

# JOINT BUDGET COMMITTEE

## APPROPRIATIONS REPORT FISCAL YEAR 2016-17



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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 2016 Regular Legislative Session. This report provides an overview of state revenues and expenditures, comparative and historical information regarding appropriations made during the 2016 Regular Session and a detailed explanation of major funding changes for each state department. The FY 2016-17 Appropriations Report includes:

## PART I: OVERVIEW

The Overview includes: (A)(1) an overview of state General Fund revenues and expenditures; (A)(2) a discussion of statutory and constitutional revenue and spending restrictions; and (B) a series of charts, graphs, and tables identifying the sources of General Fund 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 2015-16 and FY 2016-17, and highlights the major changes from FY 2015-16 to FY 2016-17. This section also summarizes factors driving the budget for each state department and for capital construction projects.

## PART III: DEPARTMENT DETAILS

Detailed information regarding funding for the operations of each state department and for capital construction projects can be found in this section. The subsection for each department summarizes funding and FTE authorizations for FY 2015-16 and FY 2016-17. The format reflects appropriations by bill and by division or program area. Narrative sections describe major changes in funding from FY 2015-16 to FY 2016-17, fund sources for each division, and division responsibilities. This section also includes brief summaries of bills adopted during the 2015 Regular Session and the 2016 Regular Session that contained an appropriation, affected state revenues, or implemented a major policy change.

The footnotes to the 2016 Long Bill (H.B. 16-1405) can be found at the end of each departmental section in the 2016 Session Laws, or they can be accessed via the internet at the following address:

<http://www.leg.state.co.us/CLICS/CLICS2016A/csl.nsf/lbcontainer/HB16-1405?OpenDocument>

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

[http://www.tornado.state.co.us/gov\\_dir/leg\\_dir/jbc/jbchome.htm](http://www.tornado.state.co.us/gov_dir/leg_dir/jbc/jbchome.htm)

## APPENDICES AND INDEX

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

**PART I**

**OVERVIEW**

# A: OVERVIEW OF GENERAL FUND REVENUES AND EXPENDITURES

## 1. GENERAL FUND OVERVIEW

This section provides an overview of General Fund revenues and expenditures based on the Legislative Council Staff March 2016 revenue estimate, which was used as the basis for making adjustments to the FY 2015-16 budget and preparing the FY 2016-17 budget.

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

The following is a summary of the major actions that occurred during the 2016 Regular Legislative Session that impacted the General Fund budget.

**GENERAL FUND REVENUE PROJECTIONS:** The General Assembly used the Legislative Council Staff (LCS) March 2016 revenue estimates when making final adjustments to the FY 2015-16 budget and preparing the FY 2016-17 budget during the 2016 Regular Session. The LCS March 2016 projections were approximately \$296.3 million lower for FY 2015-16 than the projections that were used during the 2015 Session to prepare the FY 2015-16 budget.

**STATUTORY CHANGES THAT IMPACTED GENERAL FUND REVENUE:** Table 1 contains a list of bills that were passed during the 2016 Session that had a significant impact on the amount of available General Fund revenue.

TABLE 1			
ACTIONS THAT IMPACTED THE AMOUNT OF AVAILABLE GENERAL FUND REVENUE (\$ IN MILLIONS)			
BILLS PASSED DURING THE 2016 SESSION:		FY 2015-16	FY 2016-17
<i>Transfers to the General Fund:</i>			
H.B. 16-1418	Transfer Marijuana Tax Cash Fund to the General Fund	\$0.0	\$20.2
H.B. 16-1409	Transfer Unclaimed Property Trust Fund Moneys to the General Fund	8.0	0.0
H.B. 16-1413	Financing of Water Pollution Control Program	<u>0.0</u>	<u>1.2</u>
	Total Transfers to the General Fund	\$8.0	\$21.4
<i>Changes to General Fund Revenues:</i>			
S.B. 16-143	Reduce Distiller Wholesaler Liquor Licensing Fees	\$0.0	(\$0.1)
H.B. 16-1142	Rural & Frontier Health Care Preceptor Tax Credit	0.0	(0.1)
H.B. 16-1186	MAP-21 Rail Fixed Guideway Safety Fund Grant Match	0.0	(0.2)
H.B. 16-1332	Alternative Fuel Motor Vehicle Income Tax Credits	0.0	0.2
	Decrease Conservation Easement Tax Credits as Result of No TABOR Refund	<u>0.0</u>	<u>5.2</u>
	Total Changes to General Fund Revenues	\$0.0	\$4.9
<i>Transfers from the General Fund:</i>			
S.B. 16-003	Broadcast Burns Wildfire Risk Reduction Funding	\$0.0	(\$1.0)
H.B. 16-1288	Industry Infrastructure Grant Program	0.0	(0.3)
H.B. 16-1453	Concerning Colorado and the United States (Cyber Security Bill)	<u>0.0</u>	<u>(7.9)</u>
	Total Transfers from the General Fund	\$0.0	(\$9.2)

**APPROPRIATIONS:** The major changes in appropriations for FY 2015-16 and FY 2016-17 are explained in Part II and Part III of this document. Part II contains an overview at the department level of FY 2015-16 and FY 2016-17

appropriations and the general factors driving the budget. Part III provides detailed appropriations by division and by bill for each department for FY 2015-16 and FY 2016-17.

**STATUTORY RESERVE:** The statutory General Fund reserve requirement is 5.6 percent for FY 2015-16 and 6.5 percent for FY 2016-17.

## FY 2015-16 AND FY 2016-17 GENERAL FUND OVERVIEW

Table 2 provides an overview of General Fund revenues, spending obligations, and ending reserves for both FY 2015-16 and FY 2016-17. Please note that some of these amounts will change in the future with revised revenue forecasts and/or actions of the General Assembly. A description of each item follows the table.

TABLE 2 GENERAL FUND OVERVIEW (\$ IN MILLIONS)		
DESCRIPTION	FY 15-16	FY 16-17
<b><u>GENERAL FUND AVAILABLE:</u></b>		
Beginning General Fund Reserve	\$709.2	\$523.3
General Fund Nonexempt Revenues	7,587.1	7,969.6
General Fund Exempt Revenues	2,371.7	2,566.1
Transfers from Other Funds - Existing Law Prior to March Forecast	15.6	15.7
Changes to General Fund Revenue - Bills Passed during 2016 Session after March Forecast	0.0	4.9
Transfers from Other Funds - Bills Passed During 2016 Session after March Forecast	<u>8.0</u>	<u>21.4</u>
<b>TOTAL GENERAL FUND AVAILABLE</b>	<b>\$10,691.6</b>	<b>\$11,101.0</b>
<b><u>GENERAL FUND OBLIGATIONS:</u></b>		
General Fund Appropriations (excluding rebates and expenditures)	\$9,335.6	\$9,813.3
Estimated TABOR Refund Pursuant to Section 20 (7) (d) of Article X of the Colorado Constitution	0.0	59.3
Adjustments to TABOR Refund Pursuant to Section 20 (7) (d) of Article X of the Colorado Constitution	0.0	(59.3)
Estimated TABOR Refund Pursuant to Section 20 (3) (c) of Article X of the Colorado Constitution	(58.0)	0.0
Rebates and Expenditures	147.0	152.8
Senior Citizen and Disabled Veteran Property Tax Exemption	133.0	142.8
Estimated Transfers to Highway Users Tax Fund pursuant to Section 24-75-219, C.R.S.	199.2	158.0
Estimated Transfer to Capital Construction Fund pursuant to Section 24-75-219, C.R.S	49.8	52.7
Transfer to the Capital Construction Fund	221.4	31.8
Transfer to the State Education Fund pursuant to Section 24-75-220 (3) (b), C.R.S.	25.3	25.3
Transfers to Other Funds - Existing Law Prior to March Forecast	115.0	75.1
Transfers to Other Funds - Bills Passed During 2016 Session after March Forecast	<u>0.0</u>	<u>9.2</u>
<b>TOTAL GENERAL FUND OBLIGATIONS</b>	<b>\$10,168.3</b>	<b>\$10,461.0</b>
<b>YEAR END GENERAL FUND RESERVE (Available Funds Less Obligations)</b>	<b>\$523.3</b>	<b>\$640.0</b>
<b><u>General Fund Reserve Information</u></b>		
<b>STATUTORY RESERVE REQUIREMENT</b>	<b>\$520.7</b>	<b>\$634.9</b>
<b>GENERAL FUND RESERVE IN EXCESS OF THE STATUTORY REQUIREMENT</b>	<b>\$2.6</b>	<b>\$5.1</b>

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

**GENERAL FUND NONEXEMPT AND EXEMPT REVENUES:** These figures represent estimates of the total General Fund revenues as reflected in the March 2016 LCS revenue estimate. The major components of state General Fund revenues include individual and corporate income, sales and use, insurance, liquor, and cigarette taxes. General Fund revenues must be applied to statutory obligations before the General Assembly can appropriate the remaining General Fund. These obligations include rebates and expenditures and the capital construction transfer (described below).

As a result of the passage of Referendum C in November 2005, the State is permitted to retain excess revenues that otherwise would have been refunded under the Taxpayer's Bill of Rights (TABOR). The General Fund Exempt Revenues represent the estimate of those retained amounts as reflected in the March 2016 LCS revenue estimate. Please see the section titled "2. Statutory and Constitutional Restrictions" in this Part I-A for a more detailed overview of TABOR and Referendum C. In addition, Appendix H details General Fund Exempt appropriations for FY 2015-16 and FY 2016-17.

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

**CHANGES TO GENERAL FUND REVENUE - BILLS PASSED DURING 2016 SESSION AFTER MARCH FORECAST AND TRANSFERS FROM OTHER FUNDS - BILLS PASSED DURING 2016 SESSION AFTER MARCH FORECAST:** These lines identify the impact of statutory changes and transfers on available General Fund revenues after the March forecast was published. Table 1 in this section provides a list of these bills, and these bills are described at the end of each relevant department in Part III.

**GENERAL FUND APPROPRIATIONS (EXCLUDING REBATES AND EXPENDITURES):** These figures represent the total appropriations made in the annual appropriation bill (referred to as the Long Bill) and in any separate bills. These amounts exclude General Fund appropriations related to "rebates and expenditures", which are described below and are not subject to the statutory restriction on General Fund appropriations. See Appendix H for details concerning General Fund appropriations for FY 2015-16 and FY 2016-17 that are excluded from these figures.

**ESTIMATED TABOR REFUND PURSUANT TO SECTION 20 (7) (d) OF ARTICLE X:** This amount represents the estimated refund that will result pursuant to the Taxpayer's Bill of Rights (TABOR) because State revenues are estimated to exceed the amount permitted to be retained under the Colorado Constitution. Please note this amount may change based on actual revenue collections in the future.

**ADJUSTMENTS TO REFUND PURSUANT TO SECTION 20 (7) (d) OF ARTICLE X:** This amount represents the adjustments that were made during the 2016 Session that impacted the level of the required TABOR refund. Table 3 in this section provides a list of the various adjustments. Please note this amount may change based on actual revenue collections in the future.

**TABLE 3**  
**ADJUSTMENTS TO TABOR REFUND PURSUANT TO SECTION 20 (7) (d) OF ARTICLE X (\$ IN MILLIONS)**

DESCRIPTION		FY 2016-17
H.B. 16-1414	Funding Base For Telecommunications Relay Services	\$2.2
H.B. 16-1415	Department of Revenue License Services	1.8
H.B. 16-1409	Unclaimed Property Fund Transfer	(34.8)
	Delay Payment of TABOR Refund for FY 2014-15 Unclaimed Property Trust Fund Transfer to Adult Dental	(19.6)
	Revenue Reduction from Cap on Hospital Provider Fee	(8.9)
<b>TOTAL</b>		<b>(\$59.3)</b>

**ESTIMATED TABOR REFUND PURSUANT TO SECTION 20 (3) (c) OF ARTICLE X:** In FY 2014-15, \$58.0 million was retained because fiscal year spending for the year was estimated to exceed the amounts reflected in the Proposition AA Blue Book for FY 2014-15. However, no refund was required because the State received voter approval to keep the revenue. Therefore, this amount represents the repayment of the amount previously retained for this purpose. For more information, see the description of H.B. 15-1367 (Retail Marijuana Taxes) at the end of the Department of Revenue in Part III.

**REBATES AND EXPENDITURES:** The quarterly revenue forecasts prepared by the Legislative Council Staff (LCS) and the Office of State Planning and Budgeting include dollar amounts referred to as "rebates and expenditures". These amounts reflect various expenditures or diversions of funds from the General Fund which are exempt from or are not subject to the statutory restriction on General Fund appropriations. Some of these items are not reflected in General Fund appropriations, and the amounts that are reflected in General Fund appropriations are not routinely adjusted to reflect changes in projected expenditures or diversions. Appendix H provides more detail concerning rebates and expenditures, including the associated appropriations for FY 2015-16 and FY 2016-17. For purposes of making final adjustments to the FY 2015-16 budget and preparing the FY 2016-17 budget, the General Assembly used the projections of rebates and expenditures that are included in the LCS March 2016 revenue estimate. Table 4 lists these amounts.

**TABLE 4**  
**REBATES AND EXPENDITURES (\$ IN MILLIONS)**

DESCRIPTION	FY 2015-16	FY 2016-17
Sales and use taxes credited to the Old Age Pension Fund	\$103.8	\$107.8
Cigarette tax rebates to local governments	10.9	10.9
Sales and use taxes credited to the Older Coloradans Cash Fund	10.0	10.0
Old Age Heat and Fuel and Property Tax Assistance Grants	6.5	6.9
Retail marijuana sales tax distributions to local governments	9.7	11.2
Fire and police pension payments for local governments	4.2	4.2
Earnings related to cash flow loans to school districts	1.0	0.9
General Fund appropriations related to tobacco tax revenues	0.9	0.9
<b>TOTAL</b>	<b>\$147.0</b>	<b>\$152.8</b>

**SENIOR CITIZEN AND DISABLED VETERAN PROPERTY TAX EXEMPTION:** In 2000, Colorado voters approved a constitutional amendment that reduces property taxes for qualifying senior citizens. The property tax reduction, or "homestead exemption", is available to senior citizens 65 years of age or older who have owned and lived in their home for at least ten years. In 2006, Colorado voters approved a constitutional amendment extending the homestead exemption to 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 2015-16 and FY 2016-17 represent estimated state expenditures as reflected in the March 2016 LCS revenue estimate (also shown in Appendix H) as adjusted by H.B. 16-1444 (Definition Qualifying

Disabled Veteran Property Tax). For more information on H.B. 16-1444, see the bill description at the end of the Department of Treasury in Part III.

**ESTIMATED TRANSFERS TO HIGHWAY USERS TAX FUND PURSUANT TO SECTION 24-75-219, C.R.S.:** Section 24-75-219, C.R.S, requires a transfer from the General Fund to the Highway Users Tax Fund if certain triggers related to Colorado personal income and TABOR refunds are met. This amount reflects the amount of transfer required based on the March 2016 LCS forecast as adjusted by H.B. 16-1416 (State Infrastructure General Fund Transfers). For more information on H.B. 16-1416, see the bill description at the end of the Department of Transportation in Part III. Table 5 reflects the calculation of these amounts:

TABLE 5 ADJUSTMENT TO ESTIMATED TRANSFER TO HIGHWAY USER TAX FUND (\$ IN MILLIONS)		
DESCRIPTION	FY 2015-16	FY 2016-17
Pursuant to Section 24-75-219, C.R.S.	\$199.2	\$210.7
Adjustment based on H.B. 16-1416 (State Infrastructure General Fund Transfers)	0.0	(52.7)
Estimated Transfers to Highway Users Tax Fund pursuant to Section 24-75-219, C.R.S.	\$199.2	\$158.0

**ESTIMATED TRANSFER TO CAPITAL CONSTRUCTION FUND PURSUANT TO SECTION 24-75-219, C.R.S.:** Section 24-75-219, C.R.S, requires a transfer from the General Fund to the Capital Construction Fund if certain triggers related to Colorado personal income and TABOR refunds are met. This amount reflects the amount of transfer required based on the March 2016 LCS forecast. House Bill 16-1416 (State Infrastructure General Fund Transfers) changed the trigger mechanism and required that these specified amounts be transferred. For more information on H.B. 16-1416 as pertains to the capital transfer, see the description of H.B. 16-1416 at the end of the Capital Construction section in Part III.

**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 may change the amount of the annual transfer when necessary.

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

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

**TRANSFERS TO OTHER FUNDS - BILLS PASSED DURING 2016 SESSION AFTER MARCH FORECAST:** This line identifies statutory transfers of General Fund to various other funds that were enacted after the March 2016 forecast. Table 1 in this section also provides a list of these bills, and these bills are described at the end of each relevant department in Part III.

**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 REQUIREMENT:** Section 24-75-201.1 (1) (d) (XIV), C.R.S., requires a reserve of at least 6.5 percent of General Fund appropriations for FY 2015-16 and FY 2016-17. House Bill 16-1419 (Statutory Reserve Reduction FY 2015-16) decreased the required General Fund reserve to 5.6 percent for FY 2015-16 only. Senate Bills 15-211 (Automatic Funding for Capital Assets) and 15-251 (Exclude Lease-purchase Payments from the General Fund Reserve) amended Section 24-75-201.1 (2), C.R.S., to except certain appropriations from the base on which the statutory reserve is calculated. Please note that S.B. 15-211 and S.B. 15-251 did not except these same appropriations from the base used to calculate the statutory restrictions on General Fund appropriations. Table 6 provides the calculations for the statutory reserve.

**TABLE 6**  
**CALCULATION OF STATUTORY RESERVE (\$ IN MILLIONS)**

	FY 2015-16	FY 2016-17
Adjusted General Fund Appropriation Base	\$9,335.6	\$9,813.3
<i>Exceptions to Calculation of Statutory Reserve pursuant to Section 24-75-201.1 (2), C.R.S.:</i>		
Department of Corrections - Capital Lease Purchase Payments	\$20.3	\$20.3
Department of Higher Education - Lease Purchase of Academic Facilities at Anschutz Medical Campus	\$7.2	\$7.3
Department of Higher Education - Lease Purchase of Academic	\$0.0	\$12.1
Judicial Department - Ralph L. Carr Colorado Judicial Center - Debt Service Payments	\$3.9	\$4.8
Department of Public Safety - Certificate of Participation for Labs	\$0.7	\$1.6
Department of Treasury - Lease Purchase of Academic	<u>\$5.8</u>	<u>\$0.0</u>
<i>Subtotal - Exceptions to Calculation of Reserve</i>	\$37.9	\$46.1
General Fund Appropriation Base for Calculation of Reserve	\$9,297.7	\$9,767.2
Percent Reserve Required pursuant to Section 24-75-201.1 (1) (d), C.R.S.	<u>5.6%</u>	<u>6.5%</u>
Required Statutory Reserve	\$520.7	\$634.9

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

## 2. STATUTORY AND CONSTITUTIONAL RESTRICTIONS

### STATUTORY RESTRICTION ON APPROPRIATIONS

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

Table 7 shows the calculation of statutorily allowable General Fund appropriations for FY 2016-17. 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 2016-17, and the difference between General Fund appropriations and the restriction for FY 2016-17.

TABLE 7 STATUTORY RESTRICTION ON APPROPRIATIONS (\$ IN MILLIONS)	
Calendar Year 2014 Colorado Personal Income (base as defined in Statute)	\$261,735.0
Multiplied by 5.0 Percent	<u>5.0%</u>
FY 2016-17 General Fund Appropriations Restriction	\$13,086.8
FY 2016-17 General Fund Appropriations	\$9,990.1
Less: General Fund Appropriations Exempt From/ Not Subject to Statutory Restriction	<u>(176.8)</u>
FY 2016-17 General Fund Appropriations Subject to Restriction	\$9,813.3
Over/(Under) FY 2016-17 General Fund Appropriations Restriction	(\$3,273.5)

### CONSTITUTIONAL RESTRICTIONS

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

TABOR has several key provisions that impact the state budget:

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

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

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

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

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

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

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

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

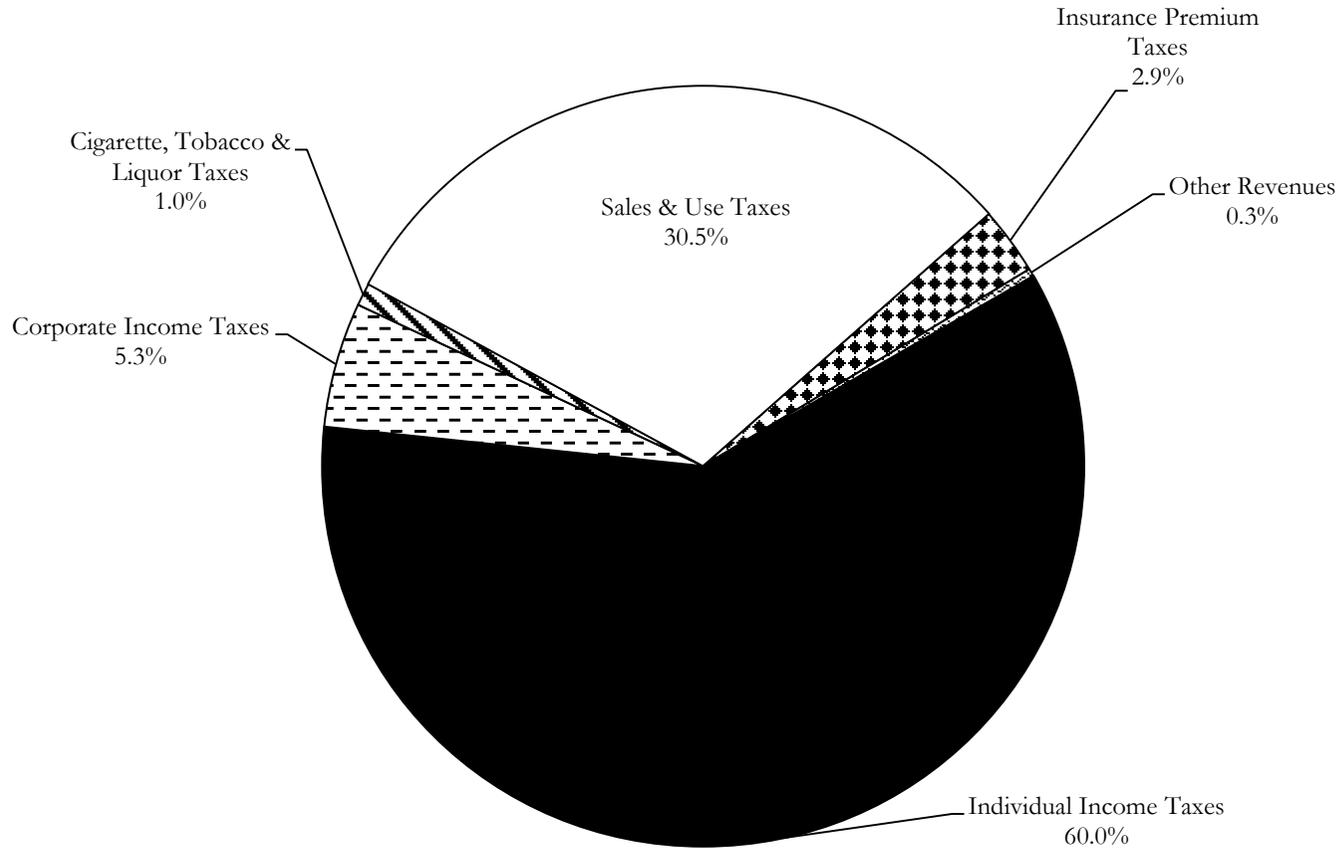
Table 8 summarizes the General Fund Exempt Account appropriations made in compliance with Referendum C (see Sections 24-77-103.6 and 24-77-104.5, C.R.S.).

TABLE 8			
REFERENDUM C: GENERAL FUND EXEMPT ACCOUNT APPROPRIATIONS BY PROGRAM (\$ IN MILLIONS)			
DEPARTMENT	LINE ITEM	FY 2015-16	FY 2016-17
Education	State Share of Districts' Total Program Funding	\$809.0	\$873.8
Health Care Policy and Financing	Medical Services Premiums	809.0	873.8
Higher Education	Various Line Items	748.9	813.7
Local Affairs	Volunteer Firefighter Retirement Plans	4.3	4.3
Transportation	Capital Construction - Transportation Highway Construction Projects	0.5	0.5
<b>TOTAL</b>		<b>\$2,371.7</b>	<b>\$2,566.1</b>

## B: SUMMARY CHARTS AND TABLES

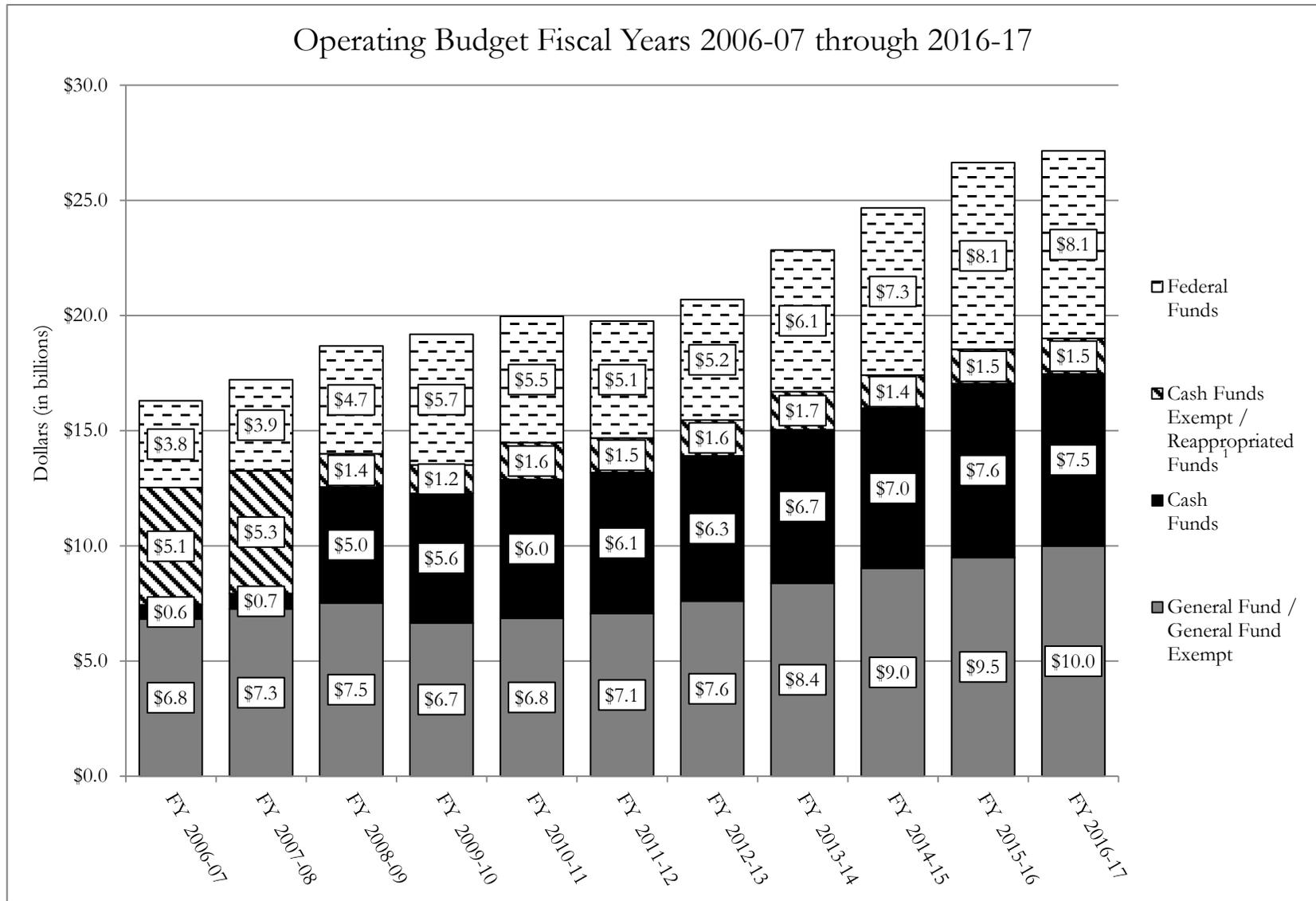
### 1. SOURCES OF GENERAL FUND REVENUE

ESTIMATED TOTAL GENERAL FUND REVENUE FY 2016-17 = \$10,535.8 MILLION<sup>1</sup>



<sup>1</sup> Source: Legislative Council Staff March 2016 *Focus Colorado: Economic and Revenue Forecast*. These percentages are net of income tax receipts that are credited to the State Education Fund (\$546.7 million).

## 2. HISTORY OF APPROPRIATIONS BY FUNDING SOURCE

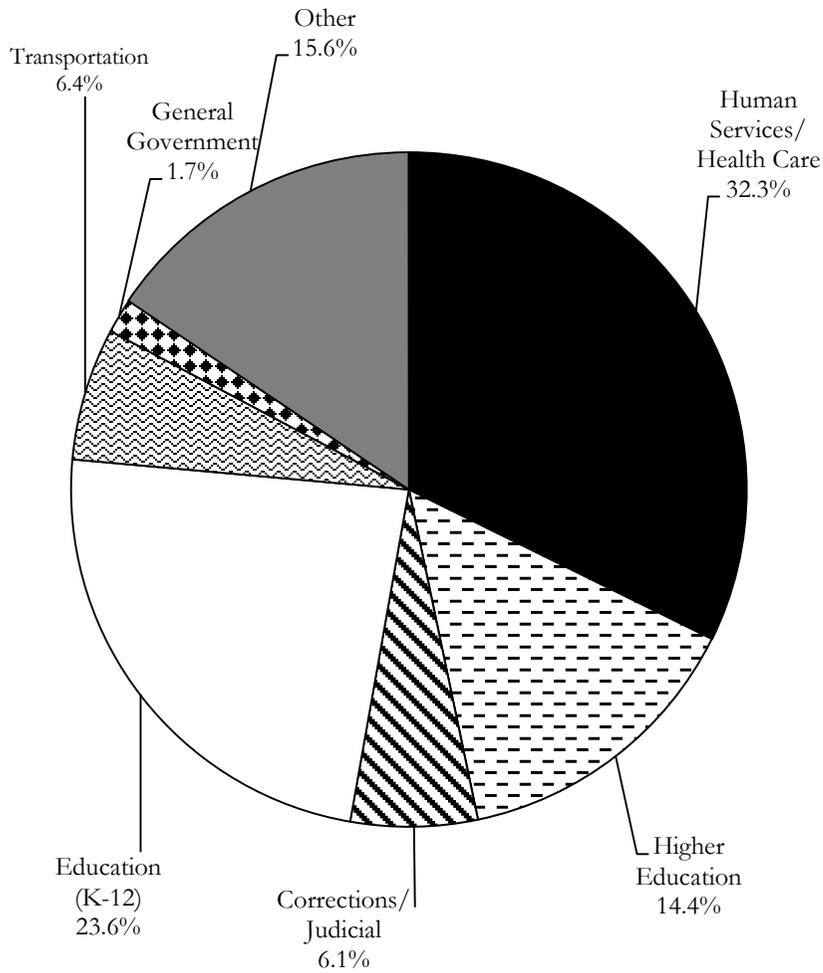


Note: Appropriated amounts have not been adjusted for inflation.

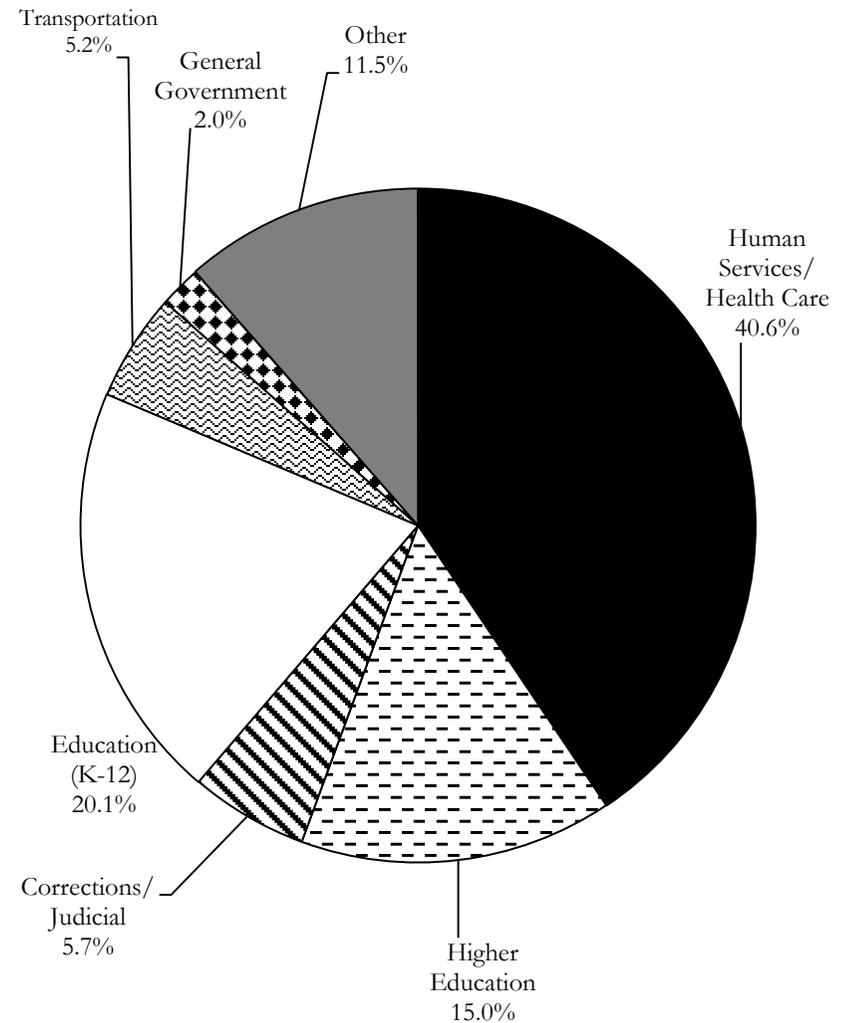
<sup>1</sup> Appropriations for FY 2008-09 and subsequent years are reflected in a new format, which redistributes funds previously classified "cash funds" and "cash funds exempt" into the newly defined "cash funds" and "reappropriated funds" categories. Cash Funds Exempt amounts are reflected for FY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

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

FY 2006-07 = \$16.30 billion

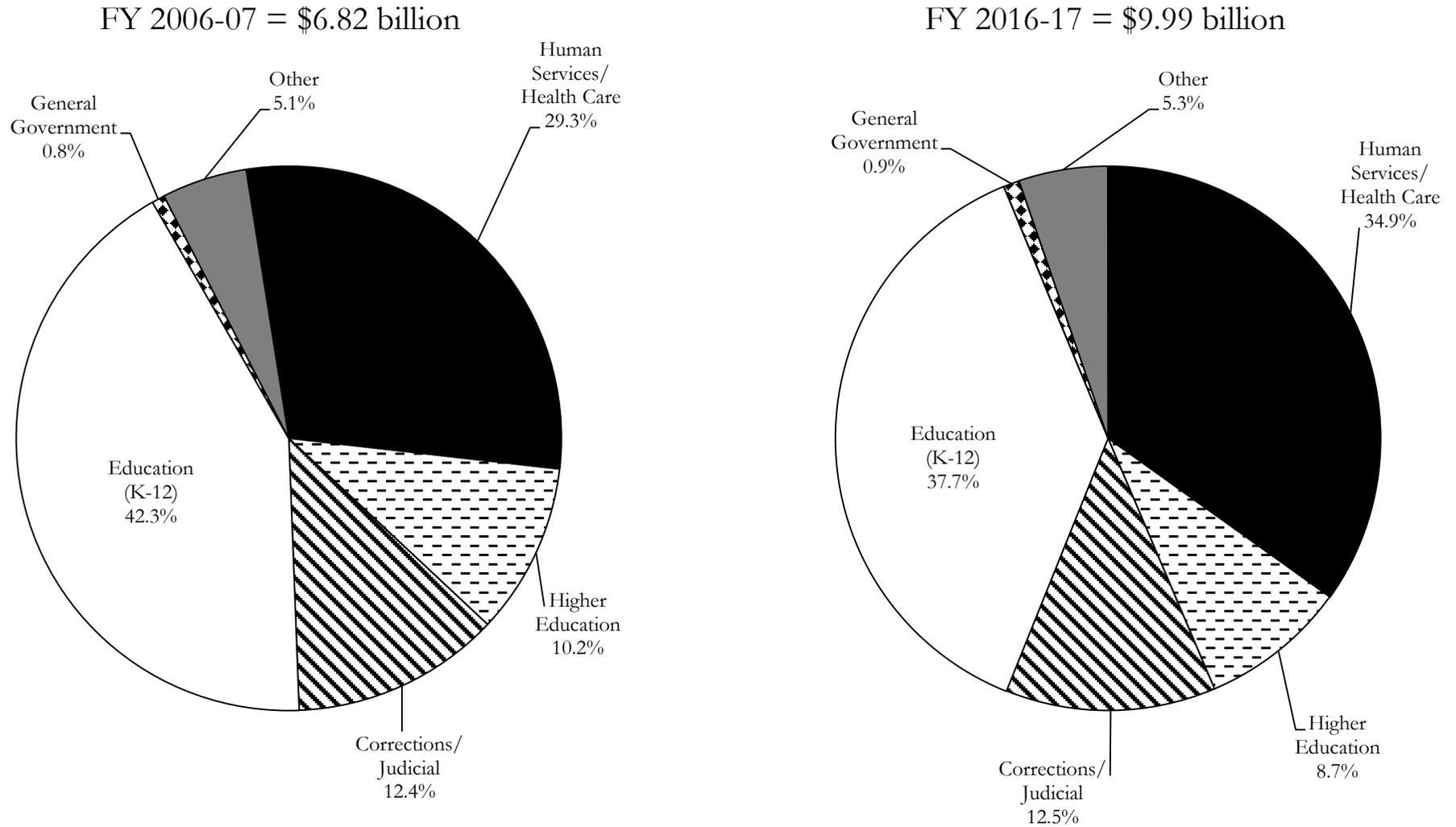


FY 2016-17 = \$27.15 billion



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

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



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

## 4. FY 2015-16 OPERATING APPROPRIATIONS BY DEPARTMENT

FY 2015-16 OPERATING APPROPRIATIONS BY DEPARTMENT AND FUND SOURCE						
	TOTAL FUNDS	GENERAL FUND <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Agriculture	\$47,057,065	\$10,006,234	\$30,998,626	\$1,881,548	\$4,170,657	283.0
Corrections	851,084,974	763,812,924	39,346,724	46,665,389	1,259,937	6,239.8
Education <sup>1</sup>	5,306,995,556	3,478,443,043	1,146,145,308	31,757,276	650,649,929	598.8
Governor	272,311,563	41,871,028	42,239,163	181,708,763	6,492,609	1,088.7
Health Care Policy and Financing <sup>1</sup>	9,112,384,274	2,500,140,061	1,156,297,382	17,003,651	5,438,943,180	422.2
Higher Education <sup>1</sup>	3,851,308,577	857,415,995	2,269,594,336	701,803,695	22,494,551	23,856.3
Human Services	1,923,529,623	818,662,457	350,097,641	132,779,687	621,989,838	4,975.8
Judicial	673,771,294	478,617,095	156,643,072	34,086,127	4,425,000	4,592.3
Labor and Employment	187,521,105	8,008,584	74,251,770	4,439,547	100,821,204	1,030.3
Law	77,806,737	15,283,511	15,807,162	44,919,639	1,796,425	477.6
Legislature	44,641,162	43,297,162	179,000	1,165,000	0	281.3
Local Affairs <sup>1</sup>	321,301,682	24,626,224	209,312,306	10,487,107	76,876,045	172.5
Military and Veterans Affairs	225,383,356	8,294,927	1,281,079	800,000	215,007,350	1,392.3
Natural Resources	263,919,227	27,671,518	198,404,864	8,701,045	29,141,800	1,462.6
Personnel	189,762,921	11,817,618	14,293,652	163,651,651	0	410.1
Public Health and Environment <sup>1</sup>	537,711,742	48,015,287	157,897,569	37,645,004	294,153,882	1,288.6
Public Safety	399,450,469	119,777,386	185,772,422	34,381,520	59,519,141	1,727.1
Regulatory Agencies	88,909,962	1,923,405	80,625,258	4,875,289	1,486,010	585.5
Revenue	325,298,965	97,942,157	221,218,250	5,314,170	824,388	1,371.4
State	21,580,286	0	21,580,286	0	0	137.3
Transportation	1,436,913,372	0	844,073,959	19,777,338	573,062,075	3,326.8
Treasury <sup>1</sup>	481,648,428	135,037,666	346,610,762	0	0	31.9
<b>OPERATING TOTAL<sup>2</sup></b>	<b>\$26,640,292,340</b>	<b>\$9,490,664,282</b>	<b>\$7,562,670,591</b>	<b>\$1,483,843,446</b>	<b>\$8,103,114,021</b>	<b>55,752.2</b>

