from several cash funds to the Department for FY 2013-14 for the purchase of computer programming services from the Governor's OIT and for the purchase of license plates from Correctional Industries.

S.B. 13-230 (Long Bill): General appropriations act for FY 2013-14.

S.B. 13-251 (Driver's License and Identification Documentation): Allows the State to issue a driver's license, minor driver's license, instruction permit, or State identification card to a non-resident who cannot furnish proof of lawful presence in the United States, upon presenting the documents required for issuance. The licenses, permits, and ID cards must carry the phrase "Not Valid For Federal Identification, Voting, or Public Benefit Purposes" printed on the face of the card. Documents expire three years after issuance. Specifically states that peace officers are not authorized to arrest a person for possession of the document. Appropriates \$436,292 General Fund to the Department for FY 2013-14 for the purchase of legal services from the Department of Law and computer center services from the Governor's OIT and for contract services and document design.

S.B. 13-280 (Title Off-highway Vehicles): Requires off-highway vehicles to be titled in the same manner as motor vehicles except under statutory provisions that apply to salvage vehicles and assumes the vehicle will be registered with the Department. Off-highway vehicles sold before July 1, 2014 are exempt from the titling requirement until they are sold again. Appropriates \$25,900 cash funds to the DOR for FY 2013-14 for the purchase of computer center services from the Governor's OIT.

H.B. 13-1011 (Repeal Fee Veteran's Identifier Driver's License): Eliminates the \$15 fee charged to a person who adds the military identifier to a driver's license or State identification card. Appropriates \$5,000 cash funds to the Department for FY 2013-14 for changes to the driver's license computer system.

H.B. 13-1022 (Proof of Motor Vehicle Insurance): Allows a court to dismiss a charge of non-compliance with compulsory auto insurance if it verifies the driver had a valid policy in effect at the time of the alleged violation by using the uninsured motorist insurance identification database. Establishes a new class B traffic infraction, with a fine of up to \$500 and surcharge of \$4, for offering fraudulent evidence of valid vehicle insurance to officials. Appropriates \$5,000 cash funds to the Department for FY 2013-14 for programming changes to the Motorist Insurance Identification database.

H.B. 13-1024 (Income Tax Exemption for Military Family Relief Fund Grants): Exempts from Colorado income (for income tax purposes) any moneys received from the Colorado Military Family Relief Fund.

H.B. 13-1036 (Authority of Local Improvement District): Allows local improvement districts (LID) to include noncontiguous territory in the unincorporated areas of a single county, provided that those territories are included in the district based on a property owner petition. Allows the LID to use sales tax revenue to conduct public events. Establishes a procedure for property owners to petition county government for inclusion in, or exclusion from, an LID. The Department will need to adjust its computer systems each time the boundary of an LID is modified. The necessary appropriations will be addressed each time a boundary is changed through the annual budget process, with the LID reimbursing the State General Fund for the expense.

H.B. 13-1042 (State Income Tax Deduction for Marijuana Business Expense): Creates a tax deduction for a Colorado taxpayer who is prohibited from claiming a federal income tax deduction by Section 280E of the Internal Revenue Code because marijuana is a controlled substance under federal law. Appropriates \$280,000 General Fund to the Department for FY 2013-14 for programming changes to the Department's tax systems.

H.B. 13-1071 (Register Collector's Motor Vehicle): Specifies that a vehicle whose model year is more than 32 years old is eligible to be registered as a "collector's" vehicle. A vehicle so registered must pass an emissions test within 12 months after registration, if the vehicle is within the enhanced emissions program area. Appropriates \$193,489 from several cash funds to the Department for FY 2013-14 for the purchase of Computer Center Services from the Governor's OIT and license plates from Correctional Industries in the Department of Corrections.

H.B. 13-1080 (Aircraft Manufacturer New Employee Income Tax Credit): Extends the existing Aircraft Manufacturer New Employee Tax Credit, which currently applies to aircraft manufacturers, to companies involved in the maintenance and repair, completion, or modification of aircraft.

H.B. 13-1110 (Special Fuel Tax and Electric Vehicle Fee): Alters fees for vehicles propelled by compressed natural gas (CNG), liquefied petroleum gas (LPG), and liquefied natural gas (LNG) from an annual license fee based on the weight of the vehicle to a reduced special fuels tax levied on a gallon of gasoline equivalent when the fuel is purchased; assesses a \$10 fee on each truckload (defined as 8,000 gallons of gasoline equivalent) of CNG, LPG, or LNG; and requires a plug-in electric vehicle to pay an annual license fee of \$50. The \$10 fee for each truckload of CNG, LPG, or LNG will be credited to the LPG and Natural Gas Inspection Fund and made available to the Division of Oil and Public Safety in the Department of Labor and Employment for the enforcement of the standards set. Of the \$50 annual fee for a plug-in electric vehicle, \$30 will be credited to the HUTF and \$20 will be credited to the Electric Vehicle Grant Fund. Appropriates \$254,096 from several cash funds to the Department for FY 2013-14, and reappropriates \$68,212 of those moneys to the Governor's OIT for the provision of computer center services to the Department of Revenue.

H.B. 13-1119 (Veteran's Identification Card and Driver's License): Allows a U.S. military veteran to obtain a driver's license or identification card that identifies the holder as a veteran. Sets forth qualifications for the identifier. Appropriates \$72,800 from the Licensing Services Cash Fund to the Department for FY 2013-14 for the purchase of services from the computer center and \$65,000 for contractor services. Reappropriates \$7,800 of those moneys to the Governor's OIT for the provision of computer center services to the Department.

H.B. 13-1135 (Voter Registration at Age 16): Allows a person who has turned 16 years of age, who will not be 18 years of age by the date of the next election, to preregister to vote. The registrant will be registered automatically upon turning 18 years of age. Appropriates \$86,672 cash funds to the Department for FY 2013-14 for necessary computer programming modifications.

H.B. 13-1142 (Urban and Rural Enterprise Zone Act Reforms): Reforms the Urban and Rural Enterprise Zone Act. Appropriates \$1,600 General Fund to the Department for FY 2013-14 for modification to the GenTax computer system.

H.B. 13-1144 (Eliminate Cigarette Sales and Use Tax Exemption): Permanently eliminates the state sales and use tax exemption for the sale of cigarettes purchased in the State, which increases General Fund revenue over existing law by \$28.0 million in FY 2013-14 and by \$26.5 million in FY 2014-15.

H.B. 13-1153 (Electronic Filing Ownership Tax Rental Mobile Machinery): Allows multi-county owners of special mobile machinery to file an electronic report with the Department, which will provide that information to the counties. Appropriates \$98,411 General Fund and 0.4 FTE to the D Department for contract programming services and the administration of the Program.

H.B. 13-1240 (Penalties for Persistent Drunk Drivers): Modifies the definition and penalties for persistent drunk drivers. Specifically: lowers the blood alcohol content (BAC) threshold for labeling a person a persistent drunk driver (PDD); adds a person who has refused a BAC test to the list of persons who may be defined as a PDD; requires a PDD to obtain and use an ignition interlock device (IID) for one year after reinstatement of their license; allows a person whose license revoked for one year to apply for reinstatement after one year provided they use an IID, and to apply for reinstatement after two months for refusing a BAC test; requires the DOR to provide assistance to indigent persons in obtaining an IID; and allows most revocation penalties to run

concurrently rather than consecutively. Appropriates \$126,834 cash funds from the First-time Drunk Driving Offender Account to the Department for FY 2013-14 for personal services, temporary staff, operating expenses, and the purchase of services from the computer center, of which \$26,714 is reappropriated to the Governor's OIT for the provision of computer center services to the Department.

H.B. 13-1247 (Innovative Motor Vehicle Income Tax Credit): Extends through tax year 2021 the availability for taxpayers to claim the Innovative Motor Fuel Tax Credit; clarifies the definition of plug-in hybrid-electric vehicles; and alters the way the credit is calculated for the purchase or lease of plug-in hybrid-electric, compressed natural gas, and liquefied petroleum gas vehicles and for the conversion of vehicles to electric and natural gas power sources.

H.B. 13-1288 (Establish Statewide Uniform Sales and Use Tax Base): Requires the Department, in conjunction with counties and municipalities, to prepare a report that identifies the sales tax exemptions for each jurisdiction in the state, estimates the revenue associated with each exemption, determines how a uniform sales tax can be revenue neutral for the state and local taxing districts, and makes recommendations to the General Assembly to establish a uniform sales tax base. Appropriates \$80,089 General Fund to the Department for FY 2013-14 for the costs associated with collecting data, computer programming, and publishing the report.

H.B. 13-1295 (Simplify Sales Tax for Marketplace Fairness Act): Implements the requirements of the federal Marketplace Fairness Act (MFA), requires the collection of Colorado sales taxes from out-of-state vendors when those vendors sell to Colorado residents. Appropriates \$2,502,786 General Fund to the Department for FY 2013-14 to implement and administer the tax. This bill, including the appropriation, will only take effect if the MFA (or substantially similar legislation) is enacted by the federal government. Thus this appropriation is not reflected in the tables within this report.

H.B. 13-1317 (Implement Amendment 64 Majority Recommendation): Establishes the regulatory framework to implement Amendment 64, which legalizes the possession of small amounts of marijuana.

- Converts the existing Medical Marijuana Enforcement Division (MMED) to the Marijuana Enforcement Division (MED), with the MED having the authority to regulate medical marijuana and retail marijuana, and authorizes the MED to receive moneys from the General Fund. All spending authority that previously existed for the MMED is transferred to the MED.
- Establishes unlawful acts including consuming marijuana in a licensed retail marijuana business, buying or selling marijuana outside of the regulated system, selling to a person under 21 years of age, and failing to pay the lawful excise tax. These acts are classified as Class 2 misdemeanors.
- Specifies the amount of the application fees for existing medical marijuana business and new businesses.
- Requires the MED to provide a report to the Finance Committees that includes the amount of revenue generated by retail marijuana, the expenses of the MED, and the regulatory work performed by the MED.
- Provides that only existing medical marijuana licensees businesses in good standing can apply for a license for a retail marijuana license business until September 30, 2014. Starting July 1, 2014, other persons may give notice of intent to apply for a retail license and receive preference from the MED.
- Through September 30, 2014, continues the current requirement for vertical integration.
- Requires the MED to develop and maintain a seed-to-sale tracking system.
- Credits the Marijuana Cash Fund with all application and licensing fees related to marijuana businesses, all regular sales taxes and any special sales taxes from medical and retail marijuana, as well as any General Fund required to fund the MED's regulatory and enforcement operations. Once the MED achieves a sufficient balance of cash funds to support the operations of the MED, excess moneys are transferred to the General Fund until the General Fund has been repaid any moneys provided to the MED for its operations.

Appropriates \$1,227,026 cash funds to the Department for personal services and operating expense and the purchase of legal services and computer center services related to implementation of the act.

H.B. 13-1318 (Retail Marijuana Taxes): Creates a special sales tax of up to 15.0 percent (in addition to the current 2.9 percent state sales tax and any local sales tax) to be levied on retail marijuana sales. The tax rate is initially set at 10.0 percent, which the General Assembly may raise or lower without having to go back to the voters for approval. The retailers are not permitted to keep any portion of the tax for their costs in collecting the tax for the State. Local jurisdictions receive 15.0 percent of the proceeds from the tax in the proportion of the total marijuana sales that occur in their areas. Requires an annual transfer from the General Fund to the Marijuana Cash Fund in the amount equal to the remaining sales tax revenues after apportionment to the local jurisdictions.

Creates an excise tax of up to 15.0 percent of the average market rate of the unprocessed retail marijuana upon its first sale or transfer from a cultivation facility to a retail store, manufacturing facility, or other cultivation facility. As required by Amendment 64, the first \$40.0 million raised goes to the Public School Capital Construction Fund, with any remaining moneys deposited into the Marijuana Cash Fund.

The additional sales and excise taxes will go into effect if the voters approve, at the November 2013 statewide election, the statewide ballot question regarding imposition of the taxes. Appropriates, if the ballot measure is approved, \$4,246,090 from the Marijuana Cash Fund to the Department for FY 2013-14 for the administration of the taxes imposed.

2014 Session Bills

S.B. 14-014 (Property Tax, Rent, and Heat Rebate Program): Makes changes to the Property Tax, Rent, and Heat Rebate (PTC) Program by:

- increasing the maximum property tax and rent rebate for income-eligible claimants to \$700;
- establishing a "flat rate" rebate for both the property tax and rent rebate and the heat rebate in an expanded range of income eligibility; and
- implementing certain recommendations of the August 2013 Legislative Audit of the program.

For FY 2014-15 appropriates \$177,129 General Fund to the Department of Revenue in FY 2014-15, and an allocation of 0.5 FTE. Of this amount, \$31,400 is reappropriated to the Department of Personnel. Appropriates \$2,356,965 General Fund for PTC rebates to the Department. Pursuant to Section 39-31-102 (1), C.R.S., appropriations for the Old Age Heat and Fuel and Property Tax Assistance Grant program are included in the Long Bill for informational purposes and are not deemed to be appropriations subject to the limitations of Section 24-75-201.1, C.R.S. The bill also appropriates \$4,092 for CBMS changes in FY 2014-15, as follows:

- \$1,397 to the Department of Health Care Policy and Financing (HCPF) (\$684 from the General Fund, \$9 from the Children's Basic Health Plan Trust, \$4 from the Old Age Pension Cash Fund, and \$700 from federal funds), of which the whole amount is reappropriated to the Department of Human Services (DHS); and
- \$4,092 to DHS (\$976 from the General Fund, \$131 from the Old Age Pension Cash Fund, \$1,588 from federal funds, and \$1,397 reappropriated funds from HCPF), of which the entire amount is reappropriated to the Governor's Office of Information Technology.

S.B. 14-030 (Distinguished Flying Cross License Plate Fee): Eliminates all fees for one set of Distinguished Flying Cross license plates, if the cross was awarded for valor. For FY 2014-15 appropriates \$824 cash funds to the Department for programming costs and reappropriates the same amount to the Governor's Office of Information Technology to perform the programming for the Department of the Revenue.

S.B. 14-036 (Emergency Medical Services License Plate): Creates the Emergency Medical Services (EMS) special license plate. For FY 2014-15 appropriates \$10,040 cash funds to the Department of Revenue for computer programming and license plate costs. Reappropriates \$4,120 to the Governor's Office of Information Technology to perform the programming.

S.B. 14-041 (USS Colorado Submarine License Plate): Creates the USS Colorado special license plate. For FY 2014-15 appropriates \$5,778 cash funds to the Department for computer programming and license plate costs. Reappropriates \$4,120 to the Governor's Office of Information Technology to perform the programming.

S.B. 14-073 (Brownfield Contaminated Land Income Tax Credit): Creates an income tax credit for individuals, organizations, and qualified entities that perform any approved environmental remediation of contaminated property. The tax credit is limited to 40.0 percent of the first \$750,000 expended for the approved remediation. For FY 2014-15 appropriates \$58,710 General Fund to the Department for computer programming costs. For additional information on S.B. 14-073, see the "Recent Legislation" section for the Department of Public Health and Environment.

S.B. 14-075 (Deployed Military Motor Vehicle Fees and Taxes): Exempts members of the United States armed forces who are Colorado residents and deployed outside of the U.S. for a full year from paying certain motor vehicle registration fees. For FY 2014-15 appropriates \$116,858 total funds, including \$12,828 General Fund and \$104,030 cash funds to the Department of Revenue for FY 2014-15. Reappropriates \$104,030 to the Governor's Office of Information Technology to perform the programming. For additional information on S.B. 14-075, see the "Recent Legislation" section for the Department of Education.

S.B. 14-087 (Identification Cards Issuance Standards): Requires the Department to report to the Transportation Legislation Review Committee (TLRC) of the General Assembly each year regarding the effectiveness of exceptions processing. For FY 2014-15 appropriates \$43,260 General Fund to the Department and reappropriates the same amount to the Governor's Office of Information Technology to perform the programming.

S.B. 14-129 (Marijuana Criminal Provision Clean-up): Makes changes to a number of laws related to criminal penalties for offenses involving marijuana, including adding consumption and possession of marijuana and possession of marijuana paraphernalia to the crime of underage possession or consumption of alcohol and changing the associated penalty structure. Appropriates \$4,120 cash funds from the Marijuana Cash Fund to the Department of Revenue for FY 2013-14 to make related changes to its driver license system, and appropriates \$4,120 reappropriated funds to the Governor's Office of Information Technology for the provision of computer center services. For additional information on S.B. 14-129, see the "Recent Legislation" section for the Department of Human Services.

S.B. 14-161 (Update Uniform Election Code of 1992): The "Voter Access and Modernized Elections Act", enacted in 2013, made various changes to the "Uniform Election Code of 1992". To facilitate implementation of that act and the conduct of elections generally, the bill makes various corrections, clarifications, and alterations

to the code. Appropriates \$30,000 General Fund to the Department for FY 2013-14. For additional information on S.B. 14-161, see the "Recent Legislation" section for the Department of State.

S.B. 14-194 (Issuance of Identification Documents by the Department of Revenue): Amends the laws guiding the issuance of identification documents including:

- defines exceptions processing and requires that by September 1, 2014, the Department of Revenue (DOR) provide in-person exceptions processing services in at least four regional offices that are operated by the DOR and that issue driver's licenses;
- establishes increased fees for the issuance of driver's licenses, instructional permit applications, duplicate permits and duplicate minor's driver's licenses, identification cards, and commercial driver's licenses;
- authorizes the DOR to assess an additional fee for the issuance of a driver's license when an applicant retakes the knowledge or driving exam;
- authorizes the DOR to raise or lower fees established in statute related to the issuance of driver's licenses and identification cards, except that the DOR cannot increase fees by more than 20 percent in FY 2015-16, and by not more than 5 percent beginning in FY 2016-17 and each year thereafter;
- requires that if a rule is created to raise a fee, the rule and fee will not take effect until 30 days after the DOR has submitted a report to the JBC listing the fee to be changed, the amount by which it will be changed, and an explanation and analysis for why the increase is needed;
- eliminates the Identification Security Fund within the Highway Users Tax Fund (HUTF), transfers all unexpended and unencumbered balances to the Licensing Services Cash Fund (LSCF) on the effective date of the bill, and allocates moneys previously allocated to the security fund to the LSCF;
- eliminates the Motorist Insurance Identification Account within the HUTF and reallocates the motorist insurance identification fee to the Colorado State Titling and Registration System Account (CSTARS) within the HUTF;
- specifies that any unexpended or unencumbered balances in the CSTARS Account or in the License Plate Cash Fund (LPCF) remain in those funds at the end of any fiscal year;
- modifies the allocation of the driver's license restoration fee to distribute \$73 to the Driver's License Administrative Revocation Account of the HUTF, and \$22 to the First Time Drunk Driving Offender Account of the HUTF (currently \$60 and \$35, respectively); and
- allows eligible applicants for driver's licenses and identification cards to renew the card electronically for two consecutive renewal periods.

For FY 2014-15 appropriates \$191,651 General Fund and 2.7 FTE to the Department of Revenue and reappropriates \$6,077 to the Governor's Office of Information Technology for computer programming costs.

S.B. 14-215 (Disposition of Legal Marijuana Related Revenue): Creates the Marijuana Tax Cash Fund (MTCF) and directs that all sales tax moneys collected by the state starting in FY 2014-15 from retail and medical marijuana to be deposited in the MTCF instead of the Marijuana Cash Fund (MCF). All moneys attributable to fees will continue to be deposited in the MCF. The bill specifies the programs that can receive appropriations out of the MTCF and the MCF. The bill also transfers the balance of marijuana sales tax revenues previously collected in the MCF to the MTCF on July 1, 2014. Limits appropriations from the MTCF to moneys received in the prior fiscal year (cannot appropriate revenues in the fiscal year in which they are received) except that the Department of Revenue is allowed to receive appropriations from current year revenues for direct and indirect costs related to the regulation and enforcement of the marijuana industry; limits the total amount that the General Assembly can appropriate out of the MTCF starting with appropriations for FY 2015-16 to 93.5 percent of moneys in the fund available for appropriation.

Moneys in the MTCF can initially be appropriated based on the most recent Legislative Council Staff (LCS) or Office of State Planning and Budgeting (OSPB) forecast for the following purposes:

- For the study of law enforcement's activity and costs related to the implementation of the laws legalizing retail marijuana;
- For the coordination of the executive branch response to the legalization of retail marijuana;
- To increase the expertise and knowledge among prosecutors and law enforcement officials regarding the legal and regulatory issues surrounding the legalization of marijuana;
- To obtain health data, through surveys or other means, regarding marijuana and other drug use and to monitor the health effects of marijuana, including changes in drug use patterns and the emerging science and medical information relevant to the health effects associated with marijuana use;
- To advance roadside impaired driving enforcement training and drug recognition expert training for peace officers;
- To develop and implement marijuana education and prevention campaigns;
- To provide inpatient treatment for adults who suffer from co-occurring disorders at the Colorado mental health institute at Pueblo;
- To increase the availability of school-based prevention, early intervention, and health care services and programs to reduce the risk of marijuana and other substance use and abuse by school-aged children;
- For community based programs to provide marijuana prevention and intervention services to youth;
- For local judicial district-based programs to provide marijuana prevention and intervention services to pre-adjudicated and adjudicated youth;
- To expand the provision of jail-based behavioral health services in underserved counties and to enhance the provision of jail-based behavioral health services to offenders transitioning from jail to the community to ensure continuity of care;
- For the provision of substance use disorder treatment services for adolescents and pregnant women; and
- To provide child welfare training specific to issues arising from marijuana use and abuse.

Specifies the permissible uses of the moneys in the MTCF, including:

- [Section 3] Creates the school health professional grant program in the department of education to provide matching grants to education providers to enhance the presence of school health professionals in secondary schools throughout the state and to facilitate better screening, education, and referral care coordination for secondary school students with substance abuse and other behavioral health needs;
- [Section 4] Creates the office of marijuana coordination in the governor's office to coordinate the executive branch response to the legalization of marijuana;
- [Section 5] Requires the department of public health to conduct 2 marijuana education and prevention campaigns, each with a specified purpose, and to create a web site to serve as the state portal for the most accurate and timely information regarding the health effects of marijuana and the laws regarding marijuana use;
- [Section 6] Creates the school-based substance abuse prevention and intervention grant program in the department of health care policy and financing to award competitive grants to entities to provide school-based prevention and intervention programs for youth 12 to 19 years of age, primarily focused on reducing marijuana use, but including strategies and efforts to reduce alcohol use and prescription drug misuse; and
- [Section 7] Expands the purposes of the Tony Grampas youth services program, created in the department of human services, to include community-based programs specifically related to the prevention and intervention of adolescent and youth marijuana use.

Continues for FY 2013-14 and FY 2014-15 the transfer of \$2.0 million of sales tax revenues to the General Fund to offset General Fund expenditures for the Department of Human Services' "Circle Program" and the Department of Health Care Policy and Financing Screening, Brief Intervention, and Referral for Treatment for Substance Abuse ("SBIRT") Program. Starting in FY 2015-16, the bill authorizes the General Assembly to appropriate moneys from the MTCF to support the Circle Program.

For FY 2014-15 appropriates \$24.9 million total funds, including \$4.0 million General Fund and \$18.5 million from the MTCF for new programs authorized in the bill (Section 13). Appropriates \$8.2 million from the MTCF for existing programs that previously received appropriations out of the MCF (Section 12). Transfers \$6.3 million from the MTCF to the General Fund for the CIRCLE and SBIRT programs as well as for two new school-based prevention and intervention services program and the school-based early intervention and prevention substance abuse grant program (Section 2).

SB 14-215 Appropriations and Transfers for New Programs							
Agency		Total	General Fund	Marijuana Tax Cash Fund	Federal Funds	FTE	Purpose
EDU	(1)	\$2,500,000	\$0	\$2,500,000	\$0	1.0	Behavioral health issues in public schools.
GOV	(2)	190,097	0	190,097	0	2.0	Drug policy office creation.
HCP	(3)	4,363,807	2,000,000	0	2,363,807	0.0	School-based prevention and intervention services.
HCP	(4)	2,000,000	2,000,000	0	0	0.0	School-based early intervention and prevention substance abuse grant program.
HUM	(5)	2,000,000	0	2,000,000	0	0.0	Tony Gramscas program grants for prevention.
HUM	(6)	1,500,000	0	1,500,000	0	0.0	Substance use disorder treatment services for adolescents and pregnant women.
HUM	(7)	2,000,000	0	2,000,000	0	0.0	Expansion and enhancement of jail-based behavioral health services.
HUM	(8)	2,000,000	0	2,000,000	0	0.0	Enhancement of S.B. 91-094 programs.
LAW	(9)	456,760	0	456,760	0	2.0	Development of in-house expertise on regulations.
LAW	(10)	1,168,000	0	1,168,000	0	1.0	Peace Officers Standards and Training Board expanded training activities.
PBH	(11)	5,683,608	0	5,683,608	0	3.7	Public awareness campaign.
PBH	(12)	903,561	0	903,561	0	1.5	Health Kids Colorado survey.
HUM	(13)	100,000	0	100,000	0	0.0	Child welfare training.
Section 13 Subtotal		\$24,865,833	\$4,000,000	\$18,502,026	\$2,363,807	11.2	
Section 12 Subtotal		\$8,156,371	\$0	\$8,156,371	\$0	0.0	Adjustments to 2014 Long Bill
		2,000,000	0	2,000,000	0	0.0	Transfer to General Fund for CIRCLE and SBIRT
		4,260,000	0	4,260,000	0	0.0	Transfer to General Fund for HCP Sect. 13 (3) and HCP Sect. 13 (4) programs, as well as a 6.5 percent (\$260,000) General Fund reserve.
Section 2 Subtotal		\$6,260,000	\$0	\$6,260,000	\$0	0.0	
Sections 2, 12, 13 Total		\$39,282,204	\$4,000,000	\$32,918,397	\$2,363,807	11.2	

H.B. 14-1003 (Nonresident Disaster Relief Worker Tax Exemption): Allows a state withholding tax exemption for nonresident taxpayers who performed disaster-related work during a disaster period in the state. The withholding exemption is available beginning in tax year 2015. For FY 2014-15 appropriates to the Department \$30,900 General Fund.

H.B. 14-1006 (Tax Remittance for Local Marketing Districts): Changes the filing and remittance deadlines for lodging taxes levied by a local marketing district from quarterly remittance to monthly remittance starting July 1, 2014. For FY 2014-15 appropriates \$14,811 General Fund to the Department.

H.B. 14-1012 (Advanced Industry Investment Income Tax Credit): Repeals the Colorado Innovation Investment Income Tax Credit and replaces it with the Advanced Industry Investment Income Tax Credit. The total amount of the tax credit shall not exceed \$375,000 for the 2014 calendar year and \$750,000 for each of the 2015, 2016, and 2017 calendar years. For FY 2014-15 appropriates \$16,480 General Fund to the Department of Revenue. For additional information on H.B. 14-1012, see the "Recent Legislation" section for the Governor's Office.

H.B. 14-1029 (Disabled Parking License Plate Placards): Repeals and reenacts the laws governing reserved parking for persons with disabilities and makes clarifying changes to the Program. For FY 2014-15 appropriates \$84,147 total funds, including \$66,689 General Fund and \$17,458 cash funds, to the. Reappropriates \$4,120 to the Governor's Office of Information Technology.

H.B. 14-1034 (Wine Packaging Permits): Creates the wine packaging permit to a licensed winery to package wine manufactured by another winery, and the permit also allows a wine wholesaler to package wine. For FY 2014-15 appropriates \$5,202 cash funds to the Department and reappropriates \$4,120 to the Governor's Office of Information Technology.

H.B. 14-1066 (County Clerk and Recorder Driver's License Fee): Adjusts the amount of a driver's license fee that may be retained by a county clerk when issuing a driver's license in counties with a population of 100,000 people or fewer. Under current law, this amount is \$8; the bill increases this amount to \$13.60. For FY 2014-15 appropriates \$67,856 total funds, including \$61,264 General Fund and \$6,592 cash funds, to the Department and reappropriates \$6,592 to the Governor's Office of Information Technology.

H.B. 14-1072 (Income Tax Credit for Child Care Expenses): Creates a new child care tax credit for Colorado taxpayers who have a federal adjusted gross income (FAGI) of \$25,000 or less. The credit is equal to 25.0 percent of the taxpayer's child care expenses with a maximum amount of \$500 for a single dependent or \$1,000 for two or more dependents. For FY 2014-15 appropriates \$61,381 General Fund and 0.6 FTE to the Department.

H.B. 14-1100 (Motor Vehicle Title Branding): Requires that a branding be placed on the certificate of title of a motor vehicle, if the vehicle is non-repairable, is flood-damaged, has had the odometer tampered with, has an incorrect odometer, or has a designation placed on the title by another jurisdiction. For FY 2014-15 appropriates \$97,850 cash funds to the Department and reappropriates the \$97,850 to the Governor's Office of Information Technology.

H.B. 14-1178 (Sales and Use Tax Exemption for Property Used in Space Flight): Creates a sales and use tax exemption for tangible personal property used in space flight starting in FY 2014-15. Appropriates \$31,000 General Fund to the Department for FY 2013-14.