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

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

## 5. FY 2016-17 OPERATING APPROPRIATIONS BY DEPARTMENT

FY 2016-17 OPERATING APPROPRIATIONS BY DEPARTMENT AND FUND SOURCE						
	TOTAL FUNDS	GENERAL FUND <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Agriculture	\$50,007,210	\$10,753,079	\$32,772,130	\$2,371,548	\$4,110,453	291.4
Corrections	846,756,203	759,196,124	39,454,112	46,748,326	1,357,641	6,242.7
Education <sup>1</sup>	5,457,998,350	3,764,627,106	1,011,967,311	33,075,421	648,328,512	599.5
Governor	307,252,612	35,996,004	43,978,954	220,765,787	6,511,867	1,090.0
Health Care Policy and Financing <sup>1</sup>	9,116,880,878	2,654,394,214	1,012,485,521	12,406,599	5,437,594,544	435.8
Higher Education <sup>1</sup>	4,076,057,002	871,034,716	2,467,212,460	715,297,309	22,512,517	24,491.4
Human Services	1,902,561,730	831,637,907	388,657,140	127,872,227	554,394,456	4,793.4
Judicial	689,991,264	486,328,896	164,992,153	34,245,215	4,425,000	4,615.1
Labor and Employment	244,151,762	20,786,362	71,493,888	9,401,877	142,469,635	1,279.8
Law	78,164,694	15,138,947	15,612,031	45,630,682	1,783,034	483.5
Legislature	45,868,293	44,789,293	179,000	900,000	0	285.0
Local Affairs <sup>1</sup>	306,112,580	26,012,580	194,098,487	10,915,745	75,085,768	173.9
Military and Veterans Affairs	225,411,689	8,305,504	1,211,976	800,000	215,094,209	1,392.4
Natural Resources	266,054,974	28,742,941	202,967,586	7,703,225	26,641,222	1,462.7
Personnel	190,212,511	13,145,504	16,928,150	160,138,857	0	421.5
Public Health and Environment <sup>1</sup>	563,473,936	47,629,976	185,983,908	41,167,484	288,692,568	1,311.3
Public Safety	413,301,201	123,111,348	190,312,212	38,369,062	61,508,579	1,781.1
Regulatory Agencies	86,142,731	1,769,297	78,137,343	4,852,173	1,383,918	588.2
Revenue	338,472,414	100,710,413	230,466,408	6,471,205	824,388	1,430.4
State	22,087,139	0	22,087,139	0	0	137.4
Transportation	1,404,629,871	0	747,880,934	5,866,138	650,882,799	3,326.8
Treasury <sup>1</sup>	518,036,107	146,008,257	354,252,675	17,775,175	0	32.9
<b>OPERATING TOTAL<sup>2</sup></b>	<b>\$27,149,625,151</b>	<b>\$9,990,118,468</b>	<b>\$7,473,131,518</b>	<b>\$1,542,774,055</b>	<b>\$8,143,601,110</b>	<b>56,666.2</b>

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

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

# C: SUMMARY OF MAJOR CHANGES

## FY 2015-16 ADJUSTED APPROPRIATION AND FY 2016-17 LONG BILL AND SPECIAL BILLS APPROPRIATIONS

ALL DEPARTMENTS						
	TOTAL FUNDS	GENERAL FUND <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2015-16 APPROPRIATION:						
FY 2015-16 Appropriation	\$26,437,672,833	\$9,609,112,649	\$7,355,825,497	\$1,464,430,963	\$8,008,303,724	55,735.5
2016 legislative session bills	202,619,507	(118,448,367)	206,845,094	19,412,483	94,810,297	16.7
<b>TOTAL</b>	<b>\$26,640,292,340</b>	<b>\$9,490,664,282</b>	<b>\$7,562,670,591</b>	<b>\$1,483,843,446</b>	<b>\$8,103,114,021</b>	<b>55,752.2</b>
FY 2016-17 APPROPRIATION:						
FY 2015-16 Appropriation	\$26,640,292,340	\$9,490,664,282	\$7,562,670,591	\$1,483,843,446	\$8,103,114,021	55,752.2
Decision Items	527,774,215	566,721,826	(73,541,227)	43,821,330	(9,227,714)	210.1
Centrally appropriated line items	33,126,713	688,230	11,204,211	15,818,857	5,415,415	0.0
Annualize prior year budget actions	(146,115,805)	(49,717,726)	(3,164,587)	(11,062,629)	(82,170,863)	6.6
Technical changes	(13,543,969)	(15,441,989)	(93,789,019)	12,965,149	82,721,890	627.3
Annualize prior year legislation	(12,892,600)	(1,427,610)	(14,671,747)	(3,918,674)	7,125,431	20.3
<b>HB 16-1405 (Long Bill / HB 16-1353 (Legislative Appropriation))</b>	<b>\$27,028,640,894</b>	<b>\$9,991,487,013</b>	<b>\$7,388,708,222</b>	<b>\$1,541,467,479</b>	<b>\$8,106,978,180</b>	<b>56,616.5</b>
Additional legislation	120,984,257	(1,368,545)	84,423,296	1,306,576	36,622,930	49.7
<b>TOTAL</b>	<b>\$27,149,625,151</b>	<b>\$9,990,118,468</b>	<b>\$7,473,131,518</b>	<b>\$1,542,774,055</b>	<b>\$8,143,601,110</b>	<b>56,666.2</b>
<b>INCREASE/(DECREASE)</b>	\$509,332,811	\$499,454,186	(\$89,539,073)	\$58,930,609	\$40,487,089	914.0
Percentage Change	1.9%	5.3%	(1.2%)	4.0%	0.5%	1.6%

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

## SUMMARY OF MAJOR CHANGES

### FY 2015-16 APPROPRIATION – MID-YEAR ADJUSTMENTS

**2016 LEGISLATIVE SESSION BILLS:** Represents the FY 2015-16 impact of legislation passed in the 2016 legislative session. These items increase the State budget by \$202.6 million total funds, including a decrease of \$118.4 million General Fund, for FY 2015-16. Major highlights include:

- Health Care Policy and Financing – Increase of \$221.4 million total funds (decrease of \$7.4 million General Fund);
- Higher Education – Increase of \$118.8 million total funds;
- Personnel – Increase of \$8.6 million total funds (increase of \$0.1 million General Fund);
- Education – Decrease of \$133.5 million total funds (decrease of \$93.5 million General Fund); and
- Corrections – Decrease of \$16.9 million total funds (decrease of \$16.8 million General Fund).

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

## FY 2016-17 APPROPRIATION HIGHLIGHTS

**DECISION ITEMS:** Represents programmatic funding changes included in the FY 2016-17 appropriation. Examples include funding for new programs, expansion of existing programs, and reductions to or elimination of existing programs. These items increase the State budget by \$527.8 million total funds, including \$566.7 million General Fund, for FY 2016-17. Major highlights include:

- Higher Education – Increase of \$210.4 million total funds (increase of \$14.5 million General Fund);
- Education – Increase of \$157.8 million total funds (increase of \$291.7 million General Fund);
- Health Care Policy and Financing – Increase of \$59.9 million total funds (increase of \$197.2 million General Fund);
- Treasury – Increase of \$36.4 million total funds (increase of \$28.7 million General Fund); and
- Judicial – Increase of \$15.0 million total funds (increase of \$5.2 million General Fund).

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

**CENTRALLY APPROPRIATED LINE ITEMS:** Represents the FY 2016-17 impact of changes to central appropriations, which are generally made to the Executive Director's Office (or a comparable division) of each agency for use department-wide. Examples include salary increases and benefits, vehicle lease payments, Capitol complex leased space, and information technology services. These items increase the State budget by \$33.1 million total funds, including \$0.7 million General Fund, for FY 2016-17. Major highlights include:

- Public Health and Environment – Increase of \$7.0 million total funds (increase of \$0.4 million General Fund);
- Public Safety – Increase of \$6.6 million total funds (increase of \$1.2 million General Fund);
- Labor and Employment – Increase of \$4.3 million total funds (increase of \$1.6 million General Fund);
- Judicial – Increase of \$2.1 million total funds (increase of \$2.2 million General Fund);
- Natural Resources – Increase of \$2.0 million total funds (increase of \$1.1 million General Fund); and
- Corrections – Decrease of \$5.4 million total funds (decrease of \$5.2 million General Fund).

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

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** Represents the FY 2016-17 impact on appropriations of budgetary decision items approved for prior fiscal years. These items reduce the State budget by \$146.1 million total funds, including a decrease of \$49.7 million General Fund, for FY 2016-17. Major highlights include:

- Corrections – Increase of \$5.2 million total funds (increase of \$5.0 million General Fund);
- Public Safety – Increase of \$2.0 million total funds (increase of \$2.1 million General Fund);
- Health Care Policy and Financing – Decrease of \$125.9 million total funds (decrease of \$42.8 million General Fund);
- Personnel – Decrease of \$8.5 million total funds (decrease of \$0.1 million General Fund);
- Governor – Decrease of \$7.7 million total funds (decrease of \$5.0 million General Fund); and
- Public Health and Environment – Decrease of \$2.5 million total funds (decrease of \$1.6 million General Fund).

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

**TECHNICAL CHANGES:** Represents revenue forecast adjustments and various technical adjustments included in the FY 2016-17 appropriation. These items reduce the State budget by \$13.5 million total funds, including a decrease of \$15.4 million General Fund, for FY 2016-17. Major highlights include:

- Human Services – Increase of \$26.0 million total funds;
- Revenue – Increase of \$6.4 million total funds (increase of \$5.0 million General Fund);
- Public Health and Environment – Increase of \$4.2 million total funds (decrease of \$0.2 million General Fund);
- Higher Education – Increase of \$1.5 million total funds (increase of \$0.1 million General Fund);
- Transportation – Decrease of \$32.8 million total funds; and
- Local Affairs – Decrease of \$18.1 million total funds (decrease of \$0.1 million General Fund).

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

**ANNUALIZE PRIOR YEAR LEGISLATION:** Represents the FY 2016-17 impact on appropriations of legislation passed by the General Assembly in prior legislative sessions. These items reduce the State budget by \$12.9 million total funds, including a decrease of \$1.4 million General Fund, for FY 2016-17. Major highlights include:

- Labor and Employment – Increase of \$49.9 million total funds (increase of \$4.3 million General Fund);
- Health Care Policy and Financing – Increase of \$13.8 million total funds (increase of \$8.3 million General Fund);
- Human Services – Decrease of \$48.1 million total funds (decrease of \$2.8 million General Fund);
- Education – Decrease of \$12.0 million total funds (decrease of \$4.0 million General Fund);
- Natural Resources – Decrease of \$10.5 million total funds (decrease of \$0.1 million General Fund); and
- Corrections – Decrease of \$3.3 million General Fund.

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

**ADDITIONAL LEGISLATION:** Represents the FY 2016-17 impact of legislation passed in the 2016 legislative session in addition to S.B. 15-234 (Long Bill) and S.B. 15-191 (Legislative Appropriation Bill). These items increase the State budget by \$121.0 million total funds, including a decrease of \$1.4 million General Fund, for FY 2016-17. Major highlights include:

- Health Care Policy and Financing – Increase of \$57.0 million total funds (decrease of \$6.2 million General Fund);
- Human Services – Increase of \$16.1 million total funds (increase of \$2.7 million General Fund);
- Higher Education – Increase of \$14.7 million total funds (increase of \$0.7 million General Fund);
- Natural Resources – Increase of \$11.1 million total funds; and
- Public Health and Environment – Increase of \$7.0 million total funds (increase of \$1.6 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, Agricultural Services, the Agricultural Markets Division, the Brand Board, the Colorado State Fair, and the Conservation Board.

## DEPARTMENT BUDGET: RECENT APPROPRIATIONS

FUNDING SOURCE	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
General Fund	\$7,723,805	\$9,317,936	\$10,006,234	\$10,753,079
Cash Funds	29,200,366	29,155,798	30,998,626	32,772,130
Reappropriated Funds	1,632,203	1,629,526	1,881,548	2,371,548
Federal Funds	4,113,870	4,103,661	4,170,657	4,110,453
<b>TOTAL FUNDS</b>	<b>\$42,670,244</b>	<b>\$44,206,921</b>	<b>\$47,057,065</b>	<b>\$50,007,210</b>
Full Time Equiv. Staff	274.1	274.1	283.0	291.4

## GENERAL FACTORS DRIVING THE BUDGET

Funding for this department consists of 21.5 percent General Fund, 65.5 percent cash funds, 4.7 percent reappropriated funds, and 8.2 percent federal funds. Some of the major factors driving the Department's budget are discussed below.

### AGRICULTURAL SERVICES

Funding appropriated to Agricultural Services is expended on four program areas: animal industry, plant industry, inspection and consumer services, and conservation services. Agricultural Services accounts for 32.7 percent of the Department's total appropriation in FY 2016-17, including 42.2 percent of the Department's total General Fund appropriation and 26.2 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 Agriculture Services budget.

AGRICULTURAL SERVICES WORKLOAD MEASURES				
	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 ESTIMATE	FY 2016-17 ESTIMATE
<b>Animal Industry Division</b>				
Exported livestock	1,643,341	2,231,921	2,654,514	2,800,000
Certificates of Veterinary Inspection issued	36,700	38,344	44,829	44,000
Animal abuse investigations	14,713	12,452	12,000	13,000
Disease traceability IDs	44,510	45,667	48,067	51,000
<b>Inspection and Consumer Services Division</b>				
Small & large devices tested	26,193	23,234	22,700	23,000
Egg inspections (by the dozen)	71,215	73,000	71,000	71,000
<b>Plant Industry Division</b>				
Pounds of seed sampled	8,416,901	1,139,095	1,000,000	1,000,000
Volume of nursery stock inspected	1,912,737	1,259,945	900,000	900,000

## DEPARTMENT WORKLOAD

Cash funds make up the majority funding for this Department and these appropriations respond to changes in workload for products or services associated with specific cash funds. 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 52.6 percent of the Department's total cash funds appropriation in FY 2016-17.

## AGRICULTURE MANAGEMENT FUND

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

## APPROPRIATION HIGHLIGHTS - 2016 LEGISLATIVE SESSION

DEPARTMENT OF AGRICULTURE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$45,709,657	\$9,706,234	\$30,176,218	\$1,656,548	\$4,170,657	274.1
SB 15-196	249,763	0	249,763	0	0	2.0
HB 15-1367	614,633	300,000	314,633	0	0	4.3
HB 16-1237	483,012	0	258,012	225,000	0	2.6
<b>TOTAL</b>	<b>\$47,057,065</b>	<b>\$10,006,234</b>	<b>\$30,998,626</b>	<b>\$1,881,548</b>	<b>\$4,170,657</b>	<b>283.0</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$47,057,065	\$10,006,234	\$30,998,626	\$1,881,548	\$4,170,657	283.0
Pesticide program inspection and enforcement support	918,958	0	918,958	0	0	7.7
Colorado State Fair Authority financial assistance	750,000	750,000	0	0	0	0.0
Centrally appropriated line items	678,190	349,333	384,595	0	(55,738)	0.0
Annualize prior year budget actions	423,872	(52,488)	(12,785)	490,000	(855)	0.0
Hemp regulatory and seed certification program	116,920	0	116,920	0	0	0.0
Pesticide laboratory resources	38,606	0	38,606	0	0	0.7
Annualize prior year legislation	19,799	(300,000)	319,799	0	0	0.0
Indirect cost assessment	0	0	3,611	0	(3,611)	0.0
General Fund appropriation adjustment	0	0	0	0	0	0.0
<b>HB 16-1405</b>	<b>\$50,003,410</b>	<b>\$10,753,079</b>	<b>\$32,768,330</b>	<b>\$2,371,548</b>	<b>\$4,110,453</b>	<b>291.4</b>
SB 16-058	3,800	0	3,800	0	0	0.0
<b>TOTAL</b>	<b>\$50,007,210</b>	<b>\$10,753,079</b>	<b>\$32,772,130</b>	<b>\$2,371,548</b>	<b>\$4,110,453</b>	<b>291.4</b>
<b>INCREASE/(DECREASE)</b>	<b>\$2,950,145</b>	<b>\$746,845</b>	<b>\$1,773,504</b>	<b>\$490,000</b>	<b>(\$60,204)</b>	<b>8.4</b>
Percentage Change	6.3%	7.5%	5.7%	26.0%	(1.4%)	3.0%

## FY 2015-16 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 16-1237 adds a total of \$483,012 to the Department's FY 2015-16 appropriations including: \$258,012 cash funds and 2.6 FTE for pesticide inspection, testing, and enforcement support, \$210,000 reappropriated funds for the Noxious Weed Management Grant Program, and \$15,000 reappropriated funds for the Inspection and Consumer Services Division for cannabinoid content and homogeneity testing on marijuana flowers.

## FY 2016-17 APPROPRIATION HIGHLIGHTS

**PESTICIDE PROGRAM INSPECTION AND ENFORCEMENT SUPPORT:** The appropriation includes \$918,958 cash funds from the Marijuana Tax Cash Fund, created in Section 39-28.8-501 (1), C.R.S., and 7.7 FTE. This appropriation will be used by the Plant Industry Division's Pesticide Program to support the implementation of the Pesticide Applicators' Act, with specific regard to marijuana and hemp growing facilities.

**COLORADO STATE FAIR AUTHORITY FINANCIAL ASSISTANCE:** The appropriation includes \$750,000 General Fund for operations and maintenance costs of the Colorado State Fair. This money is split between two line items within the Colorado State Fair, with \$450,000 being allocated to the Program Costs line item and \$300,000 being allocated to the State Fair Facility Maintenance line item.

**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; vehicle lease payments; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; payments to the Governor's Office of Information Technology (OIT); and CORE operations..

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

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 15-16 Appropriation to Noxious Weed Management Fund	\$490,000	\$0	\$0	\$490,000	\$0	0.0
FY 15-16 State Fair financial sustainability study	(50,000)	(50,000)	0	0	0	0.0
FY 15-16 Salary survey and merit pay	(16,128)	(2,488)	(12,785)	0	(855)	0.0
<b>TOTAL</b>	<b>\$423,872</b>	<b>(\$52,488)</b>	<b>(\$12,785)</b>	<b>\$490,000</b>	<b>(\$855)</b>	<b>0.0</b>

**HEMP REGULATORY AND SEED CERTIFICATION PROGRAM:** The appropriation includes \$116,920 cash funds from the Marijuana Tax Cash Fund, created in Section 39-28.8-501 (1), C.R.S., for the Plant Industry Division to fund the operating costs associated with the Industrial Hemp Regulator and Seed Certification Program. This money will cover the costs of purchasing seed stock, seed storage, land contracts, and other operating costs.

**PESTICIDE LABORATORY RESOURCES:** The appropriation includes \$38,606 cash funds from the Marijuana Tax Cash Fund, created in Section 39-28.8-501 (1), C.R.S., and 0.7 FTE for the Inspection and Consumer Services Division. This money will be used to hire a qualified analytical chemist for the Biochemistry Laboratory to address an increase in workload due to the regulation of recreational marijuana.

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

ANNUALIZE PRIOR YEAR LEGISLATION

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 15-196 Industrial Hemp Certified Seeds Concentration Test	\$19,799	\$0	\$19,799	\$0	\$0	0.0
HB 15-1367 Retail Marijuana Taxes	0	(300,000)	300,000	0	0	0.0
<b>TOTAL</b>	<b>\$19,799</b>	<b>(\$300,000)</b>	<b>\$319,799</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**INDIRECT COST ASSESSMENT:** The appropriation includes a net zero budget impact for adjustments to the indirect cost assessments line items throughout the department, including an increase of \$3,611 cash funds and a decrease of \$3,611 federal funds.

**GENERAL FUND APPROPRIATION ADJUSTMENT:** The appropriation includes a decrease of \$250,000 General Fund for the Plant Industry Division and an increase of \$250,000 General Fund for the Conservation Services Division. This adjustment aligns appropriations to the actual expenditures for these divisions.

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

# DEPARTMENT OF CORRECTIONS

The Department is responsible for:

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

## DEPARTMENT BUDGET: RECENT APPROPRIATIONS

FUNDING SOURCE	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
General Fund	\$683,084,333	\$720,902,032	\$763,812,924	\$759,196,124
Cash Funds	40,092,306	40,096,980	39,346,724	39,454,112
Reappropriated Funds	45,892,992	46,402,892	46,665,389	46,748,326
Federal Funds	1,010,514	1,223,868	1,259,937	1,357,641
<b>TOTAL FUNDS</b>	<b>\$770,080,145</b>	<b>\$808,625,772</b>	<b>\$851,084,974</b>	<b>\$846,756,203</b>
Full Time Equiv. Staff	6,051.6	6,209.2	6,239.8	6,242.7

## GENERAL FACTORS DRIVING THE BUDGET

Funding for this department consists of 89.7 percent General Fund, 4.7 percent cash funds, 5.5 percent reappropriated funds, and 0.2 percent federal funds. Some of the major factors driving the Department's budget are discussed below.

### OPERATING APPROPRIATIONS

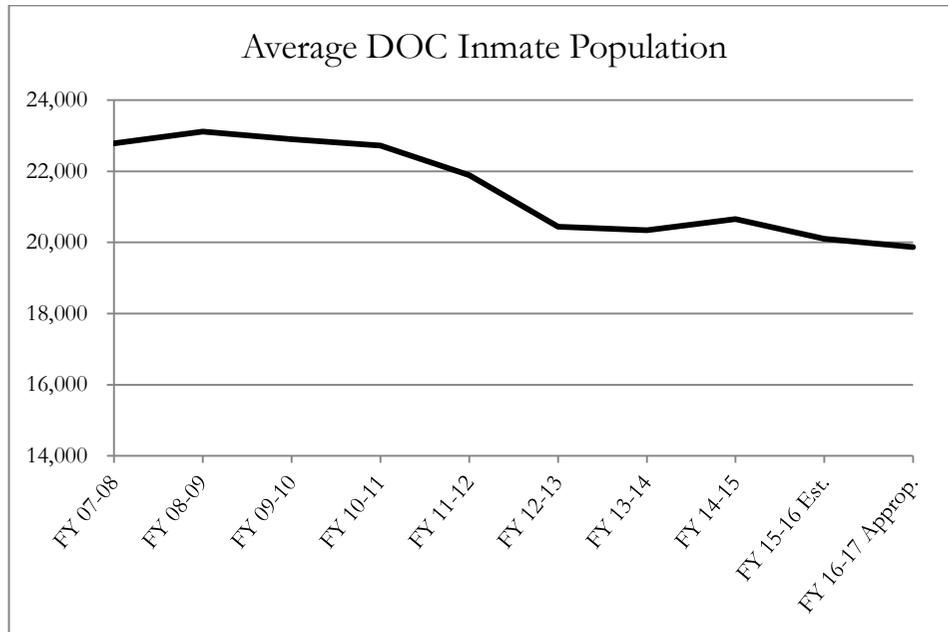
Appropriations for operating costs to the Department of Corrections (DOC) are largely dependent upon two key components of prison caseload:

- The DOC inmate population, which consists of DOC offenders with "inmate" status. These offenders have been sentenced to the DOC but are not on parole. They are housed in state-operated prisons, private prisons, county jails, and community corrections facilities; a small portion live independently in the community under 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 reparaoled.

### INMATE POPULATION

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

AVERAGE DOC INMATE POPULATION						
	FY 11-12 ACTUAL	FY 12-13 ACTUAL	FY 13-14 ACTUAL	FY 14-15 ACTUAL	FY 15-16 ESTIMATE.	FY 15-16 APPROP.
Average DOC inmate population	21,890	20,437	20,346	20,652	20,104	19,864
Percentage change from prior year	(3.6%)	(6.6%)	(0.4%)	1.5%	(2.7%)	(1.2%)



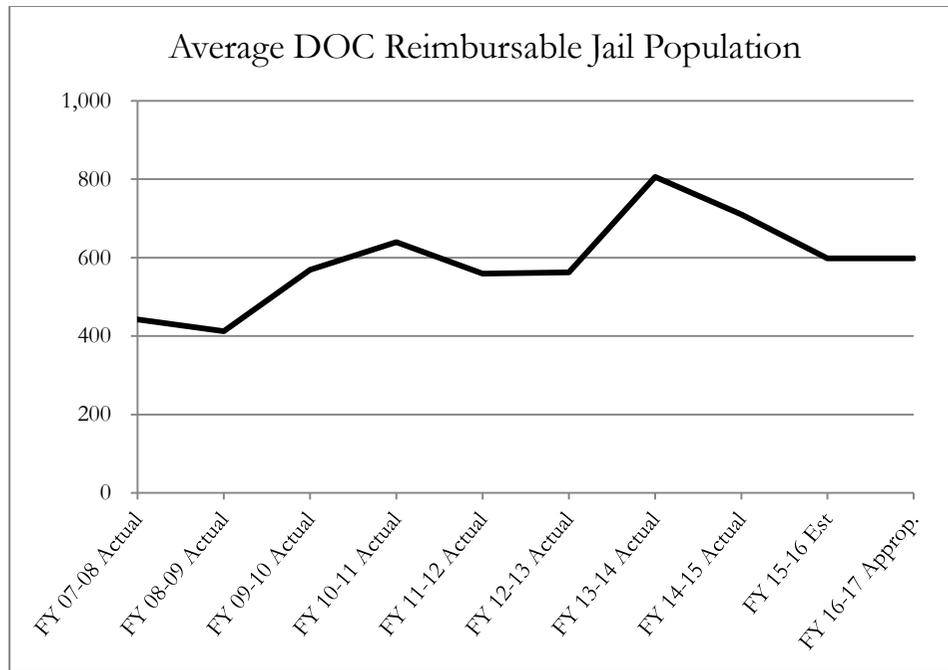
## DOC OFFENDERS IN COUNTY JAILS

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. Other offenders were paroled and, following a parole violation, have been placed in jail for a few days to deter further misbehavior. Others with more severe parole violations are awaiting a parole revocation hearing or are awaiting trial for a new crime. If parole is revoked, the parolee remains in jail until transferred to another facility. Still other DOC offenders may have been transported from prison to a jail on a writ from a judge who needs them to appear in court. In addition, the DOC sometimes contracts with county jails and places offenders in these facilities on a long term basis.

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

REIMBURSABLE <sup>1</sup> DOC OFFENDERS IN COUNTY JAILS						
	FY 11-12 ACTUAL	FY 12-13 ACTUAL	FY 13-14 ACTUAL	FY 14-15 ACTUAL	FY 15-16 ESTIMATE	FY 16-17 APPROP.
Average DOC reimbursable <sup>1</sup> jail population	559	562	806	710	598	598
Percentage change from prior year	(12.5%)	0.5%	43.4%	(11.9%)	(15.8%)	(0.0%)
Daily reimbursement rate per offender	\$50.44	\$50.44	\$51.45	\$52.74	\$53.64	\$53.64
Percentage change from prior year	0.0%	0.0%	2.0%	2.5%	1.7%	0.0%
Total payments to jails	\$10,320,054	\$10,348,430	\$15,141,029	\$13,676,168	\$11,739,144	\$11,708,003
Percentage change from prior year	(12.3%)	0.3%	46.3%	(9.7%)	(14.2%)	(0.3%)

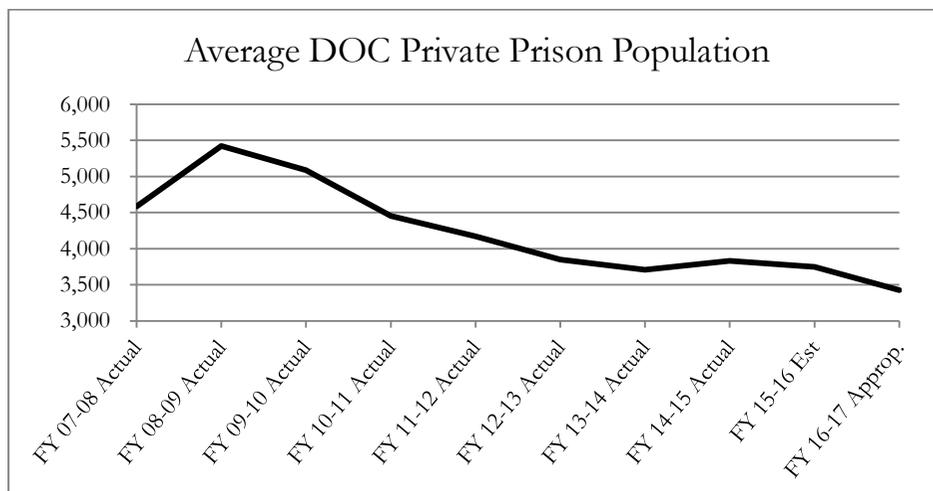
<sup>1</sup> DOC does not reimburse jails for all DOC offenders that jails hold. This table reports the average number of offenders for whom the DOC pays reimbursement.



## DOC OFFENDERS IN PRIVATE PRISONS

During the 1990s, the DOC began contracting with out-of-state prisons and in-state private prisons to house Colorado offenders. The DOC continues to house offenders at in-state private prisons, but Colorado inmates have not been housed at out-of-state prisons since FY 2007-08. The following table summarizes the recent in-state private prison population and related costs to DOC. The FY 2016-17 *Total payments to private prisons* in this table does not include \$3,000,000 General Fund for an additional payment to keep a private prison open.

DOC INMATES IN PRIVATE PRISONS						
	FY 11-12 ACTUAL	FY 12-13 ACTUAL	FY 13-14 ACTUAL	FY 14-15 ACTUAL	FY 15-16 ESTIMATE	FY 16-17 APPROP.
Average private prison population	4,169	3,847	3,710	3,833	3,746	3,426
Percentage change from prior year	(6.3%)	(7.7%)	(3.6%)	3.3%	(2.3%)	(8.5%)
Daily reimbursement rate per offender	\$52.69	\$52.69	\$53.74	\$55.08	\$56.02	\$56.02
Percentage change from prior year	0.0%	0.0%	2.0%	2.5%	1.7%	0.0%
Total payments to private prisons	\$80,393,692	\$73,987,133	\$72,765,990	\$77,055,302	\$76,809,601	\$70,051,692
Percentage change from prior year	(6.1%)	(8.0%)	(1.7%)	5.9%	0.3%	(8.8%)



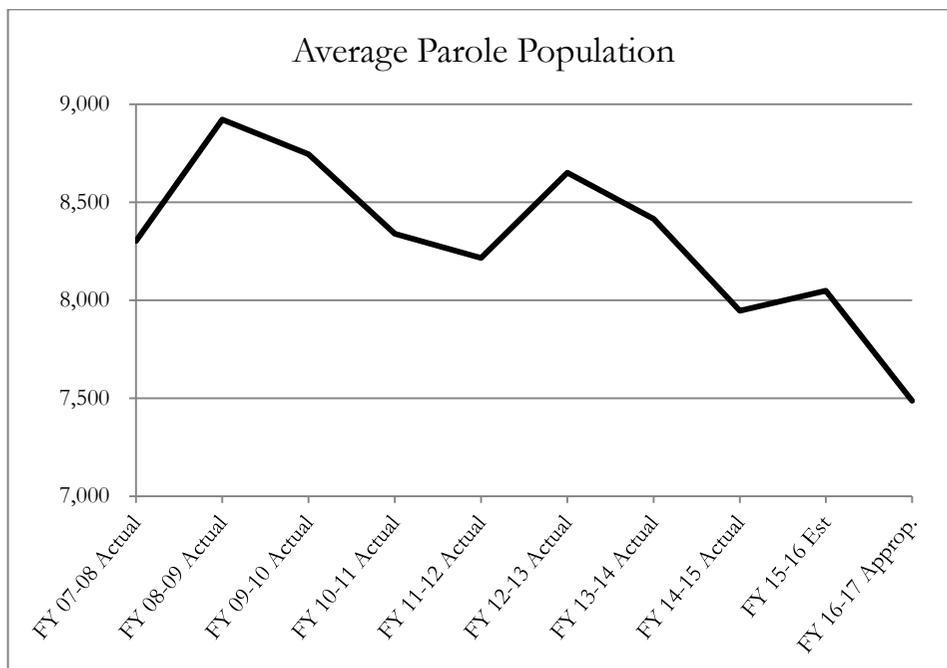
## TRANSITION AND PAROLE – COSTS OF RETURNING OFFENDERS TO THE COMMUNITY

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.

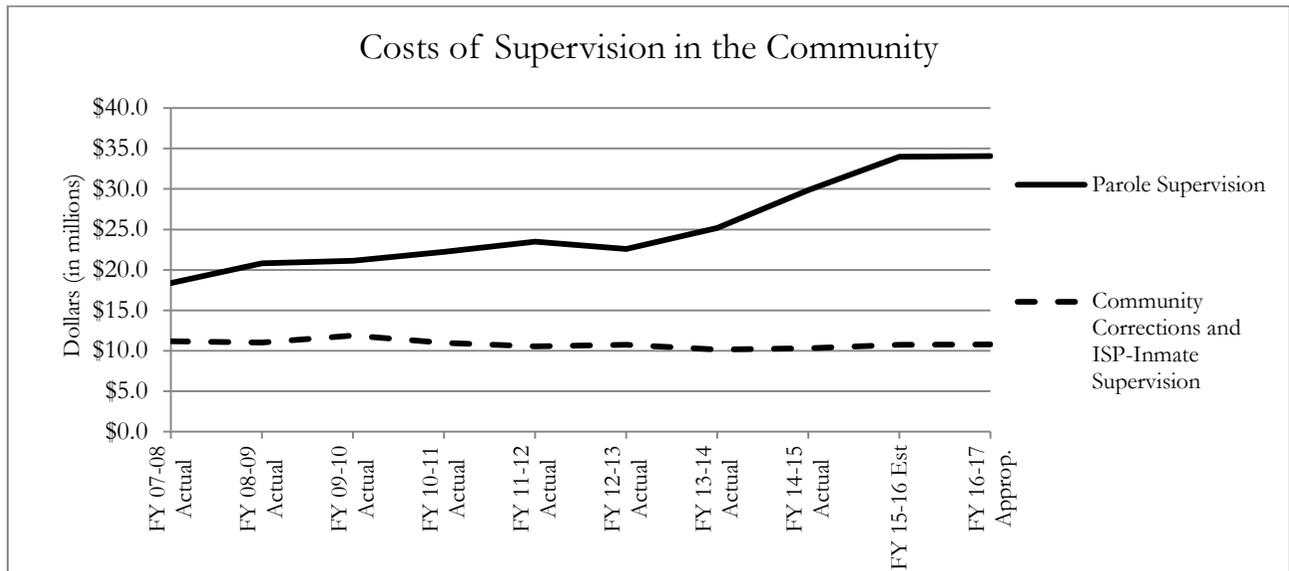
Costs of parole supervision are closely tied to caseloads. The following table and chart report the average parole population in recent fiscal years.

AVERAGE PAROLE POPULATION						
	FY 11-12 Actual	FY 12-13 Actual	FY 13-14 Actual	FY 14-15 Actual	FY 15-16 Estimate	FY 16-17 Approp.
Average parole population	8,216	8,650	8,415	7,947	8,048	7,487
Percentage change from prior year	(1.5%)	5.3%	(2.7%)	(5.6%)	1.3%	(7.0%)



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 11-12 ACTUAL	FY 12-13 ACTUAL	FY 13-14 ACTUAL	FY 14-15 ACTUAL	FY 15-16 EST.	FY 16-17 APPROP.
Community Corrections and ISP- Inmate Supervision	\$10,565,106	\$10,726,721	\$10,168,595	\$10,322,433	\$10,753,793	\$10,789,314
Percentage change from prior year	(3.6%)	1.5%	(5.2%)	1.5%	4.2%	0.3%
Parole Supervision	\$23,483,761	\$22,600,157	\$25,183,437	\$29,863,446	\$33,985,256	\$34,058,489
Percentage change from prior year	5.7%	(3.8%)	11.4%	18.6%	13.8%	0.2%
Payments to Community Return-to- Custody Facilities	\$4,004,246	\$3,911,624	\$3,857,736	\$3,744,387	\$3,035,348	\$3,945,153
Percentage change from prior year	(0.8%)	(2.3%)	(1.4%)	(2.9%)	(18.9%)	30.0%



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

### CAPITAL APPROPRIATIONS

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

CAPITAL CONSTRUCTION						
	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17
Capital Construction Fund appropriations	\$18,952,353	\$20,798,083	\$27,225,308	\$29,120,526	\$26,583,095	\$20,258,268

# APPROPRIATION HIGHLIGHTS - 2016 LEGISLATIVE SESSION

## DEPARTMENT OF CORRECTIONS

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$868,560,106	\$779,703,369	\$40,931,411	\$46,665,389	\$1,259,937	6,239.8
HB 13-1154	121,773	121,773	0	0	0	0.0
HB 13-1318	14,987	14,987	0	0	0	0.0
HB 13-1325	5,551	5,551	0	0	0	0.0
SB 14-049	21,484	21,484	0	0	0	0.0
SB 14-092	21,484	21,484	0	0	0	0.0
SB 14-161	21,484	21,484	0	0	0	0.0
SB 14-176	21,484	21,484	0	0	0	0.0
HB 14-1037	21,484	21,484	0	0	0	0.0
SB 15-124	(853,476)	(853,476)	0	0	0	0.0
SB 15-185	9,800	9,800	0	0	0	0.0
SB 15-195	0	1,500,000	(1,500,000)	0	0	0.0
HB 15-1341	11,034	11,034	0	0	0	0.0
HB 16-1238	(16,892,221)	(16,807,534)	(84,687)	0	0	0.0
<b>TOTAL</b>	<b>\$851,084,974</b>	<b>\$763,812,924</b>	<b>\$39,346,724</b>	<b>\$46,665,389</b>	<b>\$1,259,937</b>	<b>6,239.8</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$851,084,974	\$763,812,924	\$39,346,724	\$46,665,389	\$1,259,937	6,239.8
Annualize prior year budget actions	5,190,744	4,998,617	192,127	0	0	2.1
Increase inmate pay	374,000	300,000	39,000	35,000	0	0.0
Utilities inflation	333,230	315,236	17,994	0	0	0.0
Food service inflation	328,981	328,981	0	0	0	0.0
Secure Colorado	205,212	203,981	1,231	0	0	0.0
Indirect cost assessment	70,506	(70,505)	(17,227)	60,534	97,704	0.0
Pharmaceuticals and external medical care	29,425	29,425	0	0	0	0.0
CSP II lease payment adjustment	3,500	3,500	0	0	0	0.0
External capacity	(5,463,104)	(5,463,104)	0	0	0	0.0
Centrally appropriated line items	(4,844,013)	(4,705,679)	(125,737)	(12,597)	0	0.0
Funding already in statute from criminal sentencing bills	(3,344,870)	(3,344,870)	0	0	0	0.0
<b>HB 16-1405</b>	<b>\$843,968,585</b>	<b>\$756,408,506</b>	<b>\$39,454,112</b>	<b>\$46,748,326</b>	<b>\$1,357,641</b>	<b>6,241.9</b>
HB 13-1154	76,655	76,655	0	0	0	0.0
SB 14-049	42,968	42,968	0	0	0	0.0
SB 14-092	19,640	19,640	0	0	0	0.0
SB 14-161	19,640	19,640	0	0	0	0.0
SB 14-176	42,968	42,968	0	0	0	0.0
HB 14-1037	21,484	21,484	0	0	0	0.0
SB 15-067	219,576	219,576	0	0	0	0.0
HB 15-1043	2,581,944	2,581,944	0	0	0	0.0
HB 15-1229	22,068	22,068	0	0	0	0.0
HB 15-1305	22,068	22,068	0	0	0	0.0
HB 15-1341	275,849	275,849	0	0	0	0.0
SB 16-102	(721,496)	(721,496)	0	0	0	0.0
SB 16-180	95,504	95,504	0	0	0	0.8
HB 16-1117	24,700	24,700	0	0	0	0.0
HB 16-1406	32,175	32,175	0	0	0	0.0
HB 16-1411	11,875	11,875	0	0	0	0.0
<b>TOTAL</b>	<b>\$846,756,203</b>	<b>\$759,196,124</b>	<b>\$39,454,112</b>	<b>\$46,748,326</b>	<b>\$1,357,641</b>	<b>6,242.7</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$4,328,771)</b>	<b>(\$4,616,800)</b>	<b>\$107,388</b>	<b>\$82,937</b>	<b>\$97,704</b>	<b>2.9</b>
Percentage Change	(0.5%)	(0.6%)	0.3%	0.2%	7.8%	0.0%

## FY 2015-16 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 16-1238 modifies the FY 2015-16 appropriations to:

- Add \$653,555 General Fund for inmate education and benefits programs at private prisons and reducing appropriations for Department of Corrections education programs by an offsetting amount to correct a technical error in S.B. 15-195 (Spending Earned Time Savings);
- Move \$57,732 of General Fund appropriations and 1.0 FTE from the Executive Director's Office to the Parole Board;
- Eliminate the Catastrophic Medical Expenses line item and combining it with the Purchase of Medical Services from Other Medical Facilities line item;
- Reduce General Fund appropriations for external capacity by \$12,858,305 to reflect a lower estimate of the inmate population for FY 2015-16;
- Reduce the appropriation for pharmaceuticals and external medical care for inmates by \$3,441,917 General Fund to reflect a lower estimate of the inmate population and a lower estimated cost per inmate for pharmaceuticals; and
- Reduce the vehicle lease appropriation by \$591,999 total funds.

## FY 2016-17 APPROPRIATION HIGHLIGHTS

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

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 15-16 Salary survey and merit pay	\$4,959,521	\$4,767,394	\$192,127	\$0	\$0	0.0
FY 15-16 Buena Vista wastewater increase	210,748	210,748	0	0	0	0.0
FY 15-16 Additional mental health staff	20,475	20,475	0	0	0	2.1
<b>TOTAL</b>	<b>\$5,190,744</b>	<b>\$4,998,617</b>	<b>\$192,127</b>	<b>\$0</b>	<b>\$0</b>	<b>2.1</b>

**INCREASE INMATE PAY:** The appropriation includes \$374,000 total funds, including \$300,000 General Fund, for increased inmate pay. The current daily pay rates are 28¢ for inmates with no assignment, 37¢ for half-time assignments, 74¢ for full time assignments, 82¢ for kitchen assignments, and 99¢ to \$2.31 for offender care aides who help disabled offenders. Inmates are required to purchase their own hygiene items.

**UTILITIES INFLATION:** The appropriation includes an increase of \$333,230 total funds, including \$315,236 General Fund, for utilities inflation.

**FOOD SERVICE INFLATION:** The appropriation includes an increase of \$328,981 General Fund for food inflation, comprised of \$283,004 for raw food and \$45,977 to pay for meals prepared by the Colorado Mental Health Institute at Pueblo, which provides meals for the three DOC facilities on that campus.

**SECURE COLORADO:** The appropriation includes an increase of \$205,212 total funds, comprised of \$203,981 General Fund and \$1,231 cash funds, for FY 2016-17 to cover the Department's share of the Office of Information Technology's implementation of advanced information security event analytics capabilities.

**INDIRECT COST ASSESSMENT:** The appropriation includes a net increase in indirect cost assessments from various cash, reappropriated, and federal fund sources and uses the additional assessments to reduce General Fund appropriations to the Business Operations subprogram.

**PHARMACEUTICALS AND EXTERNAL MEDICAL CARE:** The appropriation includes an increase for pharmaceuticals and external medical care (i.e. care inmates receive outside of prison walls) of \$29,425 General Fund. Increased costs per offender are largely offset by an expected population decline.

**CSP II LEASE PAYMENT ADJUSTMENT:** The appropriation increases the Colorado State Penitentiary II (CSP II) lease purchase payment by \$3,500 General Fund, as required by the state's debt agreements. For FY 2016-17 the CSP II payment will equal \$20,258,268 General Fund. The last payment will be in FY 2018-19.

**EXTERNAL CAPACITY:** The appropriation includes a decrease of \$8,463,104 General Fund for placing inmates in private prisons and jails based on the Legislative Council Staff forecast of fewer inmates in FY 2016-17 and includes a new appropriation of \$3 million General Fund to sustain external capacity.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; shift differential; vehicle lease payments; workers' compensation; legal services (including a reduction of \$61,000 General Fund for private-sector legal work on Rifle Correctional Facility water rights); payment to risk management and property funds; Capitol complex leased space; payments to the Governor's Office of Information Technology (OIT); and CORE operations.

**FUNDING ALREADY IN STATUTE FROM CRIMINAL SENTENCING BILLS:** The appropriation reduces the appropriation that would otherwise be in the Long Bill for housing inmates by \$3,344,860 General Fund, which is the amount already appropriated for FY 2016-17 in criminal sentencing bills that were enacted during the preceding five sessions.

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

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# DEPARTMENT OF EDUCATION

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

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

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

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

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

## DEPARTMENT BUDGET: RECENT APPROPRIATIONS

FUNDING SOURCE	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
General Fund <sup>1</sup>	\$3,153,841,621	\$3,357,973,487	\$3,478,443,043	\$3,764,627,106
Cash Funds	895,916,330	1,193,772,119	1,146,145,308	1,011,967,311
Reappropriated Funds	30,459,207	61,142,113	31,757,276	33,075,421
Federal Funds	625,583,593	636,310,925	650,649,929	648,328,512
<b>TOTAL FUNDS</b>	<b>\$4,705,800,751</b>	<b>\$5,249,198,644</b>	<b>\$5,306,995,556</b>	<b>\$5,457,998,350</b>
Full Time Equiv. Staff	563.8	582.0	598.8	599.5

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

## GENERAL FACTORS DRIVING THE BUDGET

Although local government revenues provide a significant source of funding for K-12 education in Colorado (\$2.3 billion anticipated in FY 2016-17), local funds are not reflected in the State's annual appropriations to the Department of Education. Funding for this department consists of 69.0 percent General Fund, 18.5 percent cash funds, 0.6 percent reappropriated funds, and 11.9 percent federal funds. Two primary factors driving the Department's budget, public school finance and categorical programs, are reviewed below.

### PUBLIC SCHOOL FINANCE

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

The formula provides the same statewide base per-pupil funding amount for every school district (\$6,368 per pupil for FY 2016-17). 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 2016-17, per-pupil funding allocations are anticipated to range from \$7,018 to \$15,784, with a statewide average of \$7,425 per pupil. Each district's per-pupil funding allocation is multiplied by its funded-pupil count to determine its total program funding. For FY 2016-17, pursuant to the formula, a total of \$6.4 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 2016-17, the General Assembly was required to increase the statewide base per-pupil funding amount by at least \$76 (from \$6,292 to \$6,368, or 1.2 percent), based on the actual 1.2 percent increase in the Denver-Boulder-Greeley consumer price index in calendar year 2015. Given an estimated funded-pupil count of more than 861,000, the General Assembly was thus required to provide a minimum of \$5.5 billion in state and local funds for FY 2016-17, equal to 85.8 percent of the \$6.4 billion in total program funding.

### FACTORS CONSIDERED IN PUBLIC SCHOOL FINANCE FORMULA

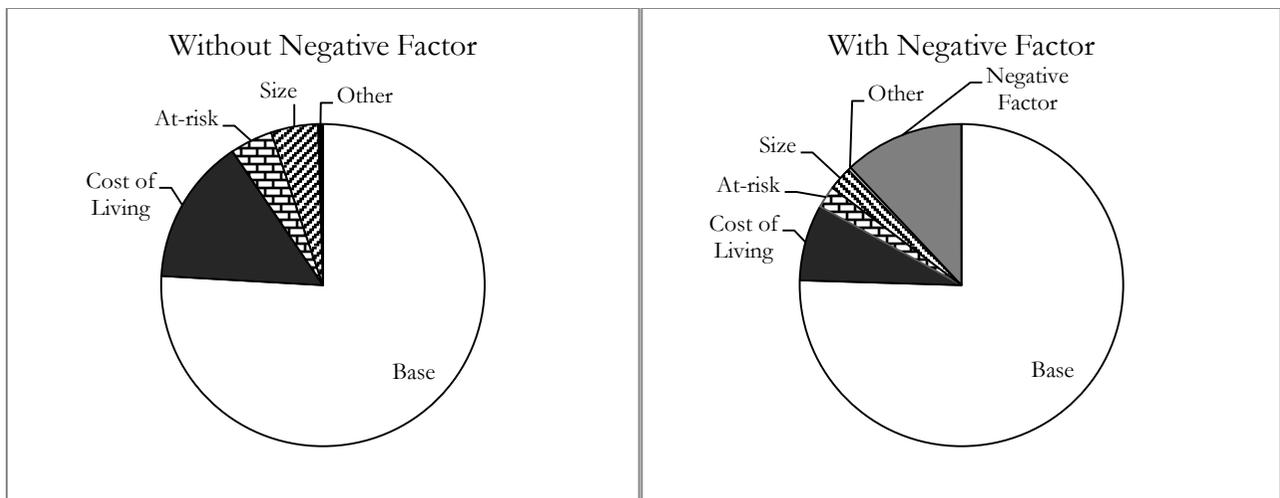
The remaining 14.2 percent of state and local funds that will be allocated among school districts in FY 2016-17 is driven by other factors in the statutory school finance formula that add varying amounts to the base per-pupil funding for each district to account for individual district characteristics. The formula includes three primary factors:

- Cost of Living Factor - Recognizes that the cost of living in a community affects the salaries required to attract and retain qualified personnel.
- Size Factor - Compensates districts lacking enrollment-based economies of scale.
- At-risk Factor - Provides additional funding for districts serving students who may be at risk of failing or dropping out of school. The formula utilizes a proxy to estimate the number of at-risk students: the number and concentration of students who are either eligible for free lunch under the federal school lunch program or English language learners.

In addition, the school finance formula requires a minimum level of per-pupil funding (\$7,051 per pupil for FY 2016-17), regardless of the impact of the above factors. For FY 2016-17, 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 \$6,795 for FY 2016-17) 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 2016-17, this factor is estimated to be -11.5 percent, requiring a \$830.7 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 11.5 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 2016-17, \$2.3 billion in local tax revenues are anticipated to be available to support public schools pursuant to the statutory school finance formula. State funding is appropriated to fill the gap between local

tax revenues and total program funding. Thus, the General Assembly appropriated \$4.1 billion in state funding for FY 2016-17 to provide a total of \$6.4 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.

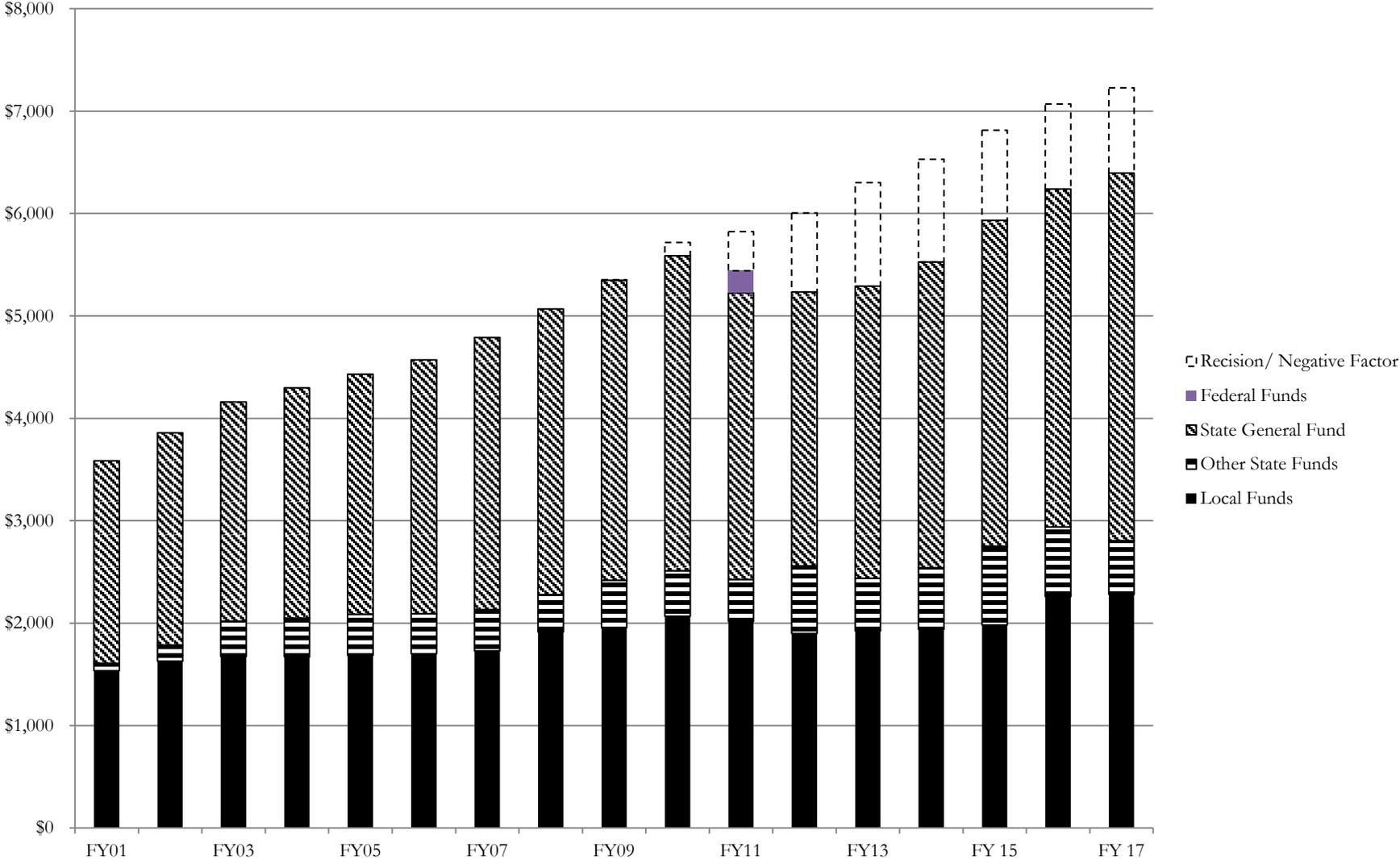
Senate Bill 07-199 changed the method for calculating school district property taxes, thereby allowing property tax revenues to increase at a rate more commensurate with overall funding. Due to the passage of S.B. 07-199 and increases in assessed valuation, the state share of funding (as a percentage of the total program) decreased in FY 2007-08 to 62.2 percent. Subsequently, due to declines in assessed valuation, the state share increased to 66.6 percent of total program funding in FY 2014-15. The state share is projected to provide 64.3 percent of total program funding in FY 2016-17.

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 2016-17. The stacked bar segments outlined with a dotted line illustrate the mid-year rescissions 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 2015-16 and FY 2016-17.

School Districts' Total Program Funding  
(\$ in millions)



**SCHOOL DISTRICTS' TOTAL PROGRAM FUNDING: KEY DATA**

DESCRIPTION	FY 2011-12 ACTUAL	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 APPROP.	FY 2016-17 APPROP.
<b>Funded Pupil Count</b>	<b>808,139</b>	<b>817,645</b>	<b>830,831</b>	<b>844,546</b>	<b>853,251</b>	<b>861,441</b>
<i>Annual Percent Change</i>	<i>1.2%</i>	<i>1.2%</i>	<i>1.6%</i>	<i>1.7%</i>	<i>1.0%</i>	<i>1.0%</i>
<i>Change in Denver-Boulder Consumer Price Index for Previous Calendar Year</i>	<i>1.9%</i>	<i>3.7%</i>	<i>1.9%</i>	<i>2.8%</i>	<i>2.8%</i>	<i>1.2%</i>
Statewide <u>Base</u> Per Pupil Funding	<b>\$5,635</b>	<b>\$5,843</b>	<b>\$5,954</b>	<b>\$6,121</b>	<b>\$6,292</b>	<b>\$6,368</b>
<i>Annual Percent Change</i>	<i>1.9%</i>	<i>3.7%</i>	<i>1.9%</i>	<i>2.8%</i>	<i>2.8%</i>	<i>1.2%</i>
Statewide <u>Average</u> Per Pupil Funding	<b>\$6,474</b>	<b>\$6,480</b>	<b>\$6,652</b>	<b>\$7,026</b>	<b>\$7,313</b>	<b>\$7,425</b>
<i>Annual Percent Change</i>	<i>(5.0%)</i>	<i>0.1%</i>	<i>2.7%</i>	<i>5.6%</i>	<i>4.1%</i>	<i>1.5%</i>
<b>Total Program Funding/1</b>	<b>\$5,232,445,847</b>	<b>\$5,297,963,176</b>	<b>\$5,526,933,750</b>	<b>\$5,933,444,389</b>	<b>\$6,239,564,775</b>	<b>\$6,395,910,214</b>
<i>Annual Percent Change</i>	<i>(3.8%)</i>	<i>1.3%</i>	<i>4.3%</i>	<i>7.4%</i>	<i>5.2%</i>	<i>2.5%</i>
<u>Local Share</u> of Total Program Funding	\$1,900,524,532	\$1,918,248,885	\$1,938,833,490	\$1,982,831,906	\$2,259,785,802	\$2,280,782,709
<i>Annual Percent Change</i>	<i>(5.9%)</i>	<i>0.9%</i>	<i>1.1%</i>	<i>2.3%</i>	<i>14.0%</i>	<i>0.9%</i>
<u>State Share</u> of Total Program Funding	\$3,331,921,315	\$3,379,714,291	\$3,588,100,260	\$3,950,612,483	\$3,979,778,973	\$4,115,127,505
<i>Annual Percent Change</i>	<i>3.9%</i>	<i>1.4%</i>	<i>6.2%</i>	<i>10.1%</i>	<i>0.7%</i>	<i>3.4%</i>
<i>State Share as Percent of Districts' Total Program Funding</i>	<i>63.7%</i>	<i>63.8%</i>	<i>64.9%</i>	<i>66.6%</i>	<i>63.8%</i>	<i>64.3%</i>

1/ These 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 2015 the percentage change in the Denver-Boulder-Greeley consumer price index was 1.2 percent, so the General Assembly was required to increase state funding for categorical programs by at least that amount (\$3,432,994) for FY 2016-17.

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 \$147.4 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 \$63.3 million higher than the minimum amount that would have otherwise been required.

The following table details the allocation of the \$147.4 million increase since FY 2000-01 among categorical programs. For details concerning the allocation of the funding increase provided for FY 2016-17, please see the Assistance to Public Schools, Categorical Programs section of Part III of this department.

INCREASES IN STATE FUNDING FOR CATEGORICAL PROGRAMS SINCE FY 2000-01				
LONG BILL LINE ITEM	FY 2000-01 APPROPRIATION	FY 2016-17 APPROPRIATION	TOTAL INCREASE IN ANNUAL APPROPRIATION OF STATE FUNDS SINCE FY 2000-01	
Special education - children with disabilities	\$71,510,773	\$167,137,922	\$95,627,149	133.7%
English Language Proficiency Program	3,101,598	18,785,784	15,684,186	505.7%
Public school transportation	36,922,227	56,207,903	19,285,676	52.2%
Career and technical education programs	17,792,850	25,639,363	7,846,513	44.1%
Special education - gifted and talented children	5,500,000	12,169,325	6,669,325	121.3%
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	1,076,550	128,410	13.5%
Comprehensive health education	600,000	1,005,396	405,396	67.6%
<b>TOTAL</b>	<b>\$142,164,395</b>	<b>\$289,515,803</b>	<b>\$147,351,408</b>	<b>103.6%</b>

## APPROPRIATION HIGHLIGHTS - 2016 LEGISLATIVE SESSION

DEPARTMENT OF EDUCATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2015-16 APPROPRIATION:						
SB 15-234	\$5,395,441,471	\$3,542,723,792	\$1,172,310,474	\$29,757,276	\$650,649,929	598.0
SB 15-056	935,180	0	935,180	0	0	0.0
SB 15-235	161,258	161,258	0	0	0	0.0
SB 15-267	30,000,000	25,000,000	5,000,000	0	0	0.0
SB 15-290	218,825	0	218,825	0	0	0.0
HB 15-1170	92,934	92,934	0	0	0	0.7
HB 15-1270	7,232	7,232	0	0	0	0.1
HB 15-1321	10,000,000	0	10,000,000	0	0	0.0
HB 15-1323	(2,369,118)	0	(2,369,118)	0	0	0.0
HB 15-1367	6,000,000	4,000,000	0	2,000,000	0	0.0

**DEPARTMENT OF EDUCATION**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 16-1253	(133,492,226)	(93,542,173)	(39,950,053)	0	0	0.0
<b>TOTAL</b>	<b>\$5,306,995,556</b>	<b>\$3,478,443,043</b>	<b>\$1,146,145,308</b>	<b>\$31,757,276</b>	<b>\$650,649,929</b>	<b>598.8</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$5,306,995,556	\$3,478,443,043	\$1,146,145,308	\$31,757,276	\$650,649,929	598.8
Total program increase	135,339,886	292,360,820	(157,020,934)	0	0	0.0
B.E.S.T. cash grants adjustment	20,000,000	0	20,000,000	0	0	0.0
Categorical programs increase	3,432,994	0	3,432,994	0	0	0.0
Charter school capital construction increase	3,000,000	0	3,000,000	0	0	0.0
Informational funds adjustment	2,694,032	0	(545,275)	4,147,021	(907,714)	(4.5)
CSDB teacher salary adjustment	229,685	229,685	0	0	0	0.0
Early literacy assessment tool adjustment	191,459	0	191,459	0	0	0.0
B.E.S.T. priority assessment adjustment	150,000	0	150,000	0	0	0.0
Centrally appropriated line items	149,143	180,499	204,619	(187,658)	(48,317)	0.0
CPP tax checkoff	72,025	0	72,025	0	0	0.0
Facility schools unit adjustment	54,555	0	0	54,555	0	0.0
P-TECH adjustment	35,400	35,400	0	0	0	0.5
Talking book library building maintenance	20,000	20,000	0	0	0	0.0
Fund source adjustments	0	(1,993,297)	2,000,000	(6,703)	0	0.0
Annualize prior year legislation	(12,015,573)	(4,015,573)	(6,000,000)	(2,000,000)	0	(0.2)
Annualize prior year budget actions	(2,320,711)	434,449	(2,729,312)	(17,935)	(7,913)	4.7
Statewide assessment adjustments	(1,767,157)	0	(663,734)	0	(1,103,423)	0.0
Office of Dropout Prevention reduction	(1,100,000)	0	(1,100,000)	0	0	0.0
School bullying prevention reduction	(1,100,000)	0	(1,100,000)	0	0	0.0
Start smart reduction	(993,719)	(670,721)	347,491	(670,489)	0	0.0
Indirect cost assessment	(287,911)	0	(33,861)	0	(254,050)	0.0
National Board stipends adjustment	(196,800)	0	(196,800)	0	0	0.0
Facility schools funding adjustment	(189,821)	0	(189,821)	0	0	0.0
CPR grant program elimination	(65,000)	0	(65,000)	0	0	(0.3)
Juveniles held in jail reduction	(15,000)	0	(15,000)	0	0	0.0
Other technical adjustments	(2,853)	0	(2,207)	(646)	0	0.0
<b>HB 16-1405</b>	<b>\$5,452,310,190</b>	<b>\$3,765,024,305</b>	<b>\$1,005,881,952</b>	<b>\$33,075,421</b>	<b>\$648,328,512</b>	<b>599.0</b>
SB 16-072	5,000,000	0	5,000,000	0	0	0.0
SB 16-104	0	(441,095)	441,095	0	0	0.0
HB 16-1222	480,000	0	480,000	0	0	0.0
HB 16-1234	39,600	0	39,600	0	0	0.0
HB 16-1408	0	0	0	0	0	0.0
HB 16-1422	124,664	0	124,664	0	0	0.0
HB 16-1429	43,896	43,896	0	0	0	0.5
<b>TOTAL</b>	<b>\$5,457,998,350</b>	<b>\$3,764,627,106</b>	<b>\$1,011,967,311</b>	<b>\$33,075,421</b>	<b>\$648,328,512</b>	<b>599.5</b>
<b>INCREASE/(DECREASE)</b>	<b>\$151,002,794</b>	<b>\$286,184,063</b>	<b>(\$134,177,997)</b>	<b>\$1,318,145</b>	<b>(\$2,321,417)</b>	<b>0.7</b>
Percentage Change	2.8%	8.2%	(11.7%)	4.2%	(0.4%)	0.1%

**FY 2015-16 APPROPRIATION - MID-YEAR ADJUSTMENTS**

House Bill 16-1253 reduces state funding distributed to public schools through the School Finance Act by \$133.5 million total funds (including \$93.5 million General Fund and \$40.0 million cash funds from the State Public School Fund) to account for an unanticipated \$133.5 million increase in the local revenues available to support school finance. By maintaining total program funding at a constant level with lower-than-anticipated student counts and at-risk student counts, the bill reduced the negative factor by \$24.5 million in FY 2015-16. House Bill 16-1405 adjusts the portion of the Department's General Fund appropriations designated as General Fund Exempt.

## FY 2016-17 APPROPRIATION HIGHLIGHTS

**TOTAL PROGRAM INCREASE:** The appropriation increases total state and local funding that is distributed to public schools through the School Finance Act by \$156.5 million, increasing average per pupil funding to \$7,425 (1.5 percent). Local tax revenues for school finance are anticipated to increase by \$21.0 million, so appropriations of state funds increase by \$135.5 million (\$135.3 million through the Long Bill and \$124,664 through H.B. 16-1422). This increase in state funds includes an increase of \$292.4 million General Fund that is partially offset by a decrease of \$156.9 million cash funds.

**B.E.S.T. CASH GRANTS INCREASE:** The appropriation includes an increase of \$20.0 million cash funds from the Public School Capital Construction Assistance Fund to support cash grants to be awarded by the Building Excellent Schools Today (B.E.S.T.) program in FY 2016-17.

**CATEGORICAL PROGRAMS INCREASE:** The appropriation includes an increase of \$3.4 million cash funds from the State Education Fund to increase total categorical spending from state funds by 1.2 percent as required by Section 17 (1) of Article IX of the State Constitution.

**CHARTER SCHOOL CAPITAL CONSTRUCTION INCREASE:** The appropriation includes an increase of \$3.0 million cash funds from the Charter School Facilities Assistance Account within the Public School Capital Construction Assistance Fund (originally from marijuana excise tax revenues) to support charter school construction funding in FY 2016-17.

**INFORMATIONAL FUNDS ADJUSTMENT:** The appropriation includes a net increase of \$2.7 million total funds that are reflected for informational purposes only. The increase is largely driven by various funds transferred to the State Charter School Institute for distribution to institute charter schools. The increase is partially offset by reductions to informational cash and federal funds appropriations. The adjustment includes a reduction of 4.5 FTE that had previously been federally funded but for which federal revenues will no longer be available in FY 2016-17.

**CSDB TEACHER SALARY ADJUSTMENT:** The appropriation includes an increase of \$229,685 General Fund for salary increases for teachers employed at the Colorado School for the Deaf and the Blind based on the Colorado Springs District 11 salary schedule, as required by Section 22-80-106.5, C.R.S.

**EARLY LITERACY ASSESSMENT TOOL ADJUSTMENT:** The appropriation includes an increase of \$191,459 cash funds from the State Education Fund to support additional school districts participating in the Early Literacy Assessment Tool Program in FY 2016-17.

**B.E.S.T. PRIORITY ASSESSMENT ADJUSTMENT:** The appropriation includes an increase of \$150,000 cash funds from the Public School Capital Construction Assistance fund to allow the Department to complete a reconfiguration and update of the B.E.S.T. program's priority assessment database. The reconfiguration was initially funded with \$2.7 million in one-time funding in FY 2015-16 but a delay in the contracting process will require an estimated \$150,000 in FY 2016-17.

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

**CPP TAX CHECKOFF:** The appropriation includes an increase of \$72,025 cash funds to provide training and professional development to Colorado Preschool Program (CPP) providers in an effort to enhance literacy and mathematics instruction in CPP classrooms. The funds were collected in tax year 2013 as a result of a voluntary tax checkoff authorized in S.B. 11-109 (Public Education Tax Checkoff) and transferred to the Public Education Fund created in that bill.

**FACILITY SCHOOLS UNIT ADJUSTMENT:** The appropriation includes an increase of \$54,555 reappropriated funds to align the appropriation for the Facility Schools Unit (Unit) and Facility Schools Board (Board) with the statutory direction that the Department withhold 2.0 percent of funding to be transferred to facility schools to support the operations of the Unit and Board.

**P-TECH ADJUSTMENT:** The appropriation includes an increase of \$35,400 General Fund and 0.5 FTE to support a higher-than-anticipated workload implementing H.B. 15-1270 (Pathways in Technology Early College High Schools).

**TALKING BOOK LIBRARY BUILDING MAINTENANCE:** The appropriation includes an increase of \$20,000 General Fund to support building maintenance costs at the Colorado Talking Book Library.

**FUND SOURCE ADJUSTMENTS:** The appropriation includes decreases in General Fund and reappropriated funds that are offset by increases in cash funds. The primary change is a reduction of \$2.0 million General Fund which is offset by an increase of \$2.0 million cash funds from excess indirect cost assessment collections in prior years.

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

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 15-1321 Flexibility and Funding for Rural School Districts	(\$10,000,000)	\$0	(\$10,000,000)	\$0	\$0	0.0
HB 15-1367 Retail Marijuana Taxes	(2,000,000)	(4,000,000)	4,000,000	(2,000,000)	0	0.0
HB 15-1170 Increasing Postsecondary and Workforce Readiness	(8,341)	(8,341)	0	0	0	(0.1)
HB 15-1270 Pathways in Technology Early College High Schools	(7,232)	(7,232)	0	0	0	(0.1)
<b>TOTAL</b>	<b>(\$12,015,573)</b>	<b>(\$4,015,573)</b>	<b>(\$6,000,000)</b>	<b>(\$2,000,000)</b>	<b>\$0</b>	<b>(0.2)</b>

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

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 14-15 Educator perception	\$100,000	\$100,000	\$0	\$0	\$0	0.0
FY 15-16 Field implementation support	418,700	418,700	0	0	0	3.6
FY 15-16 B.E.S.T. priority assessment	(2,722,068)	0	(2,722,068)	0	0	0.0
FY 15-16 State Review Panel online portal	(42,175)	(42,175)	0	0	0	0.0
FY15-16 Salary survey and merit pay	(66,714)	(35,550)	(7,244)	(16,007)	(7,913)	0.0
FY 15-16 Security desk and measures	(8,000)	0	0	(8,000)	0	0.0
FY 15-16 CSDB decision items	(454)	(6,526)	0	6,072	(10,000)	1.1
<b>TOTAL</b>	<b>(\$2,320,711)</b>	<b>\$434,449</b>	<b>(\$2,729,312)</b>	<b>(\$17,935)</b>	<b>(\$17,913)</b>	<b>4.7</b>

**STATEWIDE ASSESSMENT ADJUSTMENTS:** The appropriation includes a decrease of \$1.8 million total funds (including \$663,734 cash funds from the State Education Fund) to reflect estimated contract costs for the administration of statewide standardized assessments in FY 2016-17.

**OFFICE OF DROPOUT PREVENTION REDUCTION:** The appropriation includes a decrease of \$1.1 million cash funds from the Marijuana Tax Cash Fund to align with anticipated marijuana tax revenues available in FY 2016-17.

**SCHOOL BULLYING PREVENTION REDUCTION:** The appropriation includes a decrease of \$1.1 million cash funds from the Marijuana Tax Cash Fund for the School Bullying Prevention and Education Program to better align appropriations with anticipated expenditures and available revenues in FY 2016-17.

**START SMART REDUCTION:** The appropriation includes a decrease of \$993,719 total funds (including \$670,721 General Fund) to better align appropriations for the Start Smart Nutrition Program with anticipated expenditures in FY 2016-17.

**INDIRECT COST ASSESSMENT:** The appropriation includes a decrease in the Department's indirect cost assessment.

**NATIONAL BOARD STIPENDS ADJUSTMENT:** The appropriation includes a reduction of \$196,800 cash funds from the State Education Fund to align appropriations supporting stipends for National Board certified educators with the Department's estimated expenditures for FY 2016-17.

**FACILITY SCHOOLS FUNDING ADJUSTMENT:** The appropriation includes a net decrease of \$189,821 cash funds from the State Education Fund for distributions to facility schools based on the Department's current estimates of facility school pupil counts in FY 2016-17.

**CPR GRANT PROGRAM ELIMINATION:** The appropriation includes a reduction of \$65,000 cash funds and 0.3 FTE to eliminate the School Cardiopulmonary Resuscitation and Automated Defibrillator Training Program based on a lack of designated funding in FY 2016-17.

**JUVENILES HELD IN JAIL REDUCTION:** The appropriation includes a decrease of \$15,000 cash funds from the State Education Fund for reimbursements to school districts for services provided to juveniles held in jail as a result of lack of use of the program.

**OTHER TECHNICAL ADJUSTMENTS:** The appropriation includes a net decrease of \$2,853 total funds for minor technical adjustments.

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

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# 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 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
General Fund	\$26,567,386	\$34,983,120	\$41,871,028	\$35,996,004
Cash Funds	37,122,540	41,899,571	42,239,163	43,978,954
Reappropriated Funds	165,570,329	210,000,641	181,708,763	220,765,787
Federal Funds	6,755,621	6,440,371	6,492,609	6,511,867
<b>TOTAL FUNDS</b>	<b>\$236,015,876</b>	<b>\$293,323,703</b>	<b>\$272,311,563</b>	<b>\$307,252,612</b>
Full Time Equiv. Staff	1,060.9	1,073.1	1,088.7	1,090.0

## GENERAL FACTORS DRIVING THE BUDGET

Funding for this department consists of 11.7 percent General Fund, 14.3 percent cash funds, 71.9 percent reappropriated funds, and 2.1 percent federal funds. Some of the major factors driving the Department's budget are discussed below.