H.B. 14-1228 (Court-ordered Driving School Evaluation Repeal): Removes the requirement that the Department monitor, evaluate, and report on the curriculum and effectiveness of court-ordered driver improvement courses and eliminates the penalty surcharge imposed on persons who attend these courses. Repeals the Defensive Driving School Fund (Fund) and requires the State Treasurer to transfer any remaining fund balance to the General Fund on January 1, 2015. For FY 2014-15 decreases \$73,145 cash funds appropriation to the Department.

H.B. 14-1246 (Supplemental Bill): Supplemental appropriation to the Department of Revenue to modify FY 2013-14 appropriations included in the FY 2013-14 Long Bill (S.B. 13-230).

H.B. 14-1326 (Tax Incentives for Alternative Fuel Trucks): Changes three areas of tax policy affecting low-emission and alternative fuel vehicles. Creates a new income tax credit for innovative trucks, reduces the number of vehicles eligible to claim an existing sales and use tax exemption, and reduces the taxable value of certain vehicles for the purpose of calculating the specific ownership tax. For FY 2014-15 appropriates \$412 cash funds to the Department and reappropriates that amount to the Governor's Office of Information Technology.

H.B. 14-1327 (Expand Deployment of Broadband Technology): Sets statewide policy concerning the deployment of broadband technology. Specifically, the bill:

- creates a state rebate of state sales and use taxes paid on broadband equipment installed in target areas of the state;
- requires local government permitting of broadband facilities and certain wireless service facilities to adhere to new statutory deadlines, and to allow consolidation of applications for small cell networks;
- requires state and local government agencies, including coordination by the Department of Transportation, to provide notice of trenching activity to broadband providers, except in emergencies, and to regulate other aspects of trenching; and
- clarifies that broadband service providers may utilize public rights-of-way for broadband facilities to the same extent as other telecommunication providers.

For FY 2014-15 appropriates \$73,725 General Fund and 0.9 FTE to the Department.

H.B. 14-1336 (Long Bill): General appropriations act for FY 2014-15. Includes provisions modifying FY 2013-14 appropriations included in H.B. 13-1042 and H.B. 13-1318.

H.B. 14-1350 (Modifications to Regional Tourism Act): Changes the application process for Regional Tourism Act projects, and limits the amount of State sales tax increment financing that can be approved for each future project. For FY 2014-15 appropriates \$43,260 General Fund to the Department. For additional information on H.B. 14-1350, see the "Recent Legislation" section for the Governor's Office.

H.B. 14-1352 (Update Waste Tire Management System): Repeals and reenacts the state's waste tire laws into a new part of the solid waste statutes and makes changes to the Waste Tire Program. Modifies the distribution of the \$1.50 waste tire fee, consolidates several cash funds and creates three new cash funds, and specifies how the moneys in each cash fund are to be used. Reduces the waste tire fee to \$0.55 per tire beginning January 1, 2018, and repeals the End Users and Processors Rebate Program at that time. Requires the Department of Public Health and Environment to administer and collect the waste tire fee, among other duties in lieu of the Department of Revenue. Establishes new regulations for waste tire haulers, generators,

processors, end users, collection facilities, mobile processors, used tire sellers, and waste tire monofills. Repeals the Waste Tire Advisory Committee. For FY 2014-15 appropriates \$43,867 cash funds to the Department of Revenue. For additional information on H.B. 14-1352, see the "Recent Legislation" section for the Department of Public Health and Environment.

H.B. 14-1361 (Regulation of Marijuana Concentrates): Requires that by January 1, 2016, the Department of Revenue promulgate rules establishing the equivalency of one ounce of retail marijuana flower in various retail marijuana products including retail marijuana concentrate. Prior to promulgating the rules, the Department may contract for a scientific study to determine such equivalency. Clarifies that a retail marijuana store may not sell more than one ounce of retail marijuana or its equivalent in retail marijuana products to a Colorado resident, or not more than a quarter ounce of retail marijuana or its equivalent in marijuana products to a nonresident. For FY 2014-15 appropriates \$100,000 cash funds to the Department of Revenue.

H.B. 14-1367 (Autocycles, Motorcycles, & Motor Vehicles): Defines "autocycle" and removes this type of vehicle from classification and regulation as a motorcycle. For FY 2014-15 appropriates \$33,990 cash funds to the Department of Revenue and reappropriates that amount to the Governor's Office of Information Technology to make changes to the Colorado State Titling and Registration System.

Department Details

DEPARTMENT OF STATE

FY 2013-14 and FY 2014-15 Appropriations by Division and Bill

Department of State						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Total Appropriation:	\$23,406,861	\$0	\$23,406,861	\$0	\$0	139.0
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Administration	5,754,413	0	5,754,413	0	0	20.0
Information Technology Services	9,691,242	0	9,691,242	0	0	36.0
Elections Division	5,421,260	0	5,421,260	0	0	35.0
Business and Licensing Division	2,539,946	0	2,539,946	0	0	48.0
<u>Breakdown of Total Appropriation by Bill</u>						
SB 13-230	21,372,884	0	21,372,884	0	0	135.0
HB 13-1101	25,160	0	25,160	0	0	0.0
HB 13-1135	26,640	0	26,640	0	0	0.0
HB 13-1138	91,760	0	91,760	0	0	0.0
HB 13-1167	74,592	0	74,592	0	0	0.0
HB 13-1303	1,317,181	0	1,317,181	0	0	4.0
HB 14-1247	498,644	0	498,644	0	0	0.0
FY 2014-15 Total Appropriation:	\$22,136,875	\$0	\$22,136,875	\$0	\$0	137.3
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Administration	5,760,341	0	5,760,341	0	0	19.0
Information Technology Services	8,829,733	0	8,829,733	0	0	36.0
Elections Division	4,936,698	0	4,936,698	0	0	34.2
Business and Licensing Division	2,610,103	0	2,610,103	0	0	48.1
<u>Breakdown of Total Appropriation by Bill</u>						
HB 14-1336	21,893,762	0	21,893,762	0	0	137.2
SB 14-153	(2,816)	0	(2,816)	0	0	0.0
SB 14-161	150,154	0	150,154	0	0	0.0
HB 14-1369	95,775	0	95,775	0	0	0.1
Increase/(Decrease)	(\$1,269,986)	\$0	(\$1,269,986)	\$0	\$0	(1.7)
Percentage Change	(5.4%)	n/a	(5.4%)	n/a	n/a	(1.2%)

Informational Funds: The FY 2014-15 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of State are annotated with the "(I)". For additional information, see Appendix J.

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2014-15 Appropriations containing an (I) notation	\$349,222	\$0	\$349,222	\$0	\$0

Detail of Appropriation by Administrative Section

Administration

The Administration division provides general management supervision for the entire Department, including budgeting, accounting, and human resources services. The Department is required to charge a fee for many of the business filings section's services, and these fees are the primary source of revenue for the Department of State Cash Fund. The Department of State does not receive any General Fund appropriations.

Administration						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	<u>\$5,754,413</u>	<u>\$0</u>	<u>\$5,754,413</u>	<u>\$0</u>	<u>\$0</u>	<u>20.0</u>
TOTAL	\$5,754,413	\$0	\$5,754,413	\$0	\$0	20.0
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$5,754,413	\$0	\$5,754,413	\$0	\$0	20.0
Centrally appropriated line items	492,555	0	492,555	0	0	0.0
Indirect cost assessment	21,971	0	21,971	0	0	0.0
IT common policy adjustments	(273,610)	0	(273,610)	0	0	0.0
Annualize prior year funding	(234,988)	0	(234,988)	0	0	(1.0)
HB 14-1336	<u>\$5,760,341</u>	<u>\$0</u>	<u>\$5,760,341</u>	<u>\$0</u>	<u>\$0</u>	<u>19.0</u>
TOTAL	\$5,760,341	\$0	\$5,760,341	\$0	\$0	19.0
Increase/(Decrease)	\$5,928	\$0	\$5,928	\$0	\$0	(1.0)
Percentage Change	0.1%	n/a	0.1%	n/a	n/a	(5.0%)

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA)

pension fund; shift differential; vehicle lease payments; workers' compensation; legal services; administrative law judges; and payment to risk management and property funds.

Indirect cost assessment: The appropriation includes a net increase in the Department's statewide indirect cost assessment.

IT common policy adjustments: The appropriation includes adjustments to the payments made to the Governor's Office of Information Technology for the provision of information technology services.

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

Information Technology Services

Information Technology Services (ITS) provides most of the technology support for the Department and is responsible for the Department's compliance with the Colorado Information Security Act. The Department provides search and filing services via the internet and processes over 1,200 web-based transactions daily. ITS also provides project direction and support for the statewide voter registration and election management system. Funding is provided entirely by the Department of State Cash Fund.

Information Technology Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$8,463,541	\$0	\$8,463,541	\$0	\$0	35.0
HB 13-1101	25,160	0	25,160	0	0	0.0
HB 13-1135	26,640	0	26,640	0	0	0.0
HB 13-1138	91,760	0	91,760	0	0	0.0
HB 13-1167	74,592	0	74,592	0	0	0.0
HB 13-1303	1,060,905	0	1,060,905	0	0	1.0
HB 14-1247	<u>(51,356)</u>	<u>0</u>	<u>(51,356)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$9,691,242	\$0	\$9,691,242	\$0	\$0	36.0
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$9,691,242	\$0	\$9,691,242	\$0	\$0	36.0
Annualize prior year funding	(1,084,869)	0	(1,084,869)	0	0	0.0
HB 14-1336	\$8,606,373	\$0	\$8,606,373	\$0	\$0	36.0
SB 14-161	132,720	0	132,720	0	0	0.0
SB 14-217	0	0	0	0	0	0.0
HB 14-1369	<u>90,640</u>	<u>0</u>	<u>90,640</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$8,829,733	\$0	\$8,829,733	\$0	\$0	36.0

Information Technology Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Increase/(Decrease)	(\$861,509)	\$0	(\$861,509)	\$0	\$0	0.0
Percentage Change	(8.9%)	n/a	(8.9%)	n/a	n/a	0.0%

FY 2013-14 Appropriation – Mid-year Adjustments

House Bill 14-1247 modified FY 2013-14 appropriations for a net decrease of \$51,356 cash funds that include: an additional \$448,644 cash funds for election night reporting representing an acceleration of payments to be made in the current fiscal year which were originally requested and approved as out-year payments; and a reduction of \$500,000 cash funds representing a net-zero transfer of spending authority for Local Election Reimbursement in the Elections Division.

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

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

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

Elections Division

The Elections Division supervises primary, general, and congressional vacancy elections; maintains the statewide voter registration file; authorizes official recounts for federal, state, and district elections; and administers the Fair Campaign Practices Act. The Elections Section also helps the Secretary of State supervise the 64 county clerks in the execution of their statutory responsibilities relating to voter registration and elections. The sources of funding for this Division are cash funds including the Department of State Cash Fund and the Federal Elections Assistance Fund.

Elections Division						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$4,614,984	\$0	\$4,614,984	\$0	\$0	32.0
HB 13-1303	256,276	0	256,276	0	0	3.0
HB 14-1247	<u>550,000</u>	<u>0</u>	<u>550,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$5,421,260	\$0	\$5,421,260	\$0	\$0	35.0
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$5,421,260	\$0	\$5,421,260	\$0	\$0	35.0
Annualize prior year funding	(499,180)	0	(499,180)	0	0	(0.8)

Elections Division						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 14-1336	\$4,922,080	\$0	\$4,922,080	\$0	\$0	34.2
SB 14-153	(2,816)	0	(2,816)	0	0	0.0
SB 14-161	<u>17,434</u>	<u>0</u>	<u>17,434</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$4,936,698	\$0	\$4,936,698	\$0	\$0	34.2
Increase/(Decrease)	(\$484,562)	\$0	(\$484,562)	\$0	\$0	(0.8)
Percentage Change	(8.9%)	n/a	(8.9%)	n/a	n/a	(2.3%)

FY 2013-14 Appropriation – Mid-year Adjustments

House Bill 14-1247 modified FY 2013-14 appropriations that include: an additional \$500,000 cash funds for Local Election Reimbursement representing a net-zero transfer of spending authority from Information Technology Services; and an additional \$50,000 cash funds spending authority for a grant received for improving elections administration.

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

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

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

Business and Licensing Division

This Division, created in the FY 2013-14 Long Bill, assumes the programmatic functions previously carried out in the Administration Division related to business filings and licensing services, including:

- Collecting, storing, and providing public access to articles of incorporation, annual reports, and a variety of other documents filed by for-profit and not-for-profit entities under Colorado's corporation and association laws;
- Collecting, storing, and providing public access to a variety of Uniform Commercial Code documents, including security interests, liens, and other items that are utilized by lending institutions;
- Administering the Administrative Rules Code, a body of statutes governing the rule-making authority of many State agencies;
- Overseeing the bingo and raffles program pursuant to Section 3 of Article XVIII of the Colorado Constitution;
- Administering the Charitable Solicitations Act, which forbids fraudulent charitable solicitation; and
- Licensing and regulating notaries public.

Business and Licensing Division						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	<u>\$2,539,946</u>	<u>\$0</u>	<u>\$2,539,946</u>	<u>\$0</u>	<u>\$0</u>	<u>48.0</u>
TOTAL	\$2,539,946	\$0	\$2,539,946	\$0	\$0	48.0
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$2,539,946	\$0	\$2,539,946	\$0	\$0	48.0
Annualize prior year funding	65,022	0	65,022	0	0	0.0
HB 14-1336	\$2,604,968	\$0	\$2,604,968	\$0	\$0	48.0
HB 14-1369	<u>5,135</u>	<u>0</u>	<u>5,135</u>	<u>0</u>	<u>0</u>	<u>0.1</u>
TOTAL	\$2,610,103	\$0	\$2,610,103	\$0	\$0	48.1
Increase/(Decrease)	\$70,157	\$0	\$70,157	\$0	\$0	0.1
Percentage Change	2.8%	n/a	2.8%	n/a	n/a	0.2%

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

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

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

Recent Legislation

2013 Session Bills

S.B. 13-230 (Long Bill): General appropriations act for FY 2013-14.

H.B. 13-1101 (Progressive Raffles): Authorizes bingo-raffle licensees to offer progressive raffles where the jackpot is carried over and increased from one drawing to the next until the jackpot is awarded and to offer consolation prizes where the jackpot is not won. The Secretary of State is authorized to establish rules specifying the conduct of progressive raffles, including limiting the maximum jackpot and the maximum number of simultaneous progressive raffles that may be conducted. Appropriates \$25,160 cash funds to the Department of State for FY 2013-14 for contract programming services to make the necessary changes to the bingo-raffles licensing system.

H.B. 13-1135 (Voter Preregistration at Age 16): Allows a person who has turned 16 years of age, who will not be 18 years of age by the date of the next election, to preregister to vote. The registrant will be registered

automatically upon turning 18 years of age. Appropriates \$26,640 cash funds to the Department of State for FY 2013-14 for necessary computer programming modifications.

H.B. 13-1138 (Authorize Benefit Corporations): Establishes the requirements for a corporation to be created as or convert to a "benefit corporation", including that the corporation is intended to produce one or more public benefits and to operate in a responsible and sustainable manner. Requires the corporation to provide information in its annual report that the corporation has promoted specific benefits. Appropriates \$91,760 cash funds to the Department of State for FY 2013-14 for contract computer programming services to implement the required changes to the Department's computer systems.

H.B. 13-1167 (Collect Business Information): Requires the Secretary of State (SOS) to *request* information from business owners filing documents with the SOS regarding the business owners' gender, race, veteran status, disability, and the National American Industry Classification code. The submission of the requested information is voluntary on the part of the owner. The SOS is required to make this information available to the public in a searchable manner. Appropriates \$74,592 cash funds to the Department of State for FY 2013-14 for contract computer programming services to implement the required changes to the Department's computer systems.

H.B. 13-1303 (Voter Access & Modernized Elections Act): Requires that all general, primary, odd-year, coordinated, presidential, special legislative, recall, and congressional vacancy elections are to be conducted as mail ballot elections and the county clerks are required to mail a ballot to all active registered voters. Voters have the option of returning the ballot by mail, dropping the ballot off at a voter service and polling center (center), or casting a ballot at a center.

Requires clerks to operate the center in all covered elections and eliminates polling places. Centers are required to be open for at least 15 days prior to and including election day (Sundays excluded). The center must have the ability to:

- Register a person to vote;
- Allow a voter to cast a ballot, including a provisional ballot;
- Accept mail ballots deposited by electors;
- Allow a registered voter to update his or her name, if legally changed, and his or her address;
- Allow an unaffiliated voter to affiliate with a political party and cast a ballot in a primary election;
- Access the statewide voter registration database (SCORE) through a secure computer connection, except that counties with fewer than 25,000 registered voters may, upon demonstrating hardship, seek approval from the Secretary to State to access SCORE and conduct real-time verification of voter eligibility by telephone or other means;
- Provide mail ballots to requesting voters;
- Provide original and replacement ballots; and
- Creates the Voter Access and Modernized Elections Commission.

Centers serve all voters in the county and the number of centers and the number and type of ballot drop-off locations that counties must provide are specified. Voters may register to vote by mail or through a voter registration agency or voter registration drive up to 22 days before an election, register online through the Secretary of State (SOS) website up to 8 days before an election, register in person at a county clerk's office, when registrations are permitted, and register at a voter service center up to and including election day. Requires the voter to reside in a precinct to vote and reduces the time required for state residency to 22 days.

Eliminates the state of "Inactive – Failed to Vote" and shifts all voters to active status. Allows county clerks, with voter permission, to send certain election-related communications to voters electronically, except for ballots and confirmation cards.

Requires the SOS to conduct a National Change of Address database search on all registered voters in the SOCRE database, and to transmit the results monthly to county clerks. Specifies the procedures for county clerks to confirm that the voters identified in the search have moved. Requires the SOS to enter into data sharing agreements with the Department of Public Health and Environment and the Department of Corrections to cross-check person registering to vote with death records and felon lists, respectively.

Appropriates \$1,317,181 cash funds and 4.0 FTE to the Department of State for FY 2013-14 for contract computer programming services, personal services, the costs related to the Voter Access and Modernized Elections Commission, program testing, and other costs to implement the bill.

2014 Session Bills

S.B. 14-153 (Legislative Members Compensation Boards & Commissions): Establishes uniform payments of per diem and the reimbursement of expenses to current members of the general assembly who are appointed to serve on state entities created or authorized by statute on which members of the general assembly are statutorily required to be appointed to serve. Reduces the appropriation to the Elections Division for the Colorado Voter Access and Modernized Elections Commission by \$2,816 cash funds for FY 2014-15.

S.B. 14-161 (Update Uniform Election Code of 1992): The "Voter Access and Modernized Elections Act", enacted in 2013, made various changes to the "Uniform Election Code of 1992". To facilitate implementation of that act, and the conduct of elections generally, the bill makes various corrections, clarifications, and alterations to the code. Appropriates \$150,154 cash funds to the Department of State for FY 2014-15 for information technology costs and voter registration materials.

S.B. 14-217 (Increased Transparency Lobbyist Disclosure): Makes modifications to existing statutory provisions governing lobbying. While the bill appropriates \$12,360 cash funds for information technology modifications for FY 2014-15, the effective date of the bill is July 1, 2015, effectively nullifying the appropriation for FY 2014-15.

H.B. 14-1247 (Supplemental Bill): Supplemental appropriations for FY 2013-14.

H.B. 14-1336 (Long Bill): General appropriations act for FY 2014-15.

H.B. 14-1341 (Department of State Cash Fund Repayment Transfer): The bill transfers \$2,175,000 from the General Fund to the Department of State Cash Fund on June 30, 2014 (FY 2013-14), for the repayment of moneys transferred from the cash fund to the General Fund during FY 2008-09, to forestall a projected cash fund deficit based on the projected operating deficit between appropriations and revenue for FY 2013-14 and FY 2014-15.

H.B. 14-1369 (Durable Medical Equipment Supplier License): Requires a durable medical equipment supplier to have a license with the Secretary of State. The licensee must be physically located within the state or within 50 miles of the state, have sufficient inventory and staff to do business, and be accredited by an organization recognized and accepted by the Centers for Medicare and Medicaid Services. Appropriates

\$95,775 cash funds and 0.1 FTE for information technology costs and program management to the Department of State for FY 2014-15.

Department Details

DEPARTMENT OF TRANSPORTATION

FY 2013-14 and FY 2014-15 Appropriations by Division and Bill

Department of Transportation						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Total Appropriation:	\$1,267,747,364	\$0	\$759,829,076	\$19,775,304	\$488,142,984	3,317.5
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Administration	24,633,679	0	22,808,927	1,824,752	0	169.0
Construction, Maintenance, and Operations	1,092,631,785	0	602,538,249	1,950,552	488,142,984	3,142.5
High Performance Transportation Enterprise	33,500,000	0	32,500,000	1,000,000	0	4.0
First Time Drunk Driving Offenders Account	1,500,000	0	1,500,000	0	0	0.0
Statewide Bridge Enterprise	115,481,900	0	100,481,900	15,000,000	0	2.0
<u>Breakdown of Total Appropriation by Bill</u>						
SB 13-230	1,267,747,364	0	759,829,076	19,775,304	488,142,984	3,317.5
FY 2014-15 Total Appropriation:	\$1,283,197,431	\$700,000	\$748,363,814	\$19,773,476	\$514,360,141	3,326.9
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Administration	31,887,281	0	30,007,435	1,845,035	34,811	183.5
Construction, Maintenance, and Operations	1,103,347,971	700,000	586,394,200	1,928,441	514,325,330	3,137.3
High Performance Transportation Enterprise	31,575,000	0	30,575,000	1,000,000	0	4.0
First Time Drunk Driving Offenders Account	1,500,000	0	1,500,000	0	0	0.0
Statewide Bridge Enterprise	114,881,900	0	99,881,900	15,000,000	0	2.0
SW Chief Rail Commission	5,279	0	5,279	0	0	0.1
<u>Breakdown of Total Appropriation by Bill</u>						
HB 14-1336	1,282,492,152	0	748,358,535	19,773,476	514,360,141	3,326.8
HB 14-1161	5,279	0	5,279	0	0	0.1
HB 14-1301	700,000	700,000	0	0	0	0.0
Increase/(Decrease)	\$15,450,067	\$700,000	(\$11,465,262)	(\$1,828)	\$26,217,157	9.4
Percentage Change	1.2%	n/a	(1.5%)	(0.0%)	5.4%	0.3%

Informational Funds: The FY 2014-15 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Transportation are annotated with the "(I)". For additional information, see Appendix J.

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2014-15 Appropriations containing an (I) notation	\$1,248,139,682	\$0	\$716,851,100	\$16,928,441	\$514,360,141

Detail of Appropriation by Administrative Section

Administration

The Administration section consists of the following offices and divisions:

- Transportation Commission;
- Office of the Executive Director;
- Office of Government Relations;
- Office of Public Relations;
- Office of Information Technology;
- Office of Financial Management and Budget;
- Accounting Branch;
- Office of the Chief Engineer and Region Transportation Directors;
- Motor Pool Operations for State Fleet Vehicles;
- Division of Human Resources and Administration; and
- Division of Audit.

The General Assembly appropriates funds to this division in a lump sum as required by Section 43-1-113 (3) (a), C.R.S. This line item was created by Section 43-1-113 (2) (c) (III), C.R.S., and includes the salaries and expenses for the numerous offices and programs within the Administration section. This line item is a "program" line item, which gives the Department discretion to move funds from personal services to operating expenses and also from one program within the line item to another. Section 43-1-113 (6) (a), C.R.S., limits the Administration line item to no more than 5.0 percent of the total Department of Transportation budget. The majority of the Administration line item is supported with cash funds from the State Highway Fund, with a portion of administrative costs funded by reappropriated funds paid to the print shop and for the maintenance of other state agencies' vehicles.

Administration						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	<u>\$24,633,679</u>	<u>\$0</u>	<u>\$22,808,927</u>	<u>\$1,824,752</u>	<u>\$0</u>	<u>169.0</u>
TOTAL	\$24,633,679	\$0	\$22,808,927	\$1,824,752	\$0	169.0

	Administration					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$24,633,679	\$0	\$22,808,927	\$1,824,752	\$0	169.0
Transfer OIT budget from CM&O to Administration	2,365,290	0	2,365,290	0	0	0.0
Restoration of funding and associated FTE	1,590,193	0	1,590,193	0	0	14.5
IT common policy adjustments	1,519,949	0	1,485,138	0	34,811	0.0
Updated revenue projections	1,295,132	0	1,292,842	2,290	0	0.0
Annualize prior year budget actions	490,864	0	475,023	15,841	0	0.0
Centrally appropriated line items	(7,826)	0	(9,978)	2,152	0	0.0
HB 14-1336	<u>\$31,887,281</u>	<u>\$0</u>	<u>\$30,007,435</u>	<u>\$1,845,035</u>	<u>\$34,811</u>	<u>183.5</u>
TOTAL	\$31,887,281	\$0	\$30,007,435	\$1,845,035	\$34,811	183.5
Increase/(Decrease)	\$7,253,602	\$0	\$7,198,508	\$20,283	\$34,811	14.5
Percentage Change	29.4%	n/a	31.6%	1.1%	0.0%	8.6%

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Transfer OIT budget from CM&O to Administration: The appropriation includes an increase of \$2,365,290 cash funds to properly align Department expenditures with Section 43-1-113(2) (c) (III), C.R.S., which requires the Administration line pay costs for centralized data processing. OIT recently expanded control of the Department's IT infrastructure and services that were not previously considered centralized data processing are now included. The appropriation includes an offset of the changes in the Construction, Maintenance, and Operations line, which makes it budget neutral to the entire Department.

Restoration of funding and associated FTE: The appropriation includes an increase of \$1,590,194 and 14.5 FTE and an offsetting decrease to the Construction, Maintenance, and Operations line to provide flexibility to the Department of Transportation to proactively hire personnel for positions in the Administration line. During the economic downturn, the Department made prudent operating decisions which included intentionally not filling certain vacant positions. The General Assembly acted to eliminate these positions from the Administration line, which has placed the Department at a disadvantage when filling newly vacant positions. This budget action provides the Department with flexibility to fill positions it needs the most. The offsetting decrease in the CM&O line makes the decision budget neutral to the overall Department.

IT common policy adjustments: The appropriation includes adjustments to the payments made to the OIT for the provision of information technology services and COFRS modernization.

Updated revenue projections: The appropriation reflects updated estimates of revenue to the State Highway Fund and projections of federal transportation distributions.

Annualize prior year budget actions: The appropriation includes changes to reflect the out year impact of funding decisions made through the FY 2013-14 Long Bill including increases to reflect salary survey and merit pay awarded in FY 2013-14.

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; shift differential; vehicle lease payments; workers' compensation; legal services; payment to risk management and property funds; Capitol complex leased space; and payments to OIT.

Construction, Maintenance, and Operations

The Construction, Maintenance, and Operations division is responsible for transportation planning, inter-modal transportation programs, and all phases of highway operation including engineering, construction, and maintenance. The Transportation Commission allocates the budgets for these programs and amounts are included in the Long Bill for informational purposes only. This division represents the majority of the Department's total budget. Funding for this division is intended to improve the condition of the state transportation system.

This division reflects revenues that are continuously appropriated to the Department for the construction, maintenance, and operations of state highways and transportation systems. Cash funds include the State Highway Fund, miscellaneous permit fees, interest earnings, and local matching funds made available for federal dollars. Appropriation authority over these revenues rests with the Transportation Commission.

Construction, Maintenance, and Operations						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	<u>\$1,092,631,785</u>	<u>\$0</u>	<u>\$602,538,249</u>	<u>\$1,950,552</u>	<u>\$488,142,984</u>	<u>3,142.5</u>
TOTAL	\$1,092,631,785	\$0	\$602,538,249	\$1,950,552	\$488,142,984	3,142.5
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$1,092,631,785	\$0	\$602,538,249	\$1,950,552	\$488,142,984	3,142.5
Updated revenue projections	16,796,766	0	(9,385,580)	0	26,182,346	0.0
Transfer OIT budget from CM&O to Administrative	(2,365,290)	0	(2,365,290)	0	0	0.0
Restoration of funding and associated FTE	(1,590,193)	0	(1,590,193)	0	0	(5.2)
IT common policy adjustments	(1,437,177)	0	(1,437,177)	0	0	0.0
Net offset of centrally appropriated line items	(1,387,920)	0	(1,365,809)	(22,111)	0	0.0
HB 14-1336	\$1,102,647,971	\$0	\$586,394,200	\$1,928,441	\$514,325,330	3,137.3
HB 14-1301	<u>700,000</u>	<u>700,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$1,103,347,971	\$700,000	\$586,394,200	\$1,928,441	\$514,325,330	3,137.3
Increase/(Decrease)	\$10,716,186	\$700,000	(\$16,144,049)	(\$22,111)	\$26,182,346	(5.2)
Percentage Change	1.0%	n/a	(2.7%)	(1.1%)	5.4%	(0.2%)

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Updated revenue projections: The appropriation reflects updated estimates of revenue to the State Highway Fund and projections of federal transportation distributions.