### COLORADO ENERGY OFFICE

The Colorado Energy Office (CEO) has historically been funded with federal money 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 money from the American Recovery and Reinvestment Act of 2009 (ARRA). Under federal guidelines, the Office exhausted the ARRA money by the end of FY 2011-12.

To address the future of the Office, H.B. 12-1315 (Reorganization Of Governor's Energy Office) changed the statutory mission of CEO from promoting renewable energy and energy efficiency to encouraging all sources of energy development and created dedicated funding streams to support the Office (Clean and Renewable Energy Cash Fund and the Innovative Energy Fund). Today, the budget for CEO is steered by transfers of money from severance tax revenue and the General Fund into numerous cash funds, per statute. The primary transfers that fund the operations of the agency are as follows:

COLORADO ENERGY OFFICE CASH FUND TRANSFERS			
CASH FUND	SOURCE	AMOUNT	FINAL TRANSFER
Weatherization Low-Income Energy Assistance Fund	Severance Tax	*\$6,500,000	July 1, 2018
Energy Outreach Low-Income Energy Assistance Fund	Severance Tax	*3,250,000	July 1, 2018
Clean and Renewable Energy Fund	General Fund	1,600,000	July 1, 2016
Innovative Energy Fund	Severance Tax	1,500,000	July 1, 2016
Public School Energy Efficiency Fund	Severance Tax	210,000	September 1, 2015

\*The amount available for FY 2016-17 may fluctuate due to severance tax collections and the requirements of S.B. 16-218 (State Severance Tax Refunds).

## ECONOMIC DEVELOPMENT PROGRAMS

Funding for the Office of Economic Development and International Trade (OEDIT) is heavily dependent on cash funds. Much of the increase in cash funds occurred in the 2006 legislative session through the passage of H.B. 06-1201 (Increase Limited Gaming Funds for Tourism). The legislation increased the amount of Limited Gaming Fund money transferred to the Colorado Travel and Tourism Promotion Fund, and authorized additional transfers to the 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 vary considerably from year to year. Senate Bill 13-133 (Distribution of State Share of Ltd Gaming Revenues) modified the distribution of the State share of the Limited Gaming Fund to bring more consistency to the transfers. Specifically, the bill amended the distribution to various cash funds at the close of each fiscal year from a percentage-based amount to a fixed-dollar amount.

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

In addition to limited gaming tax revenue, for FY 2016-17, the legislature is providing OEDIT with \$5.0 million General Fund to provide new job creation incentives for companies relocating to Colorado and expanding in Colorado, \$4.0 million General Fund for tourism promotion, \$3.1 million General Fund to accelerate the development of advanced industries in the state, and \$3.0 million General Fund to provide job creation incentives for the film industry.

It is important to note that OEDIT is also responsible for implementing the State's Job Growth Incentive Tax Credit program established via H.B. 09-1001 (Income Tax Credit For CO Job Growth). The incentive provides a State income tax credit equal to 50.0 percent of the Federal Insurance Contributions Act (FICA) money paid by the business on the net job growth for each calendar year in the credit period. Businesses need to create at least 20 new jobs in Colorado, with an average yearly wage of at least 110 percent of the county average wage rate based on where the business is located, and all new jobs must be maintained for at least one year after the positions are hired to qualify. For FY 2014-15, tax credits in the amount of \$6.4 million were issued based on the creation of 2,724 jobs. During the same time period, 41 projects received approval for up to \$195.7 million in tax credits associated with the creation of 11,026 jobs. While the Job Growth Incentive Tax Credit program does not impact State appropriations, it decreases the amount of General Fund revenue available to the State for appropriations.

## STATEWIDE INFORMATION TECHNOLOGY CONSOLIDATION

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

Specifically, S.B. 08-155 transferred several information technology functions and staff positions from various State agencies to OIT in FY 2008-09. The largest single agency transfer involved moving the Division of Information Technology from the Department of Personnel and Administration, along with its 178.8 FTE, to OIT. The Division of Information Technology transfer included the General Government Computer Center (GGCC), telecommunications coordination, public safety communications planning and maintenance, and Statewide

information technology management and support functions. Additionally, the Department's FY 2008-09 appropriation included the transfer of 33.4 FTE from various State agencies to OIT as part of the migration of agency chief information officers to OIT.

Senate Bill 08-155 also allowed for the transfer of other information technology employees from State agencies to OIT between July 1, 2008 and July 1, 2012. Per statutory authority, the State Chief Information Officer, department executive directors, and department chief information officers jointly identified the additional positions and functions affiliated with the management and administration of each agency's information technology resources and enterprises to be transferred to OIT. The 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 payments are made from an information technology common policy line item (Payments to OIT) appropriation.

Outside of OIT's collection of recoverable costs associated with the information technology common policy, expenses for the operation of the Colorado Benefits Management System (CBMS) are billed directly to the Department of Human Services and Department of Health Care Policy and Financing. Beginning with the passage of H.B. 12-1339 (Colorado Benefits Management System Project), CBMS has played a prominent role in OIT's annual budget. 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
<b>TOTAL</b>	<b>\$71,144,382</b>

For FY 2016-17, OIT received an increase of \$22.4 million reappropriated funds transferred from the Department of Human Services and Department of Health Care Policy and Financing for operating CBMS.

The following table summarizes total appropriation levels for OIT for FY 2009-10 through FY 2016-17. 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 - FY 2009-10 THROUGH FY 2016-17 (DOLLARS IN MILLIONS)								
	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
FTE	218.8	898.8	902.8	897.5	920	925.9	935.8	937.5
Change	(3.7%)	310.8%	0.4%	(0.6%)	2.5%	0.6%	1.1%	0.2%
Appropriation	\$45.0	\$122.0	\$125.7	\$136.3	\$151.4	\$194.5	\$187.2	\$224.3
Change	(3.9%)	171.1%	3.0%	8.4%	11.1%	28.5%	(3.8%)	19.8%

# APPROPRIATION HIGHLIGHTS - 2016 LEGISLATIVE SESSION

GOVERNOR - LIEUTENANT GOVERNOR - STATE PLANNING AND BUDGETING						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$268,978,544	\$41,427,966	\$42,239,163	\$178,818,806	\$6,492,609	1,085.7
SB 15-014	1,068,560	0	0	1,068,560	0	0.0
SB 15-029	848	0	0	848	0	0.0
SB 15-185	9,800	0	0	9,800	0	0.0
SB 15-229	4,120	0	0	4,120	0	0.0
SB 15-239	59,280	0	0	59,280	0	0.0
SB 15-282	125,983	125,983	0	0	0	1.0
SB 15-290	218,825	0	0	218,825	0	1.0
HB 15-1004	4,120	0	0	4,120	0	0.0
HB 15-1026	52,942	0	0	52,942	0	0.0
HB 15-1170	20,000	0	0	20,000	0	0.0
HB 15-1219	20,000	20,000	0	0	0	0.0
HB 15-1313	4,120	0	0	4,120	0	0.0
HB 15-1366	94,251	94,251	0	0	0	1.0
HB 15-1367	21,803	0	0	21,803	0	0.0
HB 16-1239	1,628,367	202,828	0	1,425,539	0	0.0
<b>TOTAL</b>	<b>\$272,311,563</b>	<b>\$41,871,028</b>	<b>\$42,239,163</b>	<b>\$181,708,763</b>	<b>\$6,492,609</b>	<b>1,088.7</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$272,311,563	\$41,871,028	\$42,239,163	\$181,708,763	\$6,492,609	1,088.7
Colorado Benefits Management System (CBMS) base adjustment and enhancements	22,428,801	0	0	22,428,801	0	0.0
Centrally appropriated line items	14,223,847	(1,403,213)	(154,414)	15,786,321	(4,847)	0.0
Film incentive rebate program	3,000,000	3,000,000	0	0	0	0.0
Voice services spending authority	1,583,149	0	0	1,583,149	0	0.0
Secure Colorado	1,000,000	0	0	1,000,000	0	0.0
Health services technical correction	972,775	0	0	972,775	0	0.0
End user configuration management tool	306,344	0	0	306,344	0	0.0
Niche Records Management System	141,721	0	0	141,721	0	1.0
Advanced industries refinance	100,000	(1,927,497)	2,027,497	0	0	0.0
Pay for Success increase	50,000	50,000	0	0	0	1.0
Governor's Mansion activity fund increase	20,000	0	20,000	0	0	0.0
Annualize prior year budget actions	(7,837,155)	(5,205,291)	(153,292)	(2,502,677)	24,105	(0.7)
Annualize prior year legislation	(1,425,003)	(389,023)	0	(1,035,980)	0	0.0
Base appropriation decreases	(26,613)	0	0	(26,613)	0	0.0
<b>HB 16-1405</b>	<b>\$306,849,429</b>	<b>\$35,996,004</b>	<b>\$43,978,954</b>	<b>\$220,362,604</b>	<b>\$6,511,867</b>	<b>1,090.0</b>
SB 16-030	12,566	0	0	12,566	0	0.0
HB 16-1047	113,300	0	0	113,300	0	0.0
HB 16-1097	8,755	0	0	8,755	0	0.0
HB 16-1227	268,562	0	0	268,562	0	0.0
<b>TOTAL</b>	<b>\$307,252,612</b>	<b>\$35,996,004</b>	<b>\$43,978,954</b>	<b>\$220,765,787</b>	<b>\$6,511,867</b>	<b>1,090.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$34,941,049</b>	<b>(\$5,875,024)</b>	<b>\$1,739,791</b>	<b>\$39,057,024</b>	<b>\$19,258</b>	<b>1.3</b>
Percentage Change	12.8%	(14.0%)	4.1%	21.5%	0.3%	0.1%

## FY 2015-16 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 16-1239 modifies FY 2015-16 appropriations to:

- Add \$1,425,539 reappropriated funds transferred from the Department of Health Care Policy and Financing to the Governor's Office of Information Technology to mail out proof of insurance tax information from the Colorado Benefits Management System (CBMS) for Medicaid and Child Health Plan Plus (CHP+) enrollees;
- Add \$200,000 General Fund for the Office of State Planning and Budgeting, in conjunction with the Departments of Health Care Policy and Financing and Human Services, to contract for a study of the alignment and distribution of State money for behavioral health services. The bill also includes roll forward authority through FY 2016-17 for this money; and
- Add \$2,828 General Fund for an adjustment to the Office of Economic Development and International Trade's share of expenses related to leasing fleet vehicles through the Department of Personnel.

## FY 2016-17 APPROPRIATION HIGHLIGHTS

**COLORADO BENEFITS MANAGEMENT SYSTEM (CBMS) BASE ADJUSTMENT AND ENHANCEMENTS:** The appropriation includes an increase of \$22,428,801 reappropriated funds to support the base operating costs of CBMS and to provide an additional 117,276 vendor pool hours for CBMS enhancements. Money is first appropriated to the Departments of Health Care Policy and Financing and Human Services and is then transferred to the Governor's Office of Information Technology to arrange for service provision.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes an increase of \$14,223,847 total funds, including a decrease of \$1,403,213 General Fund, for 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. Much of the increase in total funds is due to an increase in the reappropriated funds for the Payments to OIT line item in the Governor's Office of Information Technology budgetary section. This increase occurs as a result of appropriating money for functions previously funded outside of the Long Bill appropriation.

**FILM INCENTIVE REBATE PROGRAM:** The appropriation includes \$3,000,000 General Fund for the Colorado Office of Film, Television, and Media's 20.0 percent rebate for production related expenses incurred in Colorado.

**VOICE SERVICES SPENDING AUTHORITY:** The appropriation includes an increase of \$1,583,149 reappropriated funds transferred from State agencies to the Governor's Office of Information Technology to align anticipated State agency expenditures for phone services over the Internet with Long Bill spending authority.

**SECURE COLORADO:** The appropriation includes an increase of \$1,000,000 reappropriated funds transferred from State agencies to the Governor's Office of Information Technology to obtain advanced information security event analytics capabilities.

**HEALTH SERVICES TECHNICAL CORRECTION:** The appropriation includes an increase of \$972,775 reappropriated funds spending authority for the Governor's Office of Information Technology for the Department of Health Care Policy and Financing's customer service technology costs. This corrects a technical error included in the FY 2015-16 Long Bill whereby appropriations made to the Department of Health Care Policy and Financing did not align with spending authority in the Governor's Office of Information Technology.

**END USER CONFIGURATION MANAGEMENT TOOL:** The appropriation includes an increase of \$306,344 reappropriated funds transferred from State agencies to the Governor’s Office of Information Technology to deploy an end user configuration management tool. This tool will assist in tracking assets (e.g. computers and software) and compiling the status of assets.

**NICHE RECORDS MANAGEMENT SYSTEM:** The appropriation includes an increase of \$141,721 reappropriated funds transferred from the Department of Public Safety to the Governor’s Office of Information Technology and 1.0 FTE to support and maintain the Niche Records Management System. The System is used by the Colorado State Patrol for records management of data associated with core policing activities.

**ADVANCED INDUSTRIES REFINANCE:** The appropriation includes a refinance of \$1,927,497 General Fund with \$2,027,497 cash funds for the Office of Economic Development and International Trade’s Advanced Industries program based on greater than anticipated revenues credited to the Advanced Industries Acceleration Cash Fund.

**PAY FOR SUCCESS INCREASE:** The appropriation includes \$50,000 General Fund and 1.0 to administer a program that partners with service providers and private sector investors or philanthropists to fund and provide interventions to increase economic opportunity, support healthy futures, and promote child and youth development.

**GOVERNOR’S MANSION ACTIVITY FUND INCREASE:** The appropriation includes an increase of \$20,000 cash funds spending authority from fees charged to individuals and groups hosting events at the Governor’s Mansion located at 400 Eighth Avenue in Denver.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes a decrease of \$7,837,155 total funds, including a decrease of \$5,205,291 General Fund, across the Office’s agencies for adjustments related to prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Salary survey	\$860,122	\$58,591	\$28,844	\$759,777	\$12,910	0.0
Merit base pay	798,476	58,851	28,182	700,248	11,195	0.0
HCPF legislative system support	325,000	0	0	325,000	0	0.0
HCPF DDD web stabilization	96,242	0	0	96,242	0	0.0
CBMS client correspondence	67,891	0	0	67,891	0	0.0
Systems infrastructure staff	20,374	0	0	20,374	0	0.7
Film incentives	(3,000,000)	(3,000,000)	0	0	0	0.0
Elevation data acquisition	(2,122,733)	(2,122,733)	0	0	0	0.0
Eliminate redundant applications	(1,985,000)	0	0	(1,985,000)	0	0.0
Backup Colorado, Phase II	(1,002,015)	0	0	(1,002,015)	0	0.0
IT Service management ecosystem	(300,000)	0	0	(300,000)	0	0.0
CDPHE Network infrastructure	(240,000)	0	0	(240,000)	0	0.0
IT infrastructure	(235,000)	0	0	(235,000)	0	0.0
Enterprise wireless	(228,000)	0	0	(228,000)	0	0.0
Data governance and analysis plan	(226,800)	0	0	(226,800)	0	0.0
School energy efficiency	(210,318)	0	(210,318)	0	0	(1.4)
CDHS Behavioral health study	(200,000)	(200,000)	0	0	0	0.0
Active Directory consolidation	(128,376)	0	0	(128,376)	0	0.0
Grants management application support	(127,018)	0	0	(127,018)	0	0.0
<b>TOTAL</b>	<b>(\$7,837,155)</b>	<b>(\$5,205,291)</b>	<b>(\$153,292)</b>	<b>(\$2,502,677)</b>	<b>\$24,105</b>	<b>(0.7)</b>

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes a decrease of \$1,425,003 total funds, including \$389,023 General Fund, across the Office’s agencies for adjustments related to prior year legislation.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 15-1367 Marijuana Project for DOLA	\$2,750	\$0	\$0	\$2,750	\$0	0.0
SB 15-014 Medical Marijuana	(884,500)	0	0	(884,500)	0	0.0
HB 13-1002 Small Business Development Centers Appropriations	(200,000)	(200,000)	0	0	0	0.0
HB 13-1003 Economic Gardening Pilot Project Office Econ Dev	(100,000)	(100,000)	0	0	0	0.0
SB 15-239 Transfer of Vocational Rehab from DHS to CDLE	(59,280)	0	0	(59,280)	0	0.0
HB 15-1026 Reserved Parking License Plate	(52,942)	0	0	(52,942)	0	0.0
SB 15-282 Rural Econ Development	(45,000)	(45,000)	0	0	0	0.0
HB 15-1219 EZ Tax Credit	(20,000)	(20,000)	0	0	0	0.0
HB 15-1170 Increase Postsecondary and Workforce Readiness	(19,000)	0	0	(19,000)	0	0.0
HB 15-1366 Expand Job Growth Tax Credit For Higher Ed Project	(14,703)	(14,703)	0	0	0	0.0
SB 15-185 Police Data Collection and Community Policing	(9,800)	0	0	(9,800)	0	0.0
HB 14-1311 Historic Preservation	(9,320)	(9,320)	0	0	0	0.0
SB 15-229 ALS License Plate	(4,120)	0	0	(4,120)	0	0.0
HB 15-1004 Firefighter License Plate	(4,120)	0	0	(4,120)	0	0.0
HB 15-1313 RMNP License Plate	(4,120)	0	0	(4,120)	0	0.0
SB 15-029 Firefighter Pension Study	(848)	0	0	(848)	0	0.0
<b>TOTAL</b>	<b>(\$1,425,003)</b>	<b>(\$389,023)</b>	<b>\$0</b>	<b>(\$1,035,980)</b>	<b>0</b>	<b>0.0</b>

**BASE APPROPRIATION DECREASES:** The appropriation includes a decrease of \$26,613 reappropriated funds in the Office of the Governor and the Office of Economic Development and International Trade based on an analysis of prior-year expenditures versus prior-year appropriations.

**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 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
General Fund <sup>1</sup>	\$2,097,469,549	\$2,352,933,836	\$2,500,140,061	\$2,654,394,214
Cash Funds	986,463,698	902,103,342	1,156,297,382	1,012,485,521
Reappropriated Funds	10,483,522	6,104,791	17,003,651	12,406,599
Federal Funds	3,592,923,500	4,675,575,363	5,438,943,180	5,437,594,544
<b>TOTAL FUNDS</b>	<b>\$6,687,340,269</b>	<b>\$7,936,717,332</b>	<b>\$9,112,384,274</b>	<b>\$9,116,880,878</b>
Full Time Equiv. Staff	358.3	390.9	422.2	435.8

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

## GENERAL FACTORS DRIVING THE BUDGET

Funding for this department consists of 29.1 percent General Fund, 11.1 percent cash funds, 0.1 percent reappropriated funds, and 59.6 percent federal funds. Some of the major factors driving the Department's budget are discussed below.

## MEDICAID

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

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

The federal government matches state expenditures for the Medicaid program. The federal match rate, called the Federal Medical Assistance Percentage (FMAP), can vary based on economic conditions in the state, the type of services being provided, and the population receiving services. For state fiscal year 2016-17 the average FMAP for the majority of Colorado Medicaid expenditures is 50.2 percent. For adults "newly eligible" pursuant to the federal Affordable Care Act, Colorado will receive a 100 percent federal match in calendar year 2016 and a 95 percent federal match for calendar year 2017, and the federal match is scheduled to step down in increments annually until it reaches 90 percent in calendar year 2020.

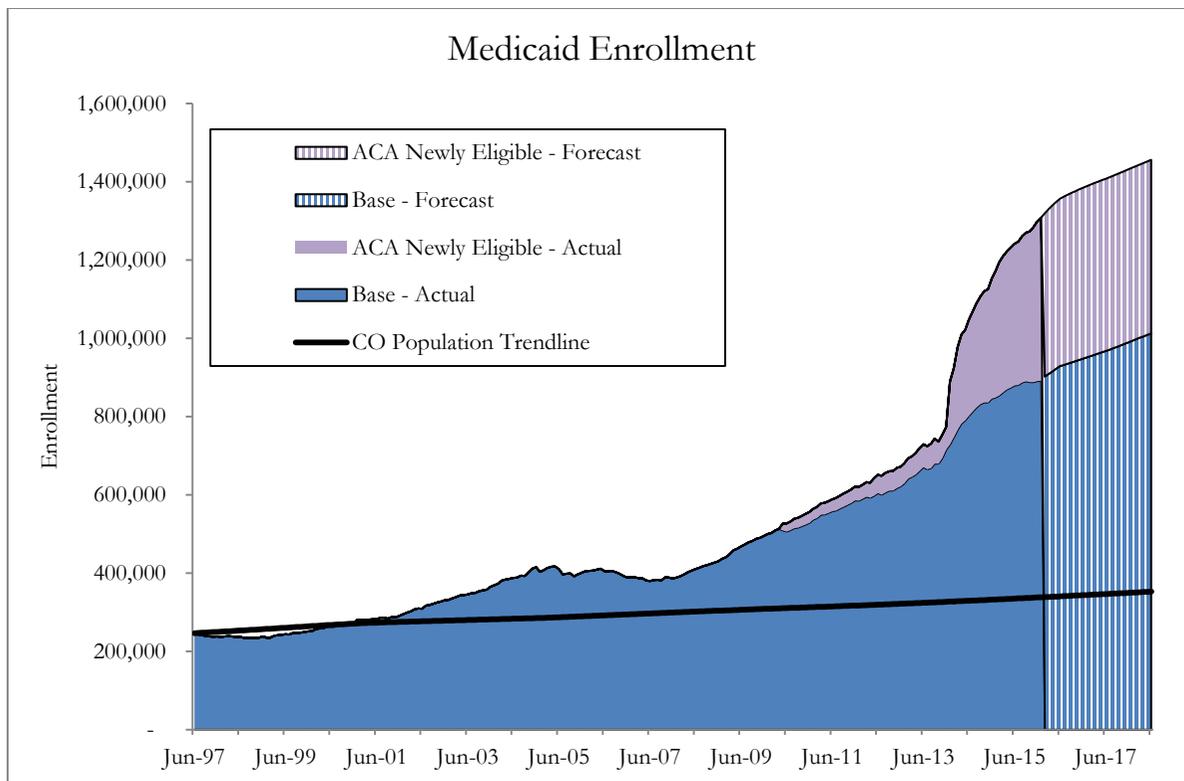
Medicaid generally operates as an entitlement program, meaning the people deemed eligible have a legal right to the plan benefits. As a result, if the eligible population and/or the eligible services utilized are greater than expected, then the state and federal government must pay the resulting higher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

The most significant factor affecting Medicaid expenditures is enrollment. Medicaid enrollment has increased significantly in recent years, due to increases in the state population, economic conditions that impact the number of people who meet the income eligibility criteria, and state and federal policy changes regarding eligibility. The following chart shows the actual and forecasted Colorado Medicaid population. The chart highlights the population that is "newly eligible" pursuant to the federal Affordable Care Act and therefore qualifies for the enhanced federal match. The "CO Population Trendline" shows the projected trajectory of enrollment if Medicaid had grown at the same rate as Colorado's population since June 1997.

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

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



## MEDICAL SERVICES PREMIUMS

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

The table below summarizes recent changes in enrollment, expenditures, and per capita costs by broad eligibility category. A more detailed breakout of enrollment and expenditures by eligibility category is available for FY 2015-16 and FY 2016-17 in Part III.

MEDICAL SERVICES PREMIUMS						
	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16 PROJ.	FY 16-17 PROJ.
<b>MEDICAID ENROLLMENT</b>						
Elderly	58,611	62,033	65,214	69,862	74,565	78,944
People with Disabilities	67,869	71,859	76,837	80,641	86,050	87,647
Adults	140,816	163,246	276,262	494,831	591,998	640,777
Children	<u>352,667</u>	<u>385,856</u>	<u>442,644</u>	<u>515,872</u>	<u>550,467</u>	<u>578,577</u>
<b>TOTAL Enrollment</b>	<b>619,963</b>	<b>682,994</b>	<b>860,957</b>	<b>1,161,206</b>	<b>1,303,080</b>	<b>1,385,945</b>
Percent Change		10.2%	26.1%	34.9%	12.2%	6.4%

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

## MEDICAL SERVICES PREMIUMS

	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16 PROJ.	FY 16-17 PROJ.
<b>MEDICAL SERVICES PREMIUMS EXPENDITURES</b>						
Elderly	\$831,250,052	\$865,395,490	\$926,387,416	\$990,313,827	\$1,090,968,886	\$1,167,151,432
People with Disabilities	987,152,066	1,034,033,614	1,171,010,351	1,238,225,218	1,320,146,528	1,401,168,452
Adults	513,121,713	611,667,325	991,963,184	1,819,426,365	2,192,328,451	2,326,796,714
Children	593,370,932	654,410,185	797,220,755	964,112,970	1,073,221,884	1,118,634,943
<b>Medical Services Expenditures</b>	<b>\$2,924,894,763</b>	<b>\$3,165,506,614</b>	<b>\$3,886,581,706</b>	<b>\$5,012,078,380</b>	<b>\$5,676,665,749</b>	<b>\$6,013,751,541</b>
Percent Change		8.2%	22.8%	29.0%	13.1%	6.1%
Booster Payments/ Financing	\$717,137,999	\$771,894,120	\$732,188,494	\$714,020,263	\$1,200,758,926	\$804,513,054
<b>TOTAL Expenditures</b>	<b>\$3,642,032,762</b>	<b>\$3,937,400,734</b>	<b>\$4,618,770,200</b>	<b>\$5,726,098,643</b>	<b>\$6,877,424,675</b>	<b>\$6,818,264,595</b>
Percent Change		8.1%	17.3%	24.0%	20.1%	-0.9%
<b>PER CAPITA EXPENDITURES</b>						
Elderly	\$14,182	\$13,951	\$14,205	\$14,175	\$14,631	\$14,785
People with Disabilities	14,545	14,390	15,240	5,355	15,342	15,986
Adults	3,644	3,747	3,591	3,677	3,703	3,631
Children	1,683	1,696	1,801	1,869	1,950	1,933
<b>Overall</b>	<b>\$4,718</b>	<b>\$4,635</b>	<b>\$4,514</b>	<b>\$4,316</b>	<b>\$4,356</b>	<b>\$4,339</b>
Percent Change		(1.8%)	(2.6%)	(4.4%)	0.9%	(0.4%)

## BEHAVIORAL HEALTH CAPITATION PAYMENTS

Behavioral health services, which include both mental health and substance use-related services, are generally provided to Medicaid clients through a statewide managed care or "capitated" program. The Department contracts with regional entities, known as behavioral health organizations (BHOs), to provide or arrange for behavioral health services for clients within their geographic region who are 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 enrollment changes that are described in detail above for the Medical Services Premiums section also apply to services that are funded in this section, with two exceptions. Two Medicaid populations that are eligible for certain medical benefits are not eligible for behavioral health services: (1) non-citizens; and (2) adults who are eligible for both Medicaid and Medicare but for whom the Medicaid benefit is limited to payment of Medicare premiums and co-insurance payments.

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

Capitated behavioral health program expenditures are thus affected by changes in the number of individuals who are eligible for Medicaid, client utilization and the associated costs of providing behavioral health services, and changes to the Medicaid State Plan or waiver program that affect the diagnoses, services, and procedures that are covered for Medicaid clients. The State's share of expenditures is also affected by changes in the federal match rate for various eligibility categories. The following table details recent expenditure and caseload trends for Medicaid Behavioral Health Capitation Payments.

**MEDICAID BEHAVIORAL HEALTH CAPITATION PAYMENTS**

	FY 2011-12 ACTUAL	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 <sup>1</sup> ACTUAL	FY 2015-16 ADJUSTED APPROPRIATION	FY 2016-17 <sup>2</sup> APPROPRIATION
<b>Capitation Payments</b>	<b>\$273,376,614</b>	<b>\$301,303,046</b>	<b>\$415,933,333</b>	<b>\$565,420,239</b>	<b>\$609,777,357</b>	<b>\$653,650,029</b>
Annual Dollar Change	\$24,023,949	\$27,926,432	\$114,630,287	\$149,486,906	\$44,357,118	\$43,872,672
<i>Annual Dollar % Change</i>	<i>9.6%</i>	<i>10.2%</i>	<i>38.0%</i>	<i>35.9%</i>	<i>7.8%</i>	<i>7.2%</i>
<b>Caseload (eligible clients)</b>	<b>598,322</b>	<b>659,104</b>	<b>835,098</b>	<b>1,130,439</b>	<b>1,268,061</b>	<b>1,347,086</b>
Annual Caseload Change	57,866	60,782	175,994	295,341	137,622	79,025
<i>Annual Caseload % Change</i>	<i>10.7%</i>	<i>10.2%</i>	<i>26.7%</i>	<i>35.4%</i>	<i>12.2%</i>	<i>6.2%</i>
<b>Expenditures per capita</b>	<b>\$457</b>	<b>\$457</b>	<b>\$498</b>	<b>\$500</b>	<b>\$481</b>	<b>\$485</b>

<sup>1</sup> The "Capitation Payments" figure for FY 2014-15 excludes \$4,540,153 expended by BHOs' school-based substance abuse prevention and intervention programs (S. B. 14-215).

<sup>2</sup> The "Capitation Payments" figure for FY 2016-17 includes 54 cases and \$16,512 for the projected impact of the Department of Public Health and Environment's initiative to expand eligibility for cervical cancer services.

In addition to capitation payments to BHOs, the Department makes fee-for-service payments for behavioral health services provided to Medicaid clients who are not enrolled in a BHO and for the provision of behavioral health services that are not covered by the BHO contract. In FY 2014-15, the Department made fee-for-service payments totaling \$7.5 million; \$9.0 million is appropriated for this purpose for FY 2016-17.

The following three tables show the year-over-year changes projected for FY 2016-17 in Medicaid enrollment, payments made to BHOs through the capitation program, and expenditures per capita by enrollment category.

**BEHAVIORAL HEALTH CAPITATION PROGRAM: ENROLLMENT**

CATEGORY	FY 2015-16	FY 2016-17	DIFFERENCE	PERCENT
Children to 147% FPL	530,671	558,771	28,100	5.3%
Adults w/out Dependent Children to 138% FPL	317,851	345,496	27,645	8.7%
Parents/Caretakers to 68% FPL; and Pregnant Adults to 200% FPL	185,766	201,678	15,912	8.6%
Parents/Caretakers 69% to 138% FPL	85,399	90,649	5,250	6.1%
Individuals with Disabilities to 64 (to 450% FPL)	86,050	87,647	1,597	1.9%
Adults age 65+ (up to SSI)	42,235	42,831	596	1.4%
Foster Care to 26 years	19,796	19,806	10	0.1%
Breast & Cervical Cancer to 250% FPL	293	208	(85)	(29.0%)
<b>TOTAL</b>	<b>1,268,061</b>	<b>1,347,086</b>	<b>79,025</b>	<b>6.2%</b>

**BEHAVIORAL HEALTH CAPITATION PROGRAM: ANNUAL EXPENDITURES**

CATEGORY	FY 2015-16	FY 2016-17	DIFFERENCE	PERCENT
Children to 147% FPL	\$128,412,597	\$140,363,874	\$11,951,277	9.3%
Adults w/out Dependent Children to 138% FPL	218,790,234	247,583,714	28,793,480	13.2%
Parents/Caretakers to 68% FPL; and Pregnant Adults to 200% FPL	60,186,123	68,322,042	8,135,919	13.5%
Parents/Caretakers 69% to 138% FPL	39,254,634	22,363,544	(16,891,090)	(43.0%)
Individuals with Disabilities to 64 (to 450% FPL)	136,795,370	142,275,072	5,479,702	4.0%
Adults age 65+ (up to SSI)	8,159,736	8,289,655	129,919	1.6%
Foster Care to 26 years	39,797,355	41,746,583	1,949,228	4.9%
Breast & Cervical Cancer to 250% FPL	96,993	68,021	(28,972)	(29.9%)
Rate Reconciliations	(20,473,923)	(16,244,889)	4,229,034	(20.7%)
Date of Death Retractions	(1,241,762)	(1,117,587)	124,175	(10.0%)
<b>TOTAL</b>	<b>\$609,777,357</b>	<b>\$653,650,029</b>	<b>\$43,872,672</b>	<b>7.2%</b>

## BEHAVIORAL HEALTH CAPITATION PROGRAM: ANNUAL PER CAPITA EXPENDITURES

CATEGORY	FY 2015-16	FY 2016-17	DIFFERENCE	PERCENT
Children to 147% FPL	\$242	\$251	\$9	3.7%
Adults w/out Dependent Children to 138% FPL	688	717	28	4.1%
Parents/Caretakers to 68% FPL; and Pregnant Adults to 200% FPL	324	339	15	4.6%
Parents/Caretakers 69% to 138% FPL <sup>1</sup>	460	247	(213)	(46.3%)
Individuals with Disabilities to 64 (to 450% FPL)	1,590	1,623	34	2.1%
Adults age 65+ (up to SSI)	193	194	0	0.2%
Foster Care to 26 years	2,010	2,108	97	4.8%
Breast & Cervical Cancer to 250% FPL	331	327	(4)	(1.2%)
<b>TOTAL</b>	<b>\$481</b>	<b>\$485</b>	<b>\$4</b>	<b>0.9%</b>

<sup>1</sup> This reduction in per capita expenditures reflects a recoupment that is expected to occur in FY 2016-17 for payments made to BHOs in FY 2015-16 using an inappropriately high rate (due to certain clients being assigned to the incorrect eligibility category).

### OFFICE OF COMMUNITY LIVING

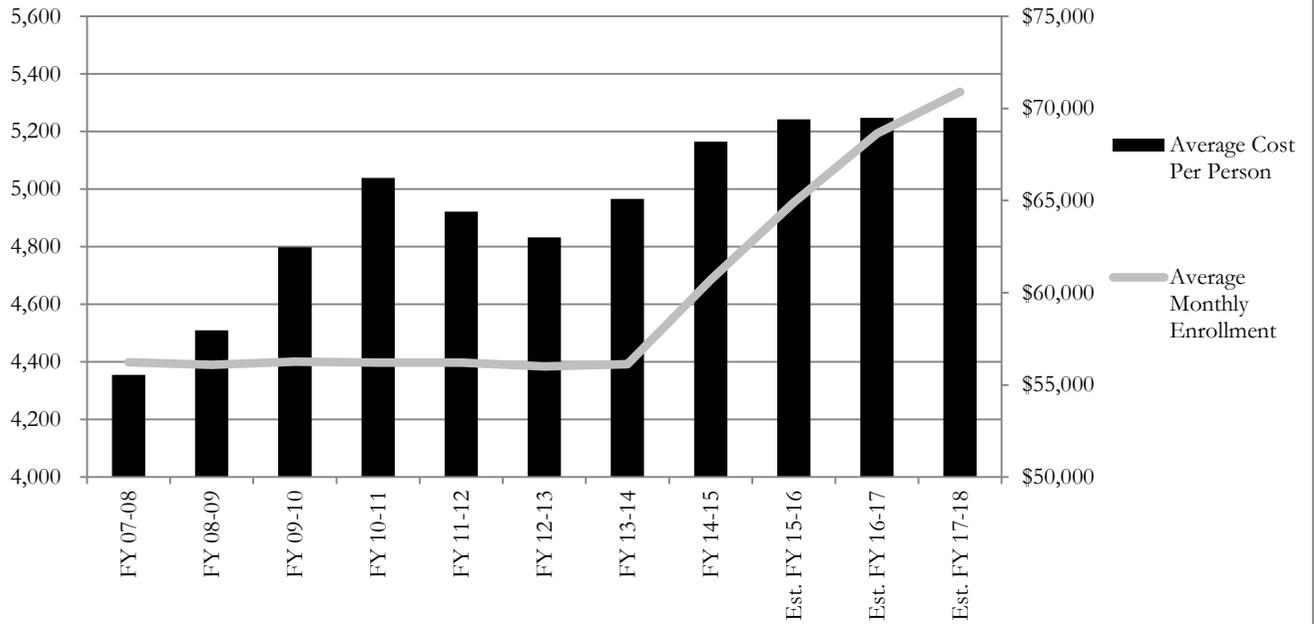
#### DIVISION OF INTELLECTUAL AND DEVELOPMENTAL DISABILITIES

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

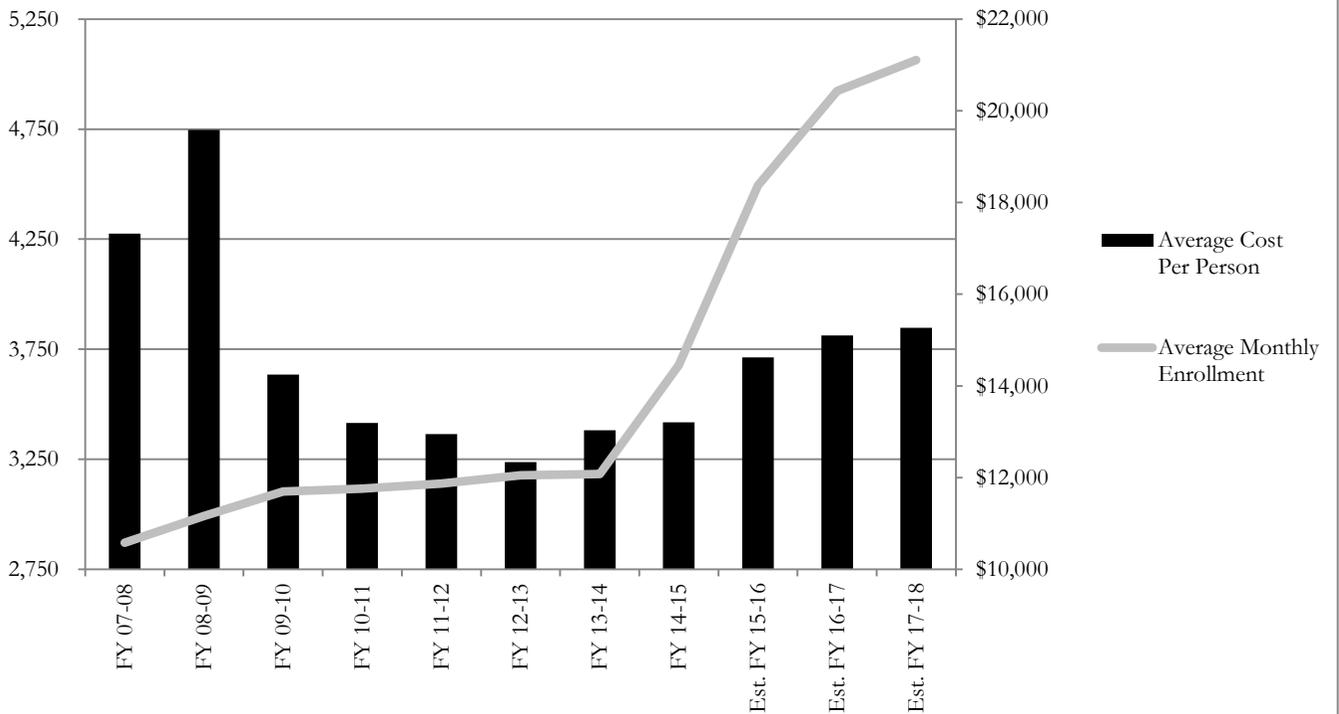
- Comprehensive waiver is for individuals over the age of eighteen who require residential and daily support services to live in the community.
- Supported Living Services waiver (SLS waiver) is for individuals over the age of eighteen who do not require residential services but require daily support services to live in the community.
- Children's Extensive Services waiver (also called the CES waiver or children's waiver) is for youth ages five to eighteen who do not require residential services but do require daily support services to be able to live in their family home.