Transfer OIT budget from CM&O to Administration: The appropriation includes an increase of \$2,365,290 cash funds to properly align Department expenditures with Section 43-1-113(2) (c) (III), C.R.S., which requires the Administration line pay costs for centralized data processing. OIT recently expanded control of the Department's IT infrastructure and services that were not previously considered centralized data processing are now included. The appropriation includes an offset of the changes in the Construction, Maintenance, and Operations line, which makes it budget neutral to the entire Department.

Restoration of funding and associated FTE: The appropriation includes decrease of \$1,590,194 and 5.2 FTE and an offsetting increase to the Administration section to provide flexibility to the Department of Transportation to proactively hire personnel for positions in the Administration line. During the economic downturn, the Department made prudent operating decisions which included intentionally not filling certain vacant positions. The General Assembly acted to eliminate these positions from the Administration line which has placed the Department at a disadvantage when filling newly vacant positions. This budget action provides the Department with flexibility to fill positions it needs the most. The offsetting decrease in the CM&O line makes the decision budget neutral to the overall Department.

IT common policy adjustments: The appropriation includes adjustments to the payments made to the OIT for the provision of information technology services and COFRS modernization.

Net offset of centrally appropriated line items: The appropriation includes offsetting adjustments in the Construction, Maintenance, and Operations line for budget decisions in the Administration section including: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; shift differential; vehicle lease payments; workers' compensation; legal services; payment to risk management and property funds; Capitol complex leased space; and payments to OIT.

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

High Performance Transportation Enterprise

This section, created in S.B. 09-108, replaced the Statewide Tolling Enterprise. In addition to assuming the responsibilities of the Statewide Tolling Enterprise, the High Performance Transportation Enterprise was established to pursue public-private partnerships and other means of completing surface transportation projects, including collecting tolls on existing roadways if such projects are approved by local transportation entities. This section is granted enterprise status as long as it retains the authority to issue revenue bonds and receives less than 10.0 percent of its total revenues from grants from state and local governments. The amounts shown are revenue estimates from the existing toll lanes and are included in the Long Bill for informational purposes only.

High Performance Transportation Enterprise						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	<u>\$33,500,000</u>	<u>\$0</u>	<u>\$32,500,000</u>	<u>\$1,000,000</u>	<u>\$0</u>	<u>4.0</u>
TOTAL	\$33,500,000	\$0	\$32,500,000	\$1,000,000	\$0	4.0
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$33,500,000	\$0	\$32,500,000	\$1,000,000	\$0	4.0
Updated revenue projections	(1,925,000)	0	(1,925,000)	0	0	0.0
HB 14-1336	<u>\$31,575,000</u>	<u>\$0</u>	<u>\$30,575,000</u>	<u>\$1,000,000</u>	<u>\$0</u>	<u>4.0</u>
TOTAL	\$31,575,000	\$0	\$30,575,000	\$1,000,000	\$0	4.0
Increase/(Decrease)	(\$1,925,000)	\$0	(\$1,925,000)	\$0	\$0	0.0
Percentage Change	(5.7%)	n/a	(5.9%)	0.0%	n/a	0.0%

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Updated revenue projections: The appropriation reflects updated estimates of revenue to the State Highway Fund and projections of federal transportation distributions.

First Time Drunk Driving Offenders Account

This section provides funding for increased high visibility drunk driving law enforcement actions pursuant to Section 42-2-132 (4) (b) (II) (A), C.R.S. The section was created because: (1) the program was not appropriate for inclusion in the legislatively appropriated Administration line item; and (2) the program requires annual appropriation by the General Assembly and therefore should not be included in the continuously appropriated Construction, Maintenance, and Operations line item. Cash funds are from driver's license restoration fees connected with alcohol-related driving offenses.

First Time Drunk Driving Offenders Account						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	<u>\$1,500,000</u>	<u>\$0</u>	<u>\$1,500,000</u>	<u>\$0</u>	<u>\$0</u>	<u>0.0</u>
TOTAL	\$1,500,000	\$0	\$1,500,000	\$0	\$0	0.0
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$1,500,000	\$0	\$1,500,000	\$0	\$0	0.0
HB 14-1336	<u>\$1,500,000</u>	<u>\$0</u>	<u>\$1,500,000</u>	<u>\$0</u>	<u>\$0</u>	<u>0.0</u>
TOTAL	\$1,500,000	\$0	\$1,500,000	\$0	\$0	0.0
Increase/(Decrease)	\$0	\$0	\$0	\$0	\$0	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

No changes: The appropriation does not contain changes from the FY 2013-14 appropriation.

Statewide Bridge Enterprise

Created in Section 43-4-805 (3) (a), C.R.S., this section was created by S.B. 09-108 and is funded through a bridge safety surcharge on vehicle registrations. The enterprise's purpose is to facilitate the repair or replacement of bridges rated as in poor condition and as structurally deficient or functionally obsolete. The enterprise has the authority to issue revenue bonds and to borrow funds from the Transportation Commission to be repaid from bridge safety surcharge revenues. The section can maintain enterprise status as long as it retains the authority to issue revenue bonds and receives less than 10.0 percent of its total revenues from grants from state and local governments. The amounts shown are revenue estimates and are included in the Long Bill for information purposes only.

Statewide Bridge Enterprise						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	<u>\$115,481,900</u>	<u>\$0</u>	<u>\$100,481,900</u>	<u>\$15,000,000</u>	<u>\$0</u>	<u>2.0</u>
TOTAL	\$115,481,900	\$0	\$100,481,900	\$15,000,000	\$0	2.0
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$115,481,900	\$0	\$100,481,900	\$15,000,000	\$0	2.0
Updated revenue projections	(600,000)	0	(600,000)	0	0	0.0
HB 14-1336	<u>\$114,881,900</u>	<u>\$0</u>	<u>\$99,881,900</u>	<u>\$15,000,000</u>	<u>\$0</u>	<u>2.0</u>

Statewide Bridge Enterprise						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
TOTAL	\$114,881,900	\$0	\$99,881,900	\$15,000,000	\$0	2.0
Increase/(Decrease)	(\$600,000)	\$0	(\$600,000)	\$0	\$0	0.0
Percentage Change	(0.5%)	0.0%	(0.6%)	0.0%	0.0%	0.0%

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Updated revenue projections: The appropriation reflects updated estimates of revenue to the State Highway Fund and projections of federal transportation distributions.

Southwest Chief Rail Line Economic Development, Rural Tourism, and Infrastructure Repair and Maintenance Commission (SW Chief Rail Commission)

The passage of House Bill 14-1161 (SW Chief Rail Commission) creates the southwest chief rail line economic development, rural tourism, and infrastructure repair and maintenance commission as a Type 1 agency within the Department of Transportation. The commission's mission is to coordinate and oversee efforts by the state and local governments and cooperate with states of Kansas and New Mexico, Amtrak, and Burlington Northern and Santa Fe Railway (BNSF) to ensure continuation of existing Amtrak southwest chief rail line service in the state. Expansion of such service would include a stop in Pueblo, and exploration of the benefits of adding an additional stop in Walsenburg.

The bill specifies that gifts, grants, and donations and any other moneys that the General Assembly appropriates or transfers, are credited to the Southwest Chief Rail Line Economic Development, Rural Tourism, and Infrastructure Repair and Maintenance Fund.

SW Chief Rail Commission						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	<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 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$0	\$0	\$0	\$0	\$0	0.0
HB 14-1336	0	0	0	0	0	0.0
HB 14-1161	<u>5,279</u>	<u>0</u>	<u>5,279</u>	<u>0</u>	<u>0</u>	<u>0.1</u>
TOTAL	\$5,279	\$0	\$5,279	\$0	\$0	0.0

SW Chief Rail Commission						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Increase/(Decrease)	\$5,279	\$0	\$5,279	\$0	\$5,279	0.1
Percentage Change	n/a	n/a	n/a	n/a	n/a	n/a

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

Recent Legislation

2013 Session Bills

S.B. 13-230 (Long Bill): General appropriations act for FY 2013-14.

H.B. 13-1132 (Highway Vehicle Weight Limits): Conforms Colorado law with federal standards for vehicle weight limits for vehicles traveling on state highways and bridges. Passage avoids potential reductions in federal funding for transportation.

2014 Session Bills

H.B. 14-1161 (SW Chief Rail Commission): Creates the southwest chief rail line economic development, rural tourism, and infrastructure repair and maintenance commission as a Type 1 agency within the Department of Transportation. Establishes the Commission's mission to coordinate and oversee efforts by the state and local governments, to cooperate with the states of Kansas and New Mexico, Amtrak, and the Burlington Northern and Santa Fe Railway (BNSF) to ensure continuation of existing Amtrak southwest chief rail line service in the state, expand such service to include a stop in Pueblo, and to explore the benefits of adding an additional stop in Walsenburg.

H.B. 14-1301 (Safe Routes to School): The Department currently administers the Safe Routes to School Program (program) and distributes federal funds to state subdivisions for projects that improve the safety of pedestrians and bicyclists in school areas. Beginning in FY 2014-15, the CDOT will no longer receive federal funds for distribution. Appropriates \$700,000 General Fund in FY 2014-15 for continuation of the program and specifies all grants awarded must be for non-infrastructure projects. Adds criteria that the CDOT must consider when evaluating grant applications. Requires General Fund appropriations made to the program be reduced in any year that the CDOT receives federal moneys for the program, by the amount of federal moneys received.

H.B. 14-1336 (Long Bill): General appropriations act for FY 2014-15.

Department Details

DEPARTMENT OF THE TREASURY

FY 2013-14 and FY 2014-15 Appropriations by Division and Bill

Department of the Treasury						
	Total Funds	General Fund ¹	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Total Appropriation:	\$433,709,548	\$106,058,124	\$327,651,424	\$0	\$0	31.9
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Administration	2,220,593	858,124	1,362,469	0	0	16.4
Unclaimed Property Program	1,970,848	0	1,970,848	0	0	15.5
Special Purpose	429,518,107	105,200,000	324,318,107	0	0	0.0
<u>Breakdown of Total Appropriation by Bill</u>						
SB 13-230	495,535,754	131,492,404	364,043,350	0	0	31.9
SB 13-234	(25,321,079)	(25,321,079)	0	0	0	0.0
HB 13-1115	(36,511,694)	0	(36,511,694)	0	0	0.0
HB 14-1248	6,567	(113,201)	119,768	0	0	0.0
FY 2014-15 Total Appropriation:	\$438,771,136	\$121,626,076	\$317,145,060	\$0	\$0	31.9
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Administration	2,285,177	1,004,248	1,280,929	0	0	16.4
Unclaimed Property Program	2,034,743	0	2,034,743	0	0	15.5
Special Purpose	434,451,216	120,621,828	313,829,388	0	0	0.0
<u>Breakdown of Total Appropriation by Bill</u>						
HB 14-1336	436,549,308	119,404,248	317,145,060	0	0	31.9
HB 14-1001	2,221,828	2,221,828	0	0	0	0.0
Increase/(Decrease)	\$5,061,588	\$15,567,952	(\$10,506,364)	\$0	\$0	(0.0)
Percentage Change	1.2%	14.7%	(3.2%)	0.0%	0.0%	(0.0%)

¹ Includes General Fund amounts (\$105,200,000 for FY 2013-14 and \$118,400,000 for FY 2014-15) for reimbursements for the Senior Citizen and Disabled Veteran Property Tax Exemption that are exempt from the statutory limit on state General Fund appropriations pursuant to Section 24-75-201.1 (1) (a) (III) (A), C.R.S.

General Fund Exempt: Amounts in the General Fund column include appropriations from both the General Fund and General Fund Exempt Account. The General Fund Exempt Account was created by Referendum C, passed by Colorado voters in November 2005. Referendum C allowed the State to retain for FY 2005-06 through FY 2009-10 all revenue collected in excess of the TABOR limit and for FY 2010-11 and subsequent fiscal years all revenues in excess of the TABOR limit but less than the excess state revenues cap. The retained

revenue must be placed in the General Fund Exempt Account. The table below shows the amount appropriated from the General Fund Exempt Account for FY 2013-14 and FY 2014-15 for the purposes of funding retirements plans for firefighters and police officers pursuant to Sections 24-77-103.6 (2) and 24-77-104.5 (1) (a), C.R.S.

General Fund Summary	Total General Fund	General Fund	General Fund Exempt
FY 2013-14 Appropriation			
FPPA old-hire pension plan payments	\$25,321,079	\$10,000,000	\$15,321,079
SB 13-234	<u>(25,321,079)</u>	<u>(10,000,000)</u>	<u>(15,321,079)</u>
Total FY 2013-14 Appropriation	\$0	\$0	\$0
FY 2014-15 Appropriation	\$0	\$0	\$0

Informational Funds: The FY 2014-15 Long Bill and other legislation indicate when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Treasury are annotated with the "(I)". For additional information, see Appendix J.

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2014-15 Appropriations containing an (I) notation	\$433,034,388	\$118,400,000	\$314,634,388	\$0	\$0

Detail of Appropriation by Administrative Section

Administration

This Division is responsible for the operation and oversight of the Department and provides accounting, cash management, and investment services for the State. The Division's cash funds derive from the Treasury transaction fee imposed pursuant to Section 24-36-120, C.R.S., and from the Unclaimed Property Trust Fund.

Administration						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$2,214,026	\$971,325	\$1,242,701	\$0	\$0	16.4
HB 14-1248	<u>6,567</u>	<u>(113,201)</u>	<u>119,768</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$2,220,593	\$858,124	\$1,362,469	\$0	\$0	16.4
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$2,220,593	\$858,124	\$1,362,469	\$0	\$0	16.4
Centrally appropriated line items	69,213	30,985	38,228	0	0	0.0
Investment Tools	8,503	8,503	0	0	0	0.0

Administration						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Annualize prior year budget actions	(7,361)	112,407	(119,768)	0	0	0.0
IT common policy adjustments	(5,771)	(5,771)	0	0	0	0.0
HB 14-1336	<u>\$2,285,177</u>	<u>\$1,004,248</u>	<u>\$1,280,929</u>	<u>\$0</u>	<u>\$0</u>	<u>16.4</u>
TOTAL	\$2,285,177	\$1,004,248	\$1,280,929	\$0	\$0	16.4
Increase/(Decrease)	\$64,584	\$146,124	(\$81,540)	\$0	\$0	(0.0)
Percentage Change	2.9%	17.0%	(6.0%)	n/a	n/a	(0.0%)

FY 2013-14 Appropriation – Mid-year Adjustments

House Bill 14-1248 includes a \$119,768 decrease in General Fund offset by an increase in cash funds from Cash Management Transaction Fees; and an increase of \$6,567 General Fund to cover the increased cost of investment tools.

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; workers' compensation; legal services; payment to risk management and property funds; and Capitol complex leased space.

Investment Tools: The appropriation includes an \$8,503 increase in General Fund for costs associated with the Bloomberg and BondEdge investment tools used by the Department's investment officers.

Annualize prior year budget actions: The appropriation includes adjustments for the out-year impact of funding decisions made through the FY 2013-14 appropriation, including:

- The annualization of the FY 2013-14 salary survey and merit pay;
- The fund source adjustment made through H.B. 14-1248; and
- The annualization of investment tool funding appropriated through H.B. 14-1248.

IT common policy adjustments: The appropriation includes adjustments to the payments made to the Governor's Office of Information Technology for the provision of information technology services.

Unclaimed Property Program

Pursuant to the Unclaimed Property Act, the State takes possession of dormant properties held by a wide range of institutions and attempts to return the properties to their rightful owners. The Department deposits recovered moneys in the Unclaimed Property Trust Fund (UPTF), using the principal and interest to pay claims as well as the costs of operating the program. The Department anticipates paying approximately 13,300 claims valued at \$28.0 million in FY 2013-14. The remaining principal and interest earnings in the fund support the Medicaid Adult Dental Program and provide a reserve against future unclaimed property claims. The Department holds

recovered securities for at least a year and then sells those that have not been returned, depositing sales proceeds in the Unclaimed Property Tourism Promotion Trust Fund (UPTPTF). The State uses the interest earned on the UPTPTF fund to promote economic development, agri-tourism, and the State Fair. The cash funds source for appropriations in this division is the Unclaimed Property Trust Fund.

Unclaimed Property Program						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	<u>\$1,970,848</u>	<u>\$0</u>	<u>\$1,970,848</u>	<u>\$0</u>	<u>\$0</u>	<u>15.5</u>
TOTAL	\$1,970,848	\$0	\$1,970,848	\$0	\$0	15.5
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$1,970,848	\$0	\$1,970,848	\$0	\$0	15.5
Annualize prior year budget actions	33,595	0	33,595	0	0	0.0
LexisNexis Accurint Research Service	30,300	0	30,300	0	0	0.0
HB 14-1336	<u>\$2,034,743</u>	<u>\$0</u>	<u>\$2,034,743</u>	<u>\$0</u>	<u>\$0</u>	<u>15.5</u>
TOTAL	\$2,034,743	\$0	\$2,034,743	\$0	\$0	15.5
Increase/(Decrease)	\$63,895	\$0	\$63,895	\$0	\$0	0.0
Percentage Change	3.2%	0.0%	3.2%	n/a	n/a	0.0%

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Annualize prior year budget actions: The appropriation includes adjustments for the out-year impact of funding decisions made through the FY 2013-14 appropriation, including the FY 2013-14 salary survey and merit pay.

LexisNexis Accurint research service: The appropriation includes a \$30,300 increase in cash funds for the purchase of the Accurint Research Service to improve claims processing and auditing in the Unclaimed Property Program.

Special Purpose

This section of the Long Bill reflects various disbursements and transfers the Treasurer is required to make, including the following: (1) reimbursements to local governments for property tax revenues foregone due to the senior citizen and disabled veteran property tax exemption; (2) allocations of HUTF revenues to local governments; and (3) property tax reimbursements for real or business property listed on a single schedule that was destroyed by a natural cause, pursuant to H.B. 14-1001. The General Fund appropriation for the senior citizen property tax exemption is not subject to the statutory restrictions on General Fund appropriations. The sources of cash funds are the Highway Users Tax Fund and the Unclaimed Property Trust Fund.

Special Purpose						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$491,350,880	\$130,521,079	\$360,829,801	\$0	\$0	0.0
SB 13-234	(25,321,079)	(25,321,079)	0	0	0	0.0
HB 13-1115	<u>(36,511,694)</u>	<u>0</u>	<u>(36,511,694)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$429,518,107	\$105,200,000	\$324,318,107	\$0	\$0	0.0
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$429,518,107	\$105,200,000	\$324,318,107	\$0	\$0	0.0
Senior Citizen and Disabled Veteran Property Tax Exemption	13,200,000	13,200,000	0	0	0	0.0
Highway Users Tax Fund adjustment	(10,488,719)	0	(10,488,719)	0	0	0.0
HB 14-1336	\$432,229,388	\$118,400,000	\$313,829,388	\$0	\$0	0.0
HB 14-1001	<u>2,221,828</u>	<u>2,221,828</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$434,451,216	\$120,621,828	\$313,829,388	\$0	\$0	0.0
Increase/(Decrease)	\$4,933,109	\$15,421,828	(\$10,488,719)	\$0	\$0	0.0
Percentage Change	1.1%	14.7%	(3.2%)	n/a	n/a	0.0%

FY 2014-15 Appropriation – H.B. 14-1336 (Long Bill) Issue Descriptions

Senior Citizen and Disabled Veteran Property Tax Exemption: The appropriation reflects an increase in payments to local governments to offset the local property tax revenues that will be foregone for tax year 2014.

Highway Users Tax Fund adjustment: The appropriation reflects a decrease in the projected disbursements of Highway Users Tax Fund (HUTF) revenues to counties and municipalities.

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

Recent Legislation

2013 Session Bills

S.B. 13-230 (Long Bill): General appropriations act for FY 2013-14.

S.B. 13-234 (Prepayment of unfunded liability of FPPA Old Hire Pension Plans): Modifies the state's contribution toward the unfunded liability of old hire pension plans affiliated with the Fire and Police Pension Association (FPPA) by satisfying all outstanding state liabilities with a lump sum payment in FY 2012-13. Provides a transfer of \$132,409,339 General Fund to the Old Hire Plan Members' Benefit Trust Fund on May 31, 2013. Provides that the transfers that would have gone to the FPPA will be paid to the State Education Fund (SEF) in consideration for General Fund that would have otherwise been credited to the SEF in FY 2012-13.

Transfers to SEF include \$45,321,079 General Fund on April 30, 2014, \$25,321,079 on April 30th of 2015 through 2018, and \$24,991,739 on April 30, 2019.

H.B. 13-1102 (Gift Card Exemption from Unclaimed Property Act): Specifies that the "Unclaimed Property Act" does not apply to unclaimed gift cards where the holder or issuer is a business association with annual gross receipts from the sales or issuance of all gift cards totaling \$200,000 or less.

H.B. 13-1115 (CoverColorado Repeal): Provides for the repeal of CoverColorado, effective March 31, 2015. Before the repeal, the act requires the board of directors of CoverColorado to develop an orderly plan for cessation of the program including:

- Cessation of enrollment of new participants for coverage after December 1, 2013;
- Termination of health care coverage for existing participants, effective April 1, 2014;
- Payment or settlement of claims for covered services and all other outstanding liabilities by December 31, 2014; and
- By March 31, 2015, final disposition of all remaining funds in any account of the program, with the payment of 25.0 percent of the remaining funds to the Colorado Health Benefit Exchange and any remaining funds to a Colorado nonprofit foundation with specific instructions for the statewide distribution of the funds to promote access to health care and improve health outcomes for populations in Colorado with high health care needs.

Specifies that effective May 1, 2013, the State Treasurer will end the transmission of moneys from the Unclaimed Property Trust Fund to CoverColorado; requires CoverColorado to transmit \$15.0 million dollars to the State Treasurer for deposit into the Unclaimed Property Trust Fund on July 1, 2013; ends tax credits available to insurance companies making contributions to CoverColorado after the 2012 tax year; and reduces by \$36,511,694 the cash funds figure shown for informational purposes in the appropriations made to the Department of the Treasury in the FY 2013-14 Long Bill.

H.B. 13-1205 (Investment of State Moneys by the State Treasurer): Provides the State Treasurer with additional flexibility in investing state moneys and disposing of public school fund investments that are losing money as follows:

- Allows the state treasurer to exchange or sell an investment at a loss of principal to the public school fund so long as the loss is offset by a gain on an exchange or sale in the fund within 12 months;
- In accordance with a recommendation of the state auditor, updates statutory language that currently allows the State Treasurer to invest state moneys in domestic securities to allow investment in securities denominated in United States dollars; and
- Allows the state treasurer to invest state moneys in municipal bonds and covered bonds that are rated in one of the two highest rating categories by a nationally recognized rating organization.

2014 Session Bills

H.B. 14-1001 (Property Tax Reimbursement for Property Destroyed by a Natural Cause): Provides a property tax reimbursement for real or business property listed on a single schedule that was destroyed by a natural cause, including a fire, explosion, flood, tornado, action of the elements, act of war or terror, or similar cause beyond the control of and not caused by the property owner. This property tax reimbursement is for tax years beginning on or after January 1, 2013, and is subject to reimbursement from the state in an amount equal to the property tax liability applicable to the destroyed property in the property tax year in which the natural cause occurred. Directs the State Treasurer to issue a reimbursement warrant to the applicable county upon receipt of a report from a county treasurer verifying the total amount of property tax in the county eligible for reimbursement. Subject to annual appropriation by the General Assembly.

H.B. 14-1248 (Supplemental Bill): Supplemental appropriation to the Department of the Treasury to modify FY 2013-14 appropriations included in the FY 2013-14 Long Bill (S.B. 13-230).

H.B. 14-1336 (Long Bill): General appropriations act for FY 2014-15.

Department Details

CAPITAL CONSTRUCTION

FY 2013-14 and FY 2014-15 Appropriations by Department and Bill

Appropriations for Projects

The following table summarizes appropriations for capital construction and controlled maintenance projects. It does not include appropriations and transfers *to* the Capital Construction Fund (Fund). Appropriations and transfers intended to increase the balance in the Fund (to support more expenditures for projects) are summarized in the table titled Appropriations and Transfers to the Capital Construction Fund.

Appropriations for Capital Construction and Controlled Maintenance Projects Including Conditional Appropriations (Does not include appropriations and transfers <i>to</i> the Capital Construction Fund or Controlled Maintenance Trust Fund)					
	Total Funds	Capital Construction Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2013-14 Total Appropriation:	\$283,748,966	\$188,069,493	\$86,298,813	\$7,113,670	\$2,266,990
<u>Breakdown of Total Appropriation by Department</u>					
Agriculture	3,788,738	988,738	2,800,000	0	0
Corrections	27,885,308	27,225,308	660,000	0	0
5-Year Sentencing Bills	0	0	0	0	0
Education	519,058	519,058	0	0	0
Governor - Lieutenant Governor - State Planning and Budgeting	13,384,915	6,271,245	0	7,113,670	0
Higher Education	137,178,137	112,542,840	24,635,297	0	0
Human Services	4,522,711	4,522,711	0	0	0
Judicial	21,634,566	0	21,634,566	0	0
Military and Veterans Affairs	1,148,050	388,310	0	0	759,740
Natural Resources	34,909,200	0	33,401,950	0	1,507,250
Personnel	15,228,538	14,978,538	250,000	0	0
Public Health and Environment	1,417,000	0	1,417,000	0	0
Public Safety	2,292,700	792,700	1,500,000	0	0
Revenue	752,070	752,070	0	0	0
Transportation	500,000	500,000	0	0	0
Treasury	18,587,975	18,587,975	0	0	0
<u>Breakdown of Total Appropriation by Bill</u>					
SB 13-230	\$283,668,966	\$188,069,493	\$86,218,813	\$7,113,670	\$2,266,990
HB 14-1249	80,000	0	80,000	0	0

Appropriations for Capital Construction and Controlled Maintenance Projects Including Conditional Appropriations

(Does not include appropriations and transfers to the Capital Construction Fund or Controlled Maintenance Trust Fund)

	Total Funds	Capital Construction Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2014-15 Total Appropriation:	\$492,833,491	\$364,420,213	\$116,124,738	\$8,566,515	\$3,722,025
<u>Breakdown of Total Appropriation by Conditional/Non-conditional</u>					
Regular Appropriation	347,834,549	229,084,465	106,821,569	8,566,515	3,362,000
Conditioned on FY 2013-14 General Fund Surplus	144,998,942	135,335,748	9,303,169	0	360,025
<u>Breakdown of Total Appropriation by Department</u>					
Agriculture	1,692,325	992,325	700,000	0	0
Corrections	33,338,562	32,678,562	660,000	0	0
5-Year Sentencing Bills	0	0	0	0	0
Education	1,725,007	1,725,007	0	0	0
Governor - Lieutenant Governor - State Planning and Budgeting	29,693,182	21,126,667	0	8,566,515	0
Higher Education	253,696,974	199,229,458	54,467,516	0	0
Human Services	23,929,132	22,486,132	0	0	1,443,000
Judicial	21,627,507	0	21,627,507	0	0
Labor and Employment	5,932,500	0	5,932,500		
Military and Veterans Affairs	5,825,472	5,465,447	0	0	360,025
Natural Resources	31,043,298	0	29,124,298	0	1,919,000
Personnel	11,551,842	11,551,842	0	0	0
Public Health and Environment	1,690,484	323,200	1,367,284	0	0
Public Safety	10,240,933	7,995,300	2,245,633	0	0
Revenue	41,758,717	41,758,717	0	0	0
Transportation	500,000	500,000	0	0	0
Treasury	18,587,556	18,587,556	0	0	0
<u>Breakdown of Total Appropriation by Bill</u>					
HB 14-1336	492,833,491	364,420,213	116,124,738	8,566,515	3,722,025
Increase/(Decrease)	\$209,084,525	\$176,350,720	\$29,825,925	\$1,452,845	\$1,455,035
Percentage Change	73.70%	93.80%	34.60%	20.40%	64.20%

Conditional and “Regular” Appropriations: Fiscal year 2014-15 capital construction appropriations shown above include amounts that are conditioned on receipt of sufficient General Fund surplus revenues, pursuant to Section 24-75-220, C.R.S. The tables below summarize “regular” (non-conditional) and conditional appropriations by department.