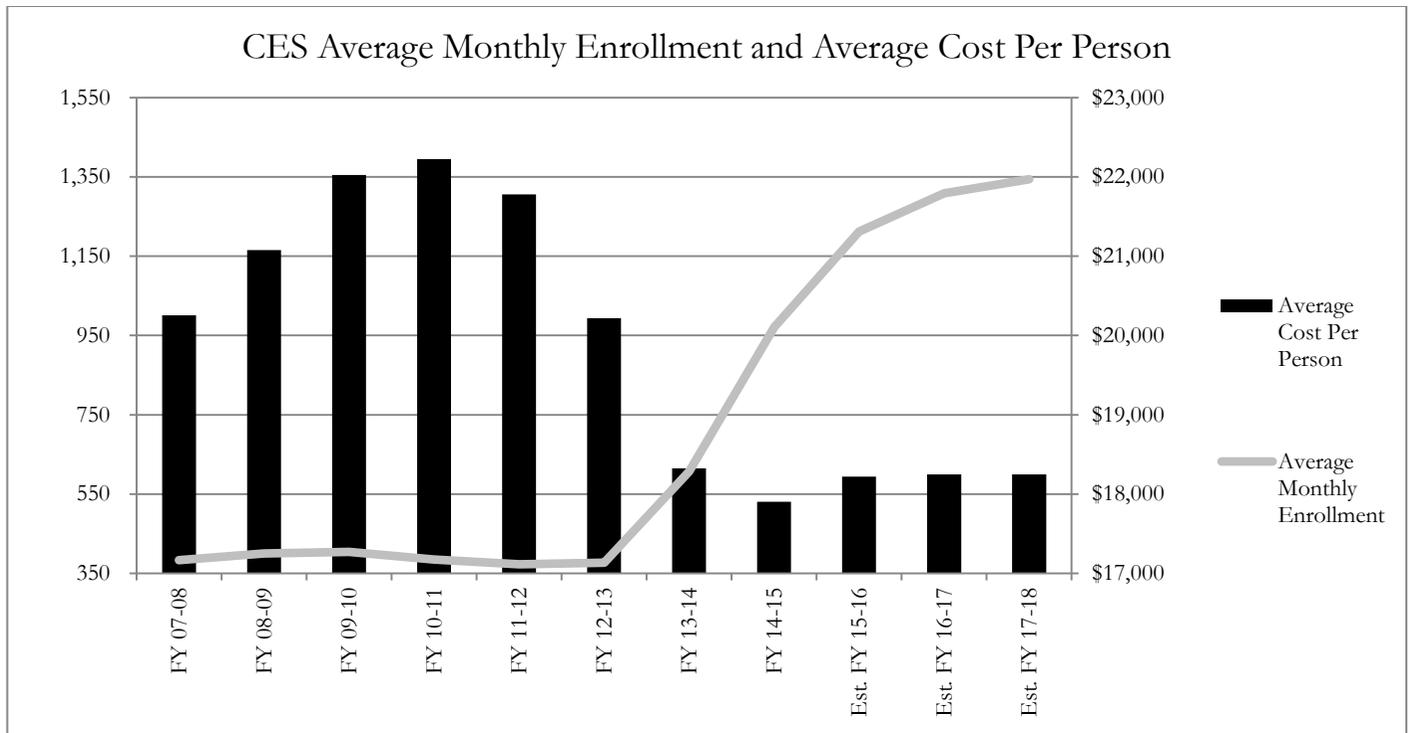
New enrollments have historically been funded for youth transitioning to adult services, individuals requiring services resulting from emergency situations, and to service all individuals eligible for the Supported Living Services (SLS) and Children's Extensive Services (CES) waivers. The following graphs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

### Comprehensive Average Monthly Enrollment and Average Cost Per Person



### SLS Average Monthly Enrollment and Average Cost Per Person





### COMMUNITY PROVIDER RATE CHANGES

Two primary factors driving the Division's budget are the amount of services consumed and the cost of those services. As more individuals are served the total cost of services will increase. This increase is compounded either positively or negatively by adjustments made to provider rates through the annual budget process. There was no provider rate increase approved for FY 2016-17.

### FAMILY SUPPORT SERVICES PROGRAM

The Family Support Services Program (FSSP) is comprised primarily of General Fund dollars that are distributed to Community-Centered Boards to be used by individuals and families for services and supports. Individuals and families use this funding to purchase assistive technology, make home and vehicle modifications, pay for medical and dental expenses, respite care, and transportation. Community-Centered Boards manage the eligibility determinations for FSSP and ensure that services and supports are targeted towards families that are most in need. Funding for FSSP has fluctuated over the years as cuts were made due to the economic downturn. The following table summarizes the funding for FSSP over the past four years.

FAMILY SUPPORT SERVICES PROGRAM					
	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 APPROP.	FY 2016-17 APPROP.
Total Funds	\$2,173,467	\$3,065,802	\$7,828,718	\$6,960,204	\$6,890,855
Change from Prior Year	n/a	\$892,335	\$4,762,916	(\$868,514)	(\$69,349)

### 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 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 APPROPRIATION	FY 2016-17 APPROPRIATION
Safety Net Provider Payments	\$299,175,424	\$309,976,756	\$309,470,584	\$311,296,186	\$311,296,186
Clinic Based Indigent Care	6,119,760	6,119,760	6,119,760	6,119,760	6,119,760
Pediatric Specialty Hospital	11,799,938	11,799,938	13,455,012	13,455,012	13,455,012
<b>TOTAL</b>	<b>\$317,095,122</b>	<b>\$327,896,454</b>	<b>\$329,045,356</b>	<b>\$330,870,958</b>	<b>\$330,870,958</b>
General Fund	8,959,849	8,959,849	9,639,107	9,632,746	9,748,236
Cash Funds	149,587,712	154,988,378	152,391,319	15,321,150	155,073,238
Federal Funds	158,547,561	163,948,227	167,014,930	305,917,062	166,049,484
Total Funds Change		\$10,801,332	\$1,148,902	\$1,825,602	\$0
Percent Change		3.4%	0.4%	0.6%	0.0%

## CHILDREN'S BASIC HEALTH PLAN

The Children's Basic Health Plan (marketed by the Department as the Children's Health Plan *Plus* and abbreviated as CHP+) compliments the Medicaid program, providing low-cost health insurance for children and pregnant women in families with slightly more income than Medicaid eligibility criteria allow. Annual membership premiums are variable based on income, with an example being \$75 to enroll one child in a family earning 205 percent of the federal poverty guidelines. Coinsurance costs are nominal. 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			
	TOTAL	CHILDREN	PRENATAL
FY 2015-16			
Caseload	54,337	53,575	762
Per Capita	\$2,382	\$2,234	\$12,802
Expenditures	\$129,443,428	\$119,688,677	\$9,754,751
Recoveries/disallowances	\$6,045,419		
<b>TOTAL</b>	<b>\$135,488,847</b>		
FY 2016-17			
Caseload	58,870	58,019	851
Per Capita	\$2,360	\$2,204	\$13,052
Expenditures	\$138,954,603	\$127,847,641	\$11,106,962
Recoveries/disallowances	\$2,500,441		
<b>TOTAL</b>	<b>\$141,455,044</b>		
<b>Difference</b>			
Caseload	4,533	4,444	89
Per Capita	(\$22)	(\$30)	\$250
Expenditures	\$9,511,175	\$8,158,964	\$1,352,211
Percent Difference			
Caseload	8.3%	8.3%	11.7%
Per Capita	(0.9%)	(1.3%)	2.0%
Expenditures	7.3%	6.8%	13.9%

## 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 to the federal government.

MEDICARE MODERNIZATION ACT			
FISCAL YEAR	TOTAL FUNDS	GENERAL FUND	FEDERAL FUNDS
FY 2011-12	\$93,582,494	\$62,939,212	\$30,643,282
FY 2012-13	101,817,855	52,136,848	49,681,007
FY 2013-14	106,376,992	68,306,130	38,070,862
FY 2014-15	107,620,224	107,190,799	429,425
FY 2015-16 proj.	113,860,126	113,860,126	0
FY 2016-17 proj.	130,667,733	130,667,733	0

## 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 - 2016 LEGISLATIVE SESSION

DEPARTMENT OF HEALTH CARE POLICY AND FINANCING						
	TOTAL FUNDS	GENERAL FUND <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$8,873,331,056	\$2,506,252,972	\$1,024,522,841	\$6,110,549	\$5,336,444,694	413.7
SB 15-011	362,649	179,347	0	0	183,302	0.8
SB 15-228	539,823	269,912	0	0	269,911	4.0
HB 15-1186	10,616,568	367,564	4,840,203	0	5,408,801	0.0
HB 15-1309	37,606	10,815	833	0	25,958	0.0
HB 15-1318	2,176,695	0	788,347	0	1,388,348	2.7
HB 15-1367	500,000	500,000	0	0	0	0.0
HB 15-1368	3,390,000	0	1,695,000	1,695,000	0	0.0
HB 16-1240	154,428,164	9,845,164	117,432,305	9,198,102	17,952,593	1.0
HB 16-1405	67,001,713	(17,285,713)	7,017,853	0	77,269,573	0.0
<b>TOTAL</b>	<b>\$9,112,384,274</b>	<b>\$2,500,140,061</b>	<b>\$1,156,297,382</b>	<b>\$17,003,651</b>	<b>\$5,438,943,180</b>	<b>422.2</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$9,112,384,274	\$2,500,140,061	\$1,156,297,382	\$17,003,651	\$5,438,943,180	422.2
<b>Enrollment/utilization trends</b>						
Medical Services Premiums	138,777,450	129,493,645	(108,375,575)	(3,904,625)	121,564,005	0.0
Behavioral health programs	40,412,189	11,292,718	(588,979)	0	29,708,450	0.0
Office of Community Living	28,434,677	13,572,461	0	0	14,862,216	0.0
Medicare Modernization Act	16,273,413	16,273,413	0	0	0	0.0
Children's Basic Health Plan	9,484,571	(25,277)	(607,127)	0	10,116,975	0.0
Public school health services	<u>1,930,994</u>	<u>0</u>	<u>1,193,288</u>	<u>0</u>	<u>737,706</u>	<u>0.0</u>

**DEPARTMENT OF HEALTH CARE POLICY AND FINANCING**

	TOTAL FUNDS	GENERAL FUND <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<i>Subtotal - Enrollment/ utilization trends</i>	235,313,294	170,606,960	(108,378,393)	(3,904,625)	176,989,352	0.0
Eligibility/benefit changes						
Behavioral therapy benefit	18,480,411	9,203,138	0	0	9,277,273	0.0
Cervical cancer eligibility	291,528	0	107,119	0	184,409	0.0
<i>Subtotal - Eligibility/ benefit changes</i>	18,771,939	9,203,138	107,119	0	9,461,682	0.0
Provider rate changes						
Restrict Hospital Provider Fee revenue	(146,693,573)	0	(73,149,728)	0	(73,543,845)	0.0
End of primary care rate bump	(145,075,634)	(49,519,402)	(1,642,057)	0	(93,914,175)	0.0
<i>Subtotal - Provider rate changes</i>	(291,769,207)	(49,519,402)	(74,791,785)	0	(167,458,020)	0.0
Federal match rate						
Standard federal match	534,194	23,288,746	(3,205,263)	17,759	(19,567,048)	0.0
ACA "Newly eligible" federal match	0	0	45,259,405	0	(45,259,405)	0.0
<i>Subtotal - Federal match rate</i>	534,194	23,288,746	42,054,142	17,759	(64,826,453)	0.0
Annualize prior year legislation and budget actions	11,318,056	4,870,967	(1,599,692)	(850,000)	8,896,781	3.3
CO Benefits Management System	9,693,366	3,113,283	1,211,091	36,449	5,332,543	0.0
HCBS settings final rule	669,623	334,812	0	0	334,811	1.0
Fed reg for managed care	665,066	332,533	0	0	332,533	4.0
Tobacco tax forecast	368,255	(1,606,801)	1,975,056	0	0	0.0
SBIRT training grant	250,000	0	250,000	0	0	0.0
Fed reg for assuring access	230,457	115,229	0	0	115,228	1.5
Centrally appropriated line items	143,674	(204,765)	257,249	32,011	59,179	0.0
Indirect cost assessment	59,489	(59,489)	46,187	60,710	12,081	0.0
Technical adjustments	0	0	0	0	0	0.0
Remove client cash funds	(31,301,682)	0	(31,301,682)	0	0	0.0
Medicaid-Medicare grant true up	(6,120,881)	(6,656)	0	0	(6,114,225)	0.0
Provider enrollment fee	(1,061,183)	0	(1,061,183)	0	0	0.0
Human Services programs	(159,208)	29,321	3,410	0	(191,939)	0.0
Transfers to other departments	(142,743)	(56,830)	0	10,644	(96,557)	0.0
<b>HB 16-1405</b>	<b>\$9,059,846,783</b>	<b>\$2,660,581,107</b>	<b>\$985,068,901</b>	<b>\$12,406,599</b>	<b>\$5,401,790,176</b>	<b>432.0</b>
SB 16-027	(29,917)	(9,084)	(409)	0	(20,424)	0.0
SB 16-038	60,416	0	30,208	0	30,208	1.0
SB 16-120	188,000	35,350	3,450	0	149,200	0.0
SB 16-192	277,573	0	138,787	0	138,786	1.8
SB 16-199	225,000	0	225,000	0	0	0.0
HB 16-1097	(136,943)	(9,827)	(2,549)	0	(124,567)	0.0
HB 16-1277	25,000	2,500	0	0	22,500	0.0
HB 16-1321	138,027	0	13,803	0	124,224	0.0
HB 16-1407	592,703	245,639	0	0	347,064	1.0
HB 16-1408	55,694,236	(6,451,471)	27,008,330	0	35,137,377	0.0
<b>TOTAL</b>	<b>\$9,116,880,878</b>	<b>\$2,654,394,214</b>	<b>\$1,012,485,521</b>	<b>\$12,406,599</b>	<b>\$5,437,594,544</b>	<b>435.8</b>
<b>INCREASE/(DECREASE)</b>	\$4,496,604	\$154,254,153	(\$143,811,861)	(\$4,597,052)	(\$1,348,636)	13.6
Percentage Change	0.0%	6.2%	(12.4%)	(27.0%)	(0.0%)	3.2%

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

**FY 2015-16 APPROPRIATION - MID-YEAR ADJUSTMENTS**

House Bill 16-1240 and H. B. 16-1405 modified FY 2015-16 appropriations primarily for revised caseload and expenditure estimates for the following:

- Medical Services Premiums – A net increase of \$276.5 million total funds, including \$26.1 million General Fund, for medical services and long-term services and supports provided through Medicaid
- Behavioral health programs – A net decrease of \$36.2 million total funds, including a decrease of \$20.9 million General Fund, for the capitation and fee-for-service Medicaid behavioral health programs

- Office of Community Living – A net decrease of \$13.5 million total funds, including a decrease of \$7.2 million General Fund, for home- and community-based services for people with intellectual and developmental disabilities
- Children's Basic Health Plan – A decrease of \$34.8 million total funds for children and pregnant women enrolled in the Children's Basic Health Plan
- Medicare Modernization Act – A decrease of \$3.0 million General Fund for reimbursements to the federal government for prescription drugs for people eligible for both Medicaid and Medicare
- Public School Health Services – An increase of \$8.5 million total funds for higher certified public expenditures by school districts and boards of cooperative education services
- County Administration – An increase of \$7.1 million federal funds to reimburse counties for eligibility determination services for Medicaid
- Old Age Pension State Medical Program – A net increase of \$5.4 million total funds, including a decrease of \$3.8 million General Fund, due to lower than expected enrollment in the Old Age Pension State Medical Program and higher enrollment in Medicaid, and a restructuring of appropriations for the Old Age Pension state Medical Program that created a double-count

## FY 2016-17 APPROPRIATION HIGHLIGHTS

**ENROLLMENT/UTILIZATION TRENDS:** The appropriation includes a net increase of \$235.3 million, including an increase of \$170.6 million General Fund, based on the projected caseload and expenditures under current law and policy for the following programs:

- Medical Services Premiums – An increase of \$138.8 million total funds, including an increase of \$129.5 million General Fund, for medical services and long-term services and supports provided through Medicaid
- Behavioral health programs – An increase of \$40.4 million total funds, including \$11.3 million General Fund, for the capitation and fee-for-service Medicaid behavioral health programs
- Office of Community Living – An increase of \$28.4 million total funds, including \$13.6 million General Fund, for home- and community-based services for people with intellectual and developmental disabilities
- Medicare Modernization Act – An increase of \$16.3 million General Fund for reimbursements to the federal government for prescription drugs for people eligible for both Medicaid and Medicare
- Children's Basic Health Plan – A net increase of \$9.5 million total funds, including a decrease of \$25,277 General Fund, for children and pregnant women enrolled in the Children's Basic Health Plan
- Public school health services – An increase of \$1.9 million due to an increase in certified public expenditures by school districts and boards of cooperative education services for public school health services

**ELIGIBILITY/BENEFIT CHANGES:** The appropriation includes an increase of \$18.8 million total funds, including \$9.2 million General Fund, for two changes to Medicaid eligibility and benefits:

- Behavioral therapy benefit – An increase of \$18.5 million total funds, including \$9.2 million General Fund, for a behavioral therapy benefit for children. Behavioral therapy is primarily used for children with autism to change maladaptive behaviors. The federal Centers for Medicare and Medicaid Services (CMS) recently denied a proposed expansion to Colorado's Children with Autism waiver that was authorized by H.B. 15-1186 and instead directed that behavioral therapy services must be provided for children, when medically necessary, pursuant to the federally mandatory Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) benefit.

- Cervical cancer eligibility – An increase of \$291,528 total funds for expanding the age of women eligible for cervical cancer screenings through the Breast and Cervical Cancer Program from the current 40 to 64 years old to 21 to 64 years old. With the increase in screening, a projected 54 more women are expected to be found eligible for Medicaid services and in need of treatment, and so there are increased costs in the Department of Health Care Policy and Financing. The state share of costs is projected to be \$107,119 cash funds from specialty license plates.

**PROVIDER RATE CHANGES:** The appropriation includes a decrease of \$291.8 million total funds, including \$49.5 million General Fund for two changes to provider rates. The first change is a decrease of \$145.1 million total funds, including \$49.5 million General Fund, for the end of the primary care rate bump that raised Medicaid reimbursement for primary care services to the equivalent Medicare reimbursement. The bump was originally implemented for calendar years 2013 and 2014 with federal funds and then extended (with some modifications) through FY 2015-16 using state funds that were freed up by a short-term increase in the federal match rate for Medicaid. The second change is a reduction of \$146.7 million total funds, including \$73.1 million cash funds from the Hospital Provider Fee and \$73.5 million matching federal funds, to conform with the model approved by the Hospital Provider Fee Oversight and Advisory Board. The reduction in Hospital Provider Fee revenues results in a lower projected General Fund obligation for the TABOR refund.

**FEDERAL MATCH RATE:** The appropriation includes an increase of \$534,194 total funds for changes in the federal match rate for Medicaid and CHP+, including an increase of \$23.3 million General Fund for changes to the standard federal match and an increase of \$45.3 million cash funds from the Hospital Provider Fee for changes in the match rate for the Medicaid expansion populations defined by the Affordable Care Act (ACA) as "newly eligible". The tables below summarize the changes in the federal match rates.

STANDARD MEDICAID FEDERAL MATCH						
STATE	AVE.	FEDERAL MATCH BY QUARTER (OF STATE FISCAL YEAR)				
FISCAL YEAR	MATCH	Q1-JULY	Q2-OCTOBER	Q3-JANUARY	Q4-APRIL	
FY 12-13	50.00	50.00	50.00	50.00	50.00	
FY 13-14	50.00	50.00	50.00	50.00	50.00	
FY 14-15	50.76	50.00	51.01	51.01	51.01	
FY 15-16	50.79	51.01	50.72	50.72	50.72	
FY 16-17	50.20	50.72	50.02	50.02	50.02	
FY 17-18	<i>50.01</i>	50.02	<i>50.00</i>	<i>50.00</i>	<i>50.00</i>	

*Italicized figures are projections.*

CHP+ FEDERAL MATCH						
STATE	AVE.	FEDERAL MATCH BY QUARTER (OF STATE FISCAL YEAR)				
FISCAL YEAR	MATCH	Q1-JULY	Q2-OCTOBER	Q3-JANUARY	Q4-APRIL	
FY 12-13	65.00	65.00	65.00	65.00	65.00	
FY 13-14	65.00	65.00	65.00	65.00	65.00	
FY 14-15	65.53	65.00	65.71	65.71	65.71	
FY 15-16	82.80	65.71	88.50	88.50	88.50	
FY 16-17	88.14	88.50	88.01	88.01	88.01	
FY 17-18	<i>88.00</i>	88.01	<i>88.00</i>	<i>88.00</i>	<i>88.00</i>	

*Italicized figures are projections.*

ACA "NEWLY ELIGIBLE" FEDERAL MATCH					
STATE	AVE.	FEDERAL MATCH BY QUARTER (OF STATE FISCAL YEAR)			
FISCAL YEAR	MATCH	Q1-JULY	Q2-OCTOBER	Q3-JANUARY	Q4-APRIL
FY 14-15	NA	NA	NA	100.00	100.00
FY 15-16	100.00	100.00	100.00	100.00	100.00
FY 16-17	97.50	100.00	100.00	95.00	95.00
FY 17-18	94.50	95.00	95.00	94.00	94.00
FY 18-19	93.50	94.00	94.00	93.00	93.00
FY 19-20	91.50	93.00	93.00	90.00	90.00

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

ANNUALIZE PRIOR YEAR LEGISLATION AND BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 15-16 Rate increases	\$19,466,070	\$7,147,264	\$459,510	\$0	\$11,859,296	0.0
FY 15-16 CHP+ Enrollment	16,223,773	1,774,662	45,663	0	14,403,448	0.0
FY 15-16 Participant directed services	948,585	492,557	0	0	456,028	0.1
FY 15-16 Public health records	712,709	230,271	0	0	482,438	0.0
FY 07-08 Revised PERM	588,501	147,125	102,988	0	338,388	0.0
FY 15-16 Leased space	300,671	121,179	29,157	0	150,335	0.0
FY 15-16 Primary care	109,808	54,904	0	0	54,904	0.0
FY 15-16 Customer services	97,610	35,277	13,529	0	48,804	4.2
SB 15-011 Spinal Cord Pilot	27,071	13,574	0	0	13,497	0.2
FY 15-16 Predictive analytics	11,259	1,126	0	0	10,133	0.1
SB 14-130 Nursing Personal Care Allowance	169	84	0	0	85	0.0
HB 15-1367 Retail Marijuana (Prop BB)	0	(500,000)	500,000	0	0	0.0
FY 15-16 MMIS Reprocurement	(8,151,765)	(737,351)	(149,015)	0	(7,265,399)	0.0
FY 14-15 MMIS Adjustment	(4,595,621)	(828,692)	(153,259)	0	(3,613,670)	0.0
FY 14-15 Medicare-Medicaid enrollees	(4,576,085)	(2,103,141)	0	0	(2,472,944)	0.0
FY 14-15 Health Information Exchange	(3,059,000)	(5,900)	0	0	(3,053,100)	0.0
HB 15-1318 Waiver Redesign	(1,940,404)	0	(670,954)	0	(1,269,450)	0.3
FY 14-15 Waiver enrollment management	(1,586,987)	0	(1,586,987)	0	0	0.0
HB 15-1368 IDD-BHO Pilots	(855,000)	0	(5,000)	(850,000)	0	0.0
HB 12-1281 Medicaid Payment Reform	(592,703)	(245,639)	0	0	(347,064)	(1.0)
FY 15-16 CLAG & HCBS	(512,475)	(206,238)	(50,000)	0	(256,237)	0.0
FY 14-15 Pain management	(500,000)	(246,212)	0	0	(253,788)	0.0
SB 11-177 Teen Pregnancy	(214,958)	16,960	(25,022)	0	(206,896)	(0.6)
FY 15-16 ACC Reprocurement	(150,000)	(75,000)	0	0	(75,000)	0.0
SB 14-159 Medical Clean Claims	(128,688)	(128,688)	0	0	0	0.0
HB 16-1240 Supplemental	(110,000)	0	(110,000)	0	0	0.0
FY 15-16 DDDWeb	(109,018)	(54,508)	0	0	(54,510)	0.0
FY 15-16 Salary survey and merit pay	(30,497)	(9,649)	(1,152)	0	(19,696)	0.0
FY 15-16 Leap year adjustment	(24,904)	(12,452)	0	0	(12,452)	0.0
SB 15-228 Provider Rate Review	(18,812)	(9,406)	0	0	(9,406)	0.0
HB 15-1309 Restoration by Hygienists	(11,253)	(1,140)	850	0	(10,963)	0.0
<b>TOTAL</b>	<b>\$11,318,056</b>	<b>\$4,870,967</b>	<b>(\$1,599,692)</b>	<b>(\$850,000)</b>	<b>\$8,896,781</b>	<b>3.3</b>

**CO BENEFITS MANAGEMENT SYSTEM (CBMS):** The appropriation includes an increase of \$9.7 million total funds, including \$3.1 million General Fund, to increase the base appropriation supporting CBMS and add an additional 117,276 vendor pool hours for CBMS enhancements. The money is reappropriated to the Governor's Office of Information Technology to arrange for service provision.

**HCBS SETTINGS FINAL RULE:** The appropriation includes an increase of \$669,623 total funds, including \$334,812 General Fund and 1.0 FTE for work associated with the Centers for Medicare and Medicaid Services (CMS) final settings rule for services provided through the home- and community-based services waivers (HCBS). The final settings rules will ensure individuals are actively involved in service and living choices.

**FED REG FOR MANAGED CARE:** The appropriation includes an increase of \$665,066 total funds, including \$332,533 General Fund, for 4.0 FTE and for contract actuarial and quality review services to implement a new federal regulation concerning managed care and program quality. Some of the provisions of the new federal rule driving the increased administrative costs include requirements for a state comprehensive quality strategy, actuarially sound capitation rates for managed care, detailed encounter data in health information systems, and standard medical loss ratios.

**TOBACCO TAX FORECAST:** The appropriation includes a net increase of \$368,255 total funds, including a reduction of \$1.6 million General Fund, to reflect changes in the projected revenue from the tobacco tax and the formula allocations of tobacco tax funds to programs administered by the Department.

**SBIRT TRAINING GRANT:** The appropriation provides \$250,000 cash funds from the Marijuana Tax Cash Fund for grants to provide training for health professionals related to screening, brief intervention, and referral to treatment (SBIRT) for individuals at risk of substance abuse.

**FED REG FOR ASSURING ACCESS:** The appropriation provides \$230,457 total funds, including \$115,229 General Fund, for 1.5 FTE and for contract actuarial services to implement a new federal rule regarding the sufficiency of provider rates to assure access to services for Medicaid clients. Among other provisions, the new rule requires a regional analysis of access, a three-year review cycle for select provider rates, increased review of rates for services receiving access complaints, an assessment of access to care whenever a State Plan Amendment reduces or restructures rates, and remediation of any rate deficiencies identified through the procedures required by the rule.

**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; shift differential; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; vehicle lease payments; Capitol complex leased space; payments to the Governor's Office of Information Technology (OIT); and CORE operations.

**INDIRECT COST ASSESSMENT:** The appropriation includes a net increase in the Department's indirect cost assessment.

**TECHNICAL ADJUSTMENTS:** The appropriation includes miscellaneous transfers between line items and corrections to fund sources with no net change in the total appropriation.

**REMOVE CLIENT CASH FUNDS:** The appropriation includes a reduction of \$31.3 million cash funds appropriated for informational purposes to the Comprehensive Waiver and the Preventive Dental Hygiene program. Prior to changes imposed by the federal authorities and changes to rate structure, the Department was required to collect information on the amount of client cash funds based on the annual SSI payment and local funds based on 5.0 percent of the non-residential component of the service costs. Once the changes were enacted starting in FY 2007-08, the Department stopped collecting this cash fund information.

**MEDICAID-MEDICARE GRANT TRUE UP:** The appropriation reduces funding by \$6.1 million total funds, including a reduction of \$6,656 General Fund, to reflect changes in the amount, scope, and timing of a federal grant to coordinate care for people eligible for both Medicaid and Medicare.

**PROVIDER ENROLLMENT FEE:** The appropriation reduces funding by \$1.1 million cash funds from provider enrollment fees that pay for screening for fraud, waste, and abuse. Expenditures in FY 2015-16 were high due to a federal requirement that providers revalidate every five years.

**HUMAN SERVICES PROGRAMS:** The appropriation includes a net reduction of \$159,208 total funds, including an increase of \$29,321 General Fund, for programs administered by the Department of Human Services. See the narrative for the Department of Human Services for more information.

**TRANSFERS TO OTHER DEPARTMENTS:** The appropriation reduces funding by \$142,743 total funds, including \$56,830 General Fund, for transfers to programs administered by other departments.

**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 state higher education institutions. Financial aid programs also fall under the purview of CCHE and, for state-funded programs, are included in the higher education budget. The executive director of CCHE is the executive director of the Department and appoints the directors of College Assist and CollegeInvest, which are both statutorily authorized state enterprises with responsibilities related to student loans and college savings programs. In addition, the Department administers various state and federal programs designed to promote higher education participation and success.

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

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

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

## DEPARTMENT BUDGET: RECENT APPROPRIATIONS

FUNDING SOURCE	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
General Fund <sup>1</sup>	\$659,108,061	\$762,082,525	\$857,415,995	\$871,034,716
Cash Funds	1,933,397,850	2,048,656,281	2,269,594,336	2,467,212,460
Reappropriated Funds	576,697,493	634,406,378	701,803,695	715,297,309
Federal Funds	19,290,300	22,431,064	22,494,551	22,512,517
<b>TOTAL FUNDS</b>	<b>\$3,188,493,704</b>	<b>\$3,467,576,248</b>	<b>\$3,851,308,577</b>	<b>\$4,076,057,002</b>
Full Time Equiv. Staff	22,842.3	23,455.2	23,856.3	24,491.4

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

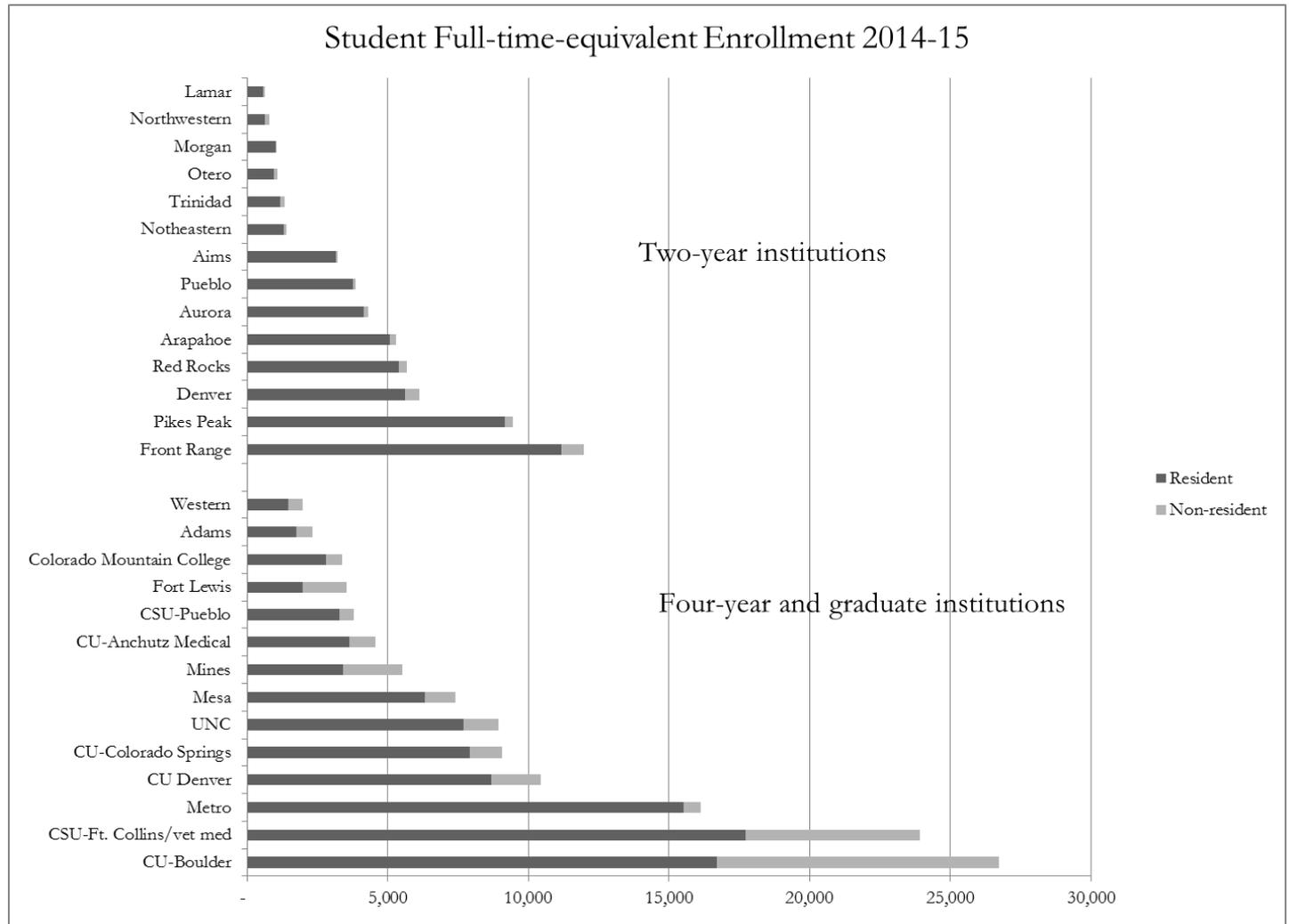
## GENERAL FACTORS DRIVING THE BUDGET

### OVERVIEW AND ORGANIZATION

The state higher education system served about 180,000 full-time equivalent students (FTE) in FY 2014-15, including about 150,000 Colorado residents. About 10,000 additional FTE were served by local district colleges, which receive regional property tax revenues in addition to state funding, and area technical colleges, which offer occupational certificates and serve both secondary and post-secondary students. Approximately one-third of student FTE attend 2-year and certificate institutions. Students attending institutions that offer baccalaureate and higher

degrees are concentrated at the University of Colorado, Colorado State University, and Metropolitan State University of Denver.

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

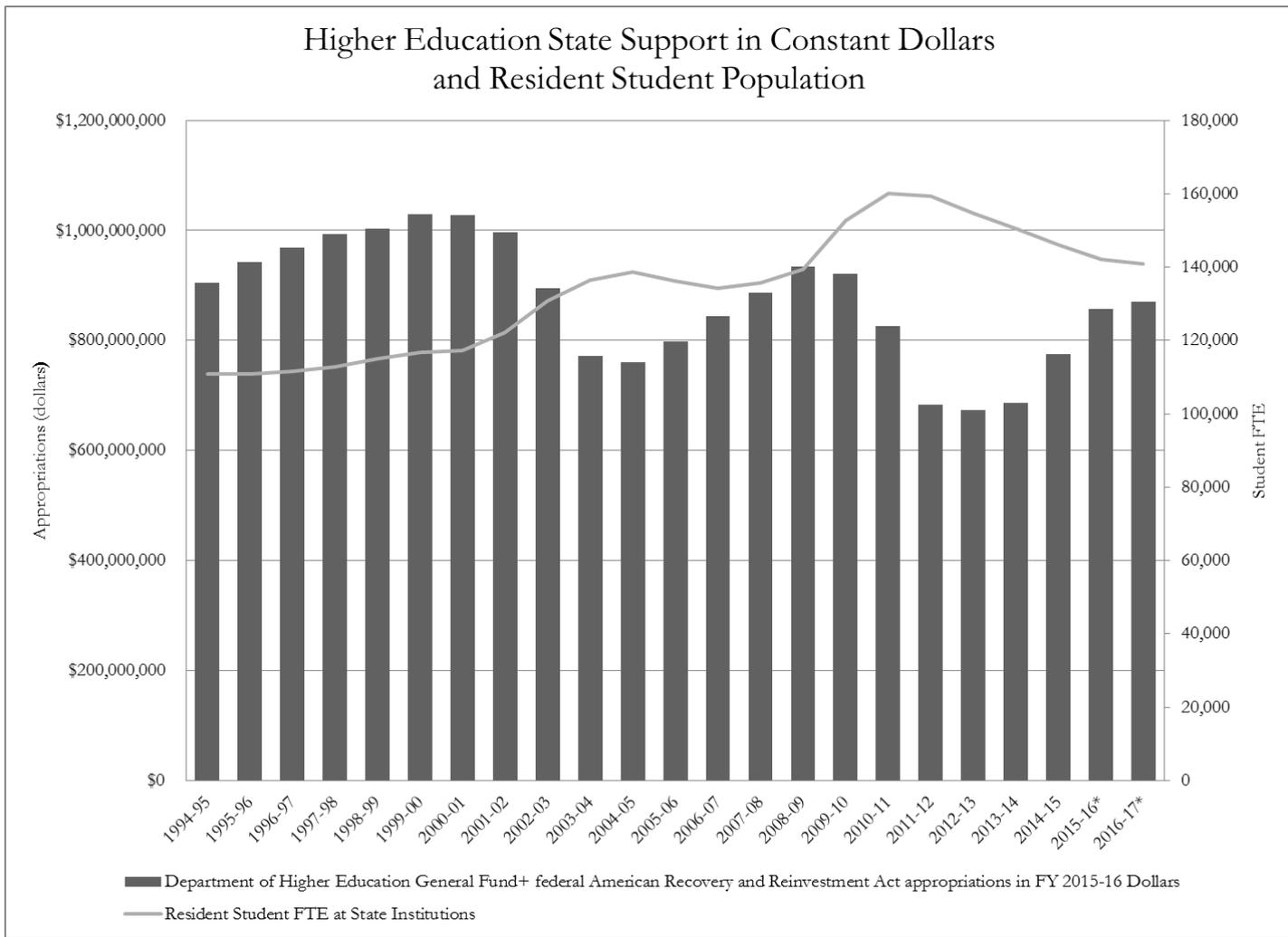


### IMPACT OF THE STATEWIDE BUDGET OUTLOOK

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 improved, funding increased, including a \$103.0 million (15.6 percent) General Fund increase for FY 2014-15 and a further increase of \$95.3 million (12.5 percent) General Fund for FY 2015-16. 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 2016-17, state General Fund support has been held close to the FY 2015-16 level in aggregate, while resident enrollment is projected to continue to decline at a modest rate.