FY 2014-15 "Regular" Appropriations for Capital Construction and Controlled Maintenance Projects					
	Total Funds	Capital Construction Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2014-15 Total Regular Appropriation:	\$347,834,549	\$229,084,465	\$106,821,569	\$8,566,515	\$3,362,000
<u>Breakdown of Total Regular Appropriation by Department</u>					
Agriculture	700,000	0	700,000	0	0
Corrections	31,784,470	31,124,470	660,000	0	0
Education	569,440	569,440	0	0	0
Governor - Lieutenant Governor - State Planning and Budgeting	13,054,345	4,487,830	0	8,566,515	0
Higher Education	135,332,389	90,168,042	45,164,347	0	0
Human Services	21,313,138	19,870,138	0	0	1,443,000
Judicial	21,627,507	0	21,627,507	0	0
Labor and Employment	5,932,500	0	5,932,500		
Military and Veterans Affairs	5,105,422	5,105,422	0	0	0
Natural Resources	31,043,298	0	29,124,298	0	1,919,000
Personnel	9,655,100	9,655,100	0	0	0
Public Health and Environment	1,367,284	0	1,367,284	0	0
Public Safety	10,240,933	7,995,300	2,245,633	0	0
Revenue	41,021,167	41,021,167	0	0	0
Transportation	500,000	500,000	0	0	0
Treasury	18,587,556	18,587,556	0	0	0
<u>Breakdown of Total Regular Appropriation by Bill</u>					
HB 14-1336	347,834,549	229,084,465	106,821,569	8,566,515	3,362,000

FY 2014-15 Conditional Appropriations for Capital Construction and Controlled Maintenance Projects					
	Total Funds	Capital Construction Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2014-15 Total Conditional Appropriation:	\$144,998,942	\$135,335,748	\$9,303,169	\$0	\$360,025
<u>Breakdown of Total Conditional Appropriation by Department</u>					
Agriculture	992,325	992,325	0	0	0
Corrections	1,554,092	1,554,092	0	0	0
Education	1,155,567	1,155,567	0	0	0
Governor - Lieutenant Governor - State Planning and Budgeting	16,638,837	16,638,837	0	0	0
Higher Education	118,364,585	109,061,416	9,303,169	0	0
Human Services	2,615,994	2,615,994	0	0	0
Military and Veterans Affairs	720,050	360,025	0	0	360,025

FY 2014-15 Conditional Appropriations for Capital Construction and Controlled Maintenance Projects					
	Total Funds	Capital Construction Fund	Cash Funds	Reappropriated Funds	Federal Funds
Personnel	1,896,742	1,896,742	0	0	0
Public Health and Environment	323,200	323,200	0	0	0
Revenue	737,550	737,550	0	0	0
<u>Breakdown of Total Conditional Appropriation by Bill</u>					
HB 14-1336	\$144,998,942	\$135,335,748	\$9,303,169	\$0	\$360,025

Informational Funds: The FY 2014-15 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Capital Construction section are annotated with the "(I)". For additional information, see Appendix J.

	Total Funds	Capital Construction Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2014-15 Appropriations containing an (I) notation	\$20,646,323	\$0	\$16,924,298	\$0	\$3,722,025

Appropriations and Transfers to the Capital Construction Fund and Controlled Maintenance Trust Fund

Appropriations and Transfers to the Capital Construction Fund

The following table summarizes appropriations and transfers to or from the Capital Construction Fund that increase or decrease the balance in the Fund to adjust the amount of money available for projects. Appropriations to the Capital Construction Fund are subject to the statutory restriction on the growth of General Fund appropriations, but transfers to the Capital Construction Fund are not.

Appropriations and Transfers to the Capital Construction Fund					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2013-14 Total Appropriations and Transfers:	\$186,715,413	\$186,715,413	\$0	\$0	\$0
Appropriations to Capital Construction Fund	0	0	0	0	0
General Fund transfers to Capital Construction Fund (S.B. 13-236)	186,715,413	186,715,413	0	0	0
5-year sentencing bill transfers to Capital Construction Fund	0	0	0	0	0

Appropriations and Transfers to the Capital Construction Fund					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2014-15 Total Appropriations and Transfers:	\$361,829,213	\$360,829,213	\$1,000,000	\$0	\$0
Appropriations to Capital Construction Fund	0	0	0	0	0
General Fund transfers to Capital Construction Fund (regular/ no conditions) (H.B. 14-1342)	225,493,465	225,493,465	0	0	0
State Historical Fund transfers to Capital Construction Fund (H.B. 14-1342)	1,000,000	0	1,000,000	0	0
General Fund transfers to Capital Construction Fund conditioned on FY 2013-14 surplus General Fund revenue (H.B. 14-1342)	135,335,748	135,335,748	0	0	0
5-year sentencing bill transfers to Capital Construction Fund	0	0	0	0	0
Increase/(Decrease)	\$175,113,800	\$174,113,800	\$1,000,000	\$0	\$0
Percentage Change	93.8%	93.3%	n/a	n/a	n/a

General Fund Exempt: Amounts in the General Fund column include transfers from both the General Fund and General Fund Exempt Account. The General Fund Exempt Account was created by Referendum C, passed by Colorado voters in November 2005. Referendum C allowed the State to retain for FY 2005-06 through FY 2009-10 all revenue collected in excess of the TABOR limit and for FY 2010-11 and subsequent fiscal years all revenues in excess of the TABOR limit but less than the excess state revenues cap. The retained revenue must be placed in the General Fund Exempt Account. The table below shows the amount appropriated from the General Fund Exempt Account for FY 2013-14 and FY 2014-15 for strategic transportation projects pursuant to Sections 24-77-103.6 (2) (b) and 24-77-104.5 (1) (b) (III), C.R.S.

General Fund Summary	Total General Fund	General Fund	General Fund Exempt
FY 2013-14	\$186,715,413	\$186,215,413	\$500,000
FY 2014-15 (regular/no conditions)	\$225,493,465	\$224,993,465	\$500,000

Appropriations and Transfers to/from the Controlled Maintenance Trust Fund

The Controlled Maintenance Trust Fund (CMTF) serves multiple purposes, as outlined in 24-75-302.5, C.R.S.:

- Up to 50.0 percent of interest earnings on the CMTF principal for the current and prior fiscal year may be used to support controlled maintenance projects.
- The CMTF may serve as a state emergency reserve. CMTF amounts are identified in the Long Bill headnotes as part of the emergency reserve required pursuant to Article X Section 20 of the State Constitution (TABOR). Based on the authority provided in Section 24-33.5-706, C.R.S., the Governor has transferred funds from the CMTF to the Disaster Emergency Fund to address wildfires, floods, and other state emergencies.

During FY 2013-14 and FY 2014-15, no appropriations were made for controlled maintenance from interest earnings on the CMTF. However, the CMTF was used to address disaster emergencies and as an emergency reserve fund. In addition, during FY 2014-15, the CMTF was used to set aside moneys for new legislation. The table below summarizes appropriations and transfers to and from the CMTF in FY 2013-14 and FY 2014-15. Additional detail is included in Appendix K. After accounting for the appropriations and transfers below, as well as prior year reserves and interest earnings, the balance in the CMTF is projected to be \$69,059,000 on July 2, 2014.

Appropriations and Transfers to/from the Controlled Maintenance Trust Fund					
	Total Funds	General Fund	Cash Funds	Reappro- priated Funds	Federal Funds
FY 2013-14 Total Appropriations and Transfers:	\$75,150,000	\$101,000,000	(\$50,850,000)	\$0	\$25,000,000
Appropriation to CMTF: S.B. 13-236	48,000,000	23,000,000	0	0	25,000,000
Appropriation to CMTF: H.B. 14-1249	78,000,000	78,000,000	0	0	0
Transfers from CMTF to Disaster Emergency Fund authorized by Executive Orders	(50,850,000)	0	(50,850,000)	0	0
FY 2014-15 Total Appropriations and Transfers:	(\$9,560,736)	\$111,264	(\$9,672,000)	\$0	\$0
Appropriation to CMTF: H.B. 14-1336	20,093,068	20,093,068	0	0	0
Reductions in H.B. 14-1336 Appropriation to CMTF (multiple bills; see Appendix K)	(19,981,804)	(19,981,804)	0	0	0
Transfer from CMTF on July 1, 2014: S.B. 14-189	(9,672,000)	0	(9,672,000)	0	0
Increase/(Decrease)	(\$84,710,736)	(\$100,888,736)	\$41,178,000	\$0	(\$25,000,000)
Percentage Change	(112.7%)	(99.9%)	(81.0%)	n/a	(100.0%)

Recent Legislation

2013 Session Bills

S.B. 13-190 (Implementation of COFRS Modernization): Authorizes the State to enter into one or more lease-purchase agreements for the implementation costs of the Colorado Financial Reporting System (COFRS) modernization project. Requires the Office of Information Technology to ensure that the system includes any functionality that the legislative branch deems to be of particular importance, or explains why such functionality cannot be incorporated. Also requires reporting to the Joint Budget Committee (JBC) and to the Capital Development Committee regarding progress on the project.

S.B. 13-230 (Long Bill): General appropriations act for FY 2013-14.

S.B. 13-236 (Transfers of Money Related to Capital Construction): For FY 2012-13, increases the transfer from the General Fund to the Capital Construction Fund by \$420,184, from \$60,491,314 to \$60,911,498. For

FY 2013-14, transfers \$186,215,493 from the general fund to the Capital Construction Fund and \$500,000 from the General Fund Exempt account of the General Fund to the Capital Construction Fund. Also: (1) repeals a statutory section that provides for a transfer of up to \$5 million from the state historical fund in the 2013-14 fiscal year for the capitol dome restoration; and (2) requires transfer to the Colorado Water Conservation Board Construction Fund any excess General Fund reserve for the fiscal year 2013-14 that is equal to the lesser of thirty million dollars or the total General Fund surplus.

S.B. 13-263 (Development of Capitol Complex Master Plan): Requires the Department of Personnel enter into competitive negotiations for the development of a comprehensive master plan for the capitol complex, with final approval from the Office of State Planning and Budgeting (OSPB) and the Capital Development Committee (CDC), and requires that all real estate-related capital requests by executive branch departments or the legislative branch for the capitol complex be evaluated by the OSPB and the CDC against the capitol complex master plan.

H.B. 13-1234 (Lease-purchase Authority for Department of Agriculture Office Consolidation): Authorizes the State to enter into one or more lease-purchase agreements for the Department of Agriculture's office consolidation, and authorizes the use of moneys from the Agricultural Management Fund for expenses related to such consolidation.

2014 Session Bills

S.B. 14-189 (Controlled Maintenance Trust Fund Transfer): Transfers \$9,762,000 from the Controlled Maintenance Trust Fund to the General Fund to support a FY 2014-15 appropriation for the Colorado firefighting air corps.

H.B. 14-1249 (Supplemental Bill): Supplemental appropriations bill for capital construction and the Controlled Maintenance Trust Fund. Includes modifications to capital appropriations for FY 2009-10, FY 2011-12, FY 2012-13, and FY 2013-14 and a supplemental appropriation to the Controlled Maintenance Trust Fund for FY 2013-14.

H.B. 14-1336 (Long Bill): General appropriations act for FY 2014-15. Also includes supplemental adjustments to capital appropriations for FY 2011-12.

H.B. 14-1342 (Transfers of Money Related to Capital Construction): For FY 2014-15, transfers \$225,493,465 from the General Fund to the Capital Construction Fund, \$500,000 from the General Fund Exempt account of the General Fund to the Capital Construction Fund, and \$1,000,000 from the State Historical Fund to the Capital Construction Fund. Also modifies statutory provisions concerning the use of any FY 2013-14 General Fund surplus. Authorizes additional FY 2014-15 transfers from the General Fund to the Capital Construction Fund of up to \$135,335,748 if there is sufficient FY 2013-14 General Fund surplus, and establishes a priority order for funding specific capital projects up to this dollar amount if the amount available for transfer to the Capital Construction Fund is lower than this figure.

APPENDICES

APPENDIX A. GLOSSARY OF TERMS

Capital Construction Fund

A fund that receives transfers from the General Fund and Lottery Fund for capital construction purposes. This fund is used to build, renovate, and repair state buildings, to purchase major equipment, and to acquire land. Appropriations from this fund are exempt from the fiscal year spending limit imposed by Article X, Section 20 of the Colorado Constitution (also known as the Taxpayer's Bill of Rights or TABOR), because they authorize expenditures from a reserve.

Cash Funds

Specific funds created to receive earmarked revenues, such as fees and fines. These funds typically pay for the programs for which the revenues are collected. Examples are the Wildlife Cash Fund and the Disabled Telephone Users Fund.

Common Policies

Policies adopted by the General Assembly that are applicable to all departments, unless specifically exempted. Examples of common policies are the rates paid by agencies to the Department of Personnel for vehicle leases and capitol complex leased space and to the Governor's Office of Information Technology for information technology-related services.

C.R.S.

Colorado Revised Statutes, the compilation of Colorado laws.

Federal Funds

Funds from the federal government. Some federal funds are grants for limited purposes, while other federal funds support ongoing state-federal programs and may require matching state funds. Examples of programs requiring a state match are Medicaid and highway construction. Federal funds are exempt from the fiscal year spending limit imposed by TABOR.

FTE

One full-time equivalent (FTE) equals one staff position filled for approximately 2,080 hours during a fiscal year. For example, two employees in two different positions whose combined hours equal 2,080 for a fiscal year equal one FTE.

General Fund

A fund into which general tax revenues, such as state sales and income tax revenues, are deposited. The General Fund is used to pay for state programs that benefit the majority of state citizens, such as education and corrections.

General Fund Exempt

TABOR places restrictions on the amount of General Fund and cash fund revenues that can be collected, and consequently spent, by the State. Certain General Fund revenues are exempt from these provisions: (1) tobacco tax revenues received pursuant to Article X, Section 21 of the Colorado Constitution; and (2) General Fund revenues that exceed the TABOR limit but are less than the revenue cap established by Referendum C (see Referendum C). The latter source of funds must be deposited in the General Fund Exempt Account and can be appropriated only for health care, education, retirement plans for firefighters and police officers, and strategic transportation projects.

General Fund moneys exempt from the statutory restriction on General Fund appropriations

Beginning in FY 2009-10 and each fiscal year thereafter, total State General Fund appropriations are restricted to an amount equal to 5.0 percent of Colorado personal income. There are three specific exemptions to the statutory restriction on General Fund appropriations:

- appropriations due to federal law requiring a new program or service or an increase in the level of service for an existing program;
- appropriations due to a state or federal court order requiring a new program or service or an increase in the level of service for an existing program; and
- appropriations funded from an increase in taxes or fees approved by voters.

For more information, see Appendix H.

Informational Funds

Beginning in FY 2012-13, the Long Bill and other legislation indicate when an amount is shown for informational purposes. As defined in the Long Bill headnotes, these amounts do not reflect appropriations made by the General Assembly, or an expenditure limit on such moneys. For more information see Appendix J.

Indirect Costs

Indirect costs are administrative support service expenses that are not billed directly to programs, offices, or divisions. Instead, these overhead expenses are allocated among programs, offices, or divisions based on an annual cost allocation plan. Indirect costs assessed to federal-funded and cash-funded programs reduce General Fund expenditures for administrative overhead costs attributable for services provided to those non-General Fund programs. Indirect cost recoveries from federal-funded and cash-funded programs are calculated for statewide overhead costs and for departmental overhead costs.

Long Bill

Colorado's annual general appropriations act, which provides most of the funding to support state government operations.

Reappropriated Funds

Reappropriated funds are amounts of General Fund, cash funds, or federal funds that are appropriated more than one time in the same fiscal year. For example, funding may be initially appropriated to a department as federal funds, then appropriated to another agency for the payment of services (see Common Policies). In the recipient agency's Long Bill appropriation, this is shown as reappropriated funds with an associated letternote indicating the origin of the funds.

Referendum C

Colorado voters adopted a measure, popularly known as Referendum C, in the general election of 2005. This measure allowed the State to retain all General Fund revenues in excess of the fiscal year spending limit imposed by TABOR between July 1, 2005 and July 1, 2010. For FY 2010-11 and subsequent fiscal years, Referendum C allows the State to retain all revenues that are in excess of the TABOR fiscal year spending limit, but less than the "excess state revenues cap." The excess state revenues cap is equal to the highest annual total state revenues between FY 2005-06 and FY 2009-10, adjusted for each subsequent fiscal year for inflation, the percentage change in state population, enterprises, and debt service changes. These revenues must be deposited in the General Fund Exempt Account and shall be appropriated by the General Assembly for the following purposes only: (a) health care; (b) education, including capital construction projects related thereto; (c)

retirement plans for firefighters and police officers, if the General Assembly determines funding is needed; and (d) strategic transportation projects.

Supplemental Appropriation

Legislation authorizing changes in appropriated funds or FTE for the current fiscal year or a previous fiscal year.

Taxpayer's Bill of Rights (TABOR)

Colorado voters adopted a citizen-initiated amendment to the Colorado Constitution known as the Taxpayer's Bill of Rights or TABOR (Article X, Section 20) in 1992. The amendment restricts State and local governments' ability to collect and spend revenues without voter approval. Under TABOR, a vote of the people is required for State or local governments to: (a) increase tax rates; (b) increase retained revenues by more than the sum of inflation and the percentage population growth; (c) incur multi-year debt; or (d) weaken other limits on revenue. The amendment requires that collected revenue in excess of the inflation plus population growth limit be refunded in the following fiscal year. In November 2005 voters passed Referendum C, which allows the State to retain certain revenues in excess of the TABOR fiscal year spending limit.

B. COMMON POLICIES

A number of line item appropriations are determined by general policies (called common policies) that are applied consistently to State agencies. For many line items affected by common policy, amounts are initially appropriated in individual departments and then transferred to another department such as the Department of Personnel, the Governor's Office of Information Technology, or the Department of Law, where they appear a second time as reappropriated funds. A brief explanation for each of these line items and the associated policies is provided below.

Administrative Law Judge Services

Funds for Administrative Law Judge (ALJ) services are appropriated to the 14 departments that use these services and then transferred to the Department of Personnel. State agency allocations are calculated by identifying the prior fiscal year's actual costs, then distributing these costs for the upcoming fiscal year according to the prior percentage use. For FY 2014-15, statewide allocations for ALJ services total \$4.1 million, which includes \$3.8 million in division line item appropriations, \$1.0 million in centrally-appropriated amounts in the Executive Director's Office, and a \$681,000 adjustment to decrease the fund balance reserve for the Administrative Courts Cash Fund created in Section 24-30-1001 (3), C.R.S.

ADP Capital Outlay and Information Technology Asset Maintenance

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

Capitol Complex Leased Space

This line item is for departments occupying space in the Capitol Complex, the North Campus facility, the Pierce Street Building, the Grand Junction State Office Building, and Camp George West, located in Golden. This line item appears in each department's Executive Director's Office, with some exceptions, and is transferred to the Department of Personnel. The funding amount per square foot varies according to each building's location and intended use. For FY 2014-15, statewide agency allocations total approximately \$10.7 million in comparison to \$14.1 million for FY 2013-14, and include \$12.5 million in Facilities Maintenance – Capitol Complex Subdivision line item appropriations, \$1.0 million in centrally-appropriated amounts in the Executive Director's Office and depreciation, and a \$2.8 million adjustment to decrease the fund balance reserve for the Capitol Complex Facilities Account within the Department of Personnel Revolving Fund created in Section 24-30-1108 (1), C.R.S.

Community Provider Rates

Community provider rate adjustments are applied to programs and services which, if not provided by contracted provider organizations or county staff, would need to be provided by state staff. The appropriation includes a common policy 2.5 percent provider rate increase for community providers who contract with the Departments of Corrections, Human Services, and Public Safety (Division of Criminal Justice). The 2.5 percent rate increase was also given to providers of services for people with intellectual and developmental disabilities who contract with the Department of Health Care Policy and Financing. Rates for other Medicaid providers who contract with the Department of Health Care Policy and Financing were increased by 2.0 percent with additional funding set aside for targeted rate increases. Exceptions to the common policies are summarized below.

Department of Health Care Policy and Financing:

- Primary care reimbursement – The appropriation continues an increase in primary care rates that was set to expire January 2015. The increase was mandated by the federal Affordable Care Act (ACA) and required state Medicaid programs to reimburse primary care services at 100 percent of the equivalent Medicare reimbursement rate. The funding also allows for application of the higher rates to a wider variety of providers by removing an administratively burdensome self-attestation requirement that was part of the ACA standard.
- Targeted rate increases – The appropriation provides funding for targeted rate increases for the purpose of addressing issues with client access to cost-effective services as detailed in the table below.

Targeted Rate Increases				
	TOTAL	General Fund	Cash Funds	Federal Funds
Pediatric hospice services 20% rate increase	\$246,878	\$120,639	\$434	\$125,805
Extended hours/after hours care 10% rate increase	641,597	197,389	5,970	438,238
Transitional living program for brain injury clients 191% rate increase	876,000	412,050	19,380	444,570
Pediatric/developmental assessment 50% rate increase	64,000	30,969	0	33,031
Single entry point case management 10% rate increase	1,229,790	600,951	2,160	626,679
Physician incentives to use ambulatory surgery centers	500,000	153,826	4,653	341,521
Matching incentives to Ambulatory Surgery Centers	500,000	153,826	4,653	341,521
High-Value Specialist Services to 80% of Medicare	11,312,435	3,480,304	105,263	7,726,868
Mammography Reimbursement to 80% of Medicare	94,841	29,178	883	64,780
Assistive Technology Reimbursement Rate to 80% of Medicare	22,037	6,780	205	15,052
Increase Federally Qualified Health Center rates to APM	7,261,751	2,187,006	114,664	4,960,081
Family planning standardize oral contraceptive rates and 15% increase	<u>1,817,275</u>	<u>286,696</u>	<u>0</u>	<u>1,530,579</u>
TOTAL	\$24,566,604	\$7,659,614	\$258,265	\$16,648,725

Department of Public Safety, Division of Criminal Justice: The FY 2014-15 appropriation replaces the current community corrections funding system, which pays community corrections facilities (i.e. halfway houses) a per-offender-per-day fee for housing and treating offenders, with a two-part system consisting of a per-offender-per-day payment and a per-facility-per-day payment. Overall appropriations for payments to community corrections facilities increase by \$6,991,441 General Fund, which is a 12.7 percent increase over FY 2013-14.

Health, Life, and Dental

This line item appears in each department's Executive Director's Office, with some exceptions. For FY 2014-15, the total statewide health, life, and dental appropriations total \$184.5 million, including \$102.6 million General Fund, compared to a total appropriation of \$176.8 million including \$100.5 million General Fund in FY 2013-14.

Indirect Costs

Indirect costs are the overhead costs associated with the operation of general government functions and departmental administrative duties. Indirect cost recoveries are intended to offset the costs of providing central services for cash-funded and federally-funded programs that otherwise would be supported by General Fund. For FY 2014-15, the statewide indirect cost recovery plan is estimated to recover \$17.2 million compared to \$16.3 million for FY 2013-14.

Departmental indirect cost recoveries are specific to the general administrative functions of each department, typically including the functions of the Executive Director's Office. Generally, indirect cost assessments are appropriated as cash funds, reappropriated funds, or federal funds in the division in which they are earned, and those indirect cost recoveries are appropriated as reappropriated funds in the Executive Director's Office to offset General Fund.

Lease Purchase

The appropriation is for a continuation of existing lease purchase agreements for equipment. Requests for additional lease purchase funds are examined on an individual basis and funded where appropriate. No funds may be expended for lease purchase except those specifically appropriated for that purpose.

Leased Space

This line item is for leased space outside of the Capitol Complex facilities, and it appears in each department's Executive Director's Office, with some exceptions. Each Executive Director is responsible for reviewing and managing a department's use of leased space.

Legal Services

This line item appears in the Executive Director's Office, with some exceptions, allowing departments to purchase legal services from the Department of Law, much as they would purchase legal services from a private-sector law firm. For FY 2014-15, agencies will pay a blended legal rate of \$99.01 per hour for legal services, which are provided by both attorneys and legal assistants. This compares to a rate of \$91.08 for FY 2013-14. The payments that client agencies make to the Department of Law are sufficient to pay all the direct and indirect costs of supplying the services. The Department of Law expects to provide 403,209 hours of legal services to client agencies in FY 2014-15.

Payments to OIT

This line item appears in each department's Executive Director's Office, with some exceptions, and represents each department's share of the State's information technology services provided by the Governor's Office of Information Technology (OIT). For FY 2014-15, the appropriation includes recoverable costs totaling \$110.3 million, including \$47.8 million General Fund, in comparison to a total appropriation of \$108.4 million, including \$44.4 million General Fund, for FY 2013-14.

Payment to Risk Management and Property Funds

This line item appears in each department's Executive Director's Office. The State is self-insured for liability and purchases a commercial policy for property. Appropriations represent each department's share of the statewide cost of property and liability insurance coverage, based on a three-year average loss history as verified by an independent actuarial firm. The Department of Personnel has continuous spending authority for the property and liability programs claims, premiums, and legal expenses, but not for administrative costs. The FY 2014-15 appropriation is \$16.9 million, comprised of \$6.8 million for property and \$10.1 million for liability. This compares to \$15.4 million for FY 2013-14, comprised of \$6.9 million for property and \$8.5 million for liability.

Personal Services

For FY 2014-15, appropriations fund personal services at a continuation level of funding plus base adjustments for the annualization of the FY 2013-14 salary survey and merit pay increases.

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

Pursuant to S.B. 04-257, the State contributes additional funds to assist in the amortization of the Public Employees' Retirement Association's (PERA) unfunded liability. The appropriation amount is based on employees' base salaries, including shift differential pay. The contribution amount will increase by 0.4 percent each calendar year until it reaches the maximum contribution rate of 5.0 percent in calendar year 2017. The contribution rate is 3.8 percent for calendar year 2014, and 4.2 percent for calendar year 2015. The appropriations for FY 2014-15 total \$62.1 million, including \$34.9 million General Fund, compared to \$52.5 million with \$27.8 million General Fund in FY 2013-14.

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

In addition to the AED contribution amounts, S.B. 06-235 provides a second supplemental PERA contribution. The intended fund source is money that would otherwise be available for, but not yet awarded as salary increases. The appropriation amount is based on employees' base salaries, including shift differential pay. The contribution amount will increase by 0.5 percent each calendar year until it reaches its maximum contribution rate of 5.0 percent in 2017. The contribution rate is 3.5 percent for calendar year 2014, and 4.0 percent for calendar year 2015. The appropriations for FY 2014-15 total \$58.0 million, including \$32.5 million General Fund, compared to \$47.1 million with \$24.9 million General Fund in FY 2013-14.

Salary Survey and Merit Pay Awards

Salary survey line items total \$49.3 million statewide, including \$29.5 million General Fund, for a 2.5 percent across-the-board pay increase. Salary survey was set at 2.0 percent in FY 2013-14 and totaled \$48.1 million, including \$23.7 million General Fund. In FY 2014-15, Salary survey is intended to be base-building only up to salary maximum for position classification, except for defined corrections classification employees in the Departments of Correction and Human Services. Additionally, the Department of Public Safety includes salary survey increases for State Troopers as defined by statute.

The merit pay weighted average increase for employees is 1.0 percent for FY 2014-15 and total \$15.0 million statewide, including \$8.4 million General Fund. Merit pay provides funding for raises according to a formula that rewards performance, but also gives greater percentage increases to employees at the lower end of the pay range. Merit pay was set at 1.5 percent in FY 2013-14 and totaled \$21.4 million including \$11.4 million General Fund.

Shift Differential

Shift differential payments provide higher wages for evening, night, and weekend shifts. The FY 2014-15 appropriations are calculated based on actual shift differential expenditures for FY 2012-13. The appropriations for FY 2014-15 total \$13.5 million, including \$10.9 million General Fund, primarily for the Departments of Corrections and Human Services, compared to a total appropriation of \$12.5 million, including \$10.2 million General Fund, in FY 2013-14.

Short-term Disability

All state employees are eligible for employer-paid, short-term disability insurance. The appropriations are based on 0.19 percent employees' base salaries, including shift differential pay. This line item appears in each department's Executive Director's Office and cannot be expended for any other purpose. The statewide short-term disability appropriation for FY 2014-15 totals \$3.2 million, including \$1.8 million General Fund which compares to the FY 2013-14 total of \$2.7 million, including \$1.4 million General Fund.

Utilities

In general, departments pay for utility costs from either operating expenses appropriations or from separate utilities line items which support the utility costs of operating a state-owned facility. Utilities costs for offices are also built into Capitol Complex leased space and other leased space rates. The appropriation for FY 2014-15 is dependent upon the specific circumstances regarding utilities in each department.

Vehicle Lease Payments

This line item appears in each department's Executive Director's Office, with some exceptions. Motor vehicles can only be purchased through the Fleet Management Program in the Department of Personnel pursuant to Section 24-30-1117, C.R.S. The appropriation is based on the amount necessary for each department to make vehicle lease payments to the Fleet Management Program, which charges lease rates that vary by vehicle model and type. The appropriation for Fleet's Vehicle Replacement Lease/Purchase line item for FY 2014-15 is \$19.0 million in comparison to \$18.0 million for FY 2013-14. The appropriation to the state agency Vehicle Lease Payments line item for FY 2014-15 totals \$20.1 million in comparison to \$19.1 million for FY 2013-14.

Workers' Compensation

This line item appears in each department's Executive Director's Office, with some exceptions. The appropriation represents each department's share of the statewide cost of workers' compensation coverage, based on a three-year average loss history as verified by an independent actuarial firm. This self-insured program covers employees in all departments (except the University of Colorado and Colorado State University, which operate separate, self-insured programs). The Department of Personnel's appropriation totals \$43.1 million for workers' compensation premiums for FY 2014-15 in comparison to \$41.6 million for FY 2013-14. Allocations to state agencies total \$45.1 million, including a \$1.3 million adjustment to increase the fund balance and \$0.7 million for centrally allocated expenses.

C. 2014 SESSION SUPPLEMENTAL ADJUSTMENTS TO APPROPRIATIONS FOR FY 2012-13 AND PRIOR YEARS

2014 Session Supplemental Adjustments to FY 2012-13 Operating Appropriations							
Department/Division	Total	General Fund	General Fund Exempt	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<u>Changes to FY 2012-13 Operating Budget</u>							
Department of Education							
<i>House Bill 14-1336</i>							
Public School Finance	\$0	(\$126,158,174)	\$126,158,174	\$0	\$0	\$0	0.0
Subtotal - Education	\$0	(\$126,158,174)	\$126,158,174	\$0	\$0	\$0	0.0
Department of Health Care Policy and Financing							
<i>House Bill 14-1336</i>							
Medical Services Premiums	0	(126,158,174)	126,158,174	0	0	0	0.0
<i>House Bill 14-1236</i>							
Department of Human Services Medicaid-Funded Programs, Mental Health Institutes	720,000	360,000	0	0	0	360,000	0.0
Medical Services Premiums	5,753,845	5,290,984	0	462,861	0	0	0.0
Mental Health Capitation Payments	<u>142,285</u>	<u>142,285</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
Subtotal –H.B. 14-1236	6,616,130	5,793,269	0	462,861	0	360,000	0.0
Subtotal - Health Care Policy and Financing	\$6,616,130	(\$120,364,905)	\$126,158,174	\$462,861	\$0	\$360,000	0.0
Department of Higher Education							
<i>House Bill 14-1237</i>							
College Opportunity Fund Program	0	0	0	0	0	0	0.0
<i>House Bill 14-1336</i>							
Multiple divisions and line items	<u>0</u>	<u>(126,158,174)</u>	<u>126,158,174</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
Subtotal - Higher Education	\$0	(\$126,158,174)	\$126,158,174	\$0	\$0	\$0	0.0
Department of Human Services							
<i>House Bill 14-1238</i>							
Mental Health and Alcohol and Drug Abuse Services, multiple line items	<u>1,004,500</u>	<u>(360,000)</u>	<u>0</u>	<u>644,500</u>	<u>720,000</u>	<u>0</u>	<u>0.0</u>
Subtotal - Human Services	\$1,004,500	(\$360,000)	\$0	\$644,500	\$720,000	\$0	0.0

2014 Session Supplemental Adjustments to FY 2012-13 Operating Appropriations							
Department/Division	Total	General Fund	General Fund Exempt	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Department of Personnel							
<i>House Bill 14-1243</i>							
Workers' Compensation Claims	1,639,145	0	0	1,639,145	0	0	0.0
Subtotal - Personnel	\$1,639,145	\$0	\$0	\$1,639,145	\$0	\$0	0.0
Department of Public Health and Environment							
<i>House Bill 14-1244</i>							
Multiple line items	775,289	0	0	519,531	775,289	(519,531)	0.0
Subtotal - Public Health and Environment	\$775,289	\$0	\$0	\$519,531	\$775,289	(\$519,531)	0.0
Total Changes to FY 2012-13 Operating Budget	\$10,035,064	(\$373,041,253)	\$378,474,522	\$3,266,037	\$1,495,289	(\$159,531)	0.0

2014 Session Supplemental Adjustments to FY 2012-13 Capital Appropriations							
Department/Division	Total	Capital Construction Fund	General Fund Exempt	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<u>Changes to FY 2012-13 Capital Construction Budget</u>							
<i>House Bill 14-1249</i>							
Human Services	\$268,600	\$0	\$0	\$94,010	\$0	\$174,590	0.0
Total Changes to FY 2012-13 Capital Budget	\$268,600	\$0	\$0	\$94,010	\$0	\$174,590	0.0

2014 Session Supplemental Adjustments to FY 2011-12 Capital Appropriations							
Department/Division	Total	Capital Construction Fund	General Fund Exempt	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<u>Changes to FY 2011-12 Capital Construction Budget</u>							
<i>House Bill 14-1249</i>							
Judicial	\$3,000,000	\$0	\$0	\$3,000,000	\$0	\$0	0.0
<i>House Bill 14-1336</i>							
Public Health and Environment	51,009,221	0	0	5,100,922	0	45,908,299	0.0
Total Changes to FY 2011-12 Capital Budget	\$54,009,221	\$0	\$0	\$8,100,922	\$0	\$45,908,299	0.0

D. STATE EDUCATION FUND APPROPRIATIONS

This appendix describes appropriations from the State Education Fund.

State Education Fund Revenues and Appropriations

In November 2000, Colorado voters approved Amendment 23, which added Section 17 to Article IX of the Colorado Constitution. This provision links funding for kindergarten through twelfth grade education to the rate of inflation. This provision also creates the State Education Fund (SEF), consisting of all state revenues collected from a tax of one-third of one percent on federal taxable income of every individual, estate, trust, and corporation¹, as well as any interest earned on the fund balance. Revenues to the SEF are not subject to the constitutional Taxpayer's Bill of Rights (TABOR) limitation on fiscal year spending, and SEF appropriations are not subject to the statutory limitation on state General Fund appropriations. The General Assembly may annually appropriate moneys from the SEF for the following education-related purposes:

- Compliance with the requirement to annually increase base per pupil funding for public school finance;
- Compliance with the requirement to annually increase funding for categorical programs;
- Accountable education reform;
- Class size reduction;
- Expanding technology education;
- Improving student safety;
- Expanding the availability of preschool and kindergarten programs;
- Performance incentives for teachers;
- Accountability reporting; or
- Public school building capital construction.

Table 1 provides a summary of appropriations from the SEF for FY 2001-02 through FY 2011-12, and it details appropriations from the SEF for FY 2012-13 through FY 2014-15. To date, over \$5.6 billion has been appropriated from the SEF for public school finance, representing 80.1 percent of all SEF appropriations. To date, appropriations for categorical programs (\$869.0 million) and capital construction programs (\$134.2 million) comprise another 14.3 percent of SEF appropriations.

Appropriations and transfers from the SEF for FY 2014-15 are significantly higher than for FY 2013-14, increasing 30.9 percent from \$740.4 million to \$969.2 million, largely reflecting significant transfers from the General Fund to the SEF at the end of FY 2012-13 pursuant to H.B. 12-1338.

Table 2 summarizes State Education Fund revenues and expenditures/appropriations for FY 2012-13 through FY 2014-15.

¹ Given the current state income tax rate of 4.63 percent, this equates to 7.13 percent of state income tax revenues (0.0033/0.0463). However, due to certain state tax credits which reduce income tax revenue, deposits to the State Education Fund actually represent a slightly higher percentage of state income tax revenues (e.g., 7.80 percent in FY 2012-13).

TABLE 1
History of Appropriations from the State Education Fund

Description	Cumulative: FY 2001-02 thru			
	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
Public School Finance:				
Funding for the State Share of Districts' Total Program Funding (including Colorado Preschool Program and full-day kindergarten funding)	\$3,395,977,553	\$324,236,331	\$523,620,586	\$670,481,408
Facility school funding (H.B. 08-1388)	67,276,333	14,508,000	16,990,054	17,051,972
Hold-harmless full-day kindergarten funding (H.B. 08-1388)	29,232,766	6,919,157	7,109,172	7,496,012
District Per Pupil Reimbursements for Juveniles Held in Jail (S.B. 10-054)	0	100,000	25,000	25,000
Public School Finance Administration	0	20,418	20,418	84,372
Declining enrollment study (H.B. 08-1388)	200,000	0	0	0
Mid-year appropriation adjustments	<u>(12,134,512)</u>	<u>21,253,672</u>	<u>3,800,402</u>	<u>0</u>
Subtotal: School Finance	\$3,480,552,140	\$367,037,578	\$551,565,632	\$695,138,764
<i>Percent of Total Appropriations</i>	<i>82.5%</i>	<i>71.8%</i>	<i>74.5%</i>	<i>71.7%</i>
Categorical Programs	\$502,927,780	\$102,453,788	\$127,093,954	\$136,525,196
<i>Percent of Total Appropriations</i>	<i>11.9%</i>	<i>20.1%</i>	<i>17.2%</i>	<i>14.1%</i>
School Capital Construction:				
Charter school capital construction	\$62,219,995	\$6,000,000	\$7,000,000	13,500,000
School Capital Construction Expenditures Reserve	25,471,112	0	0	0
School Construction and Renovation Fund	7,500,000	0	0	0
Charter School Debt Reserve Fund	<u>1,000,000</u>	<u>0</u>	<u>0</u>	<u>6,500,000</u>
Subtotal: Capital Construction	\$96,191,107	\$6,000,000	\$7,000,000	\$20,000,000
<i>Percent of Total Appropriations</i>	<i>2.3%</i>	<i>1.2%</i>	<i>0.9%</i>	<i>2.1%</i>
Professional Development and Instructional Support:				
ELL Professional Development and Student Support (H.B. 14-1298)	\$0	\$0	\$0	\$27,000,000
Quality Teacher Recruitment Program (S.B. 13-260)	0	0	3,000,000	3,000,000
School Turnaround Leaders Development (S.B. 14-124)	0	0	0	2,000,000
Stipends for nationally board certified teachers (H.B. 08-1384)	0	604,800	1,617,600	1,580,800
English Language Proficiency Excellence Award Program (H.B. 14-1298)	0	0	0	500,000
Content specialists	1,739,861	441,808	441,808	463,652
A.P. Incentives Pilot Program (H.B. 14-1118)	0	0	0	261,561
Teaching and learning conditions survey (H.B. 08-1384)	85,000	0	0	100,000
English Language Learners Technical Assistance (H.B. 14-1298)	0	0	0	53,228
Closing the Achievement Gap	5,301,000	0	0	0
Teacher Pay Incentive Program	12,630,000	0	0	0
Science and Technology Education Center Grant Program	1,400,000	0	0	0
Civic education	602,305	0	0	0
National credential fee assistance	493,000	0	0	0

TABLE 1
History of Appropriations from the State Education Fund

Description	Cumulative: FY 2001-02 thru			
	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
Financial literacy	201,757	0	0	0
School Leadership Academy Program (H.B. 08-1386)	162,983	0	0	0
Colorado History Day	60,000	0	0	0
Alternative Teacher Compensation Plan Grants (H.B. 08-1388)	0	0	0	0
Subtotal: Professional Development and Instructional Support	\$22,675,906	\$1,046,608	\$5,059,408	\$34,959,241
<i>Percent of Total Appropriations</i>	<i>0.5%</i>	<i>0.2%</i>	<i>0.7%</i>	<i>3.6%</i>
Other Grants, Distributions, and Assistance:				
Transfer to Early Literacy Fund (S.B. 13-260)	\$0	\$0	\$16,000,000	\$34,000,000
School Counselor Corps Grant Program (H.B. 08-1370)	19,996,654	5,000,000	5,000,000	8,002,716
Assistance to BOCES (H.B. 12-1345)	0	1,300,000	1,300,000	3,302,785
Child Nutrition School Lunch Protection Program (S.B. 08-123)	3,400,000	850,000	850,000	850,000
Transfer to Colorado Teacher of the Year Fund (H.B. 14-1298)	0	0	0	24,800
Interstate compact on educational opportunities for military children (H.B. 08-1317)	115,387	24,061	23,015	23,217
Funding for new textbooks	14,144,066	0	0	0
Summer School Grant Program	2,988,563	0	0	0
Regional service cooperatives (S.B. 08-038)	1,224,877	0	0	0
Facility Summer School Grant Program	1,000,000	0	0	0
Aid for declining enrollment districts with new charter schools	1,000,000	0	0	0
Hold-harmless facility school student funding (H.B. 08-1388)	587,504	0	0	0
Family Literacy Education Grant Program	400,000	0	0	0
First responder school mapping (H.B. 08-1267)	150,000	0	0	0
Subtotal: Other Grants, Distributions, and Assistance	\$45,007,051	\$7,174,061	\$23,173,015	\$46,203,518
<i>Percent of Total Appropriations</i>	<i>1.1%</i>	<i>1.4%</i>	<i>3.1%</i>	<i>4.8%</i>
Accountability/ Reform:				
Colorado Student Assessment Program	\$63,072,761	\$15,885,363	\$24,972,004	\$29,058,189
Transfer to Financial Reporting Fund (H.B. 14-1292)	0	0	0	3,000,000
Preschool to postsecondary alignment (S.B. 08-212)	2,677,650	567,685	567,685	579,323
Division of On-line Learning (S.B. 07-215)	802,303	337,334	337,334	344,383
Basic Skills Placement or Assessment Tests (H.B. 12-1345)	0	1,000,000	320,917	320,917
Transfer to Great Teachers and Leaders Fund (S.B. 13-260)	0	0	200,000	0
Educator Effectiveness Unit Administration (H.B. 13-1257)	0	0	120,093	115,390
Educator Effectiveness Implementation (S.B. 10-191)	0	6,426,830	0	0
Early Literacy Assessment Tool (H.B. 12-1345)	0	3,000,000	0	2,679,484
School Improvement Grant Program	5,350,000	0	0	0
Facility Schools Unit and Facility Schools Board (H.B. 08-1204)	523,568	0	0	0
Review and update of non-English assessments	411,953	0	0	0
Longitudinal assessment data analyses	388,000	0	0	298,000
Modifications to accountability reports	75,000	0	0	0
Study non-English assessments	50,000	0	0	0

TABLE 1
History of Appropriations from the State Education Fund

Description	Cumulative: FY 2001-02 thru			
	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
Study administration of ACT	50,000	0	0	0
Subtotal: Accountability/ Reform	\$73,401,235	\$27,217,212	\$26,518,033	\$36,395,686
<i>Percent of Total Appropriations</i>	<i>1.7%</i>	<i>5.3%</i>	<i>3.6%</i>	<i>3.8%</i>
TOTAL	\$4,220,755,219	\$510,929,247	\$740,410,042	\$969,222,405
<i>Annual Dollar Change</i>			<i>\$229,480,795</i>	<i>\$228,812,363</i>
<i>Percent Annual Change</i>			<i>44.9%</i>	<i>30.9%</i>

TABLE 2
Comparison of State Education Fund Revenues and Expenditures/Appropriations (\$ millions)

Description	FY 12-13	FY 13-14	FY 14-15
Beginning Fund Balance	\$133.8	\$183.4	\$1,040.8
Actual/ Projected Revenues /1	489.5	479.0	545.3
Appropriations/ Transfers to the SEF /2	59.0	1,118.8	45.3
Actual Expenditures/ Appropriation /Transfers to Other Cash Funds /3	(498.9)	(740.4)	(969.2)
Ending Fund Balance /4	\$183.4	\$1,040.8	\$662.2

/1 Projected State Education Fund revenues for FY 2013-14 and FY 2014-15 are based on the amount of General Fund revenues anticipated to be directed or transferred to the Fund pursuant to the *March 2014* Office of State Planning and Budgeting revenue forecast, as well as projections of interest earnings based on the State Education Fund model utilized by Legislative Council and Joint Budget Committee staff.

/2 Transfers from the General Fund to the State Education Fund for FY 2012-13 and FY 2013-14 are based on H.B. 12-1338, S.B. 13-260, S.B. 13-234, and the *March 2014* Office of State Planning and Budgeting Revenue Forecast.

/3 Actual expenditures are reflected for FY 2012-13; appropriations are reflected for FY 2013-14 and FY 2014-15. Includes the following transfers to other cash funds: \$16.0 million to the Early Literacy Fund and \$0.2 million to the Great Teachers and Leaders Fund in FY 2013-14 pursuant to S.B. 13-260; \$34.0 million to the Early Literacy Fund in FY 2014-15 pursuant to H.B. 14-1292; and \$24,800 to the Colorado Teacher of the Year Fund in FY 2014-15 pursuant to H.B. 14-1298.

/4 Totals may not sum due to rounding.

E. HIGHWAY USERS TAX FUND "OFF-THE-TOP" APPROPRIATION

The Highway Users Tax Fund (HUTF) includes revenues from gas and special-fuel taxes, fines, license plate fees, driver's license fees, motor vehicle title and registration fees, and passenger-mile taxes. Article X, Section 18 of the Colorado Constitution limits expenditures from gas taxes and license and registration fees exclusively to the construction, maintenance, and supervision of state highways. HUTF "off-the-top" refers to the portion of the HUTF that is spent for highway supervision. The appropriations are taken "off-the-top" before the formula allocation of HUTF to the State Highway Fund, counties, and cities.

Pursuant to the various provisions of Sections 43-4-201 through 216, C.R.S., HUTF off-the-top appropriations are currently limited to the Colorado State Patrol in the Department of Public Safety and related capital projects. The General Assembly had previously approved legislation to allow the use of HUTF off-the-top appropriations in the Department of Revenue for the Division of Motor Vehicles for FY 2008-09 through FY 2011-12.

Section 43-4-201 (3) (a) (I) (C), C.R.S., limits the annual growth of HUTF off-the-top appropriations for highway supervision to no more than 6.0 percent, regardless of any increase or decrease in overall highway-related revenues. This limit is calculated based on the appropriation from the HUTF for the Colorado State Patrol for the prior fiscal year. In addition, statute limits the total share of HUTF off-the-top appropriations to no more than 23.0 percent of the net HUTF revenue for the prior fiscal year. The following table shows the off-the-top appropriations from the HUTF for FY 2014-15 compared to FY 2013-14, and the limit for FY 2014-15.

HUTF "Off-the-Top" Appropriations Comparison Section 43-4-201 (3) (a) (I) (C), C.R.S.		
	Appropriations Comparison	Percent Change
FY 2013-14 HUTF "Off-the-Top" Appropriations Base	\$123,398,603	
Multiplied by the 6.0 Percent Allowable Growth	<u>1.06</u>	
FY 2014-15 HUTF "Off-the-Top" Appropriations Limit	\$130,802,519	
FY 2014-15 HUTF "Off-the-Top" Appropriations:		
Department of Public Safety, Colorado State Patrol (Long Bill Operating Budget)	\$127,774,781	
Department of Public Safety, Colorado State Patrol (Long Bill Capital Budget)	<u>545,633</u>	
Total FY 2014-15 HUTF "Off-the-Top" Appropriations	\$128,320,414	4.0%
Over / (Under) FY 2014-15 "Off-the-Top" Appropriations Limit	(\$2,482,105)	

F. SEVERANCE TAX TRUST FUND OPERATIONAL FUND OVERVIEW

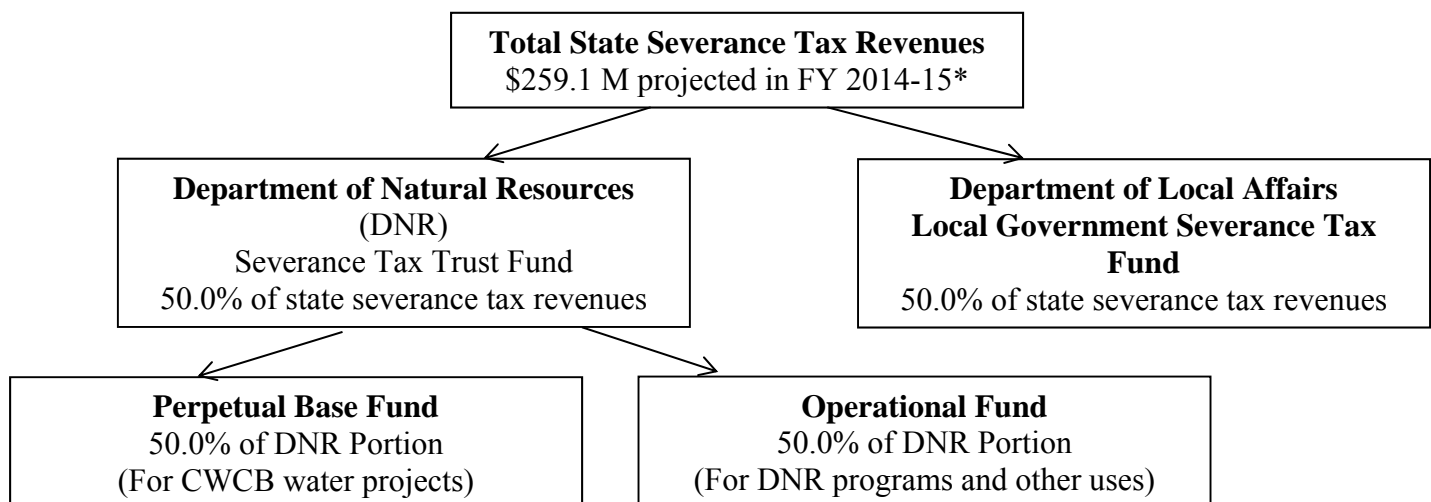
This appendix describes the allocation of state severance tax revenues and anticipated expenditures from the Severance Tax Operational Fund.

Severance Tax Revenue Allocation

Pursuant to Section 39-29-108 (2), C.R.S., 50.0 percent of severance tax revenues are credited to the State Severance Tax Trust Fund, primarily for programs in the Department of Natural Resources, and the remaining 50.0 percent are credited to the Local Government Severance Tax Fund to be used by the Department of Local Affairs for grants and distributions to local governments affected by mining activities. With respect to the State Severance Tax Trust Fund:

- Section 39-29-109 (2) (a) (II), C.R.S., provides that 50.0 percent of revenues deposited into the State Severance Tax Trust Fund (or 25.0 percent of total severance tax revenues) shall be allocated to the Severance Tax Perpetual Base Fund and used by the Colorado Water Conservation Board (CWCB) for water construction projects.
- Section 39-29-109 (2) (b), C.R.S., provides that the remaining 50.0 percent of State Severance Tax Trust Fund revenues (or 25.0 percent of total severance tax revenues) shall be allocated to the Severance Tax Operational Fund (Operational Fund) to fund programs that "promote and encourage sound natural resource planning, management, and development related to minerals, energy, geology, and water" and "programs to reduce the burden of increasing home energy costs on low-income households" (see Section 39-29-109 (1), C.R.S.).

The following diagram illustrates the State's distribution of severance tax revenues:



* Based on March 2014 Legislative Council Staff revenue forecast.

The Operational Fund consists of two tiers of programs. The Tier 1 programs support the day-to-day operations of the Department of Natural Resources, including funding salaries for employees. The Tier 2 programs support grants, loans, research, and construction. The required reserve for Tier 1 programs is equal to the annual appropriation for Tier 1, while the required reserve for Tier 2 programs is equal to 15.0 percent of the annual authorized expenditures for those programs.

The distribution of funding for Tier 2 programs is staggered with 40.0 percent released July 1, 30.0 percent released January 4, and the remaining 30.0 percent released April 1. Prior to FY 2012-13, three programs associated with low-income energy assistance received distributions on a different schedule. However, the enactment of H.B. 13-1185 put all of the Tier 2 programs on the same distribution schedule.

Tier 2 programs are subject to proportional reductions if revenue projections indicate that there are insufficient funds to support appropriations and authorized expenditures within a given fiscal year. For example, based on the relevant revenue forecasts, Tier 2 programs absorbed a total of \$9.1 million in proportional reductions in FY 2012-13, a reduction of 25.5 percent from the authorized level of expenditures. Revenues anticipated under the March 2014 Legislative Council Staff revenue forecast are sufficient to fulfill the final disbursement to Tier 2 programs in FY 2013-14 and will not require proportional reductions in FY 2014-15.

The following table provides an overview of projected revenues and expenditures from the Operational Fund based on the March 2014 Legislative Council Staff revenue forecast.

Severance Tax Operational Fund							
	Statutory Cite (C.R.S.)	Actual FY 12-13		Estimated FY 13-14		Estimated FY 14-15	
Beginning balance		\$25,665,238		\$18,981,012		\$18,170,399	
Revenue		<u>32,567,255</u>		<u>50,172,318</u> (est.)		<u>64,950,497</u> (est.)	
TOTAL Available for Expenditure		\$58,232,493 100.0%		\$69,153,330 100.0%		\$83,120,896 100.0%	
Roll-forwards		\$0		\$811,225		TBD	
<u>Off-the-Top Expenditures</u>							
Colorado Energy Office	39-29-108 (2)	\$0		\$375,000		\$375,000	
Public School Energy Efficiency Fund	39-29-109.5	\$28,593		TBD		TBD	
<u>Tier 1</u>	<u>39-29-109.3 (1)</u>						
Colorado Geological Survey	(b)	\$2,398,341	4.1%	\$1,295,601	1.9%	\$1,342,243	1.6%
Avalanche Information Center	(b.5)	0	0.0%	407,880	0.6%	437,411	0.5%
Oil and Gas Conservation Commission	(a)	3,212,032	5.5%	3,212,032	4.6%	3,212,032	3.9%
Division of Reclamation, Mining, and Safety	(c)	4,170,672	7.2%	4,500,417	6.5%	4,615,436	5.6%
Colorado Water Conservation Board	(d)	1,334,069	2.3%	1,319,250	1.9%	1,319,250	1.6%
Division of Parks and Wildlife – Parks	(f)	2,497,022	4.3%	2,370,397	3.4%	2,353,061	2.9%
Division of Parks and Wildlife – Wildlife	(e)	0	0.0%	0	0.0%	69,295	0.1%
SUBTOTAL Tier 1		\$13,612,136 23.4%		\$13,105,577 19.0%		\$13,348,728 16.7%	
<u>Tier 2¹</u>	<u>39-29-109.3 (2)</u>						
Water infrastructure development	(a)	\$7,157,724		\$10,262,945		\$10,000,000	
Soil Conservation Districts matching grants	(b)	322,098		461,833		450,000	
Water efficiency grants	(c)	393,675		564,462		550,000	
Species Conservation Trust Fund	(d) & (e)	2,863,090		4,105,178		6,500,000	
Low income energy assistance	(f)	9,326,145		13,341,829		13,000,000	
Renewable energy - Agriculture	(h)	357,886		513,147		500,000	
Interbasin water compacts	(i)	533,298		764,658		745,067	

Severance Tax Operational Fund								
	Statutory Cite (C.R.S.)	Actual FY 12-13		Estimated FY 13-14		Estimated FY 14-15		
Forest restoration grants/ bark beetle	(k) and (n)	1,789,431		2,565,736		2,500,000		
Aquatic Nuisance Species Fund	(m)	<u>2,867,388</u>		<u>4,111,341</u>		<u>4,006,005</u>		
SUBTOTAL Tier 2		\$25,610,735	44.0%	\$36,691,129	53.1%	\$38,251,072	46.0%	
TOTAL Expenditures		\$39,251,464		\$50,982,931		\$51,974,800		
Ending Balance		\$18,981,029		\$18,170,399		\$31,146,096		
Tier 1 Reserve	39-29-109.3 (3)	12,612,136		13,105,577		13,348,727		
Tier 2/LEAP Reserve	39-29-109.3 (3)	5,362,661		5,362,661		4,762,661		
TOTAL Reserve Requirement		\$17,974,797	30.9%	\$18,468,238	26.7%	\$18,111,388	21.7%	
UNOBLIGATED BALANCE		\$1,006,232	1.7%	(\$297,839)	(0.4%)	\$13,034,708	15.7%	
(est.) = estimate. Revenue estimates are based on the Legislative Council Staff's March 2014 Revenue Forecast and include \$123,843 in estimated interest in FY 2013-14 and \$183,175 in FY 2014-15. Proportional reductions are not anticipated for Tier 2 programs in FY 2013-14 or FY 2014-15. ^{/1} Tier 2 programs established in paragraphs (g), (j), and (l) of Section 39-29-109.3 (2), C.R.S. have been repealed and no longer receive funding from the Severance Tax Operational Fund. TBD = To be determined								

G. TOBACCO REVENUE ALLOCATIONS

This appendix describes the allocation of the revenues that Colorado receives from the tobacco Master Settlement Agreement and from the tobacco taxes imposed by Amendment 35 to the Colorado Constitution.

Tobacco Master Settlement Agreement Revenue Allocation

The payments that Colorado receives from the tobacco manufacturers who participate in the 1998 Master Settlement Agreement (MSA) consist of a perpetual stream of "base" payments, which began in 2000, and a ten-year stream of "Strategic Contribution Fund" payments, which began in 2008. The vast majority of these annual payments arrive in April. Since 2006, the payments have been reduced by an ongoing dispute concerning Colorado's enforcement of its laws governing tobacco manufacturers who do not participate in the MSA. This disagreement has led most participating manufacturers to annually withhold a portion of their payments.

The core tobacco master settlement program funding rules are contained in Section 24-75-1104.5, C.R.S. In brief:

- The total amount of tobacco settlement funds distributed to programs equals 98.5 percent of the total settlement payments received by the State during the prior fiscal year. Annual distributions are based on Colorado's base Settlement Agreement and Strategic Contribution Fund payments but do not include disputed amounts that have been withheld by tobacco companies.
- Dollars distributed each year are a combination of moneys received during the prior fiscal year and the current fiscal year.
- Settlement programs are divided into two tiers. Programs in each tier may receive a percentage of the allocation, a percentage subject to certain conditions such as a minimum or maximum, or a fixed amount. Funding is first distributed to tier 1 programs (receiving approximately two-thirds of total revenues), with most of the remaining balance distributed to tier 2 programs.
- Most programs cannot spend their distribution without an appropriation. In most cases, the appropriation equals or approximates the annual allocation.

Allocation formula procedures are described in more detail below.

Amount to be Distributed

Colorado's annual revenue from the Tobacco MSA is comprised of a base Settlement Agreement Payment (received in perpetuity) and a Strategic Contribution Payment (additional funds of approximately \$15 million per year received for ten years from April 2008 through April 2017). Funding has also been affected by ongoing legal disputes with tobacco companies, resulting in both reduced annual receipts (based on amounts withheld by tobacco companies) and one-time funding increases.