\*For FY 2015-16 through FY 2016-17, reflects nominal appropriations; resident student FTE for FY 2015-16 and FY 2016-17 are based on the projections used for state budgeting purposes (institutional projections in most cases). Students at local district colleges and area technical colleges are not included in student FTE figures.

The table below shows the allocation of the overall increase in General Fund support from FY 2015-16 to FY 2016-17 by governing board and funding category.

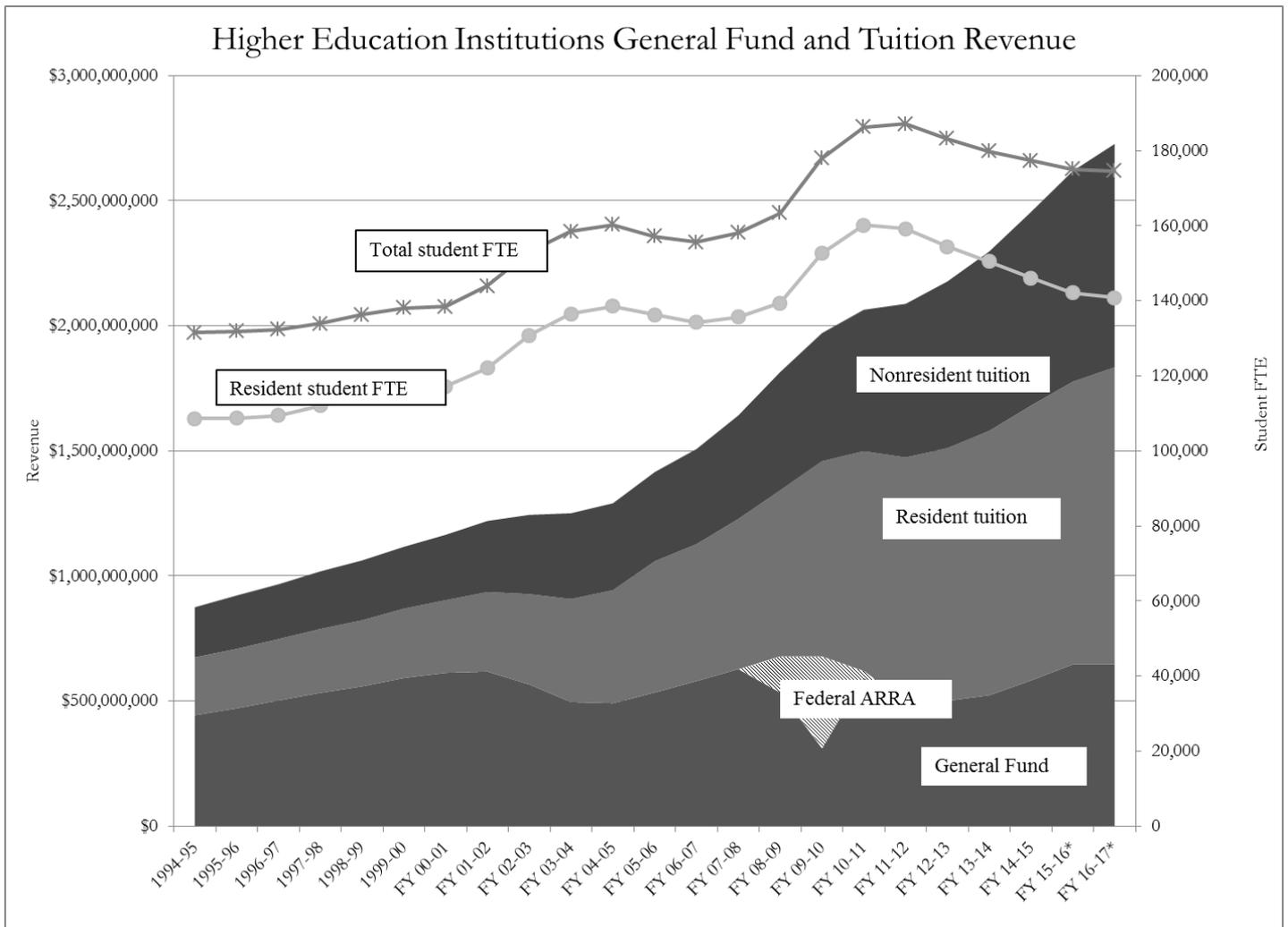
DEPARTMENT OF HIGHER EDUCATION OPERATING BUDGET:  
GENERAL FUND APPROPRIATIONS CHANGES BY CATEGORY AND GOVERNING BOARD  
FY 2015-16 TO FY 2016-17

GOVERNING BOARDS/INSTITUTIONS <sup>1</sup>	FY 2015-16	FY 2016-17	AMOUNT CHANGE	PERCENTAGE CHANGE
Adams State University	\$14,121,017	\$14,076,360	(\$44,657)	(0.3%)
Colorado Mesa University	24,465,356	24,280,729	(\$184,627)	(0.8%)
Metropolitan State University of Denver	50,153,399	51,415,001	\$1,261,602	2.5%
Western State Colorado University	11,643,992	11,534,927	(\$109,065)	(0.9%)
Colorado State University System	134,660,184	134,518,307	(\$141,877)	(0.1%)
Fort Lewis College	11,822,422	11,481,200	(\$341,222)	(2.9%)
University of Colorado System	184,615,667	186,532,686	\$1,917,019	1.0%
Colorado School of Mines	20,547,328	20,639,050	\$91,722	0.4%
University of Northern Colorado	41,092,729	39,113,234	(\$1,979,495)	(4.8%)
Community College System	153,549,541	153,330,147	(\$219,394)	(0.1%)
Colorado Mountain College	7,143,039	7,143,039	\$0	0.0%
Aims Community College	8,446,176	8,446,176	\$0	0.0%
Area Technical Colleges	9,971,721	9,971,721	\$0	0.0%
<b>Subtotal - Governing Boards/Institutions</b>	<b>\$672,232,571</b>	<b>\$672,482,577</b>	<b>\$250,006</b>	<b>0.0%</b>
Financial Aid	\$174,082,678	\$175,203,372	\$1,120,694	0.6%
Move FML Lease Purchase Payments to Higher Education from Treasury budget	n/a	\$12,125,175	\$12,125,175	n/a
Other	\$11,100,746	\$11,223,592	\$122,846	1.1%
<b>Total - Department of Higher Education</b>	<b>\$857,415,995</b>	<b>\$871,034,716</b>	<b>\$13,618,721</b>	<b>1.6%</b>

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

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.



\*FY 2015-16 and FY 2016-17 tuition revenue and student FTE reflect estimates used for budgeting purposes.

## TUITION AND FEES

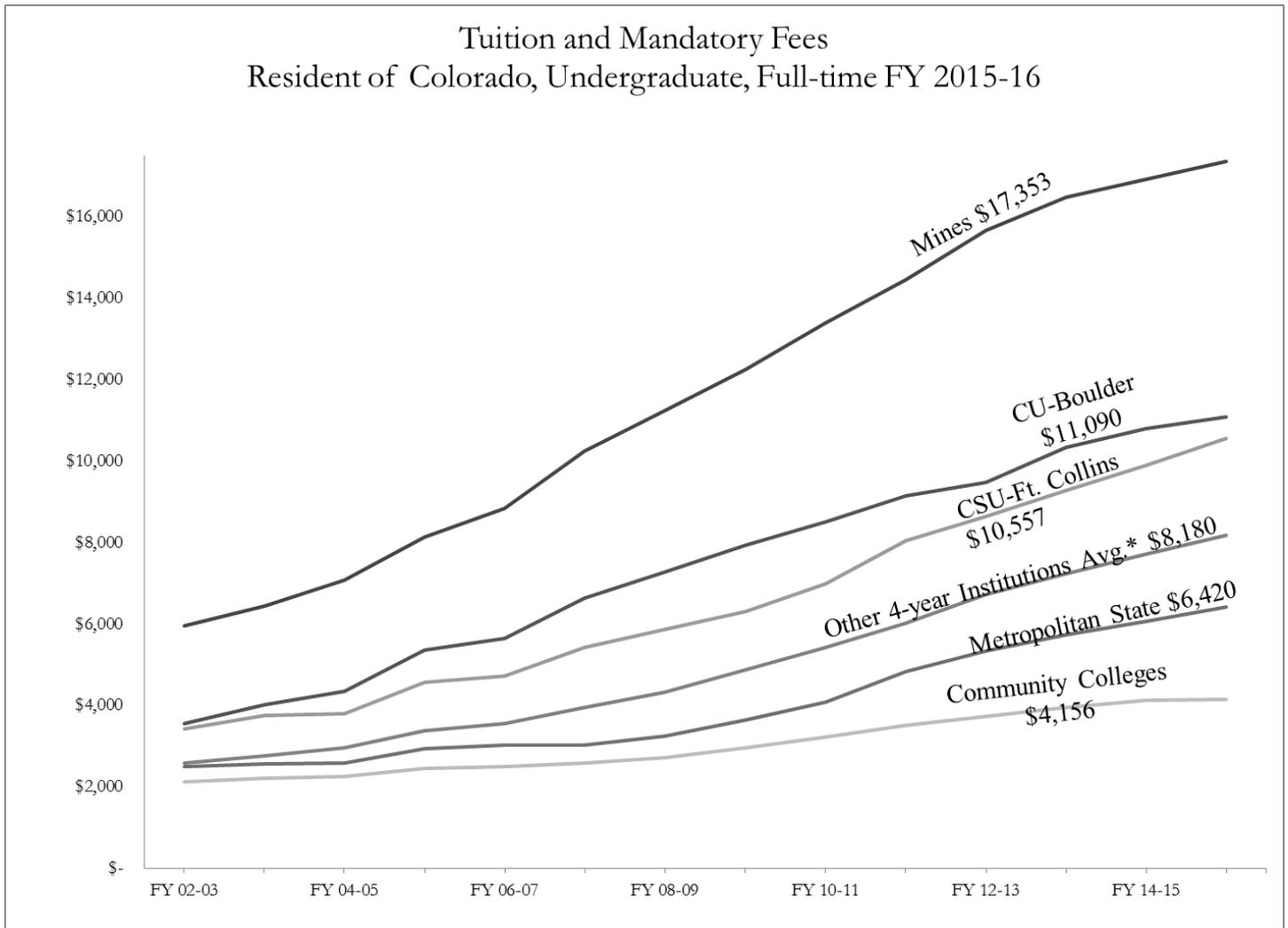
Public access to higher education is significantly influenced by tuition and fee rates: high rates may discourage participation or may result in high debt loads for those who do participate. Nonetheless, Colorado and other states have often used tuition increases to substitute for higher education General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

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

- Prior to FY 2011-12, the General Assembly appropriated tuition revenue to the institutions and set forth its assumptions about tuition increases in a Long Bill footnote.
- S.B. 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.
- For FY 2014-15 and FY 2015-16, the General Assembly paired increases in state funding with a 6.0 percent "hard" cap on undergraduate resident tuition increases through S.B. 14-001 (College Affordability Act).

- Beginning in FY 2016-17, the responsibility to set tuition spending authority reverts to the General Assembly for all institutions except the Colorado School of Mines [Section 23-5-129 (10), C.R.S.], and the tuition increases used to derive the total spending authority for each governing board are detailed in a footnote to the Long Bill [Section 23-18-202 (3) (b), C.R.S.].
- For FY 2016-17, Long Bill footnotes reflect maximum resident undergraduate tuition increases by governing board of 5.0 percent to 9.0 percent.

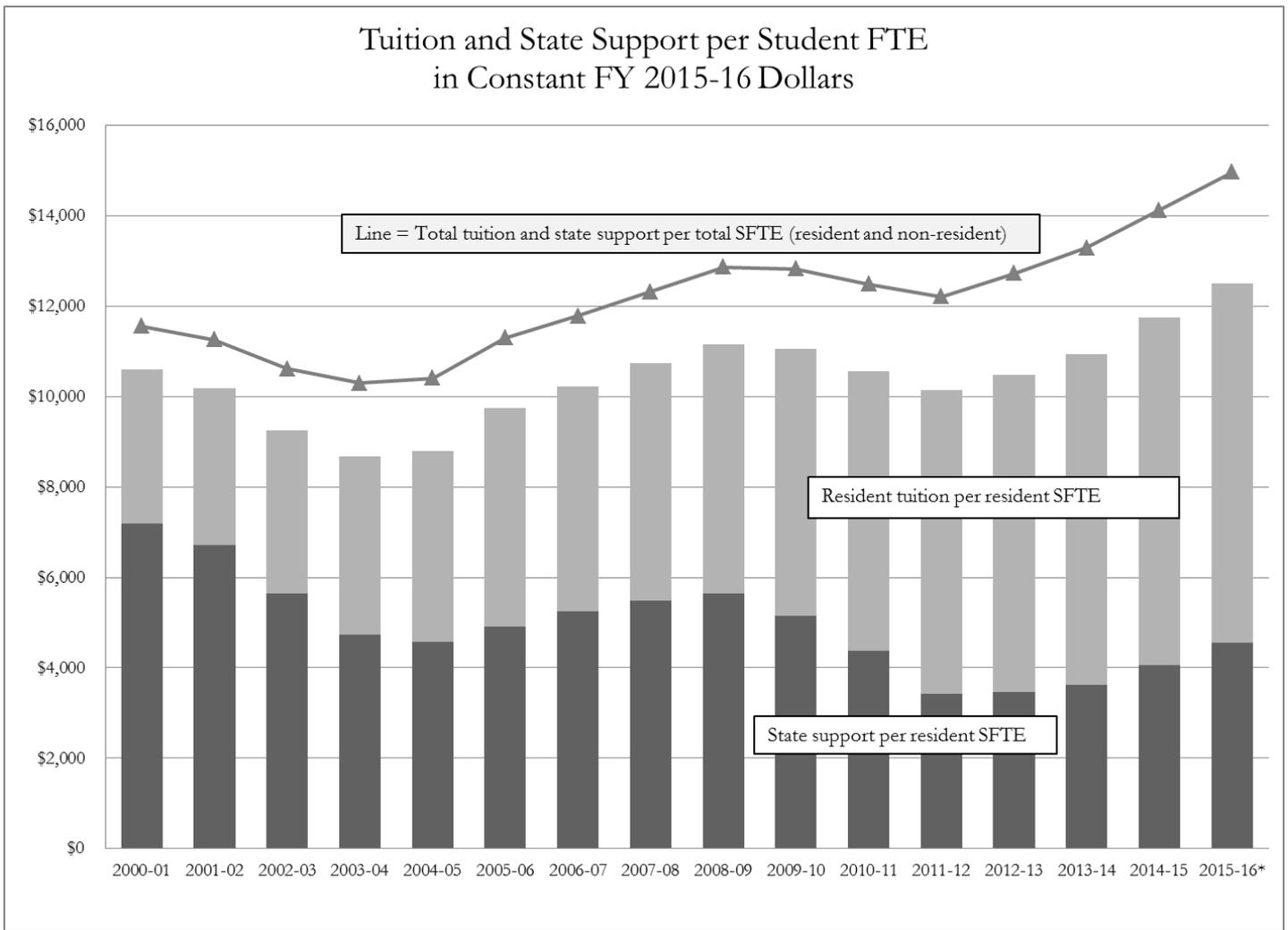
The chart below shows rates through FY 2015-16. All rates are for students who are full-time (30 credit hours per year), beginning their studies, Colorado resident, undergraduate, and taking liberal arts and sciences courses.



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

Most, but not all, tuition increases in recent years are explained by declines in state support per student FTE. The following chart 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 2015-16 are reflected in FY 2015-16 dollars, based on the Denver-Boulder-Greeley consumer price index/CPI). Fiscal year 2015-16 amounts reflect the projections used for budgeting purposes.

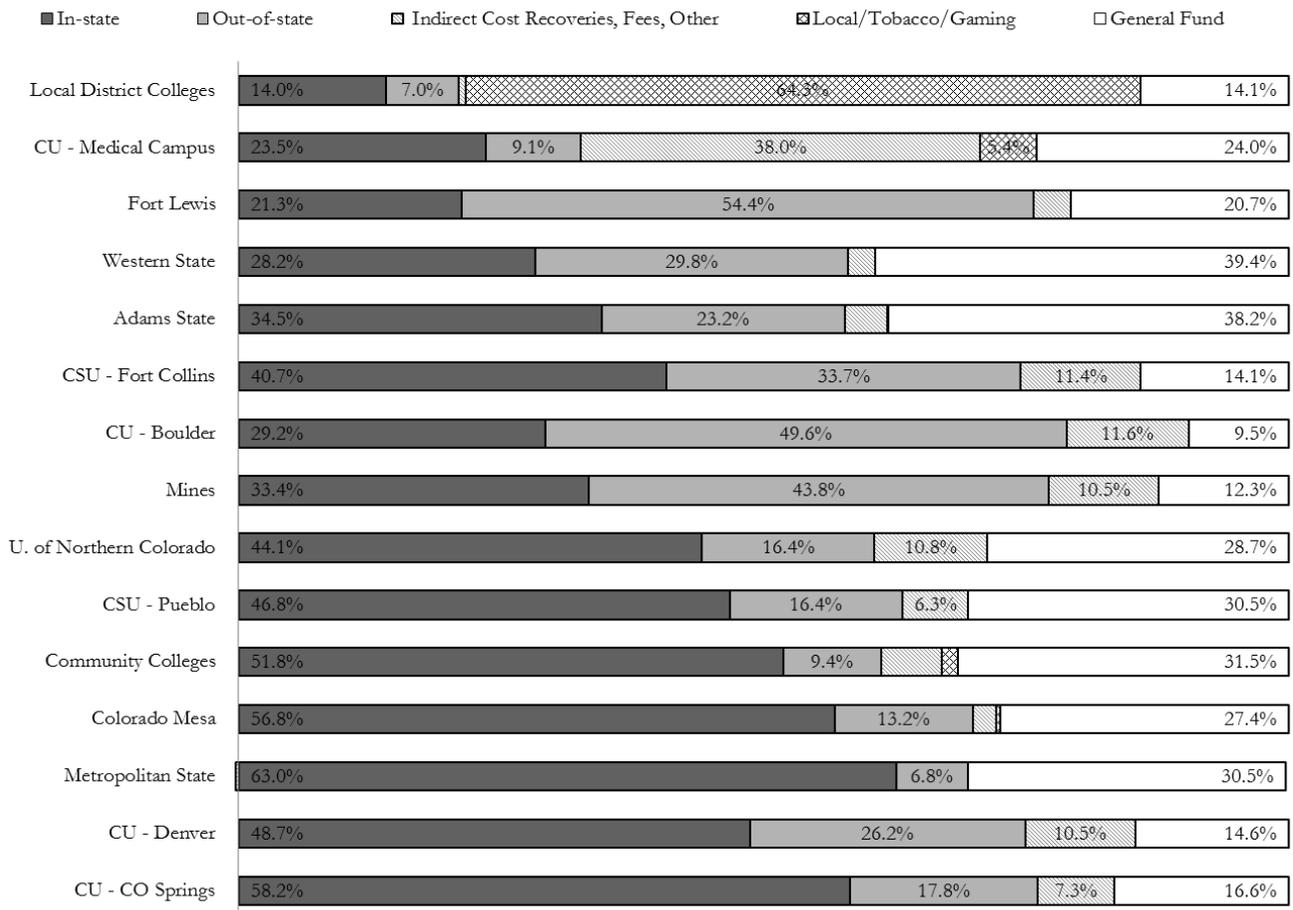
- The share of costs covered by the *resident* student—as opposed to the General Fund—has changed substantially, as reflected by the bars on the chart. In FY 2000-01, the General Fund provided about two-thirds of the revenue per resident student; for FY 2015-16, it was expected to provide 32.8 percent.
- Revenue to the institutions per resident student (bars on the chart; combination of General Fund and resident tuition revenue) has been variable. In FY 2013-14, total revenue per resident student FTE after adjusting for inflation was similar to the FY 2000-01 revenue per resident. However, between FY 2013-14 and FY 2015-16, total average revenue per resident is projected to increase 14.4 percent, placing revenue per resident well above both the previous FY 2000-01 and FY 2008-09 high points.
- When non-resident students and related revenue are included, overall revenue to the institutions per student (the line on the chart) has increased far more rapidly than CPI inflation: per-student revenue is projected to increase 29.4 percent from FY 2000-01 to FY 2015-16 after adjusting for inflation or about 1.7 percent per year *above* the rate of inflation. This revenue is not equally distributed across institutions.



\*FY 2015-16 tuition revenue and student FTE reflect the figures used for budgeting purposes.

Institutions have different abilities to bring in out-of-state student tuition revenue or to raise tuition above that of other institutions based upon their individual missions and the populations they serve. The chart below compares the revenue mix at various state institutions for educational expenditures reported to the General Assembly in FY 2014-15. Note that this excludes revenue and expenditures for research grants and auxiliary facilities such as dormitories and dining halls.

## Proportion of Funding from Students vs the State FY 2014-15

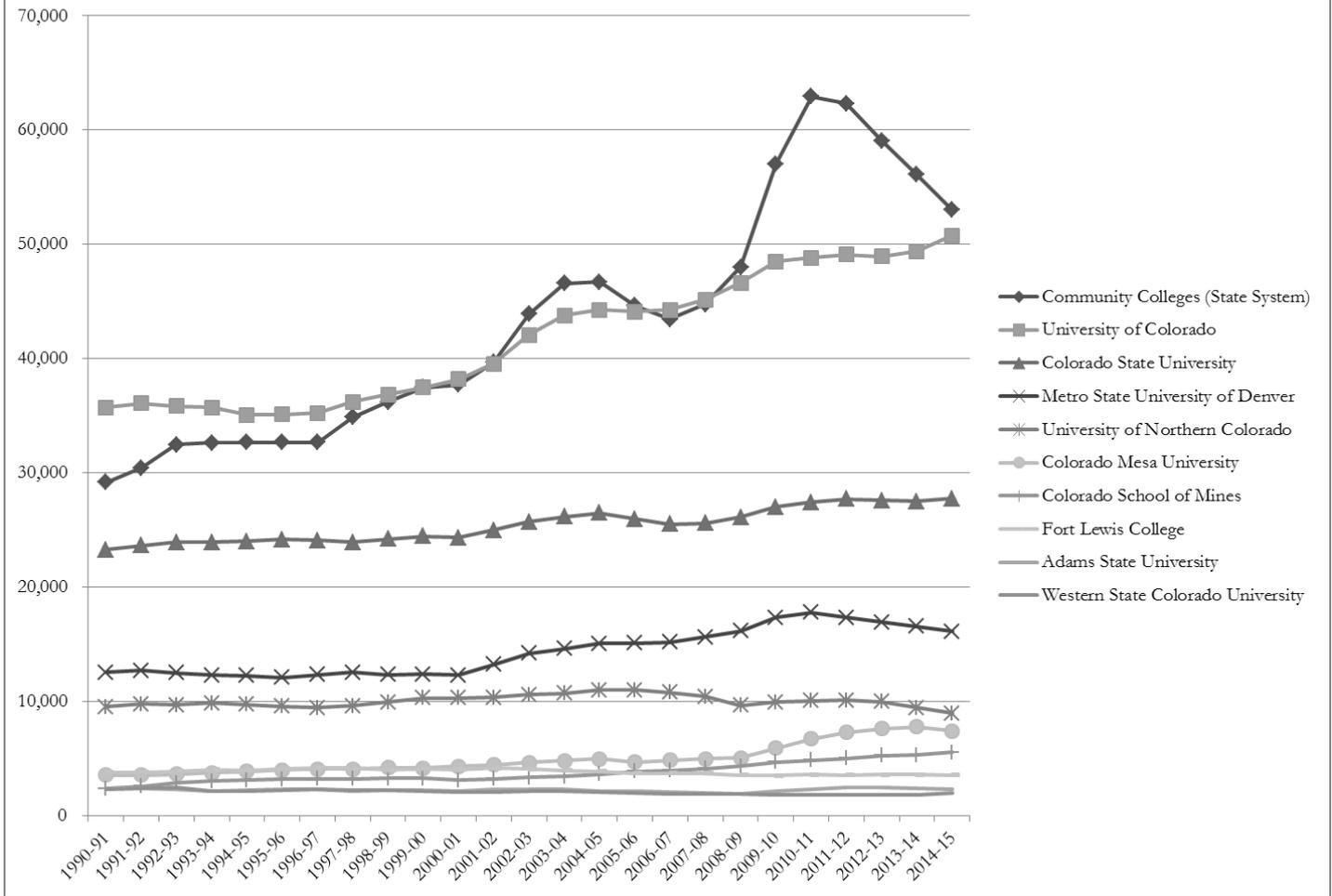


## ENROLLMENT

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. This affects most institutions to some extent but is particularly notable for the community college system. The following chart reports student FTE since FY 1991-92 (excluding Local District Junior College and Area Vocational School data). Thirty credit hours in a year equals one full-time-equivalent student. Total enrollment continued to decline in FY 2015-16 and declines at a more modest rate are projected for FY 2016-17.

Total Student FTE - State Higher Education Institutions



## PERSONNEL

Higher education governing boards are allowed by statute to determine the number of employees they need, but the Long Bill reflects estimates provided by the governing boards of the numbers of employees at their institutions. In FY 2015-16, the institutions employ an estimated 24,044.7 FTE, excluding 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 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 AND THE HIGHER EDUCATION FUNDING MODEL

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

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

The new model refines and restructures the funding system first adopted during the 2004 legislative session through S.B. 04-189. It distributes higher education funding through two mechanisms: student stipends and fee-for-service contracts. Funding for stipends for resident undergraduates is appropriated into a fund that pays each institution a stipend for each eligible resident undergraduate student. The balance of the appropriation is used for fee-for-service contracts to address services that are not accounted for in the student stipends. The sum of stipends and fee-for-service contracts is the state General Fund support provided to each institution for their operations.

The fee-for-service portion of the model under H.B. 14-1319 addresses: funding for specialty education programs (such as medical and veterinary schools), payments for student outcomes (such as degrees), and payments for costs associated with maintaining institutional roles and missions. The Colorado Commission on Higher Education developed an initial version of the model which was used for the FY 2015-16 budget submission. The General Assembly used the model, with some adjustments to the original submission, to set FY 2015-16 budget allocations for the governing boards. The General Assembly adopted additional changes for FY 2016-17. These changes are designed to provide some additional stability to the model and to reduce the share of funding related to students who are not residents of Colorado.

Although overall state support for the governing boards was held flat from FY 2015-16 to FY 2016-17, some governing boards received increases and others decreases based on the model's results. The model relies on the most recent actual data available, rather than projections. Thus, funding for the governing boards in FY 2016-17 was based on their actual enrollment, degrees awarded, and other relevant data from FY 2014-15. To a significant extent, the changes in individual governing board support from FY 2015-16 to FY 2016-17 reflected relative growth or decline in the governing board's enrollment in FY 2014-15 compared to other governing boards.

The FY 2016-17 model distribution is detailed below. This excludes additional support provided for certain "limited purpose" contracts (funding provided for specific statutory initiatives) and support for special district colleges and area technical colleges (which by law must receive funding increases consistent with the average for the state-operated boards).

	STUDENT STIPENDS	PELL ELIGIBLE STUDENTS	MISSION DIFFERENTIATION	WEIGHTED CREDIT HRS	COMPLETION/RETENTION (DEGREES AWARDED)	PRODUCTIVITY (DEGREES PER SFTE)	SPECIALTY EDUCATION	TOTAL
Adams	\$2,890,626	\$180,634	\$7,900,000	\$324,126	\$1,667,413	\$1,113,561		\$14,076,359
Mesa	\$13,706,155	\$587,108	\$4,800,000	\$787,262	\$3,479,637	\$920,567		\$24,280,728
Metro	\$32,248,782	\$1,474,350	\$5,100,000	\$2,065,193	\$9,519,353	\$1,007,324		\$51,415,001
Western	\$2,967,276	\$103,729	\$6,350,000	\$212,318	\$911,853	\$989,750		\$11,534,926
CSU	\$43,047,716	\$1,219,718	\$16,050,000	\$3,269,768	\$16,058,084	\$1,058,650	\$53,814,371	\$134,518,306
Ft. Lewis	\$4,041,098	\$134,550	\$4,800,000	\$155,350	\$1,398,921	\$951,281		\$11,481,199
CU	\$62,352,540	\$2,049,428	\$24,450,000	\$5,769,654	\$28,149,829	\$1,064,314	\$62,596,921	\$186,432,685
Mines	\$6,194,533	\$149,374	\$8,900,000	\$776,526	\$3,527,776	\$1,090,841		\$20,639,050
UNC	\$15,440,878	\$572,610	\$14,330,000	\$1,186,442	\$6,421,087	\$1,087,217		\$39,038,234
Community Colleges	\$106,473,273	\$4,444,244	\$16,600,000	\$5,453,362	\$19,480,811	\$716,497		\$153,168,186
<b>Total</b>	<b>\$289,362,876</b>	<b>\$10,915,742</b>	<b>\$109,280,000</b>	<b>\$20,000,001</b>	<b>\$90,614,764</b>	<b>\$10,000,000</b>	<b>\$116,411,292</b>	<b>\$646,584,675</b>
<b>Percentage of Total Funding Allocated in Category</b>								
Overall	44.8%	1.7%	16.9%	3.1%	14.0%	1.5%	18.0%	100.0%
Excluding Specialty Ed	54.6%	2.1%	20.6%	3.8%	17.1%	1.9%	n/a	100.0%

One benefit of the State's higher education funding structure is that it enables the State to designate 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 statewide revenue limits imposed by TABOR and has no impact on any refund that may be due pursuant to TABOR. To achieve enterprise status under TABOR, a program must: (1) be a government-owned business; (2) have authority to issue revenue bonds; and (3) receive less than 10 percent of annual revenue from state and local grants. Stipends and fee-for-service contracts are defined in statute as different from a state grant. All of the institutions have been designated as TABOR enterprises.

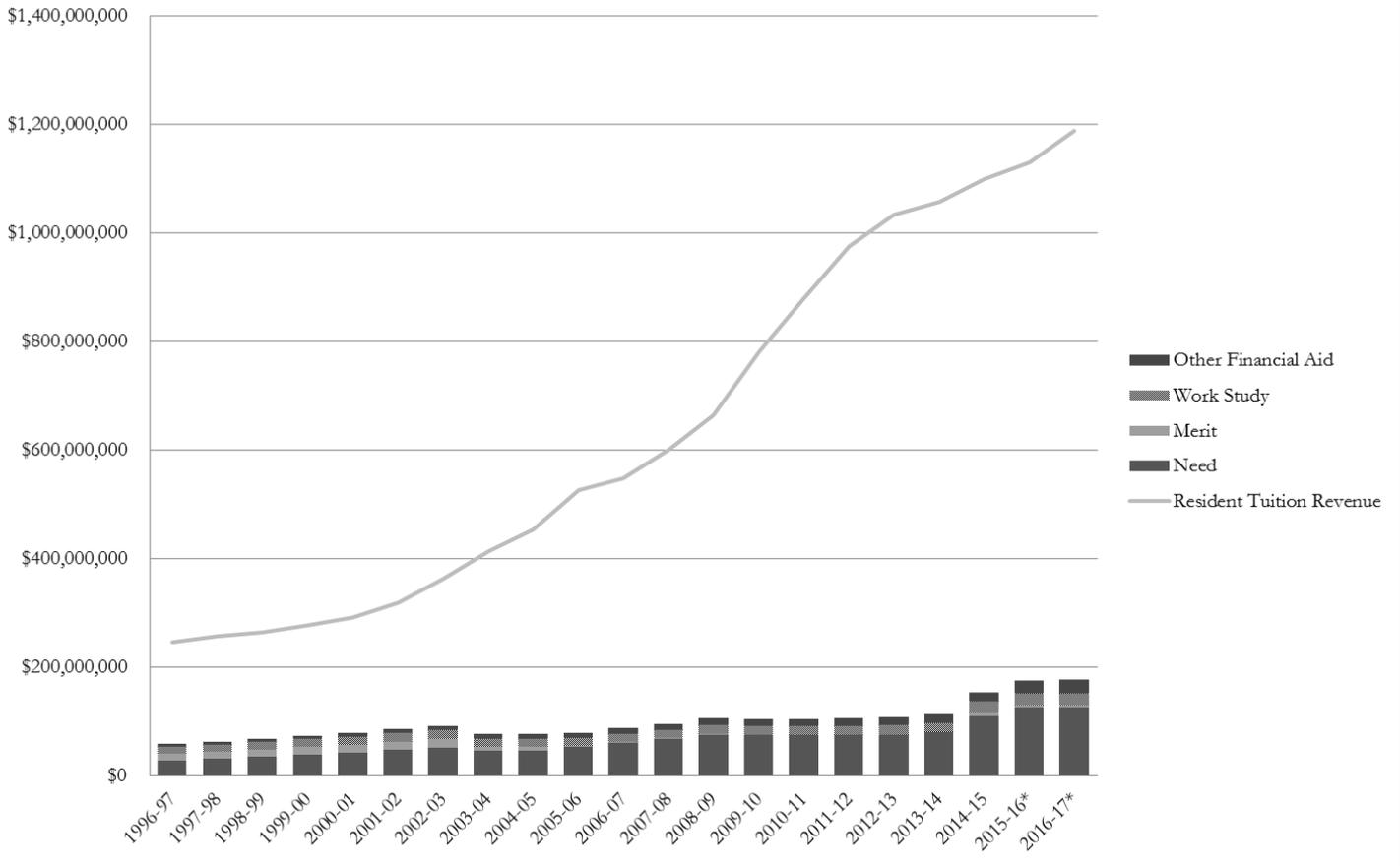
## FINANCIAL AID

Of the state General Fund appropriations for higher education in FY 2016-17, \$175.2 million (20.1 percent) is for financial aid. The majority of the money goes for need-based aid and work study. A small appropriation for merit-based grants was restored in FY 2014-15 and continued in FY 2015-16, and there are a number of smaller, special purpose financial aid programs. These include the Colorado Opportunity Scholarship Initiative, added in FY 2014-15, to fund services, supports, and scholarships for high achieving low income students in collaboration with private funders and agencies.

For most of the financial aid programs, the General Assembly appropriates financial aid funds to the Colorado Commission on Higher Education, which allocates them to institutions, including to some private institutions, based on formulas that consider financial need at the schools, total student enrollment, student retention, and program eligibility criteria. A total of 82,480 students received state-supported financial aid in FY 2014-15, most of whom received need-based or work study support. The average state need-based award was \$1,632 and the average state work study award was \$2,429.

For FY 2014-15, the General Assembly provided a 37.0 percent increase in financial aid, and for FY 2015-16 it provided a 14.0 percent increase. Funding for FY 2016-17 was held virtually flat (a 0.6 percent increase over FY 2015-16). Overall demand for aid continues to far outstrip available funding, as suggested by the chart below.

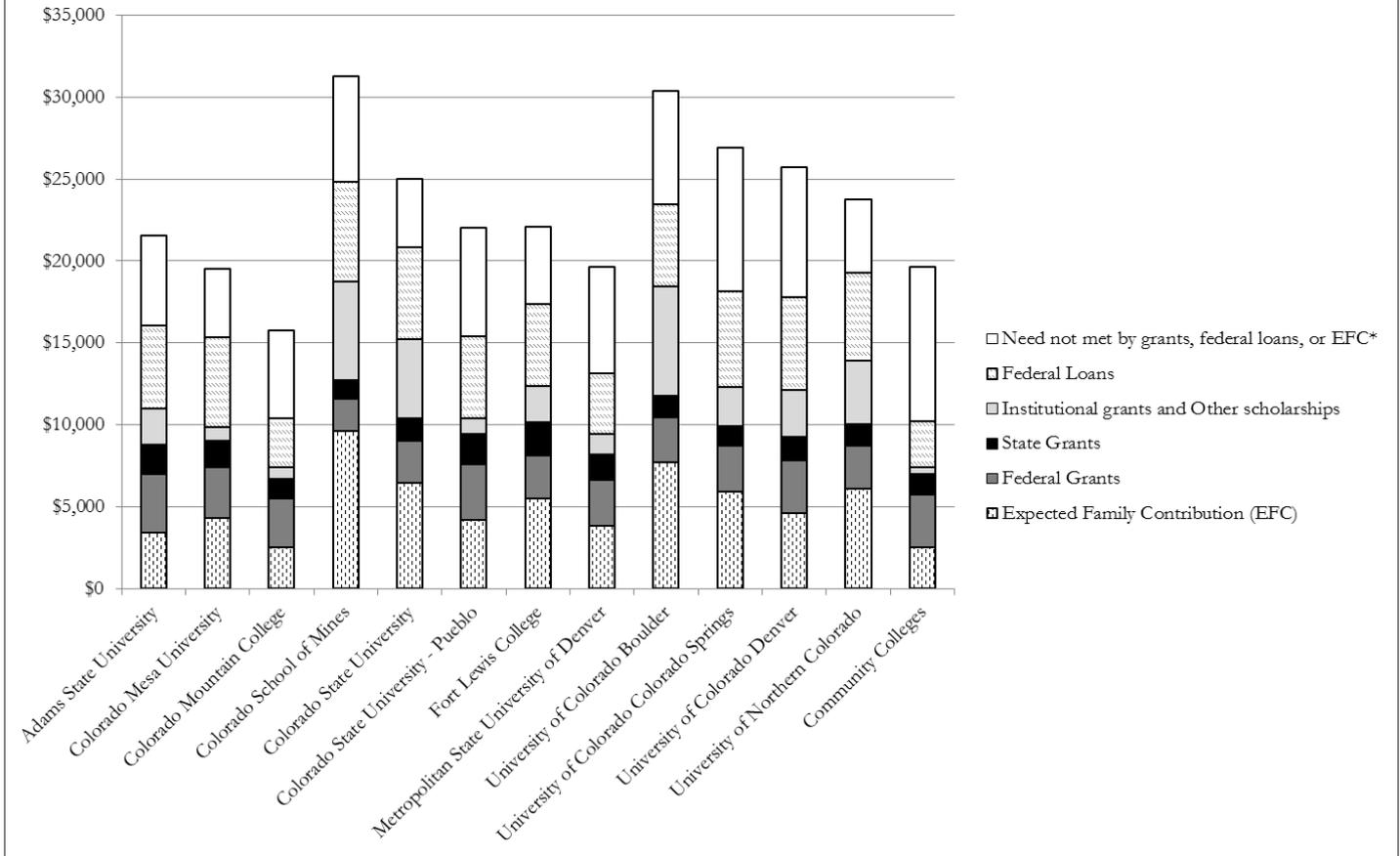
## Public Institution Tuition Revenue v. State Financial Aid Appropriations FY 1996-97 to FY 2016-17



\*Tuition revenue reflects estimates used for budgeting purposes for FY 2015-16 and FY 2016-17.

Most sources of student financial aid are not reflected in the state budget. However, even when these other funding sources are included, financial aid support is far less than the cost of higher education. The following chart compares grants and loans awarded in FY 2014-15 to full-time resident undergraduate students with financial need (calculated based on federal formulas) and the average cost of attendance for a resident student at various institutions. Of the funding sources shown, only state grants are reflected in the state budget.

## Average Student Grants, Federal Loans, and Unmet Need by Institution for Full-time Resident Undergraduate Students Qualifying for Financial Aid FY 2014-15



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

As reflected in the chart, state grants represent only one relatively small component of financial aid. The average state need-based aid grant was \$1,632 in FY 2014-15.

The largest source of need-based aid is the federal government, which provides student grants that are not reflected in the state budget. The federal Pell grant program provided up to \$5,730 per eligible student in FY 2014-15, with an average grant of \$3,369. The families of dependent students receiving a full Pell had an average adjusted gross income of \$17,139 while the average for students receiving any Pell award was \$29,520. In FY 2014-15, 98,973 students statewide received a Pell grant.

Students may also receive grants from the higher education institutions they attend. About 25 percent of all the aid students receive at public and private Colorado institutions is institutional aid. Some institutions make significant funds available from their operating budgets and donated funds, based on moneys available and the number of students who qualify for institutional aid. About one-third of institutional aid is used for need-based aid, primarily for resident students, and this is reflected in the chart above.

The calculated “Cost of Attendance” is far greater than just tuition and academic fees. It includes expenses related to room, board, transportation, 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

2014-15, including room and board and fees, ranged from about \$17,500 at some rural community colleges to over \$31,000 at the Colorado School of Mines.

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

- Seventy-one percent of students completing a bachelor's degree from a public institution graduated with debt in FY 2014-15, and the average federal student loan debt at graduation was \$25,509.
- Sixty-one percent of students completing an associate's degree from a public institution graduated with debt in FY 2014-15, and the average student loan debt at graduation was \$13,762.
- There is a substantial gap between the calculated cost of attendance for students with need and known sources of student support. A portion of this gap may be filled with additional unsubsidized student or family loans which are not included in these figures.

## APPROPRIATION HIGHLIGHTS - 2016 LEGISLATIVE SESSION

DEPARTMENT OF HIGHER EDUCATION						
	TOTAL FUNDS	GENERAL FUND <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$3,731,739,272	\$856,871,803	\$2,150,856,183	\$701,516,735	\$22,494,551	23,856.2
SB 15-186	(13,349)	0	(13,349)	0	0	0.0
HB 15-1270	7,232	7,232	0	0	0	0.1
HB 15-1274	373,920	86,960	0	286,960	0	0.0
HB 15-1275	450,000	450,000	0	0	0	0.0
HB 16-1241	0	0	0	0	0	0.0
HB 16-1405	118,751,502	0	118,751,502	0	0	0.0
<b>TOTAL</b>	<b>\$3,851,308,577</b>	<b>\$857,415,995</b>	<b>\$2,269,594,336</b>	<b>\$701,803,695</b>	<b>\$22,494,551</b>	<b>23,856.3</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$3,851,308,577	\$857,415,995	\$2,269,594,336	\$701,803,695	\$22,494,551	23,856.3
Tuition adjustment	107,826,440	0	107,826,440	0	0	0.0
Tuition/Enrollment contingency	60,000,000	0	60,000,000	0	0	0.0
Move lease purchase payments to Department	29,900,350	12,125,175	,650,000	12,125,175	0	0.0
Fee adjustment	9,006,558	0	9,006,558	0	0	0.0
Cumbres and Toltec Railroad	1,421,000	1,092,500	328,500	0	0	0.0
Fort Lewis Native American tuition waiver	1,206,630	1,206,630	0	0	0	0.0
Amendment 50 gaming revenue	1,167,264	0	1,167,264	0	0	0.0
History Colorado informational amounts	500,000	0	500,000	0	0	0.0
New Mexico Cumbres & Toltec RR support	426,500	0	426,500	0	0	0.0
Auraria Higher Education Center	397,580	0	0	397,580	0	0.0
Career and technical education increase	202,715	0	0	202,715	0	0.0
Restore funding for executive director	101,618	101,618	0	0	0	0.0
WICHE dues	8,000	0	0	8,000	0	0.0
Indirect cost adjustment	0	(514,031)	(10,620)	524,651	0	0.0
GFE adjustment	0	0	0	0	0	0.0
FTE adjustment	0	0	0	0	0	634.8
Annualize prior year budget actions and legislation	(1,658,858)	(1,090,165)	(486,090)	(36,496)	(46,107)	0.0
Centrally appropriated line items	(261,590)	28,492	(378,988)	24,833	64,073	0.0
Tobacco Master Settlement revenue adjustment	(147,808)	79,121	(226,929)	0	0	0.0

**DEPARTMENT OF HIGHER EDUCATION**

	TOTAL FUNDS	GENERAL FUND <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Operating support for colleges and universities	(62,988)	(62,994)	0	6	0	0.0
Other	(30,605)	(38,720)	10,965	(2,850)	0	0.0
<b>HB 16-1405</b>	<b>\$4,061,311,383</b>	<b>\$870,343,621</b>	<b>\$2,453,407,936</b>	<b>\$715,047,309</b>	<b>\$22,512,517</b>	<b>24,491.1</b>
SB 16-104	441,095	441,095	0	0	0	0.3
SB 16-191	900,000	0	900,000	0	0	0.0
SB 16-196	500,000	250,000	0	250,000	0	0.0
HB 16-1352	2,000,000	0	2,000,000	0	0	0.0
HB 16-1408	2,972,504	0	2,972,504	0	0	0.0
HB 16-1453	7,932,020	0	7,932,020	0	0	0.0
<b>TOTAL</b>	<b>\$4,076,057,002</b>	<b>\$871,034,716</b>	<b>\$2,467,212,460</b>	<b>\$715,297,309</b>	<b>\$22,512,517</b>	<b>24,491.4</b>
<b>INCREASE/(DECREASE)</b>	\$224,748,425	\$13,618,721	\$197,618,124	\$13,493,614	\$17,966	635.1
Percentage Change	5.8%	1.6%	8.7%	1.9%	0.1%	2.7%

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

**FY 2015-16 APPROPRIATION - MID-YEAR ADJUSTMENTS**

House Bill 16-1241 modifies FY 2015-16 appropriations to make a technical adjustment to the allocation between different fee-for-service contracts for the University of Colorado. The impact is cost-neutral. The bill also adds footnotes to the appropriations for the Cumbres and Toltec Railroad Commission in the History Colorado section to specify assumptions and indicate that unexpended amounts may be rolled-forward from FY 2014-15 to FY 2015-16 and from FY 2015-16 to FY 2016-17.

House Bill 16-1405 adjusts higher education tuition and fee revenue estimates by a total of \$118,751,502, including an adjustment of \$4,381,327 for tuition and \$114,370,175 for fees. For FY 2015-16, both tuition and fees are shown for informational purposes only. Tuition adjustments are based on updated tuition rates and enrollment estimates. The fee adjustments primarily reflect a change to the type of fee shown. Amounts are modified to reflect all mandatory fees (fees that all students are required to pay, regardless of their course of study) instead of "academic" fees, which were the only type of fee included in the FY 2015-16 Long Bill.

**FY 2015-16 REVISED TUITION REVENUE ESTIMATE**

	FY 2015-16 LONG BILL	FY 2015-16 REVISED FORECAST	CHANGE
Adams State University	\$22,397,850	\$19,101,000	(\$3,296,850)
Colorado Mesa University	58,573,068	60,663,996	2,090,928
Metropolitan State University	105,664,087	99,427,740	(6,236,347)
Western State Colorado University	16,885,635	16,847,571	(38,064)
Colorado State University System	375,661,457	398,591,264	22,929,807
Fort Lewis College	40,387,403	38,946,415	(1,440,988)
University of Colorado System	895,559,699	882,917,778	(12,641,921)
Colorado School of Mines	117,815,815	124,096,781	6,280,966
University of Northern Colorado	81,918,145	81,290,546	(627,599)
Community College System	253,157,745	250,519,140	(2,638,605)
<b>TOTAL</b>	<b>\$1,968,020,904</b>	<b>\$1,972,402,231</b>	<b>\$4,381,327</b>

**FY 2015-16 REVISED FEE REVENUE ESTIMATE**

	FY 2015-16 LONG BILL	FY 2015-16 REVISED TO "MANDATORY" FEES	CHANGE
Adams State University	\$2,757,000	\$5,951,000	\$3,194,000
Colorado Mesa University	473,709	5,936,261	5,462,552
Metropolitan State University	9,468,223	15,897,257	6,429,034
Western State Colorado University	3,244,656	4,642,960	1,398,304
Colorado State University System	19,769,539	64,902,557	45,133,018
Fort Lewis College	1,200,000	6,131,454	4,931,454
University of Colorado System	55,861,518	74,210,330	18,348,812
Colorado School of Mines	4,673,962	12,834,849	8,160,887
University of Northern Colorado	5,782,633	15,788,388	10,005,755
Community College System	18,177,562	29,483,921	11,306,359
<b>TOTAL</b>	<b>\$121,408,802</b>	<b>\$235,778,977</b>	<b>\$114,370,175</b>

H.B. 16-1405 also includes an adjustment to the portion of General Fund designated as General Fund Exempt for FY 2015-16.

**FY 2016-17 APPROPRIATION HIGHLIGHTS**

**TUITION ADJUSTMENT:** The appropriation includes tuition revenue anticipated to be received by the governing boards, based on enrollment estimates and tuition rates.

**FY 2016-17 TUITION REVENUE ESTIMATE**

	FY 2015-16	FY 2016-17	CHANGE	PERCENT CHANGE
Adams State University	\$19,101,000	\$20,056,050	\$955,050	5.0%
Colorado Mesa University	60,663,996	66,827,458	6,163,462	10.2%
Metropolitan State University	99,427,740	105,524,167	6,096,427	6.1%
Western State Colorado University	16,847,571	17,874,830	1,027,259	6.1%
Colorado State University System	398,591,264	417,008,560	18,417,296	4.6%
Fort Lewis College	38,946,415	40,496,891	1,550,476	4.0%
University of Colorado System	882,917,778	931,319,730	48,401,952	5.5%
Colorado School of Mines	124,096,781	133,847,436	9,750,655	7.9%
University of Northern Colorado	81,290,546	88,590,203	7,299,657	9.0%
Community College System	250,519,140	258,683,346	8,164,206	3.3%
<b>TOTAL</b>	<b>\$1,972,402,231</b>	<b>\$2,080,228,671</b>	<b>\$107,826,440</b>	<b>5.5%</b>

Consistent with current law, the Long Bill provides tuition appropriations for all governing boards except the Colorado School of Mines for FY 2016-17. Tuition estimates are also included for the Colorado School of Mines, but for informational purposes only. Consistent with the provisions of Section 23-18-202 (3) (b), C.R.S., a Long Bill footnote is included for each governing board to specify the tuition increases from which the General Assembly derived the total cash spending authority for the governing board. The table summarizes the maximum tuition increase identified in the footnote.

	ASSUMED MAXIMUM UNDERGRADUATE RESIDENT STUDENT TUITION RATE INCREASE REFLECTED IN <u>LONG</u> <u>BILL FOOTNOTE</u>
Adams State University	6.0%
Colorado Mesa University	8.0%
Metropolitan State University <sup>1</sup>	9.0%
Western State Colorado University	8.0%
Colorado State University System <sup>2</sup>	6.0%
Fort Lewis College	9.0%
University of Colorado System <sup>3</sup>	5.0%
Colorado School of Mines	n/a
University of Northern Colorado	9.0%
Community College System	6.5%

<sup>1</sup> The increase for MSU students in the "tuition window" (12-18 credit hours) will be 6 percent, while the tuition for other students may increase by up to 9 percent. Forty-four percent of MSU students take 12-18 credit hours and thus fall within the "window."

<sup>2</sup> CSU will close the "tuition window" for Colorado State University-Pueblo (CSU-P): currently, student tuition is the same for students taking between 12 and 18 credits per semester; CSU-P may change this to a linear structure in which student would pay the same amount per credit hour. This would affect over half of CSU-P's students, who would see increases of 14-28 percent.

<sup>3</sup> CU will apply additional increases to tuition for students at the UCD Business School and College of Engineering and Applied Science, resulting in a 12 percent increase for lower-level students and an 8 percent increase for upper-level students. In addition, tuition for the School of Nursing will increase 5.1 percent.

If a governing board anticipated a lower tuition rate increase than the maximum specified in the footnote, the governing board's revenue forecast was used. If the governing board's revenue forecast reflected a higher rate of growth than was specified in the footnote, the governing board's revenue estimate was adjusted down to an amount that would be consistent with the footnote assumptions.

For additional information on enrollment and weighted tuition amounts associated with these figures, please see the Governing Boards division.

**TUITION/ENROLLMENT CONTINGENCY:** The appropriation adds \$60,000,000 cash funds to the Colorado Commission on Higher Education, which may transfer a portion of this spending authority to any governing board that does not have sufficient spending authority in its budget due to unanticipated changes in enrollment. This amount represents about 3.0 percent of the total tuition appropriations for the governing boards. Fiscal year 2016-17 appropriations will be adjusted through supplemental action during 2017 based on updated data; nonetheless, additional spending authority is likely to be needed to address forecast error and ensure the governing boards may spend revenue associated with any students they enroll. The tuition/enrollment contingency line item was used in FY 2010-11 and prior years to address this issue. As tuition is again appropriated in FY 2016-17, this line item is included in the Long Bill.

**MOVE LEASE PURCHASE PAYMENTS TO DEPARTMENT:** The appropriation moves an appropriation for payments for higher education Federal Mineral Lease (FML) certificates of participation (COPs) from the Treasurer's Office to the Department of Higher Education. The total payment due in FY 2016-17 is \$17,775,175 which originates as \$12,125,175 General Fund and \$5,650,000 cash funds (federal mineral lease revenue). The total figure appears larger due to a double-count: the General Fund is first deposited into the Higher Education FML Revenues Fund and then reappropriated from the cash fund to the department.

**FEE ADJUSTMENT:** The appropriation adjusts mandatory fee amounts for each governing board that are shown for informational purposes.

**FY 2015-16 FEE REVENUE ESTIMATE - MANDATORY FEES**

	FY 2015-16 ADJUSTED ESTIMATE	FY 2016-17 ESTIMATE	CHANGE	% CHANGE
Adams State University	\$5,951,000	\$6,569,160	\$618,160	10.4%
Colorado Mesa University	5,936,261	6,094,986	158,725	2.7%
Metropolitan State University	15,897,257	15,642,901	(254,356)	(1.6%)
Western State Colorado University	4,642,960	5,133,893	490,933	10.6%
Colorado State University System	64,902,557	67,958,136	3,055,579	4.7%
Fort Lewis College	6,131,454	6,133,000	1,546	0.0%
University of Colorado System	74,210,330	76,454,291	2,243,961	3.0%
Colorado School of Mines	12,834,849	13,132,026	297,177	2.3%
University of Northern Colorado	15,788,388	18,452,587	2,664,199	16.9%
Community College System	29,483,921	29,214,555	(269,366)	(0.9%)
<b>TOTAL</b>	<b>\$235,778,977</b>	<b>\$244,785,535</b>	<b>\$9,006,558</b>	<b>3.8%</b>

For additional information on enrollment and weighted tuition amounts associated with these figures, please see the Governing Boards division.

**CUMBRES AND TOLTEC RAILROAD:** The appropriation retains \$1,421,000 total funds to address deferred maintenance and capital costs for the Cumbres and Toltec Scenic Railroad, which is located on the border between Colorado and New Mexico and jointly owned by the two states. A total of \$1,421,000 total funds was appropriated in FY 2013-14, FY 2014-15, and FY 2015-16 but is eliminated (“annualized”) in FY 2016-17, based on legislative direction included in prior year Long Bill footnotes. This appropriation restores this funding to support capital needs identified by the railroad. The result is a net \$0 change/continuation funding for the railroad for FY 2016-17. The railroad has indicated that it is working to become financially self-sufficient and expects to substantially reduce reliance on state support by FY 2021-22.

**FORT LEWIS NATIVE AMERICAN TUITION WAIVER:** The appropriation includes an increase of \$1,206,630 General Fund for the Fort Lewis College Native American tuition waiver, bringing the total to \$17,269,714 General Fund for the program. This requested 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.

**AMENDMENT 50 GAMING REVENUE:** The appropriation reflects, for informational purposes, revenue anticipated to be received by public institutions with a two-year mission from gaming revenue pursuant to Amendment 50 to the Colorado Constitution, which was adopted by the voters in 2008. Amounts included in the Long Bill are based on FY 2014-15 actual revenue.

<b>AMENDMENT 50 LIMITED GAMING REVENUE</b>			
	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	INCREASE IN FY 2016-17 LONG BILL
<b>State Institutions</b>			
State Community College System	\$5,557,239	\$6,545,140	\$987,901
Adams State University	20,260	21,568	1,308
Colorado Mesa University	296,717	356,644	59,927
<b>Local District Colleges</b>			
Aims Community College	351,616	413,645	62,029
Colorado Mountain College	309,788	365,887	56,099
<b>TOTAL</b>	<b>\$6,535,620</b>	<b>\$7,702,884</b>	<b>\$1,167,264</b>

**HISTORY COLORADO INFORMATIONAL AMOUNTS:** The appropriation includes an increase of \$400,000 for preservation grants (for a total of \$7,900,000 for preservation grants) and \$100,000 for distributions to gaming cities (for a total of \$5,000,000 for gaming cities), based on gaming revenue anticipated to be received by the State Historical Fund and statutory and constitutional distributions. Preservation grant and gaming city distribution amounts are continuously appropriated to History Colorado.

**NEW MEXICO CUMBRES & TOLTEC RR SUPPORT:** The appropriation increases the amount shown as the contribution from New Mexico for the Cumbres and Toltec Scenic Railroad by \$426,500 to a total of \$735,000, based on the most recent information available from New Mexico. This amount is shown for informational purposes only.

**AURARIA HIGHER EDUCATION CENTER:** The appropriation increases spending authority for the Auraria Higher Education Center (AHEC) for funds 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.

**CAREER AND TECHNICAL EDUCATION INCREASE:** The appropriation increases funding for career and technical education by \$202,715 reappropriated funds, to \$25,436,648, based on money transferred from the Department of Education.

**RESTORE FUNDING FOR EXECUTIVE DIRECTOR:** The appropriation restores funding to provide full salary and benefits for the executive director of the Department of Higher Education. The Lieutenant Governor previously served in this position and, pursuant to H.B. 11-1155, his salary and benefits as Lieutenant Governor partially offset costs associated with the position in the Department. The Lieutenant Governor who assumes office for FY 2016-17 is not expected to also head this department.

**WICHE DUES:** The appropriation includes an increase of \$8,000 reappropriated funds (indirect cost recoveries) to pay for the increase in Western Interstate Commission for Higher Education (WICHE) dues.

**INDIRECT COST ADJUSTMENT:** The appropriation includes an increase in reappropriated funds from indirect cost recoveries, offset by a decrease in General Fund and cash funds.

**GFE ADJUSTMENT:** The appropriation adjusts General Fund Exempt for FY 2016-17.

**FTE ADJUSTMENT:** The appropriation adjusts employee FTE shown in the Long Bill for each governing board to reflect the most recent estimates available (estimates for FY 2015-16), reflecting a net increase of 634.8 FTE. Governing board FTE are shown for informational purposes only.

GOVERNING BOARD EMPLOYEE FTE				
	FY 2015-16	FY 2016-17	CHANGE	PERCENT
Adams State University	330.0	331.6	1.6	0.5%
Colorado Mesa University	695.3	705.8	10.5	1.5%
Metropolitan State University	1,362.6	1,453.2	90.6	6.6%
Western State Colorado University	241.4	248.1	6.7	2.8%
Colorado State University System	4,587.2	4,856.2	269.0	5.9%
Fort Lewis College	415.0	430.4	15.4	3.7%
University of Colorado System	7,825.2	7,982.3	157.1	2.0%
Colorado School of Mines	878.5	896.8	18.3	2.1%
University of Northern Colorado	1,141.9	1,136.5	(5.4)	(0.5%)
Community College System	5,935.4	6,003.8	68.4	1.2%
Auraria Higher Education Center	188.0	190.6	2.6	1.4%
<b>TOTAL</b>	<b>23,600.5</b>	<b>24,235.3</b>	<b>634.8</b>	<b>2.7%</b>

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS AND LEGISLATION:** The appropriation includes adjustments related to prior year budget actions and legislation.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS AND LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2015-16 Cumbres Toltec Railroad support	(\$1,421,000)	(\$1,092,500)	(\$328,500)	\$0	\$0	0.0
FY 2015-16 Salary survey and merit pay	(187,309)	2,335	(141,041)	(2,496)	(46,107)	0.0
FY 2015-16 Tableau software purchase	(34,000)	0	0	(34,000)	0	0.0
SB 15-186 Yoga Teacher Training	(16,549)	0	(16,549)	0	0	0.0
<b>TOTAL</b>	<b>(\$1,658,858)</b>	<b>(\$1,090,165)</b>	<b>(\$486,090)</b>	<b>(\$36,496)</b>	<b>(\$46,107)</b>	<b>0.0</b>

**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; workers compensation; administrative law judges; payment to risk management and property funds; payments to OIT; CORE operations 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, the Colorado Geological Survey at the Colorado School of Mines, and History Colorado but do not fund the higher education institutions.

**TOBACCO MASTER SETTLEMENT REVENUE ADJUSTMENT:** The appropriation includes a reduction based on the Legislative Council FY 2016-17 Tobacco Master Settlement revenue projection. Adjustments include:

- A reduction of \$79,121 cash funds and a General Fund increase of the same amount for the University of Colorado lease purchase of academic facilities at Fitzsimons (total FY 2016-17 payment due of \$14,255,211, including \$7,005,885 tobacco settlement cash funds).
- A reduction of \$147,808 cash funds for University of Colorado Health Sciences Center support (total FY 2016-17 allocation of \$12,352,869 tobacco settlement cash funds).

**OPERATING SUPPORT FOR PUBLIC COLLEGES AND UNIVERSITIES:** The appropriation adjusts support for public institutions of higher education to maintain flat total General Fund appropriations while also increasing and decreasing support for individual governing boards based on the funding formula established by H.B. 14-1319. The formula provides each state board with an amount for each undergraduate resident student eligible for the College Opportunity Fund (COF) program stipend (\$2,250 per student FTE), an amount per each certificate and degree awarded (with extra weight for Pell eligible students and certain types of degrees), and an amount to sustain each institution's role and mission. Funding for each governing board is calculated based on the actual number of COF stipends and certificates and degrees awarded in FY 2014-15. The FY 2016-17 funding formula changes include a reduced emphasis on funding for non-resident students.

In addition to the changes for students attending public institutions, the appropriation includes a caseload reduction of \$63,000 for stipends for eligible students attending private institutions. Based on FY 2014-15 utilization, an estimated 1,283 students will receive the private COF stipend at a rate of \$1,125. This is a reduction of 56 FTE from the prior appropriation. This support is provided for students attending certain private non-profit institutions who are eligible for the federal Pell grant.

The table below summarizes the results of the FY 2016-17 funding formula for public institutions and the adjustment to the stipend funding for students at private institutions.

**STATE SUPPORT FOR GOVERNING BOARDS**

GOVERNING BOARD	FY 15-16 APPROPRIATION	FY 16-17 APPROPRIATION	PERCENT CHANGE FROM PRIOR YEAR	AMOUNT CHANGE FROM PRIOR YEAR
Adams State University	\$14,121,017	\$14,076,360	(0.3%)	(\$44,657)
Colorado Mesa University	24,465,356	24,280,729	(0.8%)	(184,627)
Metropolitan State University	50,153,399	51,415,001	2.5%	1,261,602
Western State Colorado University	11,643,992	11,534,927	(0.9%)	(109,065)
Colorado State University System	134,660,184	134,518,307	(0.1%)	(141,877)
Fort. Lewis College	11,822,422	11,481,200	(2.9%)	(341,222)
University of Colorado System	184,615,667	186,432,686	1.0%	1,817,019
Colorado School of Mines	20,547,328	20,639,050	0.4%	91,722
University of Northern Colorado	41,092,729	39,038,234	(5.0%)	(2,054,495)
Community College System	153,549,541	153,255,147	(0.2%)	(294,394)
Colorado Mountain College	7,143,039	7,143,039	0.0%	0
Aims Community College	8,446,176	8,446,176	0.0%	0
Area Technical Colleges	<u>9,971,721</u>	<u>9,971,721</u>	0.0%	<u>0</u>
<b>Governing Board Total</b>	<b>\$672,232,571</b>	<b>\$672,232,577</b>	<b>0.0%</b>	<b>6</b>
COF Private Stipend	1,506,375	1,443,375	(4.2%)	(63,000)
<b>TOTAL</b>				<b>(\$62,994)</b>

**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 HUMAN SERVICES

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

## DEPARTMENT BUDGET: RECENT APPROPRIATIONS

FUNDING SOURCE	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
General Fund	\$719,139,332	\$790,048,884	\$818,662,457	\$831,637,907
Cash Funds	359,967,114	346,379,985	350,097,641	388,657,140
Reappropriated Funds	497,587,819	128,339,086	132,779,687	127,872,227
Federal Funds	612,167,352	619,824,287	621,989,838	554,394,456
<b>TOTAL FUNDS</b>	<b>\$2,188,861,617</b>	<b>\$1,884,592,242</b>	<b>\$1,923,529,623</b>	<b>\$1,902,561,730</b>
Full Time Equiv. Staff	4,879.0	4,961.2	4,975.8	4,793.4

## GENERAL FACTORS DRIVING THE BUDGET

Funding for this department consists of 43.7 percent General Fund, 20.4 percent cash funds, 6.7 percent reappropriated funds, and 29.1 percent federal funds. Some of the major factors driving the Department's budget are discussed below.

### EMPLOYEE BENEFITS

Due the large number of employees within the Department, appropriations for common employee benefits are a significant portion of the Executive Director's Office. These costs include the state contribution for the Public Employees' Retirement Association (PERA) and employee health, life and dental benefits. Additionally, the Department has a sizable appropriation for shift differential, which pays a premium to employees who work non-standard shifts in 24-hour institutional facilities. The following table compares the FY 2014-15, FY 2015-16, and FY 2016-17 appropriations for costs associated with employee benefits.

EMPLOYEE BENEFIT APPROPRIATIONS					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2014-15 Appropriation					
Health, life, and dental	\$29,878,414	\$16,716,310	\$656,675	\$8,651,612	\$3,853,817
Short-term disability	483,061	309,283	9,749	91,502	72,527
State PERA contribution	17,487,813	11,206,217	345,745	3,363,227	2,572,624
Salary survey and merit pay	8,222,028	5,229,267	161,565	1,569,922	1,261,274
Shift differential	5,211,427	3,462,404	8,486	1,728,870	11,667
<b>FY 2014-15 Total</b>	<b>\$61,282,743</b>	<b>\$36,923,481</b>	<b>\$1,182,220</b>	<b>\$15,405,133</b>	<b>\$7,771,909</b>
Average cost per FTE	\$12,352				

EMPLOYEE BENEFIT APPROPRIATIONS					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2015-16 Appropriation					
Health, life, and dental	\$34,041,641	\$21,642,287	\$647,045	\$7,515,685	\$4,236,624
Short-term disability	492,884	319,516	11,054	92,824	69,490
State PERA contribution	19,981,595	12,967,958	438,353	3,816,530	2,758,754
Salary survey and merit pay	4,824,382	3,065,540	107,662	933,507	717,673
Shift differential	5,311,304	3,590,643	0	1,720,661	0
<b>FY 2015-16 Total</b>	<b>\$64,651,806</b>	<b>\$41,585,944</b>	<b>\$1,204,114</b>	<b>\$14,079,207</b>	<b>\$7,782,541</b>
Average cost per FTE	\$12,993				
FY 2016-17 Appropriation					
Health, life, and dental	\$32,736,387	\$22,142,423	\$543,180	\$6,909,927	\$3,140,857
Short-term disability	404,087	273,968	8,271	74,665	47,183
State PERA contribution	20,944,341	14,203,449	419,416	3,936,719	2,384,757
Salary survey and merit pay	895,560	640,505	28,372	155,379	71,304
Shift differential	5,792,948	3,934,215	0	1,858,733	0
<b>FY 2016-17 Total</b>	<b>\$60,773,323</b>	<b>\$41,194,560</b>	<b>\$999,239</b>	<b>\$12,935,423</b>	<b>\$5,644,101</b>
Average cost per FTE	\$12,679				

## COMMUNITY PROVIDER RATES

The Department contracts with local community providers to provide services to eligible clients. To ensure that community provider arrangements are viable over the long term, the General Assembly has generally awarded annual inflationary cost of living increases called community provider rate increases. The following are some of the Department programs that have received the community provider rate increase: county administration, child welfare, child care, behavioral health community programs, and community programs in youth corrections. The General Assembly did not provide funding for a community provider rate increase for FY 2016-17.

## INFORMATION TECHNOLOGY SYSTEMS

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

OITS' FY 2016-17 appropriation for CBMS-related expenditures totaled \$31.5 million total funds, including \$19.7 million General Fund, which equaled 43.6 percent of OITS' FY 2016-17 appropriation of \$72.3 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 (Colorado Benefits Management System Project). These phases provided appropriations totaling \$71.1 million total funds to the Department from FY 2011-12 through FY 2014-15.

CBMS is not the only system administered with money 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. TRAILS received an appropriation of \$5.0 million total funds, including \$2.7 million General Fund, for FY 2016-17 to support its operation.
- County Financial Management System (CFMS) - the system: tracks expenditures by program, by funding source, and 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. CFMS received an appropriation of \$1.5 million total funds, including \$0.8 million General Fund, for FY 2016-17 to support its operation.
- Child Care Automated Tracking System (CHATS) - a 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. CHATS received an appropriation of \$3.0 million federal funds for FY 2016-17 to support its operation.

## COUNTY ADMINISTRATION

Colorado has a State-supervised and county-administered social services program, providing a large degree of autonomy to counties. As a result of this high degree of decentralization, most of the County Administration budget line items provide block transfers to the counties. If counties over-expend their allocations, they are responsible for covering the shortfall, although they are able to access federal matching funds for county-only expenditures for some programs.

Over time, funding for the administrative responsibilities for some programs has been moved out of the County Administration section. Administration for child care services, child welfare services, Temporary Assistance for Needy Families (TANF), adult services, and the Old Age Pension are incorporated into line items in other sections of the Department's budget. County administration of medical assistance programs (e.g. Medicaid) was moved to the Department of Health Care Policy and Financing (HCPF) in FY 2006-07. County activities to determine medical assistance eligibility are essentially the same as the activities to determine eligibility for other social service programs: both involve CBMS, and eligibility-determination costs are allocated between programs and the two departments.

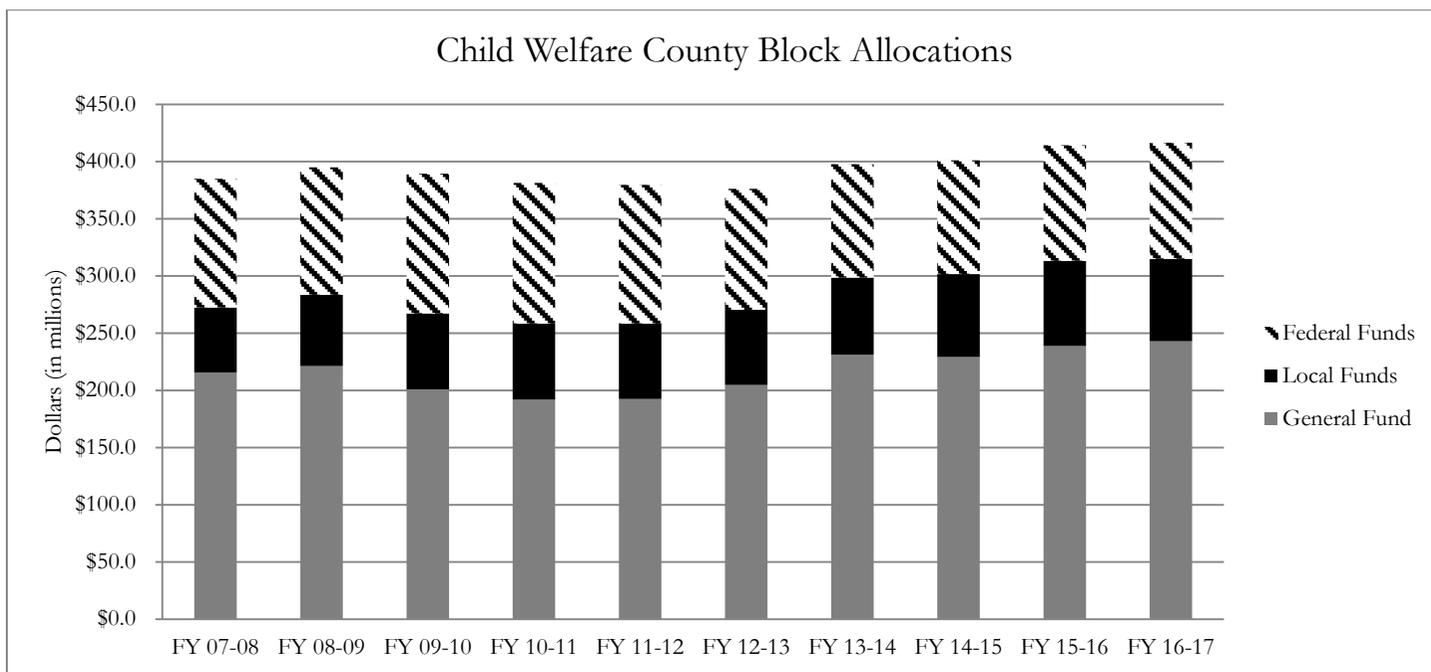
Today, the County Administration section includes funding for eligibility determination for the Supplemental Nutrition Assistance Program (food stamps) and funding to assist some counties experiencing severe financial gaps between service needs and property taxes used to maintain program operations. Funding provided by the State for county administration is capped at the level appropriated (as opposed to an entitlement), 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. The appropriation of State funds for the County Administration section equals \$23.5 million General Fund for FY 2016-17.

Additionally, for FY 2016-17, S.B. 16-190 establishes performance standards for administering the Supplemental Nutrition Assistance Program (SNAP), establishes a process for distributing monetary bonuses or sanctions associated with SNAP to county departments of social services, outlines the parameters of a data collection and analysis project to capture information regarding costs and performance associated with administering public assistance programs, and requires the Department and counties to design a continuous quality improvement program to improve the administration of public assistance programs. The bill includes an appropriation of \$550,000 General Fund to the Colorado Department of Human Services for FY 2016-17 for data collection and analysis, as well as the design of a continuous quality improvement program to improve the administration of public

assistance programs. The bill also includes a decrease of \$550,000 General Fund and an increase of \$550,000 federal funds from county TANF reserve funds for child welfare services.

### CHILD WELFARE SERVICES

County departments of human or social services receive and respond to reports of potential child abuse or neglect under the supervision of the Department. Appropriations for child welfare programs for FY 2016-17 total \$473.4 million and consist of 55.1 percent General Fund, 21.5 percent federal funds, 3.4 percent reappropriated funds and 20.0 percent county funds and various cash fund sources. The majority of funds appropriated for child welfare (88.0 percent) are made available to county departments as block allocations for the provision of child welfare services. In the 2015 Legislative Session, the Joint Budget Committee sponsored and the General Assembly adopted S.B. 15-242 in which \$6.1 million total funds, including \$5.4 million General Fund, was appropriated to the newly created County Level Child Welfare Staffing line item. In FY 2016-17, an additional \$6.1 million total funds was appropriated to this line item. Funding allocated to counties through this block grant may only be used to fund new county level child welfare staff positions. The chart below provides the history of appropriations for county block allocations (appropriations for Child Welfare Services, County Level Child Welfare Staffing, and Family and Children's Programs line items) by fund source.