The table below reflects the payment history. Amounts received in the prior year (e.g., FY 2013-14) drive total funding allocations for the current year (e.g., FY 2014-15). However, special ("disputed") payments received as

legal issues are resolved are not allocated to programs and are used to reduce the share of Tobacco MSA expenditures made from current year revenue (“accelerated payments”).

Tobacco MSA Payment History FY 2003-04 to FY 2013-14						
Fiscal Year Payment Is Received	This Payment Determines Allocations in FY:	Full Payment	Amount Withheld (Disputed)	Amount Received Excluding Special Payments	Percent Change Excluding Special Payments	Special Payments (Disputed Amounts Released)
Actual Payments (in millions of \$s):						
2003-04	2004-05	\$86.1	\$0.0	\$86.1	n/a	\$0.0
2004-05	2005-06	87.4	0.0	87.4	1.5%	0
2005-06	2006-07	91.1	(10.9)	80.2	(8.2)%	0
2006-07	2007-08	92.7	(8.8)	83.9	4.6%	0
2007-08	2008-09	111.4	(7.7)	103.7	23.6%	0
2008-09 ^{/1}	2009-10	112.5	(7.1)	105.4	1.6%	7.4
2009-10	2010-11	103.3	(8.7)	94.6	(10.3)%	0
2010-11	2011-12	102.7	(13.6)	89.1	(5.8)%	0
2011-12	2012-13	102.4	(11.6)	90.8	1.9%	0
2012-13	2013-14	103.1	(12.3)	90.8	0.0%	0
2013-14 ^{/1}	2014-15	99.7	(10.7)	89.0	(1.9)%	11.4

^{/1}Total receipts in FY 2008-09 were \$112.8 million and total receipts in FY 2013-14 were \$100.4 million, if additional special payments are included.

Based on amounts received in FY 2013-14, a total of \$89.0 million will be distributed in FY 2014-15 consistent with Colorado's tobacco MSA funding allocation formula. Virtually all of this sum will be allocated to programs for use in FY 2014-15, with a small percentage retained in the Tobacco Litigation Settlement Cash Fund.

Use of Current and Prior-year Revenue to Support Allocations - Accelerated Payments

Since FY 2008-09, distributions during a given year have been a combination of current-year and prior-year revenue. Prior to FY 2007-08, all distributions were based on revenue received in the prior year. Pursuant to H.B. 07-1359, for FY 2008-09, the General Assembly began to rely on current year receipts of Strategic Contribution Fund payments to support current year allocations, which allowed it to redirect one-time funds of \$15.4 million to other purposes without reducing support for tobacco MSA programs. Pursuant to S.B. 09-269, for FY 2010-11, the General Assembly expanded the use of current year revenue, using this mechanism to access \$65.0 million in one-time funding without reducing support for tobacco MSA programs. Because of these bills, tobacco MSA programs operate for most of the fiscal year before the majority of the tobacco settlement revenue arrives. To do so, the programs receive advances from the Treasury, which are repaid in April.

House Bill 12-1247 began to gradually reduce the use of such advances from the Treasury by reducing the use of current year revenue and increasing the use of prior year revenue for tobacco MSA allocations. The bill requires spending from current year revenue (\$80.4 million as of FY 2011-12) to be reduced each year by any unallocated Tobacco Settlement funds and other residual funds in the Tobacco Litigation Settlement Cash Fund

(approximately \$1.4 million per year total, but varies by year). Allocations from reserves in the Tobacco Litigation Settlement Cash Fund compensate for the decline in spending from current year revenue, so that programs supported by Tobacco MSA revenue receive no less than they would have under the previous formula. In addition, pursuant to S.B. 14-104 and H.B. 14-1394, disputed payments received are also used to reduce the amount of spending from current year revenue. A total of \$11.4 million received in April 2014 was used for this purpose.

For FY 2014-15, as in prior years, the allocation amount (\$89.0 million) will be based on the total revenue received in the prior fiscal year (FY 2013-14). The funds actually distributed, however, are anticipated to include \$24.9 million received in April 2014 and \$64.1 million received in April 2015.

Distributions to Programs

Section 24-75-1104.5, C.R.S., divides tobacco-settlement programs into two tiers. Settlement moneys are first allocated among the tier 1 programs, which will use approximately two thirds of the total. The remainder is allocated among the tier 2 programs. The tables below list the tier 1 and tier 2 settlement programs and provide an overview of each program's statutory funding rule. Note that the Children's Basic Health Plan receives allocations from both tier 1 and tier 2.

Tier 1 Programs	
Recipient	Portion of the Total Amount Distributed
Children's Basic Health Plan	27.0%, not to exceed \$33.0 million and not less than \$17.5 million
Nurse Home Visitor (NHV) Program and the General Fund (GF)	17.0% less \$1.0 million in FY 2013-14, 18.0% less \$1.0 million in FY 2014-15, 19.0% less \$1.0 million in FY 2015-16, and 19.0% in FY 2016-17 and thereafter, not to exceed \$19.0 million in any year
Fitzsimons lease purchase	8.0%, not to exceed the lesser of \$8.0 million or the actual lease purchase payment
Early Literacy Program (H.B. 12-1238)	5.0%, not to exceed \$8.0 million
Tony Gramscas Youth Services Program	4.0%, not to exceed \$5.0 million
HIV/AIDS Drug Assistance Program	3.5%, not to exceed \$5.0 million
HIV and AIDS Prevention Grant Program	2.0%, not to exceed \$2.0 million
State Veterans Trust Fund	1.0%, not to exceed \$1.0 million (10.0% of the state veterans allocation is retained in the State Veterans Trust Fund and the remaining 90.0%, plus interest earned by the trust, is expended)
Litigation Settlement Defense Account	\$1,000,000 (fixed) in FY 2013-14, FY 2014-15, and FY 2015-16
Autism Treatment Fund	\$1,000,000 annually (fixed)
Child Mental Health Treatment Act	\$300,000 annually (fixed)
Dental Loan Repayment Program	\$200,000 annually (fixed)

Tier 2 Programs	
Recipient	Portion of the Residual Distributed after Tier 1 Program Allocations
University of Colorado Health Sciences Center	49.0%
Children's Basic Health Plan	14.5%
Mental health services for juvenile and adult offenders	12.0%

Tier 2 Programs	
Recipient	Portion of the Residual Distributed after Tier 1 Program Allocations
Local public health services	7.0%
Supplemental state contribution for state employee group benefit plans	4.5%
Colorado Immunization Program	4.0%
Alcohol and drug abuse and treatment programs	3.0%
Health Services Corps (Health Care Professional Loan Forgiveness Program)	\$250,000 (fixed)
State Auditor's Office	\$89,000 (fixed)
Retained in Tobacco Litigation Settlement Cash Fund	6.0% less fixed Tier 2 allocations
Total	100.0%

Various statutory changes have modified the allocation formulas over the years. For further information on the history of allocations, see the recent “Recent Legislation” section at the end of this appendix and prior-year Appropriations Reports.

The table below summarizes the combined total allocations by department and program from tier 1 and tier 2 for FY 2013-14 and FY 2014-15.

TOBACCO SETTLEMENT ALLOCATIONS - FY 2013-14 AND FY 2014-15 ^{/1}		
	FY 2013-14	FY 2014-15
EDUCATION		
Early Literacy Grant Program	\$4,538,500	\$4,451,853
HEALTH CARE POLICY AND FINANCING		
Children's Basic Health Plan Trust	28,567,935	27,889,272
Children with Autism	<u>1,000,000</u>	<u>1,000,000</u>
Subtotal – Health Care Policy and Financing	29,567,935	28,889,272
HIGHER EDUCATION		
University of Colorado Health Sciences Center	13,720,122	13,007,869
HUMAN SERVICES		
Nurse Home Visitor Program	14,430,900	15,026,670
Tony Gramscas Youth Services Program	3,630,800	3,561,482
Offender Mental Health Services	3,360,030	3,185,601
Treatment, Detoxification, and Prevention Contracts	840,007	796,400
Residential Mental Health Treatment for Youth	<u>300,000</u>	<u>300,000</u>
Subtotal – Human Services	22,561,737	22,870,153

TOBACCO SETTLEMENT ALLOCATIONS - FY 2013-14 AND FY 2014-15 ^{1/}		
	FY 2013-14	FY 2014-15
LAW		
Defense Account of the Tobacco Litigation Settlement Cash Fund	1,000,000	1,000,000
LEGISLATURE		
Office of the State Auditor	89,000	89,000
MILITARY AND VETERANS AFFAIRS		
State Veterans Trust Fund	907,700	890,371
PERSONNEL		
Supplemental State Contribution Fund	1,260,011	1,194,600
PUBLIC HEALTH AND ENVIRONMENT		
AIDS Drug Assistance Program (ADAP; Ryan White)	3,176,950	3,116,297
Local, District and Regional Health Department Distributions	1,960,017	1,858,267
AIDS and HIV Prevention Grants (CHAPP)	1,815,400	1,780,741
Immunizations	1,120,010	1,061,867
Health Services Corps Fund	250,000	250,000
Dental Loan Repayment Program	<u>200,000</u>	<u>200,000</u>
Subtotal – Public Health and Environment	8,522,377	8,267,172
CAPITAL CONSTRUCTION		
Department of Higher Education - Fitzsimons Lease Purchase Payments	7,261,600	7,122,964
OTHER		
Amount not allocated (used to reduce accelerated payments)	1,341,015	1,253,799
TOTAL ALLOCATION TO TOBACCO-SUPPORTED PROGRAMS	\$90,769,997	\$89,037,053
^{1/} Amounts shown represent actual and anticipated allocations to program cash funds supported with Tobacco Settlement revenue based on statutory formulas and settlement payments received in April 2013 and April 2014. Appropriations for individual programs from program cash funds typically differ from these amounts, in part because actual revenue is not known at the time appropriations are enacted. Program spending is limited by the lesser of total funds available in program cash funds or appropriated amounts; however, with limited exceptions, programs are authorized to carry forward revenue that exceeds their appropriation into the next fiscal year. In FY 2013-14, actual receipts exceeded January 2013 projections by 0.7 percent. In FY 2014-15, receipts fell below January 2014 projections by 1.8 percent.		

Constitutional (Amendment 35) Tobacco Tax Revenue Allocation

Amendment 35 was approved by the voters in 2004 and added the following two cigarette and tobacco taxes to Section 21 of Article X of the Colorado Constitution:

1. An additional \$0.64 tax on each pack of cigarettes sold in Colorado (a pack equals twenty cigarettes); and
2. A statewide tobacco products tax equal to 20.0 percent of the manufacturer's list price, on the sale, use, consumption, handling, or distribution of tobacco products by distributors.

Amendment 35 was also codified in Section 24-22-117, C.R.S. This provision outlines how revenue from Amendment 35 is distributed to various state agencies including: the Departments of Health Care Policy and Financing, Public Health and Environment, and Human Services. The following table summarizes the distribution of Amendment 35 funds for FY 2014-15 as reflected in H.B. 14-1336.

FY 2014-15 Distribution of Amendment 35 Moneys			
Dept.	Program and/or Fund	Percent Allocation	FY 2014-15 Amount
HCPF	Health Care Expansion Fund, to provide funding to the Children's Basic Health Plan and Medicaid.	46.0%	\$64,952,000
HCPF	Primary Care Fund, to provide funding to clinics and hospitals that offer health care services to the uninsured or medically indigent.	19.0%	26,828,000
DPHE	Tobacco Education Programs Fund, to support grants for tobacco education, prevention and cessation.	16.0%	22,592,000
DPHE	Prevention, Early Detection and Treatment Fund	16.0%	22,592,000
	<i>Includes:</i>		
	<i>20.0% for CDPHE and HCPF for the Breast and Cervical Cancer Program (up to \$5.0 million)</i>	<i>3.2% of 16.0%</i>	<i>4,518,400</i>
	<i>15.0% to Health Disparities Program Fund</i>	<i>2.4% of 16.0%</i>	<i>3,388,800</i>
	<i>\$2.0 million to HCPF for disease management</i>	<i>dollar amount</i>	<i>0</i>
	<i>Center for Health and Environmental Information</i>	<i>dollar amount</i>	<i>283,884</i>
	<i>Remains in the Prevention, Early Detection and Treatment Fund for grants for cancer, cardiovascular and pulmonary disease.</i>		<i>\$14,400,916</i>
DHS	Old Age Pension Fund	1.5%	2,118,000
DOR	Local governments, to compensate for lost revenue from tobacco taxes	0.9%	1,270,800
DPHE	Immunizations performed by small local public health agencies.	0.3%	423,600
HCPF	Children's Basic Health Plan	0.3%	423,600
Total Distributions		100.0%	\$141,200,000
Department of Health Care Policy and Financing (HCPF) Total			\$92,203,600
Department of Public Health and Environment (DPHE) Total			45,607,600
Department of Human Services (DHS) Total			2,118,000
Department of Revenue (DOR) Total			1,270,800

Recent Legislation

2013 Session Bills

H.B. 13-1117 (Alignment of Child Development Programs): Consolidates several child development programs in the Department of Human Services, including, among others, the Nurse Home Visitor Program and the Tony Gramsas Youth Services Program, both of which receive funding from the Tobacco Master Settlement Agreement (MSA). Results in the transfer of Tobacco MSA appropriations for both of these programs from the Department of Public Health and Environment to the Department of Human Services. For additional information, see the Recent Legislation section for the Department of Human Services.

H.B. 13-1180 (Allocation of Tobacco Litigation Settlement Moneys): Pursuant to S.B. 11-224, a portion of the Tobacco Master Settlement Agreement (MSA) funding that was initially directed to the Nurse Home Visitor (NHV) Program was temporarily redirected to the General Fund. This bill restores these funds back to the NHV Program, less \$1.8 million in FY 2012-13 and \$1.0 million per year in FY 2013-14 through FY 2015-16 that is directed to the Defense Account of the Tobacco Settlement Cash Fund (Defense Account). The table below compares projected allocations before and after the enactment of this bill.

Allocation of Tobacco MSA Revenue: Changes to Nurse Home Visitor Program, Defense Account of Tobacco Litigation Settlement Cash Fund, and General Fund						
Projected Tobacco MSA Allocation Prior to H.B. 13-1180¹				Projected Tobacco MSA Allocation After H.B. 13-1180		
Fiscal Year	Nurse Home Visitor Program Fund (MSA Percent)	Transfer to General Fund (MSA Percent)	Transfer to General Fund (Amount)	Nurse Home Visitor Program Fund (MSA Percent)	Increase to Nurse Home Visitor Fund (Amount)	Transfer to Defense Account* (Amount)
2012-13	\$12,737,350	16% less NHV allocation	\$1,792,244	\$12,737,350	\$0	\$1,792,244
2013-14	15%	2%	1,803,330	17% less \$1,000,000	803,330	1,000,000
2014-15	16%	2%	1,820,072	18% less \$1,000,000	820,072	1,000,000
2015-16	17%	2%	1,802,274	19% less \$1,000,000	802,274	1,000,000
2016-17	18%	1%	909,221	19%	909,221	0
2017-18	19%	0%	0	19%	0	0
Total			\$8,127,141		\$3,334,897	\$4,792,244

¹ There were no allocations to the Defense Account prior to H.B. 13-1180

Provides a FY 2013-14 appropriation of \$803,330 cash funds to the Department of Human Services for the NHV program (based on the enactment of H.B. 13-1117, which transfers NHV from the Department of Public Health and Environment to the Department of Human Services). Provides a FY 2013-14 appropriation of

\$1,433,351 cash funds from the Defense Account to the Department of Law and reduces the General Fund appropriation to the Department of Law by the same amount.

H.B. 13-1181 (Tobacco Program Cash Funds): Enables various programs that receive Tobacco Master Settlement Agreement (MSA) funds to carry forward funds to the next fiscal year in program-specific cash funds in amounts not to exceed 5.0 percent of the prior year's program appropriation. Previously, the programs affected by the bill had no capacity to carry forward funds between fiscal years, and unspent amounts reverted at the end of the year to either the General Fund or the Tobacco Litigation Settlement Cash Fund. Modifies provisions related to existing cash funds and creates new program cash funds for two programs that did not previously have them: Tony Grampsas Youth Services and AIDS Drug Assistance. Specifies that if an end-of-year fund balance exceeds the 5.0 percent limit, the excess reverts to the Tobacco Litigation Settlement Cash Fund.

Due to the bill, Tobacco Settlement revenues that were allocated to programs in FY 2012-13 based on statutory formulas but that were in excess of the January 2012 tobacco settlement projections (and thus FY 2012-13 Long Bill appropriations) could be carried forward in program cash funds and appropriated in the FY 2013-14 Long Bill. The moneys carried forward to FY 2013-14 due to the bill are reflected in the table below.

	Tobacco Allocation Reflected in FY 2012-13 Long Bill (based on January 2012 Projection)	FY 2012-13 Final Tobacco Settlement Allocation	Excess Cash Funds Allowed to be Carried to FY 2013-14 per H.B. 13-1181 that Would Otherwise Have Reverted
PUBLIC HEALTH AND ENVIRONMENT			
Local, District and Regional Health Department Distributions	\$1,989,030	\$2,024,494	\$35,464
Immunizations	1,136,590	1,156,854	20,264
Nurse Home Visitor Program ^{/1}	12,737,350	12,737,350	0
Tony Grampsas Youth Services Program ^{/1}	3,571,900	3,632,399	60,499
AIDS Drug Assistance Program (Ryan White)	3,125,420	3,178,349	<u>52,929</u>
Subtotal – Public Health and Environment			\$169,156
HIGHER EDUCATION			
University of Colorado Health Sciences Center	13,923,200	14,171,456	\$248,256
HUMAN SERVICES*			
Treatment, Detoxification, and Prevention Contracts	852,440	867,640	15,200
Offender Mental Health Services	3,409,760	3,470,561	<u>60,801</u>
Subtotal – Human Services			\$76,001
TOTAL carry forward FY 2012-13 to FY 2013-14			\$493,413

^{/1}The Nurse Home Visitor Program and Tony Grampsas Youth Services Program were moved to the Department of Human Services in FY 2013-14 pursuant to H.B. 13-1117.

A total of \$591,892 will be carried forward in program funds from FY 2013-14 to FY 2014-15 because April 2013 receipts exceeded projections for FY 2013-14. However, there will be no carry-forward from FY 2014-15 to FY 2015-16, because April 2014 receipts fell below the amount projected for FY 2014-15.

H.B. 13-1305 (Address Possible Tobacco Settlement Payment): Requires the Attorney General to immediately notify various elected officials if an arbitration panel makes any findings regarding the failure of the State to diligently enforce state laws that require that tobacco manufacturers either participate in the Tobacco Master Settlement Agreement or place specified revenues into escrow. If such notification is provided, the Governor may instruct the State Treasurer to transfer a specific amount up to \$40.0 million from the General Fund to the Tobacco Litigation Settlement Cash Fund and from the Tobacco Litigation Settlement Cash Fund to the appropriate programs and program cash funds if the General Assembly is not in regular session and certain other conditions are met. The amount to be transferred is to be based on: (1) the amount required to cover working-capital advanced from the General Fund for programs funded with the Tobacco Litigation Settlement Cash Fund prior to the arbitration panel finding; and (2) any additional amount required to enable programs to meet critical state obligations and to reduce program expenditures in an orderly manner through the end of the next January.

2014 Session Bills

S.B. 14-104 (Tobacco Settlement Disputed Payments): Requires that disputed tobacco litigation settlement moneys received be credited to the Tobacco Litigation Settlement Cash Fund and be used to reduce the annual amount of accelerated payments from the fund. Previously, disputed tobacco litigation settlement moneys were credited to the General Fund. A total of \$11,367,403 in disputed payments was received in April 2014 and was subject to this change.

H.B. 14-1394 (Allocation of Tobacco Settlement Disputed Payments): Makes technical corrections to the statutory changes in S.B. 14-104.

H. AMOUNTS DEEMED EXEMPT FROM THE RESTRICTION ON GENERAL FUND APPROPRIATIONS SET FORTH IN SECTION 24-75-201.1, C.R.S.

From FY 1991-92 through FY 2008-09, Section 24-75-201.1, C.R.S., restricted annual state General Fund appropriations to the lesser of: (1) an amount equal to 5.0 percent of Colorado personal income, or (2) 6.0 percent over the total General Fund appropriations for the previous fiscal year. During this time period, the lesser amount was 6.0 percent over the previous year's General Fund appropriations, so this restriction was commonly called the "6.0 percent limit". The restriction was also referred to as the "Arveschoug/Bird limit" after the prime sponsors of the legislation that established this limit, Representative Arveschoug and Senator Bird.

Senate Bill 09-228 amended Section 24-75-201.1, C.R.S., to simply restrict annual state General Fund appropriations to an amount equal to 5.0 percent of Colorado personal income. Therefore, beginning in FY 2009-10, the 6.0 percent limit is no longer applicable.

Section 24-75-201.1 (1) (a) (III), C.R.S., specifies that the statutory limitation on General Fund appropriations shall not apply to:

- A. Any General Fund appropriation which, as a result of any requirement of *federal law*, is made for any new program or service or for any increase in the level of service for an existing program beyond the existing level of service;
- B. Any General Fund appropriation which, as a result of any requirement of a final state or federal *court order*, is made for any new program or service or for any increase in the level of service for an existing program beyond the existing level of service; or
- C. Any General Fund appropriation of any moneys which are derived from any increase in the rate or amount of any *tax or fee* which is approved by a majority of the registered electors of the state voting at any general election.

In addition, some other General Fund transfers and appropriations are not subject to the statutory limitation for reasons other than the exceptions listed in Section 24-75-201.1 (1) (a) (III), C.R.S. For example, pursuant to Section 24-75-302 (2), C.R.S., General Fund transfers to the Capital Construction Fund are not subject to the statutory limitation; and the General Fund appropriation related to the senior citizen and disabled veteran property tax exemption is not subject to the statutory limitation because enactment of Article X, Section 3.5 (3) of the Colorado Constitution constitutes voter approval of a weakening of the limitation. These other exceptions are noted in each relevant department sections of this report.

The tables included in this appendix list the General Fund amounts that were exempt from or were not subject to the statutory limitation on General Fund appropriations in FY 2013-14 and FY 2014-15. These amounts are organized into three sections, described below. Note that while these amounts are used to determine the limit on General Fund appropriations, some of these amounts do not appear in the Long Bill or other appropriations

bills. Further, of the amounts that do appear in appropriations bills, some are shown solely for informational purposes to reflect estimated expenditures. Notations to the table below provide additional detail.

Section 1 - Rebates and Expenditures

The quarterly revenue forecasts prepared by the Legislative Council Staff and the Office of State Planning and Budgeting often include dollar amounts referred to as "rebates and expenditures". These amounts reflect various annual expenditures that are exempt from or not subject to the statutory limitation on General Fund appropriations pursuant to statutory or constitutional provisions. These statutory and constitutional obligations include the following:

- the Old Age Pension program [Article XXIV of the Colorado Constitution];
- fire and police pension payments for local governments [Sections 31-30-1112 (2) (i) and 31-30.5-307 (3), C.R.S.];
- cigarette tax rebates to local governments [Section 39-22-623 (1) (a) (II) (A), C.R.S.];
- retail marijuana sales tax distributions to local governments [Section 39-28.8-203 (1) (a) (V), C.R.S.];
- Old Age Heat and Fuel and Property Tax Assistance Grants [Section 39-31-102 (1), C.R.S.];
- loans to school districts [Sections 22-54-110 and 29-15-112, C.R.S.]; and
- General Fund appropriations related to certain tobacco tax revenues [Article X, Section 21 of the Colorado Constitution, often referred to as "Amendment 35"].

Section 2 - Senior and Disabled Veteran Property Tax Homestead Exemption

In the 2000 general election, Colorado voters approved a constitutional amendment (Article X, Section 3.5) that reduces property taxes for qualifying senior citizens and disabled veterans. The property tax reduction, or "homestead exemption", is available to senior citizens 65 years of age or older who have owned and lived in their homes for at least ten years. In the 2006 general election, Colorado voters approved a constitutional amendment extending the homestead exemption to veterans who are 100 percent disabled as a result of a service-connected disability. The cost of the exemption is borne by the State rather than by local governments or other property owners.

Section 3 - Amounts Deemed Exempt

These amounts are appropriated for purposes that are exempt from the statutory limitation on General Fund appropriations as reflected in Section 24-75-201.1, C.R.S.

General Fund Appropriations Deemed Exempt from Statutory Restriction			
	Department	Amount	Reason
FY 2013-14			
<u>Section 1 - Rebates and Expenditures</u>			
Old Age Pensions ^{/1}	Human Services	\$110,400,000	Voter Approved

General Fund Appropriations Deemed Exempt from Statutory Restriction			
	Department	Amount	Reason
Volunteer Firefighter Benefit Plans ^{/2}	Local Affairs	4,294,753	Other
Cigarette Tax Rebate ^{/2}	Revenue	9,300,000	Other
Retail Marijuana Sales Tax Distribution ^{/1}	Revenue	2,900,000	Other
Old Age Heat and Fuel and Property Tax Assistance Grant ^{/2}	Revenue	7,100,000	Other
Fire and Police Pension Association (FPPA) - Old Hire Plans ^{/3}	Treasury	0	Other
Interest on Loans to School Districts ^{/1}	Treasury	800,000	Other
Children's Basic Health Plan Medical and Dental Costs (Amendment 35) ^{/2}	Health Care Policy and Financing	438,300	Voter Approved
Immunizations (Amendment 35) ^{/2}	Public Health and Environment	438,300	Voter Approved
Total Rebates and Expenditures		\$135,671,353	
<u>Section 2 - Homestead Exemption</u>			
Senior Citizen and Disabled Veteran Property Tax Exemption ^{/2}	Treasury	\$105,200,000	Voter Approved
Revenue Forecast Adjustment ^{/4}		<u>6,900,000</u>	
Total Homestead Exemption		\$112,100,000	
<u>Section 3 - Amounts Deemed Exempt</u>			
Total Amounts Deemed Exempt		\$0	
FY 2013-14 TOTAL		\$247,771,353	
FY 2014-15			
<u>Section 1 - Rebates and Expenditures</u>			
Old Age Pensions ^{/1}	Human Services	\$102,200,000	Voter Approved
Volunteer Firefighter Benefit Plans ^{/5}	Local Affairs	4,294,753	Other
Cigarette Tax Rebate ^{/5}	Revenue	8,800,000	Other
Retail Marijuana Sales Tax Distribution ^{/5}	Revenue	9,200,000	Other
Old Age Heat and Fuel and Property Tax Assistance Grant ^{/5}	Revenue	6,900,000	Other
Fire and Police Pension Association (FPPA) - Old Hire Plans ^{/3}	Treasury	0	Other
Interest on Loans to School Districts ^{/1}	Treasury	1,300,000	Other
Children's Basic Health Plan Medical and Dental Costs (Amendment 35) ^{/5}	Health Care Policy and Financing	423,600	Voter Approved
Immunizations (Amendment 35) ^{/5}	Public Health and Environment	<u>423,600</u>	Voter Approved
Total Rebates and Expenditures		\$133,541,953	

General Fund Appropriations Deemed Exempt from Statutory Restriction			
	Department	Amount	Reason
<u>Section 2 - Homestead Exemption</u>			
Senior Citizen and Disabled Veteran Property Tax Exemption ^{/5}	Treasury	\$118,400,000	Voter Approved
Revenue Forecast Adjustment		<u>0</u>	
Total Homestead Exemption		\$118,400,000	
<u>Section 3 - Amounts Deemed Exempt</u>			
Total Amounts Deemed Exempt		\$0	
FY 2014-15 TOTAL		\$251,941,953	

/1 These amounts are constitutionally or statutorily diverted prior to being deposited in the General Fund; therefore, they are not appropriated from the General Fund in any bill. The amounts shown are taken from the March 2014 revenue forecast prepared by the Governor's Office of State Planning and Budgeting, which was used to set the FY 2014-15 budget.

/2 These amounts are included in S.B. 13-230, the General Appropriations Act for FY 2013-14.

/3 Senate Bill 13-234 eliminated the annual \$25.3 million appropriation in the Long Bill (S.B. 13-230) and replaced it with a transfer of \$132.4 million from the General Fund to the Fire and Police Pension Association, which discharges the State's obligation to the old-hire pension plans.

/4 This amount is the difference between the amount included in S.B. 13-230 and the March 2014 revenue forecast prepared by the Governor's Office of State Planning and Budgeting.

/5 These amounts are included in H.B. 14-1336, the General Appropriations Act for FY 2014-15.

I. LETTERS REQUESTING INFORMATION FROM STATE DEPARTMENTS

Historically, the annual Long Bill included a number of footnotes that described the General Assembly's intent regarding an appropriation; placed a condition or limitation on an appropriation; explained any assumptions used in determining the specific amount of an appropriation; or requested information. However, pursuant to H.B. 08-1321 (Section 24-75-112 (2), C.R.S.), the Long Bill no longer contains footnotes that request information. In their place, the Joint Budget Committee submits requests for information to executive departments and the judicial branch via letters to the Governor, the Chief Justice, and other elected officials. Each request is associated with one or more specific Long Bill line items, and the requests have been prioritized by the Joint Budget Committee as required by Section 2-3-203 (3), C.R.S.

Copies of these letters are included in the following pages. The first of these attached letters is to the Governor and addresses all affected departments in alphabetical order except those under the purview of the Chief Justice or other elected officials. Letters to the Chief Justice (Judicial Department), the Attorney General (Department of Law), and the Treasurer (Department of Treasury) follow in that order. For FY 2014-15 there were no requests submitted to the Secretary of State (Department of State).

Responses to these requests for information are typically summarized in Joint Budget Committee staff briefing documents (available at http://www.tornado.state.co.us/gov_dir/leg_dir/jbc/jbchome.htm). Department submissions may also be requested in their entirety from the Legislative Library (email lcs.ga@state.co.us or telephone (303) 866-4011).

STATE OF COLORADO

REPRESENTATIVES

Crisanta Duran, Chair
Jenise May
Cheri Gerou

SENATORS

Pat Steadman, Vice-Chair
Mary Hodge
Kent Lambert

**STAFF DIRECTOR**

John Ziegler

JOINT BUDGET COMMITTEE

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LEGISLATIVE SERVICES BUILDING
Denver, CO 80203
Telephone 303-866-2061
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April 21, 2014

Hon. John Hickenlooper, Governor
136 State Capitol
Denver, CO 80203-1792

Dear Governor Hickenlooper:

The General Assembly recently finalized the FY 2014-15 Long Bill. Pursuant to Section 24-75-112 (2), C.R.S., the Long Bill footnotes no longer include requests for information. In lieu of such footnotes, the Joint Budget Committee respectfully submits the following requests for information. These requests are associated with specific Long Bill line items, and each has its own details and deadlines. Consistent with the provisions of Section 2-3-203 (3), C.R.S., information requests have been prioritized within each department in the attached lists.

To assist our staff in organizing and tracking submissions, we would appreciate if departments would follow the protocol outlined in an attachment to this letter with respect to submitting hard copies and electronic responses. The Committee requests that the state departments comply with these requests for information to the fullest extent possible.

Please notify us by May 5th if the Executive Branch does not intend to comply with any requests.

Sincerely,

A handwritten signature in cursive script, appearing to read "Crisanta D", followed by a long horizontal line extending to the right.

Representative Crisanta Duran
Chair

cc:

Executive Agency Directors
Henry Sobanet, Office of State Planning and Budgeting
John Ziegler, Joint Budget Committee Staff

Attachment
Requested Format for Responses to Legislative Requests for Information

Please submit both hard (paper) copies and electronic copies of request for information (RFI) responses as follows:

- Hard copies: Three (3) hard copies should be delivered by the requested due-date to the Joint Budget Committee (JBC) offices at 200 East 14th Ave., Denver, 3rd Floor.
- Electronic copies: An electronic copy of all paper submissions should also be submitted. This should be sent by email to:
 - The JBC analyst responsible for the specified budget area
 - Jessi Neuberg (jessi.neuberg@state.co.us) at the JBC offices
 - Legislative Council Staff at the following address: lcs.ga@state.co.us

The Legislative Council Staff (lcs.ga@state.co.us) will include the report in an electronic database (part of the Legislative Council Library) and will also ensure the report is distributed to other legislative committees, as specified in some of the RFIs.

- All submissions should include the following information:
 - Name of Department
 - Long Bill fiscal year to which the RFI is attached (FY 2014-15 for the RFIs listed in this letter)
 - Correct RFI number, as listed in this letter

Please include this information in the subject line for electronic submissions, as well as in the body of both electronic and hard copy submissions.

- Please use the following naming convention for your electronic attachments:

"[Department] [fiscal year] [RFI Number]"

For example, the attachment providing the response to RFI #5 in the Department of Health Care Policy and Financing would be entitled: **Health Care Policy and Financing FY 2014-15 RFI #5**

LEGISLATIVE REQUESTS FOR INFORMATION FROM THE EXECUTIVE BRANCH, FY 2014-15

REQUESTS AFFECTING MULTIPLE DEPARTMENTS

1. Department of Corrections, Management, Executive Director's Office Subprogram; Department of Human Services, Behavioral Health Services, Substance Use Treatment and Prevention; and Division of Youth Corrections; Judicial Department, Probation and Related Services; and Department of Public Safety, Division of Criminal Justice; and Colorado Bureau of Investigation -- State agencies involved in multi-agency programs requiring separate appropriations to each agency are requested to designate one lead agency to be responsible for submitting a comprehensive annual budget request for such programs to the Joint Budget Committee, including prior year, request year, and three year forecasts for revenues into the fund and expenditures from the fund by agency. The requests should be sustainable for the length of the forecast based on anticipated revenues. Each agency is still requested to submit its portion of such request with its own budget document. This applies to requests for appropriation from: the Offender Identification Fund, the Sex Offender Surcharge Fund, the Persistent Drunk Driver Cash Fund, and the Alcohol and Drug Driving Safety Program Fund, among other programs.
2. Department of Education, Assistance to Public Schools, Categorical Programs; and Department of Higher Education, Division of Occupational Education, Distribution of State Assistance for Career and Technical Education pursuant to Section 23-8-102, C.R.S. -- The Department of Education is requested to work with the Department of Higher Education and to provide to the Joint Budget Committee information concerning the distribution of state funds available for each categorical program, excluding grant programs. The information for special education programs for children with disabilities, English language proficiency programs, public school transportation, career and technical education, and small attendance center aid is requested to include the following: (a) a comparison of the state funding distributed to each district or administrative unit for each program in fiscal year 2013-14 and the maximum allowable distribution pursuant to state law and/or State Board of Education rule; and (b) a comparison of the state and federal funding distributed to each district or administrative unit for each program in fiscal year 2012-13 and actual district expenditures for each program in fiscal year 2012-13. The information for special education programs for gifted and talented children is requested to include a comparison of the state funding distributed to each district or administrative unit for each program in fiscal year 2012-13 and actual district expenditures in fiscal year 2012-13.
3. Governor – Lieutenant Governor – State Planning and Budgeting, Office of State Planning and Budgeting; and Department of Public Safety, Division of Homeland Security and Emergency Management, Office of Emergency Management, Disaster Response and Recovery -- The Office of Emergency Management is requested to work with the Office of State Planning and Budgeting to provide a report to the Joint Budget

Committee by November 1, 2014, concerning revenues credited to and expenditures made from the Disaster Emergency Fund in fiscal years 2013-14 and 2014-15 year-to-date. The report is requested to include the following: (a) amounts authorized to be transferred to the Disaster Emergency Fund, by Executive Order and fund source; (b) amounts actually transferred to the Fund, by date and fund source; and (c) actual expenditures from the Fund, by date and declared disaster emergency.

DEPARTMENT OF AGRICULTURE

1. Department of Agriculture, Commissioner's Office and Administrative Services, Agriculture Management Fund -- The Department of Agriculture is requested to provide by November 1, 2014, a report detailing all expenditures made from the Agriculture Management Fund in FY 2013-14 and anticipated in FY 2014-15, as well as planned expenditures from the fund for FY 2015-16.

DEPARTMENT OF CORRECTIONS

1. Department of Corrections, Institutions, Mental Health Subprogram -- The Department is requested to submit a report to the House Judiciary Committee, the Senate Judiciary Committee, and the Joint Budget Committee by January 31, 2015, detailing the progress related to the mental health unit at Centennial Correctional Facility.
2. Department of Corrections, Community Services, Community Supervision Subprogram, Community Supervision, Psychotropic Medication -- The Department is requested to submit a report to the Joint Budget Committee on or before February 1, 2015, summarizing the outcomes of offenders who were provided psychotropic medication from this line item. The report is requested to include the number of mentally ill offenders who receive medication from this line item, the regression rate of the offenders, and the number of offenders who commit new crimes.

DEPARTMENT OF EDUCATION

1. Department of Education, Assistance to Public Schools, Public School Finance, State Share of Districts' Total Program Funding -- The Department is requested to provide to the Joint Budget Committee, on or before November 1, 2014, information concerning the Colorado Preschool Program. The information provided is requested to include the following for fiscal year 2013-14: (a) data reflecting the ratio of the total funded pupil count for the Program to the total funded pupil count for kindergarten; (b) data indicating the number of three-year-old children who participated in the Program; (c) data indicating the number of children who participated in the Program for a full-day rather than a half-day; and (d) the state and local shares of total program funding that is attributable to the Program.
2. Department of Education, Assistance to Public Schools, Grant Programs, Distributions, and Other Assistance -- The Department is requested to provide information to the Joint

Budget Committee by November 1, 2014, concerning the allocation of funding to eligible boards of cooperative services (BOCES) pursuant to Section 22-2-122 (3), C.R.S. Specifically, the Department is requested to detail the sources of funds and the allocations made to each BOCES in fiscal years 2012-13 and 2013-14.

GOVERNOR-LIEUTENANT GOVERNOR-STATE PLANNING AND BUDGETING

1. Governor - Lieutenant Governor - State Planning and Budgeting, Office of the Governor, Colorado Energy Office -- The Colorado Energy Office is requested to submit a report to the Joint Budget Committee on November 1, 2014. At a minimum, the report shall specify the following information with regard to the programs administered by the Office in FY 2013-14: (1) the amount of moneys expended in FY 2013-14 from the Clean and Renewable Energy Fund, Innovative Energy Fund, Colorado Low-income Energy Assistance Fund, and Public School Energy Efficiency Fund; (2) the goals and objectives that the moneys in section (1) were intended to achieve; (3) the performance measures used by the Office to monitor the status of moneys outlined in section (1) against said measures; and (4) the status of the performance measures outlined in section (3).
2. Governor - Lieutenant Governor - State Planning and Budgeting, Office of Information Technology -- The Governor's Office of Information Technology is requested to submit a report to the Joint Budget Committee on November 1, 2014. At a minimum, the report shall specify information technology expenditures made by executive branch State agencies in FY 2013-14 from appropriations outside of the Governor's Office of Information Technology budget. The report shall be organized by agency and by expenditure purpose (e.g. computers, network equipment, etc.).
3. Governor - Lieutenant Governor - State Planning and Budgeting, Office of Information Technology -- The Governor's Office of Information Technology is requested to submit a report to the Joint Budget Committee and all executive branch agencies on September 1, 2014. At a minimum, the report shall include recoverable costs and rates for each service and service category for the FY 2014-15 base information technology appropriation contained in the FY 2014-15 Long Bill appropriations act. Additionally, the report shall include FY 2014-15 base information technology appropriations contained in the FY 2014-15 Long Bill appropriations act by agency, service name, utilization, allocated rate, utilization criteria, and appropriation allocation.

DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

1. Department of Health Care Policy and Financing, Executive Director's Office, General Administration, General Professional Services and Special Projects -- The Department is requested to submit a plan to the Joint Budget Committee by November 1, 2014 for an ongoing annual process to address disparities in Medicaid rates that limit client access to cost-effective care. The proposed process must include opportunities for legislative input and modification. The proposed process must provide actions that can be taken to

improve or preserve client access and quality of care in years when state funding for rates is flat or declining as well as years when funding increases. The Department is also requested to report on rate setting procedures used by other public and private insurers and evaluate the applicability of those processes to addressing rate disparities in Colorado. The plan should include an estimate of administrative costs and any statutory changes that may be necessary for implementation.

2. Department of Health Care Policy and Financing, Executive Director's Office, Personal Services -- The Department is requested to submit a report to the Joint Budget Committee, by November 1, 2014, identifying when clients may be experiencing difficulty accessing cost-effective care. As part of the report, the Department is requested to submit a plan for improving the metrics with a dual goal of developing and implementing intervention procedures where appropriate and providing quantifiable data to support rate setting decisions.
3. Department of Health Care Policy and Financing, Executive Director's Office -- The Department is requested to submit monthly Medicaid expenditure and caseload reports on the Medical Services Premiums, mental health capitation, and the intellectual and developmental disabilities line items to the Joint Budget Committee, by the fifteenth or first business day following the fifteenth of each month. The Department is requested to include in the report the managed care organization caseload by aid category. The Department is also requested to provide caseload and expenditure data for the Children's Basic Health Plan, the Medicare Modernization Act State Contribution Payment, and the Old Age Pension State Medical Program within the monthly report.
4. Department of Health Care Policy and Financing, Medical Services Premiums -- The Department is requested to submit a report by November 1, 2014, to the Joint Budget Committee, providing information on the implementation of the Accountable Care Collaborative Organization project. In the report, the Department is requested to inform the Committee on how many Medicaid clients are enrolled in the pilot program, the current administrative fees and costs for the program, and performance results with an emphasis on the fiscal impact.
5. Department of Health Care Policy and Financing, Office of Community Living, Division of Intellectual and Developmental Disabilities - The Department is request to submit a report to the Joint Budget Committee on November 1, 2014 regarding the status of the distribution of the full program equivalents for the developmental disabilities waivers. The report is requested to identify any current or possible future issues which would prevent the distribution and enrollment of all full program equivalents noted in the FY 2014-15 Long Bill.
6. Department of Health Care Policy and Financing, Indigent Care Program, Safety Net Provider Payments -- The Department is requested to submit a report by February 1 of each year, to the Joint Budget Committee, estimating the disbursement to each hospital from the Safety Net Provider Payments line item.

7. Department of Health Care Policy and Financing, Other Medical Services, Public School Health Services -- The Department is requested to submit a report by November 1 of each year to the Joint Budget Committee on the services that receive reimbursement from the federal government under the S.B. 97-101 public school health services program. The report is requested to include information on the type of services, how those services meet the definition of medical necessity, and the total amount of federal dollars that were distributed to each school under the program. The report should also include information on how many children were served by the program.

DEPARTMENT OF HIGHER EDUCATION

1. Department of Higher Education, Colorado Commission on Higher Education, Administration -- The Department should continue its efforts to provide data on the efficiency and effectiveness of state financial aid in expanding access to higher education for Colorado residents. The Department is requested to provide to the Joint Budget Committee by January 1 of each year an evaluation of financial aid programs, which should include, but not be limited to: 1) an estimate of the amount of federal, institutional, and private resources (including tax credits) devoted to financial aid; 2) the number of recipients from all sources; 3) information on typical awards; and 4) the typical debt loads of graduates. To the extent possible, the Department should differentiate the data based on available information about the demographic characteristics of the recipients. To the extent that this information is not currently available, the Department is requested to provide a reasonable estimate, or identify the additional costs that would be associated with collecting the data.
2. Department of Higher Education, Colorado Commission on Higher Education, Special Purpose, GEAR UP -- The Department is requested to provide a report by November 1, 2014, on the GEAR UP program, including how funds provided are used and the program's impact on students.

DEPARTMENT OF HUMAN SERVICES

1. Department of Human Services, Services for People with Disabilities, Division of Vocational Rehabilitation -- The Department is requested to provide quarterly reports on the number of individuals receiving vocational rehabilitation services including: a break down by category of the number of individuals receiving services; the average cost by category of services; the projected fiscal year expenditures, and the projected balance of the State's federal vocational rehabilitation account.
2. Department of Human Services, Behavioral Health Services, Mental Health Community Programs, Mental Health First Aid -- The Department is requested to provide, by November 1, 2014, a report concerning the expenditure and impact of state funds to support mental health first aid training. The Department is requested to include information concerning the number of instructors that were trained and the number of

educators, first responders, and military service personnel who were certified as a result of FY 2013-14 expenditures. The Department is also requested to provide information about planned expenditures for FY 2014-15.

3. Department of Human Services, Totals -- The Department is requested to submit a report concerning the status of federal Temporary Assistance for Needy Families (TANF) funds. The requested report should include the following: (a) an analysis of the TANF Long Term Reserve, including estimated TANF funds available for appropriation, estimated TANF appropriations by Long Bill line item, and the estimated closing Long Term Reserve balance, for the most recent actual fiscal year, the current fiscal year, and the request fiscal year; (b) an analysis of the TANF maintenance of effort (MOE) payments, showing the actual and forecasted MOE expenditures, by program, for the most recent actual fiscal year, the current fiscal year, and the request fiscal year; and (c) an analysis of the counties' TANF reserve balances that includes, for each county, for the most recent actual fiscal year, the starting TANF Reserve Account balances for the Works Program, Title XX, and Child Care Development Fund accounts, the annual TANF allocation, the total expenditures, the net transfers to child care and child welfare, any amounts remitted to the state, and the closing reserve balance for all county TANF accounts. The report should be provided to the Joint Budget Committee annually on or before November 1. An update to this information reflecting data at the close of the federal fiscal year should be provided to the Joint Budget Committee annually on or before January 1.
4. Department of Human Services, Office of Self Sufficiency, Special Purpose Welfare Programs, Refugee Assistance -- The Department is requested to submit a report by November 1 of each fiscal year on the size of the Colorado refugee population, the percent that is TANF-eligible, federal funding received from the Department of Health and Human Services, Office of Refugee Resettlement in the most recent actual fiscal year, and federal funding projected to be received in the current and next fiscal year from the Office of Refugee Resettlement.
5. Department of Human Services, Adult Assistance, Community Services for the Elderly -- The Department is requested to submit a report by November 1 of each year on Older Americans Act Funds received and anticipated to be received, and the match requirements for these funds. The report should also specify the amount of funds, if any, that were transferred between the State Funding for Senior Services line item and the Older Americans Act Programs line item in the prior actual fiscal year to comply with federal match requirements.
6. Department of Human Services, Division of Youth Corrections -- The Division is requested to provide a report to the Joint Budget Committee by November 1 of each year concerning its proposed and actual use of budgetary flexibility. The report should specify funds that have been or are anticipated to be transferred and how the changes will affect services, including the numbers and types of institutional and community placements anticipated to be used for youth in commitment and detention placements.

7. Department of Human Services, Division of Youth Corrections, Administration -- The Division is requested to continue its efforts to provide outcome data on the effectiveness of its programs. The Division is requested to provide to the Joint Budget Committee, by January 1 of each year, a report evaluating Division placements, community placements, and nonresidential placements. The evaluation should include, but not be limited to, the number of juveniles served, length of stay, and recidivism data per placement.
8. Department of Human Services, Division of Youth Corrections, Community Programs, S.B. 91-94 Programs -- The Department is requested to submit to the Joint Budget Committee no later than November 1 of each year a report that includes the following information by judicial district and for the state as a whole: (1) comparisons of trends in detention and commitment incarceration rates; (2) profiles of youth served by S.B. 91-94; (3) progress in achieving the performance goals established by each judicial district; (4) the level of local funding for alternatives to detention; and (5) identification and discussion of potential policy issues with the types of youth incarcerated, length of stay, and available alternatives to incarceration.
9. Department of Human Services, Division of Child Welfare, Hotline for Child Abuse and Neglect – The Department is requested to provide to the Joint Budget Committee, by the first of the month following the end of each quarter, information concerning the progress of the development and implementation of the child abuse and neglect hotline reporting system, including: (a) deliverables contained in each vendor contract; (b) associated expenditures for each element; (c) progress of rule-making; and relevant outcome data, including but not limited to: (i) call volume; (ii) call duration; (iii) wait time; (iv) number of and time to complete Enhanced Screening guide performed by Help Desk staff; (v) and workload indicators of hotline administration.
10. Department of Human Services, Division of Child Welfare; and Totals – The Department is requested to provide a report to the Joint Budget Committee by October 1 of each fiscal year concerning the amount of federal revenues earned by the State for the previous fiscal year, pursuant to Title IV-E of the Social Security Act, as amended; the amount of money that was expended for the previous state fiscal year, including information concerning the purposes of the expenditures; and the amount of money that was credited to the Excess Federal Title IV-E Reimbursements Cash Fund created in Section 26-1-111(2) (d) (II) (C), C.R.S.
11. Department of Human Services, Totals – The Department is requested to submit annually, on or before November 1, a report to the Joint Budget Committee concerning federal Child Care Development Funds. The requested report should include the following information related to these funds for the actual, estimate, and request years: (a) the total amount of federal funds available, and anticipated to be available, to Colorado, including funds rolled forward from previous state fiscal years; (b) the amount of federal funds expended, estimated, or requested to be expended for these years by Long Bill line item; (c) the amount of funds expended, estimated, or requested to be expended for these years, by Long Bill line item where applicable, to be reported to the

federal government as either maintenance of effort or matching funds associated with the expenditure of federal funds; and (d) the amount of funds expended, estimated, or requested to be expended for these years that are to be used to meet the four percent federal requirement related to quality activities and the federal requirement related to targeted funds. An update to the information on the amount of federal funds anticipated to be available and requested to be expended by Long Bill line item should be provided to the Joint Budget Committee annually on or before January 15.

12. Department of Human Services, Division of Child Welfare, Child Welfare Services – The Department is requested to provide to the Joint Budget Committee, by November 1 of each year, information concerning the actual use of funds distributed through the child welfare allocation model, including data on expenses and children served by funding category. At a minimum, such data should include the following: (a) program services expenditures and the average cost per open involvement per year; (b) out-of-home placement care expenditures and the average cost per child per day; and (c) subsidized adoption expenditures and the average payment per child per day.
13. Department of Human Services, Division of Child Welfare – The Department is requested to provide to the Joint Budget Committee, by November 1 of each year, information concerning the gross amount of payments to child welfare service providers, including amounts that were paid using revenues other than county, state, or federal tax revenues. The Department is requested to identify amounts, by source, for the last two actual fiscal years.
14. Department of Human Services, Behavioral Health Services, Substance Use Treatment and Prevention, Treatment Services, Treatment and Detoxification Contracts – The Department is requested to provide by November 1, 2014, a report describing the measurable outcomes it uses to determine: (a) the effectiveness of the Strategies for Self-improvement and Change (SSC) treatment curriculum and modality; and (b) whether to continue using a portion of this appropriation to support SSC for residential treatment and substance use disorder outpatient treatment.

DEPARTMENT OF LABOR AND EMPLOYMENT

1. Department of Labor and Employment, Division of Unemployment Insurance, Employment and Training Technology Initiatives – The Department is requested to submit a report by November 1, 2014, to the Joint Budget Committee outlining an annual technology plan related to Training and Technology Fund appropriations and the WyCAN Consortium. The report should contain specific details of technology projects supported with these funds including: measureable project goals, project deliverables and deadlines, a summary of federal funds associated with technology projects supported by Training and Technology Fund appropriations, and the Office of Information Technology's specific role in these projects.

DEPARTMENT OF NATURAL RESOURCES

1. Department of Natural Resources, Executive Director's Office, Administration, Integrated Resource Services -- The Department of Natural Resources is requested to provide a report, by November 1, 2014, listing the number of projects funded through the Integrated Resource Services line item and the cost of each project. The report should provide information for the most recent year actual expenditures, the current year estimated expenditures, and the request year estimated expenditures.
2. Department of Natural Resources, Oil and Gas Conservation Commission, Emergency Response -- The Oil and Gas Conservation Commission is requested to include in its annual budget request a report detailing all expenditures made in the previous year from this line item.
3. Department of Natural Resources, Oil and Gas Conservation Commission, Special Environmental Protection and Mitigation Studies -- The Oil and Gas Conservation Commission is requested to include in its annual budget request a report detailing all expenditures made in the previous year from this line item.
4. Department of Natural Resources, Division of Parks and Wildlife, Colorado Parks and Wildlife Operations -- The Division of Parks and Wildlife is requested to provide the Joint Budget Committee with a report on Parks and Outdoor Recreation and Wildlife sources of revenue as well as the expenditures of revenues by revenue type. The report should provide an analysis of lottery funds Great Outdoors Colorado Board Grants used for operations and capital projects. The report is requested to be submitted by November 1, 2014.

DEPARTMENT OF PERSONNEL

1. Department of Personnel, Division of Human Resources, State Agency Services -- The Department is requested to provide a report to the Joint Budget Committee by November 1, 2014, providing workload statistics and task descriptions outlining the additional workload performed by the State Agency Services office with the additional staff resources gained by contracting the total compensation study as described in the Department's FY 2014-15 R1 Total Compensation Vendor request.

DEPARTMENT OF PUBLIC HEALTH AND ENVIRONEMNT

1. Department of Public Health and Environment, Totals -- The Department is requested to submit to the Joint Budget Committee by November 1, 2014, a strategic plan addressing how to most efficiently manage the grant programs administered by the Department. The plan should include an overview of the grant programs and the current methods used to track applications, make grant decisions, pay out grant funds, and the financial and performance standards used to monitor grantees. The plan should also include the

proposed changes to improve and standardize Department methods and a timeline for implementing the proposed changes.

2. Department of Public Health and Environment, Air Pollution Control Division -- The Department is requested to submit a report on changes in workload and staffing needs of the Air Pollution Control Division from the needs reported to the Joint Budget Committee on November 1, 2013. The Department is requested to submit this report to the Joint Budget Committee by November 1, 2014.
3. Department of Public Health and Environment, Water Quality Control Division -- The Department is requested to submit a report on changes in workload and staffing needs of the Water Quality Control Division from the staffing needs reported to the Joint Budget Committee on November 1, 2013. The Department is requested to submit this report to the Joint Budget Committee by November 1, 2014.
4. Department of Public Health and Environment, Hazardous Materials and Waste Management Division, Contaminated Site Cleanups and Remediation Programs -- The Department is requested to submit a report on its CERCLA program. This report is requested to include detailed expenditures for the program, including out-year estimates by project and associated project financing. The report should also include an analysis of long-term funding needs of the State in responding to, litigating, and cleaning up CERCLA sites, including estimated long-term maintenance costs for these sites. The report should also provide information on the Hazardous Substance Response Fund balance and out-year fiscal estimates. The Department is requested to submit this report to the Joint Budget Committee by November 1, 2014.

DEPARTMENT OF PUBLIC SAFETY

1. Department of Public Safety, Colorado State Patrol, Information Technology Asset Maintenance -- The Department is requested to submit to the Joint Budget Committee an annual expenditure report on November 1 of each year. At a minimum, each report should include on-going 5-year expenditure estimates for the line item, any new contracts awarded, and the names of the vendors.
2. Department of Public Safety, Division of Criminal Justice, Community Corrections, Community Corrections Placements -- As part of its FY 2015-16 budget request, the Department is requested to report actual average daily community corrections placements for recently completed fiscal years with a level of detail compatible with FY 2014-15 Long Bill footnote 74. This document should also report condition of probation placements.
3. Department of Public Safety, Division of Criminal Justice, Community Corrections -- The Department is requested to submit the evaluation report for the Subsistence Grace Period Pilot Project to the Joint Budget Committee as soon as feasible after the project is completed but no later than November 1, 2015. The Department is encouraged to submit

the report in time for FY 2015-16 figure setting, if meaningful results are available at that time. The Department is requested to examine whether a subsistence grace period alters length of stay; rates of successful completion, technical violation, or escape; the amount owed to programs at termination; and the amount of savings at termination. The Department is requested to examine whether the effects depend upon the risk level of the offender. The Department is requested to estimate the magnitude of the effects and the precision of the estimates. The Department is also requested to conduct a cost-benefit analysis to determine whether the benefits, if any, observed during the period covered by this study, exceed the cost. The report need not be limited to these questions.

4. Department of Public Safety, Division of Criminal Justice, Community Corrections, Community Corrections Placements – The Department is requested to submit a report to the Joint Budget Committee by November 1, 2014 that includes the following information for FY 2013-14 for community corrections facilities of different sizes: (1) the average number of total staff, the average number of security staff, and the average number of case managers; (2) the average wage and salary of security staff and case managers; (3) the average cost of benefits, excluding payroll taxes, for security staff and for case managers; (4) the average turnover rate and length of employment for security staff and the average length of employment for case managers; and (5) average case manager caseloads for resident and non-resident offenders. The Department is also requested to continue collecting periodic financial statements and starting salary information from community corrections programs. The Department is requested to retain the data received from each facility.
5. Department of Public Safety, Division of Criminal Justice, Community Corrections, Community Corrections Placements – The Department is requested to submit a report to the Joint Budget Committee by November 1, 2014 that addresses the estimated impact on community corrections facilities and community corrections boards of any standards or rules that the Department has issued or revised during the prior 12 months. This report should include a summary of the new standards or rules, an estimate of the amount of time it will take facilities or boards to comply, an estimate of the number of additional FTE that will be required for compliance, and an estimate of additional financial costs that facilities or boards may incur. The Department is also requested to report any new or revised standards, rules, or laws from the federal government, the state government, local governments, or other parties that are likely to have a similar impact on community corrections facilities or on community corrections boards. The Department does not need to estimate the costs of standards, rules, and laws issued by other governments or other parties.
6. Department of Public Safety, Totals -- The Department is requested to submit to the Joint Budget Committee, by November 1 of each year, a detailed report on the Department's use of Highway Users Tax Fund (HUTF) moneys by division and program. Each annual report should include the amount of HUTF spent and the Full-time Equivalent (FTE) employees for each program in the prior fiscal year, including Colorado State Patrol FTE performing work for other divisions.

STATE OF COLORADO

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LEGISLATIVE SERVICES BUILDING
Denver, CO 80203
Telephone 303-856-2061
www.tornado.state.co.us/gov_dir/leg_dir/jbc/jbchome.htm

April 21, 2014

Hon. Nancy E. Rice, Chief Justice of the Colorado Supreme Court
2 East 14th Avenue
Denver, CO 80203

Dear Chief Justice Rice:

The General Assembly recently finalized the FY 2014-15 Long Bill. Pursuant to Section 24-75-112 (2), C.R.S., the Long Bill footnotes no longer include requests for information. In lieu of such footnotes, the Joint Budget Committee respectfully submits the following requests for information. These requests are associated with specific Long Bill line items, and each has its own details and deadlines. Consistent with the provisions of Section 2-3-203 (3), C.R.S., information requests are prioritized within each department.

To assist our staff in organizing and tracking submissions, we would appreciate if the department would follow the protocol outlined in an attachment to this letter with respect to submitting hard copies and electronic responses. The Committee requests that the department comply with these requests for information to the fullest extent possible.

Please notify us by May 5th if the department does not intend to comply with any requests.

Sincerely,

A handwritten signature in cursive script, appearing to read "Crisanta Duran", followed by a horizontal line.

Representative Crisanta Duran
Chair

cc:

Gerald Marroney, State Court Administrator
Thomas Raynes, Executive Director, Colorado District Attorneys' Council
John Ziegler, Joint Budget Committee Staff

Attachment
Requested Format for Responses to Legislative Requests for Information

Please submit both hard (paper) copies and electronic copies of request for information (RFI) responses as follows:

- Hard copies: Three (3) hard copies should be delivered by the requested due-date to the Joint Budget Committee (JBC) offices at 200 East 14th Ave., Denver, 3rd Floor.
- Electronic copies: An electronic copy of all paper submissions should also be submitted. This should be sent by email to:
 - The JBC analyst responsible for the specified budget area
 - Jessi Neuberger (jessi.neuberger@state.co.us) at the JBC offices
 - Legislative Council Staff at the following address: lcs.ga@state.co.us

The Legislative Council Staff (lcs.ga@state.co.us) will include the report in an electronic database (part of the Legislative Council Library) and will also ensure the report is distributed to other legislative committees, as specified in some of the RFIs.

- All submissions should include the following information:
 - Name of Department
 - Long Bill fiscal year to which the RFI is attached (FY 2014-15 for the RFIs listed in this letter)
 - Correct RFI number, as listed in this letter

Please include this information in the subject line for electronic submissions, as well as in the body of both electronic and hard copy submissions.

- Please use the following naming convention for your electronic attachments:

"[Department] [fiscal year] [RFI Number]"

For example, the attachment providing the response to RFI #5 in the Department of Health Care Policy and Financing would be entitled: **Health Care Policy and Financing FY 2014-15 RFI #5**

LEGISLATIVE REQUESTS FOR INFORMATION

FY 2014-15

REQUESTS AFFECTING MULTIPLE DEPARTMENTS

1. Department of Corrections, Management, Executive Director's Office Subprogram; Department of Human Services, Behavioral Health Services, Substance Use Treatment and Prevention; and Division of Youth Corrections; Judicial Department, Probation and Related Services; and Department of Public Safety, Division of Criminal Justice; and Colorado Bureau of Investigation -- State agencies involved in multi-agency programs requiring separate appropriations to each agency are requested to designate one lead agency to be responsible for submitting a comprehensive annual budget request for such programs to the Joint Budget Committee, including prior year, request year, and three year forecasts for revenues into the fund and expenditures from the fund by agency. The requests should be sustainable for the length of the forecast based on anticipated revenues. Each agency is still requested to submit its portion of such request with its own budget document. This applies to requests for appropriation from: the Offender Identification Fund, the Sex Offender Surcharge Fund, the Persistent Drunk Driver Cash Fund, and the Alcohol and Drug Driving Safety Program Fund, among other programs.

JUDICIAL DEPARTMENT

1. Judicial Department, Trial Courts, District Attorney Mandated Costs – District Attorneys in each judicial district shall be responsible for allocations made by the Colorado District Attorneys' Council's Mandated Cost Committee. Any increases in this line item shall be requested and justified in writing by the Colorado District Attorneys' Council, rather than the Judicial Department, through the regular appropriation and supplemental appropriation processes. The Colorado District Attorneys' Council is requested to submit an annual report by November 1 detailing how the District Attorney Mandated Costs appropriation is spent, how it is distributed, and the steps taken to control these costs.
2. Judicial Department, Trial Courts, Court Costs, Jury Costs, and Court-appointed Counsel; Office of the Child's Representative, Court-appointed Counsel – The State Court Administrator's Office (SCAO) is requested to provide by November 1, 2014, a report concerning practices related to court appointments in domestic relations cases, including the following information: (1) The number of state-paid appointments in each judicial district for FY 2013-14 and the associated state expenditures for attorneys serving as a child and family investigator (CFI), for non-attorneys serving as a CFI, and for attorneys serving as a child's legal representative (CLR); (2) a description of the SCAO's role in overseeing privately-paid appointments of CFIs and CLRs; (3) the merits of allowing judges the discretion to appoint an attorney or a non-attorney as a CFI; (4) the merits of having two different judicial agencies overseeing state-paid appointments in domestic relations cases; and (5) the merits of paying attorneys and non-attorneys who serve as CFIs different hourly rates. The SCAO is

requested to prepare the report with the input of the Office of the Child's Representative (OCR), and the OCR is requested to cooperate with the SCAO as necessary to prepare the requested report.

3. Judicial Department, Office of the State Public Defender – The State Public Defender is requested to provide by November 1, 2014, a report concerning the Appellate Division's progress in reducing its case backlog, including the following data for FY 2013-14: the number of new cases; the number of opening briefs filed by the Office of the State Public Defender; the number of cases resolved in other ways; the number of cases closed; and the number of cases awaiting an opening brief as of June 30, 2014.
4. Judicial Department, Probation and Related Services – The State Court Administrator's Office is requested to provide by November 1 of each year a report on pre-release rates of recidivism and unsuccessful terminations and post-release recidivism rates among offenders in all segments of the probation population, including the following: adult and juvenile intensive supervision; adult and juvenile minimum, medium, and maximum supervision; and the female offender program. The Office is requested to include information about the disposition of pre-release failures and post-release recidivists, including how many offenders are incarcerated (in different kinds of facilities) and how many offenders return to probation as the result of violations.
5. Judicial Department, Probation and Related Services, Offender Treatment and Services – The State Court Administrator's Office is requested to provide by November 1 of each year a detailed report on how this appropriation is used, including the amount spent on testing, treatment, and assessments for offenders.

STATE OF COLORADO

REPRESENTATIVES

Crisanta Duran, Chair
Jenise May
Cheri Gerou

SENATORS

Pat Steadman, Vice-Chair
Mary Hodge
Kent Lambert



STAFF DIRECTOR
John Ziegler

JOINT BUDGET COMMITTEE

200 East 14th Avenue, 3rd Floor
LEGISLATIVE SERVICES BUILDING
Denver, CO 80203
Telephone 303-866-2061
www.tornado.state.co.us/gov_dir/leg_dir/jbc/jbchome.htm

April 21, 2014

Hon. John Suthers, Attorney General
Colorado Department of Law
Ralph L. Carr Colorado Judicial Center
1300 Broadway, 10th Floor
Denver, CO 80203

Dear Attorney General Suthers:

The General Assembly recently finalized the FY 2014-15 Long Bill. Pursuant to Section 24-75-112 (2), C.R.S., the Long Bill footnotes no longer include requests for information. In lieu of such footnotes, the Joint Budget Committee respectfully submits the following requests for information. These requests are associated with specific Long Bill line items, and each has its own details and deadlines. Consistent with the provisions of Section 2-3-203 (3), C.R.S., information requests have been prioritized within each department in the attached lists.

To assist our staff in organizing and tracking submissions, we would appreciate if the department would follow the protocol outlined in an attachment to this letter with respect to submitting hard copies and electronic responses. The Committee requests that the department comply with these requests for information to the fullest extent possible.

Please notify us by May 5th if the department does not intend to comply with any requests.

Sincerely,

A handwritten signature in black ink, appearing to read "Crisanta Duran", with a long, sweeping horizontal line extending to the right.

Representative Crisanta Duran
Chair

cc:

Hugh Wilson, Director of Administration, Colorado Department of Law
Jon Reitan, Budget Director, Colorado Department of Law
Cynthia Coffman, Deputy Attorney General, Colorado Department of Law
John Ziegler, Joint Budget Committee Staff

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For example, the attachment providing the response to RFI #5 in the Department of Health Care Policy and Financing would be entitled: **Health Care Policy and Financing FY 2014-15 RFI #5**

LEGISLATIVE REQUESTS FOR INFORMATION

FY 2014-15

DEPARTMENT OF LAW

1. Department of Law, Criminal Justice and Appellate, Appellate Unit – The Department is requested to provide by November 1, 2014, a report concerning the Appellate Unit’s progress in reducing its case backlog, including the following data for FY 2013-14: the number of opening briefs received; the number of answer briefs filed; the number of cases resolved through the expedited docket; the number of cases resolved through the experimental docket; and the case backlog as of June 30, 2014. In addition, the Department is requested to summarize the tasks completed by the interagency working group that was established to review the procedures, rules, and practices for handling post-conviction appeals, along with any recommended procedural, regulatory, or statutory changes.
2. Department of Law, Criminal Justice and Appellate, Medicaid Fraud Control Unit – Pursuant to Section 25.5-4-310, C.R.S., the Department of Law’s Medicaid Fraud Control Unit is required to submit an annual report by January 15 concerning: actions filed under the “Colorado Medicaid False Claims Act”, the amount recovered as a result of such actions, and the amount of related expenditures. The General Assembly requests that the Department also include in this annual report information about expenditures and recoveries related to the Unit’s criminal investigations.
3. Department of Law, Special Purpose, Litigation Management and Technology – The Department is requested to provide by November 1, 2014, a report detailing the purpose of expenditures from this line item. Such information is also requested with any supplemental requests for additional legal services funding within or outside of the Legal Services to State Agencies program.

STATE OF COLORADO

REPRESENTATIVES

Crisanta Duran, Chair
Jenise May
Cheri Gerou

SENATORS

Pat Steadman, Vice-Chair
Mary Hodge
Kent Lambert



STAFF DIRECTOR
John Ziegler

JOINT BUDGET COMMITTEE

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April 21, 2014

Hon. Walker R. Stapleton
Colorado State Treasurer
200 East Colfax Ave.
State Capitol, Suite 140
Denver, CO 80203

Dear Treasurer Stapleton:

The General Assembly recently finalized the FY 2014-15 Long Bill. Pursuant to Section 24-75-112 (2), C.R.S., the Long Bill footnotes no longer include requests for information. In lieu of such footnotes, the Joint Budget Committee respectfully submits the following requests for information. These requests are associated with specific Long Bill line items, and each has its own details and deadlines. Consistent with the provisions of Section 2-3-203 (3), C.R.S., information requests are prioritized within each department.

To assist our staff in organizing and tracking submissions, we would appreciate if the department would follow the protocol outlined in an attachment to this letter with respect to submitting hard copies and electronic responses. The Committee requests that the department comply with these requests for information to the fullest extent possible.

Please notify us by May 5th if the department does not intend to comply with any requests.

Sincerely,

A handwritten signature in cursive script, appearing to read "Crisanta Duran", followed by a long horizontal flourish.

Representative Crisanta Duran
Chair

cc:

Brett Johnson, Deputy Treasurer
Clare Jozwiak, Controller, State Treasury
John Ziegler, Joint Budget Committee Staff

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For example, the attachment providing the response to RFI #5 in the Department of Health Care Policy and Financing would be entitled: **Health Care Policy and Financing FY 2014-15 RFI #5**

LEGISLATIVE REQUESTS FOR INFORMATION

FY 2014-15

DEPARTMENT OF THE TREASURY

1. Department of the Treasury, Administration – The State Treasurer is requested to submit an annual report to the Joint Budget Committee concerning the performance of the state's investments. The report should include comparisons to relevant benchmarks and a detailed discussion of the benchmarks. This report should be submitted as a part of the State Treasurer's annual budget request.

J. INFORMATIONAL "(I)" NOTATIONS

The Long Bill and other legislation indicate when an amount is shown for informational purposes through an "(I)" notation. As defined in the Long Bill headnotes (Section 2, Paragraph (1) (I) (I) of H.B. 14-1336):

Where the letter "(I)" appears directly to the right of a [Long Bill amount], that amount is not an appropriation, nor does it limit the expenditure of such moneys. The amount is included for informational purposes only. It provides a record of funds anticipated to be expended and, in some instances, may indicate assumptions used relative to those funds in developing appropriated amounts.

Some of the largest sources of informational funds include the following:

General Fund: General Fund amounts annotated with the "(I)" include Senior Citizen and Disabled Veteran Property Tax Exemption amounts in the Department of the Treasury, Cigarette Tax Rebate, Old Age Heat and Fuel, Property Tax Assistance, and Retail Marijuana Sales Tax Distributions to Local Governments in the Department of Revenue, and payments for Volunteer Firefighter Retirement Plans in the Department of Local Affairs.

Cash Funds: Some of the largest cash fund amounts annotated with the "(I)" include tuition and fees in the Department of Higher Education, cash funds overseen by the State Transportation Commission in the Department of Transportation, Local Government Mineral and Energy Impact Grants and Disbursements in the Department of Local Affairs, and Old Age Pension allocations and the local share of various social services programs in the Department of Human Services.

Reappropriated Funds: The largest reappropriated funds amount annotated with the "(I)" is for workers compensation claims in the Department of Personnel.

Federal Funds: Most federal funds in the Long Bill are annotated with the "(I)". The exceptions are some funds in the Departments of Human Services and Public Health and Environment that are appropriated by the General Assembly pursuant to federal law and funds annotated with the "(M)" and "(H)" notations, primarily in the Department of Health Care Policy and Financing, for which adjustments in federal funds drive a reduction in state funds allocations.

The table below summarizes, by department and bill, those appropriations annotated with the "(I)".

FY 2014-15 "(I)" NOTATIONS							% of Total Operating Budget (I) Notations
Bill	General Fund ¹	Cash Funds	Reappropriated Funds	Federal Funds	Total		
FY 2014-15 OPERATING BUDGET "(I)" NOTATIONS							
Agriculture	H.B. 14-1336	\$0	\$1,946,980	\$0	\$4,101,912	\$6,048,892	0.1%
Corrections	H.B. 14-1336	0	14,842,962	0	1,239,270	16,082,232	0.3%
Education	H.B. 14-1336	0	3,747,563	12,784,739	636,263,028	652,795,330	10.3%

FY 2014-15 "(I)" NOTATIONS							
	Bill	General Fund ^{1/}	Cash Funds	Reappropriated Funds	Federal Funds	Total	% of Total Operating Budget (I) Notations
Governor	H.B. 14-1336	0	15,584,094	0	6,428,227	22,012,321	0.3%
Health Care Policy and Financing	H.B. 14-1336	0	40,802,357	0	228,804,549	269,606,906	4.3%
Higher Education	H.B. 14-1336	0	1,974,997,850	0	22,433,607	1,997,431,457	31.6%
Human Services	H.B. 14-1336	0	229,437,100	1,340,200	276,533,635	507,310,935	8.0%
Judicial	H.B. 14-1336	0	39,827,001	0	4,425,000	44,252,001	0.7%
Labor and Employment	H.B. 14-1336	0	8,200,554	0	100,121,967	108,322,521	1.7%
Law	H.B. 14-1336	0	1,203,693	0	1,748,411	2,952,104	0.0%
Legislature	H.B. 14-1336	0	0	0	0	0	0.0%
Local Affairs	H.B. 14-1336	4,294,753	205,000,751	0	70,295,592	279,591,096	4.4%
Military and Veterans Affairs	H.B. 14-1336	0	0	0	214,735,872	214,735,872	3.4%
Natural Resources	H.B. 14-1336	0	24,753,612	0	28,891,314	53,644,926	0.8%
Personnel	H.B. 14-1336	0	1,225,821	54,521,866	0	55,747,687	0.9%
Public Health	H.B. 14-1336	0	2,000,000	0	267,097,207	269,097,207	4.3%
Public Safety	H.B. 14-1336	0	6,727,063	4,094,855	58,435,885	69,257,803	1.1%
Regulatory Agencies	H.B. 14-1336	0	2,000,542	0	1,386,984	3,387,526	0.1%
Revenue	H.B. 14-1336	24,891,790	36,234,258	0	824,388	61,950,436	1.0%
State	H.B. 14-1336	0	349,222	0	0	349,222	0.0%
Transportation	H.B. 14-1336	0	716,851,100	16,928,441	514,360,141	1,248,139,682	19.8%
Treasury	H.B. 14-1336	118,400,000	314,634,388	0	0	433,034,388	6.9%
Total "(I)" Notations - Operating Budget		\$147,586,543	\$3,640,366,911	\$89,670,101	\$2,438,126,989	\$6,315,750,544	100.0%
FY 2014-15 CAPITAL CONSTRUCTION "(I)" NOTATIONS							
Total "(I)" Notations	H.B. 14-1336	\$0	\$16,924,298	\$0	\$3,722,025	\$20,646,323	
GRAND TOTAL "(I)" Notations							
		\$147,586,543	\$3,657,291,209	\$89,670,101	\$2,441,849,014	\$6,336,396,867	

^{1/} Includes General Fund Exempt.

The table below reflects operating budget appropriations with "(I)" notations as a percentage of the total state operating budget for FY 2014-15. For FY 2014-15, informational funds represent 25.7 percent of all operating appropriations, consisting primarily of cash funds and federal funds.

FY 2014-15 Operating Budget Appropriations and Informational "(I)" Notations
Operating Budget Appropriations

	Operating Budget Appropriations	Informational "(I)" Notation Operating Budget Totals	Informational as Percent of Operating Appropriations
General Fund/General Fund Exempt	\$8,916,045,149	\$147,586,543	1.7%
Cash Funds	6,985,960,345	3,640,366,911	52.1%
Reappropriated Funds	1,444,115,647	89,670,101	6.2%
Federal Funds	<u>7,236,995,315</u>	<u>2,438,126,989</u>	33.7%
Total	\$24,583,116,456	\$6,315,750,544	25.7%

K. CONTROLLED MAINTENANCE TRUST FUND

This appendix describes appropriations and transfers to the Controlled Maintenance Trust Fund (CMTF) created in Section 24-75-302.5, C.R.S. Pursuant to statute:

- Up to 50 percent of interest earnings on the CMTF principal for the current and prior fiscal year may be used to support controlled maintenance projects.
- The CMTF may serve as a state emergency reserve. CMTF amounts are identified in the Long Bill headnotes as part of the emergency reserve required pursuant to Article X, Section 20 of the Colorado Constitution (TABOR). Based on the authority provided in Section 24-33.5-706, C.R.S., the Governor has transferred funds from the CMTF to the Disaster Emergency Fund to address wildfires, floods, and other state emergencies.

During FY 2013-14 and FY 2014-15, no appropriations were made for controlled maintenance from interest earnings on the CMTF. However, the CMTF was used to address disaster emergencies and as an emergency reserve fund. In addition, during the 2014 legislative session, the CMTF was used to set aside moneys for new legislation. The table below summarizes recent CMTF appropriations, transfers, and earnings. Because the CMTF was used to set aside funds for new legislation, the bills that reduced funding to the CMTF in FY 2014-15 addressed a wide range of topics unrelated to the CMTF. For information on legislation affecting a particular department, see the Recent Legislation section for that department in Part III of this report.

Controlled Maintenance Trust Fund		Amount
CMTF Balance, June 30, 2013		\$3,229,147
<u>FY 2013-14 Appropriations, Transfers, and Earnings</u>		
Appropriations to CMTF:		
SB 13-236 (\$23.0 million General Fund/\$25.0 million federal funds)	48,000,000	
HB 14-1249 (General Fund)	78,000,000	
Transfers from CMTF to Disaster Emergency Fund authorized by Executive Orders during FY 2013-14	(50,850,000)	
Projected FY 2013-14 interest earnings	<u>240,723</u>	
<i>Subtotal – FY 2013-14 Appropriations, Transfers, and Earnings</i>		<i>\$75,390,723</i>
<u>FY 2014-15 Appropriations and Transfers:</u>		
FY 2014-15 General Fund Appropriation to CMTF (set aside for new leg.):		
HB 14-1336	20,093,068	
Reductions to CMTF FY 2014-15 General Fund appropriation:		
SB 14-002	(266,952)	
SB 14-005	(320,903)	

Controlled Maintenance Trust Fund		Amount
Reductions to CMTF FY 2014-15 General Fund appropriation (continued):		
	SB 14-008	(27,175)
	SB 14-012	(1,240,067)
	SB 14-014	(2,535,754)
	SB 14-050	(49,161)
	SB 14-073	(3,433,710)
	SB 14-075	(81,749)
	SB 14-087	(43,260)
	SB 14-088	(73,972)
	SB 14-115	(15,792)
	SB 14-130	(532,412)
	SB 14-153	(85,690)
	SB 14-157	(300,000)
	SB 14-161	(7,500)
	SB 14-166	(86,600)
	SB 14-223	(589,099)
	HB 14-1001	(2,221,828)
	HB 14-1003	(30,900)
	HB 14-1006	(14,811)
	HB 14-1014	(23,226)
	HB 14-1015	(395,270)
	HB 14-1023	(455,983)
	HB 14-1029	(66,689)
	HB 14-1032	(698,452)
	HB 14-1037	(339,602)
	HB 14-1066	(61,264)
	HB 14-1085	(960,000)
	HB 14-1093	(100,000)
	HB 14-1096	(700,000)
	HB 14-1144	(350,000)
	HB 14-1156	(791,471)
	HB 14-1175	(50,000)
	HB 14-1178	(82,077)
	HB 14-1202	(142,750)
	HB 14-1207	(5,000)
	HB 14-1211	(16,533)
	HB 14-1213	(44,519)
	HB 14-1273	(263,796)
	HB 14-1276	(250,000)
	HB 14-1298	(68,084)
	HB 14-1300	(300,000)
	HB 14-1301	(700,000)
	HB 14-1303	(135,354)

Controlled Maintenance Trust Fund	
	Amount
Reductions to CMTF FY 2014-15 General Fund appropriation (continued):	
HB 14-1311	(106,283)
HB 14-1319	(772,133)
HB 14-1357	(145,983)
<i>Subtotal – Reductions to FY 2014-15 CMTF appropriations</i>	<i>\$19,981,804</i>
Transfer from CMTF to General Fund on July 1, 2014:	
SB 14-189	<u>(\$9,672,000)</u>
Projected CMTF Balance, July 2, 2014:	\$69,059,134

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Colorado State University System (Governing Boards)	Higher Education	334
Colorado State Veterans Trust Fund	Military and Veterans Affairs	459
Colorado Student Assessment Program or CSAP (Management and Administration)	Education	249
Colorado Vocational Act (Division of Occupational Education)	Higher Education	338
Colorado Water Conservation Board	Natural Resources	145, 473
Colorado Welcome Centers	Governor - Lt. Governor	281
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Community Colleges and Occupational Education State System Colleges, State Board for (Governing Boards)	Higher Education	334
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Comprehensive Environmental Response, Compensation and Liability Act (CERCLA)	Law	428
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Conservation Board, Division	Agriculture	222
Conservation Services	Local Affairs	454
Conservation Trust Fund (Division of Local Government)	Transportation	595
Construction, Maintenance and Operations	Regulatory Agencies	544
Consumer Counsel, Office of (OCC)	Law	429
Consumer Protection	Capital Construction	612
Controlled Maintenance Projects	Corrections	241
Correctional Industries	Human Services	354
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County Courts (see Trial Courts section)	Judicial	384
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Courts Administration	Governor - Lt. Governor	281
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Criminal Justice, Division of	Local Affairs	454
Demography Office, State (Division of Local Government)	Human Services	368
Disabilities, Services for People with	Human Services	359
Disability Determination Services	Public Health and Environment	506
Disease Control and Environmental Epidemiology Division	Judicial	394
District Attorney Mandated Costs (see Trial Courts section)	Law	430
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Drunk Driving Offenders Account, First Time	Human Services	354
Early Childhood, Office of	Human Services	357
Early Intervention Services	Governor - Lt. Governor	281
Economic Development Commission	Governor - Lt. Governor	281
Economic Development Programs	Human Services	371
Elderly, Community Services for the	State	586
Elections Division	Human Services	359
Electronic Benefits Transfer Service (EBTS)	Public Health and Environment	512
Emergency Medical Services	Public Health and Environment	512
Emergency Preparedness and Response, Office of	Labor and Employment	413
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Enforcement Business Group	Revenue	568
Environmental Health and Sustainability, Division of	Public Health and Environment	504
Facility Schools Unit and Board (Assistance to Public Schools)	Education	251
Film, Television, and Media, Office of	Governor - Lt. Governor	281
Financial Aid, Colorado Commission on Higher Education	Higher Education	330
Financial Services, Division of	Regulatory Agencies	545
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Fort Lewis College (Governing Boards)	Higher Education	334
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Global Business Development Office	Governor - Lt. Governor	281
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Hazardous Materials and Waste Management Division	Public Health and Environment	501
Health Facilities and Emergency Medical Services Division	Public Health and Environment	510
Health Statistics and Vital Records	Public Health and Environment	495
Help America Vote Act (HAVA) - Elections Division	State	199
High Performance Transportation Enterprise	Transportation	596
Highway Users Tax Fund (HUTF) Payments to Counties and Municipalities	Treasury	210
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Homeland Security and Emergency Management, Division of	Public Safety	170, 532
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Inmate Programs	Corrections	238
Inspection and Consumer Services	Agriculture	222
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Laboratory Services	Public Health and Environment	496
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Legal Services, Committee on	Legislative Branch	445
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Limited Gaming Division	Revenue	189
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Local District Junior College Grants	Higher Education	337
Local Government, Division of	Local Affairs	454
Local Public Health Planning and Support	Public Health and Environment	493
Low-income Energy Assistance Program (LEAP)	Human Services	359
Marijuana Enforcement Division	Revenue	191

Medicaid (Medical Services Premiums)	Health Care Policy and Financing	303
Medicaid Behavioral Health Community Programs	Health Care Policy and Financing	308
Medicaid Fraud (see Criminal Justice and Appellate division)	Law	426
Medical Marijuana Registry	Public Health and Environment	495
Medical Services Premiums	Health Care Policy and Financing	303
Medicare Modernization Act State Contribution Payment (Other Medical Services)	Health Care Policy and Financing	316
Mental Health Community Programs	Human Services	362
Mental Health Institutes	Human Services	366
Metropolitan State University of Denver (Governing Boards)	Higher Education	334
Mineral and Energy Impact Grants (Division of Local Government)	Local Affairs	452
Mineral Audit Program	Revenue	563
Motor Vehicle Dealer Licensing Board	Revenue	566
National Guard Tuition Assistance	Military and Veterans Affairs	459
Occupational Education, Division of	Higher Education	338
Office of Community Living	Health Care Policy and Financing	311
Office of Policy and Initiatives (Office of the Governor)	Governor - Lt. Governor	277
Oil and Gas Conservation Commission	Natural Resources	142, 469
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Old Age Heat and Fuel and Property Tax Assistance Grant	Revenue	563
Old Age Pension Program	Human Services	371
On-line Learning, Division of (Management and Administration)	Education	249
Parole Board	Corrections	241
Peace Officers Standards and Training (P.O.S.T.) Board (see Criminal Justice and Appellate division)	Law	426
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Preparedness, Security, and Fire Safety, Office of	Public Safety	532
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Ralph L. Carr Colorado Judicial Center (see Courts Administration section)	Judicial	393
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Regional Centers for People with Developmental Disabilities	Human Services	368
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State Board of Equalization	Local Affairs	451
State Board of Land Commissioners	Natural Resources	470
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State Employees Assistance Program	Personnel	479
State Fair, Colorado	Agriculture	226
State Lottery Division	Revenue	569
State Planning and Budgeting, Office of (OSPB)	Governor - Lt. Governor	280
State Public Defender, Office of the	Judicial	398
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Substance Use Treatment and Prevention	Human Services	363
Supplemental Nutrition Assistance Program (County Administration)	Human Services	354
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Taxation Business Group	Revenue	185, 563
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Temporary Assistance for Needy Families (TANF; Colorado Works)	Human Services	359
Tobacco Cessation, Education and Prevention Program	Public Health and Environment	508
Tobacco Funding	Public Health and Environment	633
Tourism Office, Colorado	Governor - Lt. Governor	281
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Unemployment Insurance, Division of	Labor and Employment	412
University of Colorado (Governing Boards)	Higher Education	334
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Veterans Community Living Centers	Human Services	369
Vocational Education	Higher Education	338
Vocational Rehabilitation, Division of	Human Services	369
Volunteer Firefighter Retirement and Insurance (Division of Local Government)	Local Affairs	454
Waste Tire Program	Public Health and Environment	502
Water and Natural Resources	Law	428
Water Courts (see Trial Courts section)	Judicial	394
Water Quality Control Division	Public Health and Environment	499
Water Resources Division (State Engineer's Office)	Natural Resources	145, 474
Western Slope Veterans Cemetery	Military and Veterans Affairs	459
Western State Colorado University (Governing Boards)	Higher Education	334
Women's Health - Family Planning	Public Health and Environment	508
Work Therapy Program	Human Services	368
Workers' Compensation, Division of	Labor and Employment	417
Youth Corrections, Division of (DYC)	Human Services	372