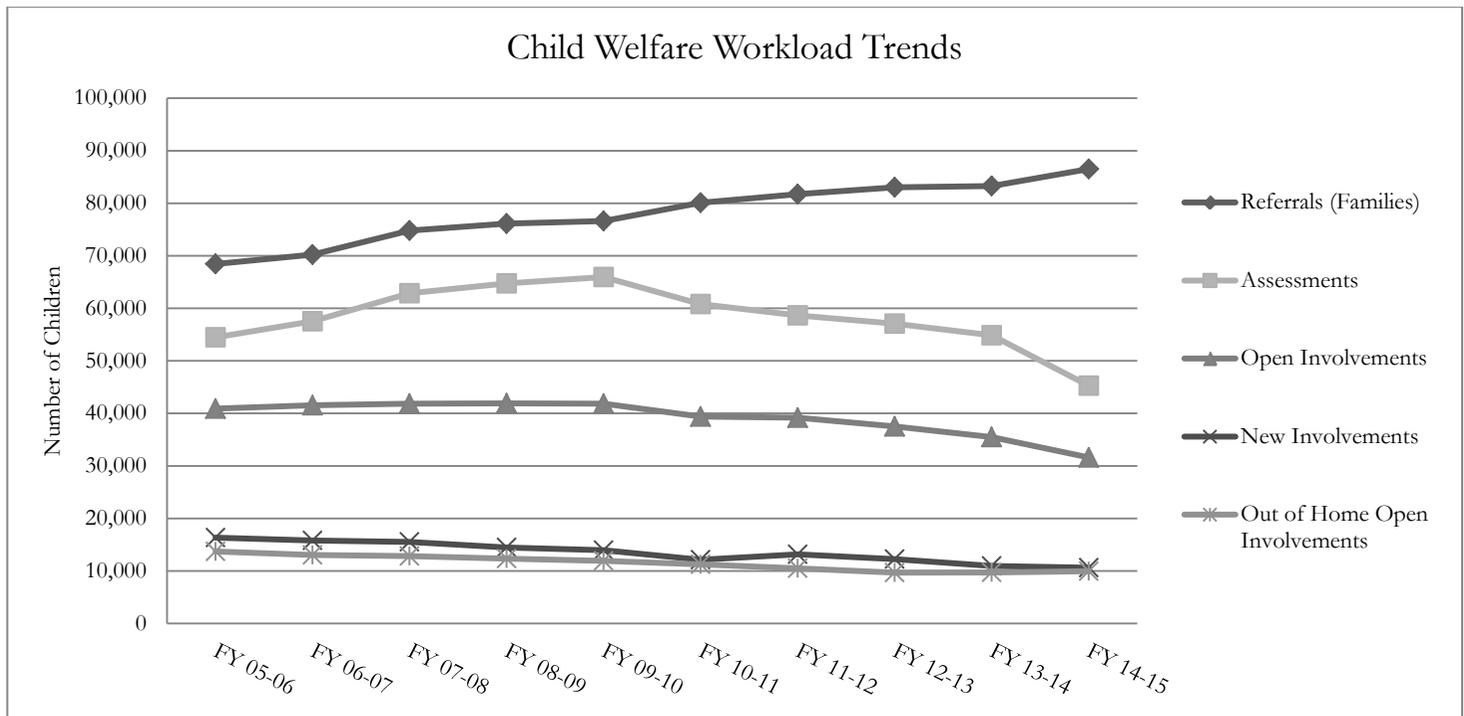
Counties are required to provide a specific funding match for each of the block allocations. For the County Level Child Welfare Staffing block grant, counties are required to cover 10.0 percent of the costs associated with hiring newly created child welfare case aide, case worker, and supervisor positions. For block allocations provided through the Child Welfare Services and Family and Children's Programs line items, counties are required to cover 20.0 percent of most child welfare costs. If counties spend more than the capped allocations, 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, while the numbers of child welfare assessments (investigations), open child welfare involvements, and new child welfare involvements have declined since FY 2009-10. The number of out-of-home placements has remained steady for the past three years; however the percentage of reports of abuse or neglect that result in county intervention through the child welfare system has declined substantially.

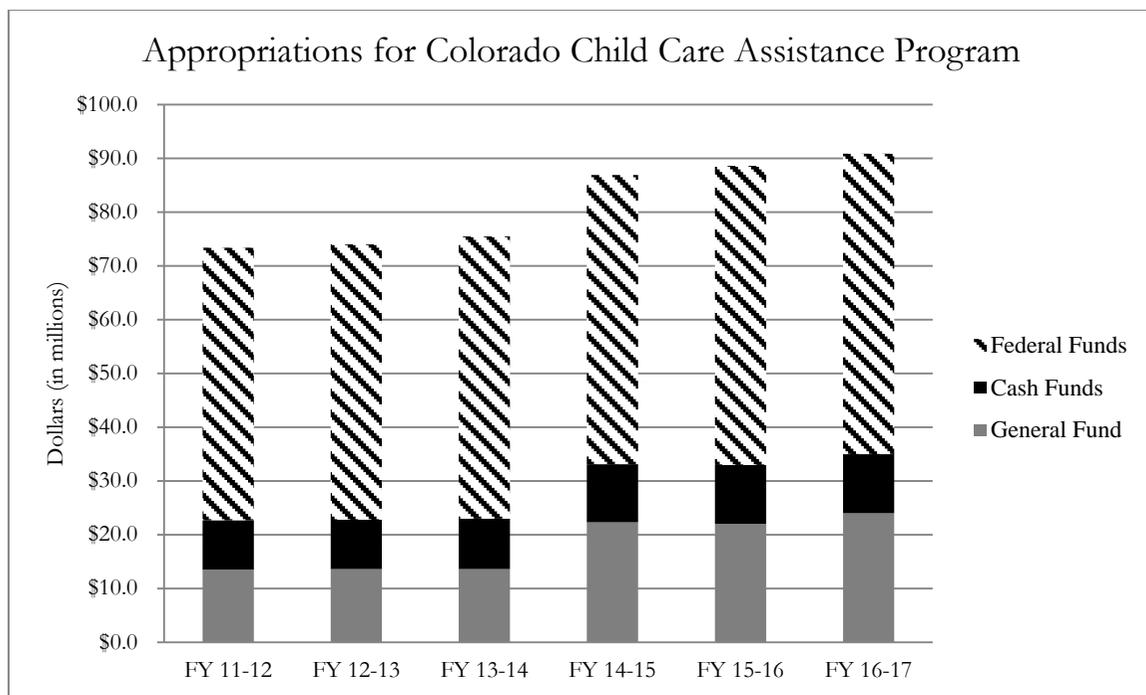
Title IV-E of the federal Social Security Act entitles states to claim a partial reimbursement for the cost of providing foster care, adoption assistance, and kinship guardianship assistance to children who meet federal eligibility criteria. This program provides funds for case management activities, 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.

For the first time since 2006, federal authorities authorized Title IV-E waivers 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 provides 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, including foster care maintenance (room and board) and administrative costs for case planning, management, and eligibility-determination. The total amount of the award is \$489.1 million and is distributed through scheduled quarterly draws that began July 1, 2013 and continue through April 1, 2018 for both foster care demonstration maintenance and demonstration administration. A portion of the Title IV-E revenue stream related to adoption assistance, training, some other administration costs, and computer systems is excluded from the waiver and will continue to be reimbursed based on expenditures and federal reimbursement formulas.

### 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. The following chart provides a history of appropriations for the CCCAP. FY 2014-15 through FY 2016-17 appropriations include funding provided for the CCCAP Cliff Effect Pilot Grant Program through S.B. 14-003.

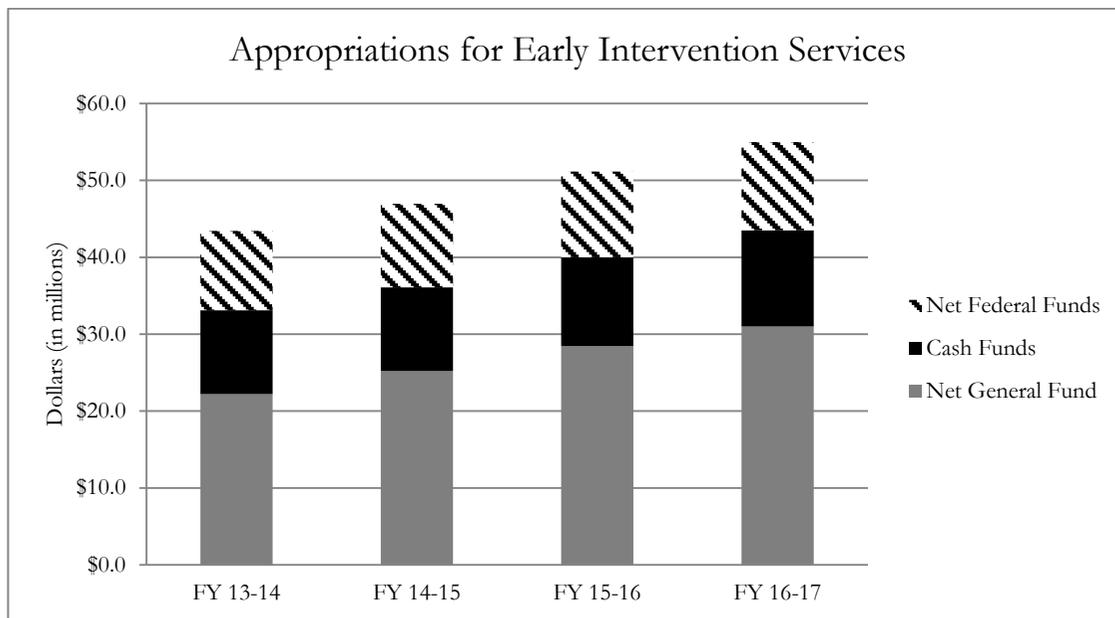


## EARLY INTERVENTION SERVICES

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

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

Funding for EI services for FY 2016-17 totals \$55.0 million and consists of 50.4 percent General Fund, 22.8 percent cash funds from local funds and the Early Intervention Services Trust Fund, 11.9 percent Medicaid reappropriated funds, and 14.9 percent federal funds. 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 chart 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 through FY 2016-17. General Fund appropriations for FY 2016-17 include 89.5 percent General Fund appropriated to the Department and 10.5 percent Medicaid General Fund appropriated to the Department of Health Care Policy and Financing (HCPF) and subsequently reappropriated to the Department of Human Services. Federal funds include 71.2 percent from Part C of the Individuals with Disabilities Education Improvement Act and 28.8 percent federal Medicaid funds transferred from the HCPF in FY 2016-17.



## 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) that are not otherwise available. This includes services for people with a low income who are not eligible for Medicaid, as well as services for Medicaid-eligible clients, if such services are not covered by the Medicaid program. The Department also operates two mental health institutes, which provide inpatient hospitalization for individuals with mental illness.

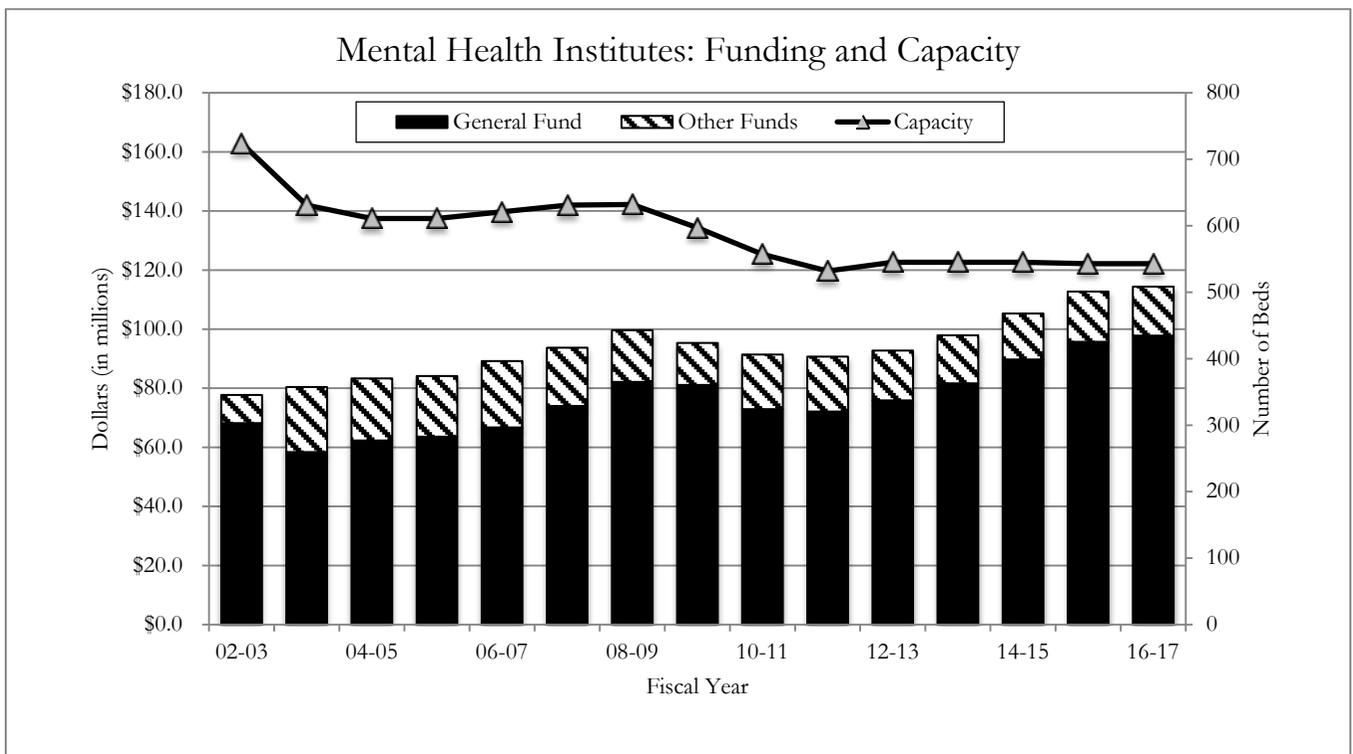
## MENTAL HEALTH INSTITUTES

The Department administers and operates two mental health institutes that provide inpatient hospitalization for up to 543 individuals with 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:

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

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

The institutes are primarily supported by General Fund appropriations. Other sources of revenue include: patient revenues (including federal Medicaid funds transferred from the Department of Health Care Policy and Financing and federal Medicare funds), funds transferred from the Department of Corrections (DOC) for food services provided to DOC facilities on the Pueblo campus, and marijuana tax revenues that support the Circle Program in Pueblo. 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 chart below depicts recent changes in the institutes' funding and bed capacity; capacity figures reflect both civil and forensic beds.



As depicted in the above chart, the total capacity of the institutes has declined by 181 beds (25.0 percent) since FY 2002-03. The most recent closures approved by the General Assembly include 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). In addition, in late FY 2014-15, the Department modified an existing unit to treat patients who had previously been transferred to the DOC. This decreased the number of civil beds in Pueblo by two.

In FY 2013-14, the General Assembly provided funding for the Department to contract with a vendor to operate a 22-bed jail-based competency restoration program. The General Assembly added funding in FY 2015-16 to expand this program by 30 beds. This program is called the Restoring Individuals Safely and Effectively or "RISE" Program, and is currently operated by Correct Care, LLC, within the Arapahoe County Detention Facility in Centennial. Thus, some of the additional funding reflected in the above chart<sup>1</sup> increases the Department's capacity to provide services, but it does not reflect increased bed capacity within the mental health institutes.

## COMMUNITY-BASED PROGRAMS AND SERVICES

The Office of Behavioral Health contracts with 17 community mental health centers (Centers) across the state to provide mental health services that are not otherwise available. Each Center is responsible for providing a set of core services, ranging from public education to inpatient services. Each Center 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.<sup>2</sup> The Office also contracts with four managed service organizations (MSOs) for the provision of substance use disorder treatment and detoxification services that are not otherwise available. MSOs subcontract with local treatment providers across the state to deliver these services. Finally, the Office also contracts with other organizations to provide certain types of treatment services or services targeting specific populations.

Mental health and substance use disorder services for Medicaid-eligible clients are primarily funded through the Department of Health Care Policy and Financing. Unlike the Medicaid program, behavioral health services provided through this department are not an entitlement. Thus, the number of individuals receiving services and the level of service provided is largely driven by the level of state and federal funds available each year. The General Assembly periodically adjusts funding for the Centers, MSOs, and other community providers to account for inflationary changes and to ensure that programs are viable over the long-term. The rate changes are generally consistent with the common policy adopted by the Joint Budget Committee for a variety of community providers (as discussed above).

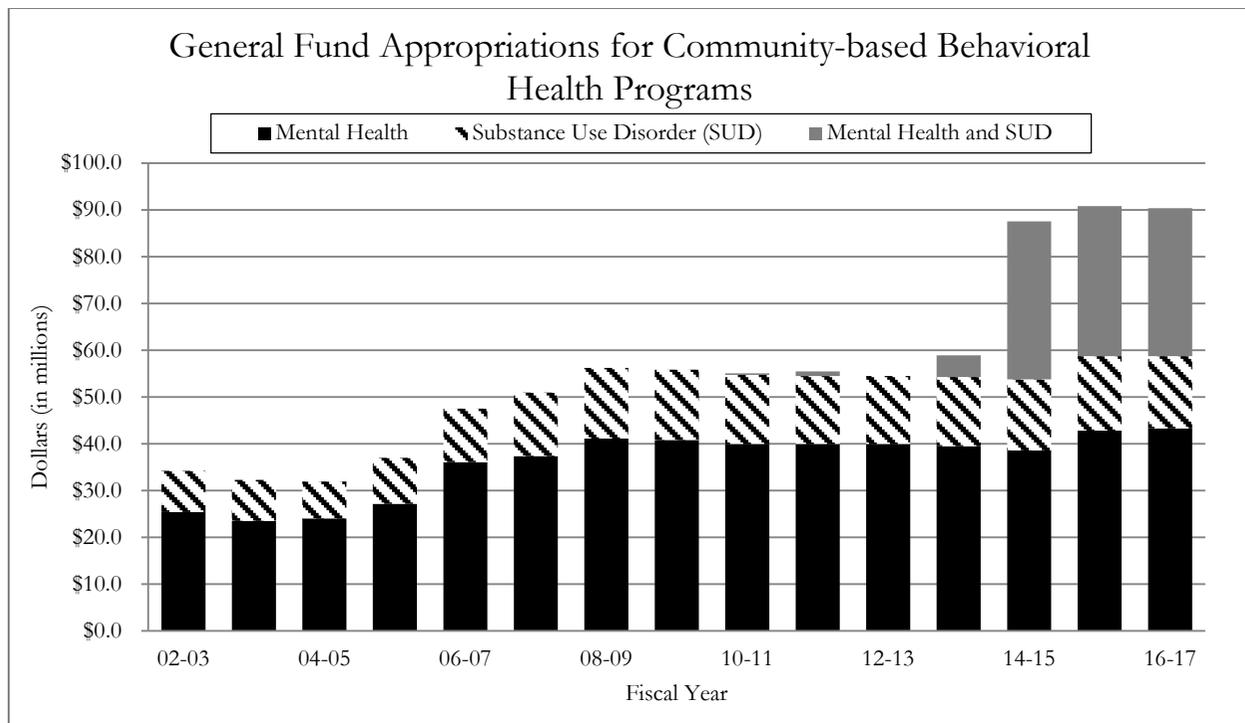
The General Assembly also appropriates additional funds for the provision of specific services or services targeting specific populations (*e.g.*, alternative placements for people who would otherwise require hospitalization at a mental health institute, school-based behavioral health services for children,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

The following chart depicts General Fund appropriations for community-based behavioral health services from FY 2002-03 through FY 2016-17. The significant increases provided for FY 2014-15 and FY 2015-16 primarily relate to the creation of a statewide behavioral health crisis response system and an effort to expand the Centers' capacity to deliver behavioral health stabilization services to individuals who would otherwise require treatment at the mental health institutes.

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<sup>1</sup> Appropriations for the RISE Program include: \$2.1 million for FY 2013-14, \$2.5 million for FY 2014-15, \$4.9 million for FY 2015-16, and \$6.1 million for FY 2016-17.

<sup>2</sup> Please note, however, that due to increased demand for forensic beds at the mental health institutes, the number of beds available for civil patients referred by the Centers has declined.



In addition to General Fund appropriations depicted above (\$90.4 million for FY 2016-17), the Office administers funds from the federal Mental Health Services Block Grant, the federal Substance Abuse Prevention and Treatment Block Grant, money transferred from the Department of Health Care Policy and Financing, money transferred from the Judicial Department, marijuana tax revenues, and tobacco settlement money that is credited to the Offender Mental Health Services Fund. These other fund sources are anticipated to provide an additional \$55.0 million to support community-based behavioral health services in FY 2016-17.

## SERVICES FOR PEOPLE WITH DEVELOPMENTAL DISABILITIES

### REGIONAL CENTERS

Regional Centers are state operated facilities for individuals with developmental disabilities which provide residential services, medical care, and active treatment programs based on individual assessments and habilitation plans. Services are provided in one of two settings: large congregate residential settings on a campus or in community-based group homes that serve four to eight individuals. The state operates regional centers in Wheat Ridge, Grand Junction, and Pueblo. The Wheat Ridge Regional Center and the campus facility at Grand Junction are licensed as Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IID). The groups homes at Pueblo and Grand Junction are licensed as waiver homes (waiver), which is the same license used by community run group homes. The following table shows the type of licensure at each of the Regional Centers and the number of offline homes which are not currently serving any individuals.

REGIONAL CENTER BED SETTING AND LICENSE TYPE						
REGIONAL CENTER	SETTING	NUMBER OF GROUP HOMES	OFFLINE HOMES	TOTAL BEDS	LICENSE TYPE	
Grand Junction	Campus	9 Group Homes	3	46	ICF/IID	
	Community	11 Group Homes	1	80	Waiver	
Wheat Ridge	Campus*	5 Group Homes	1	142	ICF/IID	
	Community	14 Group Homes				
Pueblo	Community	10 Group Homes	0	88	Waiver	

\*The five group homes on the campus are known as Kipling Village and serve men in secure settings who are intellectually and developmentally disabled and who exhibit problematic sexual behaviors.

The following table summarizes the total Medicaid appropriation for each regional center in FY 2016-17.

REGIONAL CENTER APPROPRIATIONS			
FACILITY	CENSUS	AVERAGE ANNUAL PER CAPITA COST	TOTAL MEDICAID COST
FY 2015-16 Appropriation			
Wheat Ridge Regional Center Intermediate Care Facility	124	\$253,153	\$31,390,978
Grand Junction Regional Center Intermediate Care Facility	25	414,395	10,216,835
Grand Junction Regional Center Waiver Services	56	234,633	13,151,016
Pueblo Regional Center Waiver Services	63	219,555	13,831,952
<b>FY 2015-16 Total/Average</b>	<b>268</b>	<b>\$280,434</b>	<b>\$68,590,781</b>
FY 2016-17 Appropriation			
Wheat Ridge Regional Center Intermediate Care Facility	124	\$256,686	\$31,916,450
Grand Junction Regional Center Intermediate Care Facility	26	397,000	10,350,268
Grand Junction Regional Center Waiver Services	56	246,977	13,868,535
Pueblo Regional Center Waiver Services	64	219,573	14,087,918
<b>FY 2016-17 Total/Average</b>	<b>270</b>	<b>\$280,059</b>	<b>\$70,223,171</b>

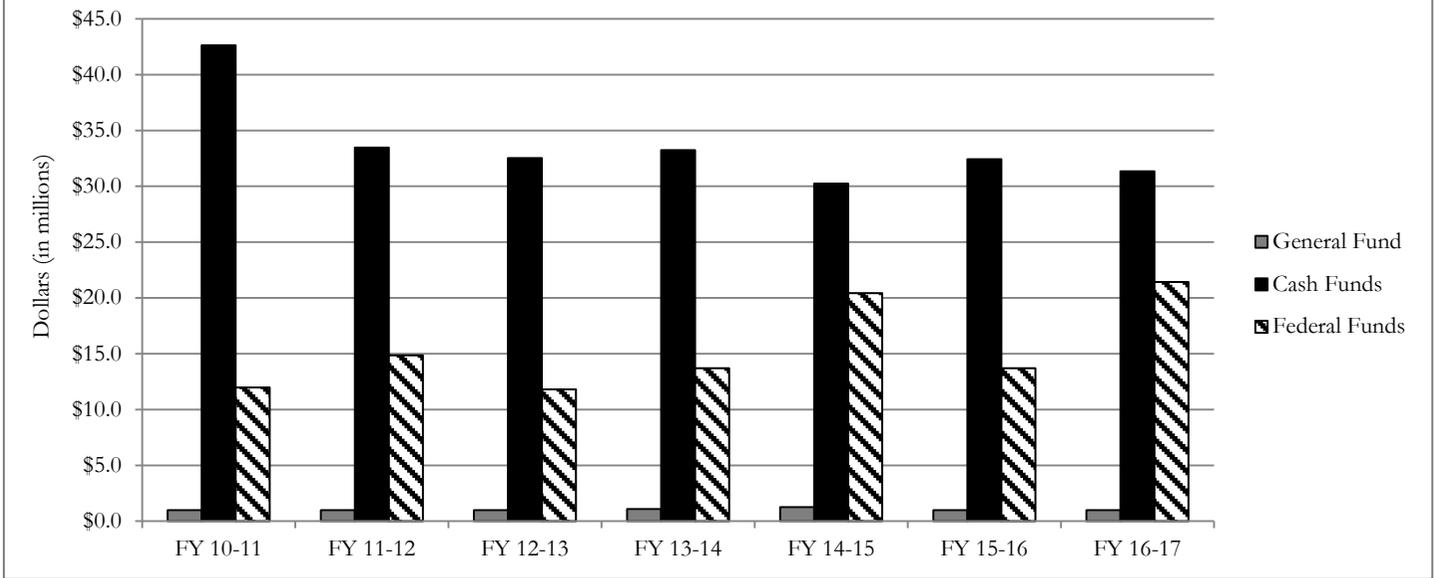
### DIVISION OF VOCATIONAL REHABILITATION

The Division of Vocational Rehabilitation assists individuals whose disabilities result in barriers to employment or independent living with attaining and maintaining employment and/or independent living. At any of the 43 field and satellite offices located throughout the state, rehabilitation counselors work with clients to assess their needs and identify appropriate vocational rehabilitation services. 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, and General Fund or funds from contracts with school districts cover the remaining 21.3 percent of program costs. 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. Senate Bill 15-239 transfers the Division of Vocational Rehabilitation Programs to the Department of Labor and Employment on July 1, 2016.

### VETERANS COMMUNITY LIVING CENTERS

The Department manages and operates five state Veterans Community Living Centers with a total of 554 nursing home beds spread across the Fitzsimons, Florence, Homelake, Rifle, and Walsenburg campuses and a forty-eight bed domiciliary (assisted living facility) on the Homelake campus. Services include long-term care, short-term rehabilitation for individuals seeking to return home following a qualifying hospital stay, memory care services for individuals with dementia, short-term respite care, and end-of-life/hospice services. The Centers are supported primarily by cash funds and federal funds. The cash funds are from the Central Fund for Veterans Community Living Centers (Central Fund), which is created in Section 26-12-108 (1) (a), C.R.S. and are continuously appropriated for direct costs. The Central Fund receives revenue from patient payments, U.S. Veterans Administration operation and construction grants, various sources of other revenue, and a General Fund appropriation pursuant to Section 26-12-108 (1) (a.5), C.R.S. The federal funds are from the U.S. Department of Veterans Affairs. Each fiscal year the informational appropriation is adjusted based on projected expenditures for the upcoming fiscal year. The following table summarizes the actual expenditures for FY 2010-11 through FY 2014-15 and the appropriations for FY 2015-16 and FY 2016-17.

## Veterans Community Living Center Appropriations



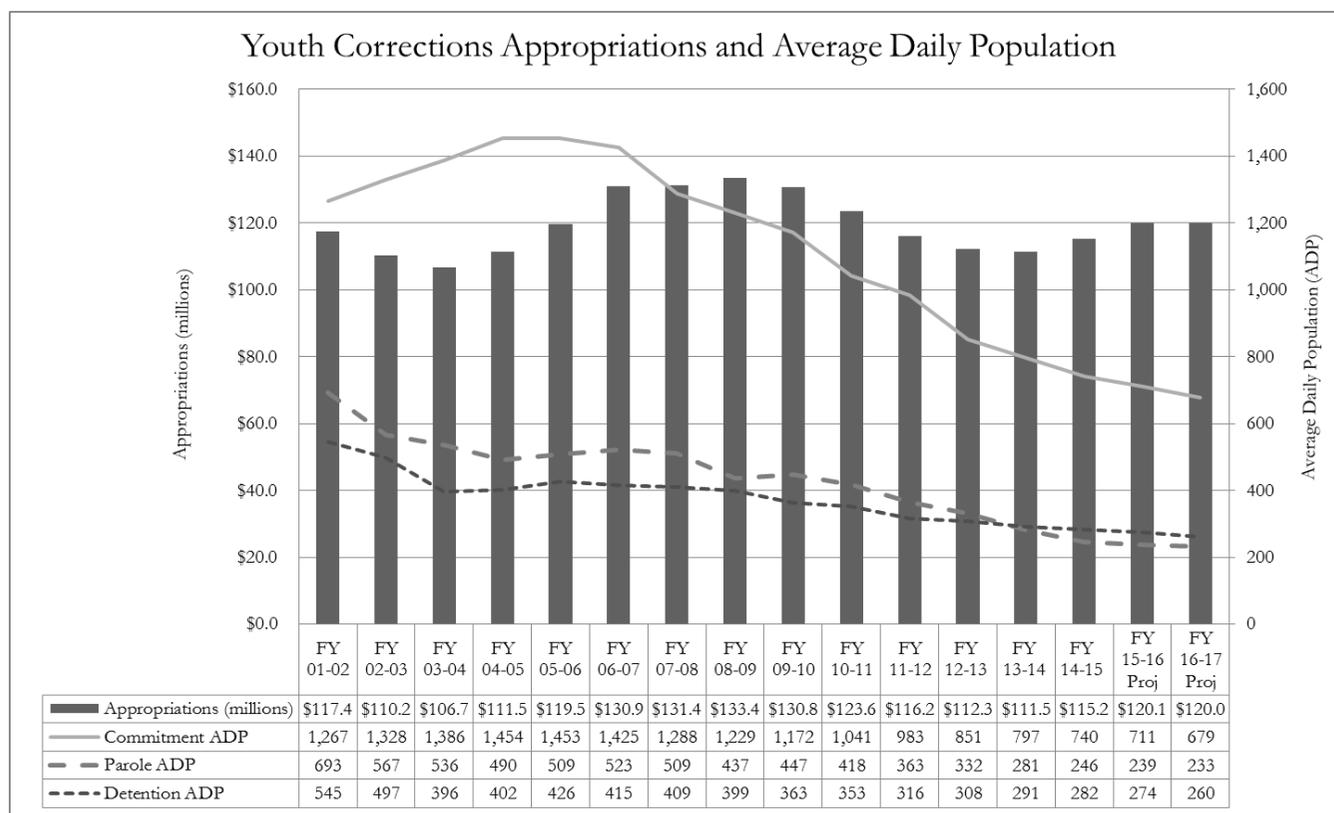
## DIVISION OF YOUTH CORRECTIONS

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) close five pods (living units) at Division of Youth Corrections facilities, and (3) 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, funding was increased to eliminate overcrowding in state facilities and to address some staffing coverage issues, although the population served continued to decline.
- Beginning in FY 2014-15, the General Assembly increased funding by \$2.0 million from the Marijuana Tax Cash Fund for S.B. 91-94 programming, which provides alternatives to incarceration.
- For FY 2014-15 and FY 2016-17, the General Assembly increased funding by \$3.5 million General Fund for a staffing increase of 75.0 FTE in the Division’s ten State-owned and –operated facilities. A portion of this increase was offset by a decrease in funding for community placements due to a shrinking population of youth requiring services.
- For FY 2016-17, the General Assembly increased funding by \$2.2 million General Fund for a staffing increase of 36.3 FTE in the Division’s ten State-owned and –operated facilities. Once again, a portion of this increase was offset by a decrease in funding for community placements.

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, Office of Early Childhood, 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.

## 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. Pursuant to federal law, the State receives a fixed amount of \$136.1 million per year in TANF block grant funds. The majority of the TANF funds received each year 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 money 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 met 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 money was 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.

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.

## 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 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 the impact of 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). For FY 2015-16, the legislature provided funding for a COLA increase of 1.7 percent (\$1.3 million cash funds). No COLA increase was provided for FY 2016-17.

#### 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. For FY 2015-16, the legislature provided an increase of \$4.0 million total funds for senior services.

Per statute, 95.0 percent of the amount by which the value reflected in the Long Bill for the Senior Citizen and Disabled Veteran Property Tax Exemption line item in the Department of the Treasury exceeds the value local governments submit as claims for reimbursement is deposited in the Older Coloradans Cash Fund. An excess appropriation of \$1,519,482 General Fund occurred in FY 2014-15 and a deposit of a like amount was made into the Older Coloradans Cash Fund, per this statutory provision. The Department of Human Services' mid-year adjustment legislation, H.B. 16-1242, added \$1,519,482 cash funds from the Older Coloradans Cash Fund for community-based services to persons sixty years of age or older to assist such persons to live in their own homes and communities for as long as possible.

## APPROPRIATION HIGHLIGHTS - 2016 LEGISLATIVE SESSION

DEPARTMENT OF HUMAN SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2015-16 APPROPRIATION:						
SB 15-234	\$1,903,744,311	\$802,237,866	\$349,568,539	\$130,173,226	\$621,764,680	4,967.7
SB 15-012	868,895	315,509	0	0	553,386	0.0
SB 15-204	(270,372)	(270,372)	0	0	0	0.0
SB 15-240	2,000,000	2,000,000	0	0	0	0.0

**DEPARTMENT OF HUMAN SERVICES**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 15-241	1,856,635	1,856,635	0	0	0	1.5
SB 15-242	6,408,147	5,714,028	606,415	0	87,704	1.0
HB 15-1131	14,404	14,404	0	0	0	0.3
HB 15-1248	37,138	37,138	0	0	0	0.4
HB 15-1367	3,500,000	2,500,000	(1,550,000)	2,550,000	0	0.0
HB 16-1242	5,370,465	4,257,249	1,472,687	56,461	(415,932)	4.9
HB 16-1405	0	0	0	0	0	0.0
<b>TOTAL</b>	<b>\$1,923,529,623</b>	<b>\$818,662,457</b>	<b>\$350,097,641</b>	<b>\$132,779,687</b>	<b>\$621,989,838</b>	<b>4,975.8</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$1,923,529,623	\$818,662,457	\$350,097,641	\$132,779,687	\$621,989,838	4,975.8
Old Age Pension technical correction	18,936,099	0	18,936,099	0	0	0.0
Colorado Benefits Management System (CBMS) base adjustment and enhancements	13,485,143	12,276,308	437,882	0	770,953	0.0
Veterans Community Living Centers adjustment	6,650,000	0	(1,087,100)	0	7,737,100	0.0
County child welfare staff - phase 2	6,064,149	5,428,510	606,415	0	29,224	0.0
Title IV-E Waiver cash funds	6,000,000	0	6,000,000	0	0	0.0
Early intervention caseload growth	3,803,626	2,207,911	961,045	634,670	0	0.0
Youth corrections security staffing increase	2,185,126	2,185,126	0	0	0	36.3
Annualize prior year legislation	2,094,316	2,190,657	(306,763)	169	210,253	(0.9)
Continuation of child care quality initiatives	1,552,936	0	0	0	1,552,936	7.3
Court-ordered competency evaluations and restoration treatment	1,384,588	1,384,588	0	0	0	3.0
Early childhood mental health specialists	1,273,766	0	0	0	1,273,766	0.2
Tobacco Master Settlement revenue adjustment	723,172	0	723,172	0	0	0.0
Annual child care licensing visits	673,524	0	0	0	673,524	0.8
Expand access to inpatient psychiatric care	500,000	500,000	0	0	0	0.0
SNAP oversight increase	367,857	183,929	0	0	183,928	3.0
Behavioral health crisis services staffing	161,465	161,465	0	0	0	2.4
Youth corrections special education needs assessment	125,000	125,000	0	0	0	0.0
County adult protective services training	65,000	65,000	0	0	0	0.0
Correctional Treatment Cash Fund allocation	50,000	0	0	50,000	0	0.0
DOC food service inflation	45,977	0	0	45,977	0	0.0
Technical adjustments	8,757	0	8,757	0	0	0.0
Indirect cost assessment	0	(935,004)	391,513	32,450	511,041	0.0
Mental health institutes electronic health record funding adjustment	0	0	0	0	0	0.0
Office of Early Childhood reorganization	0	0	0	0	0	0.0
Mental Health Institute revenue adjustment	0	0	(368,000)	368,000	0	0.0
Marijuana Tax Cash Fund adjustment	0	(500,000)	500,000	0	0	0.0
Annualize SB 15-239	(50,234,784)	(4,958,143)	(789,147)	(4,939,313)	(39,548,181)	(240.0)
Informational funds adjustment	(30,971,815)	0	0	0	(30,971,815)	(1.5)
Base appropriation reduction	(8,103,214)	(568,442)	769,693	(22,463)	(8,282,002)	(0.8)
SB 16-093 Transfer ILCs	(7,221,066)	(6,831,945)	(29,621)	0	(359,500)	0.0
Youth corrections caseload adjustment	(2,226,338)	(2,007,362)	0	(129,427)	(89,549)	0.0
Centrally appropriated line items	(1,798,880)	1,026,247	(169,941)	(428,250)	(2,226,936)	0.0
Annualize prior year budget actions	(1,748,925)	(1,652,830)	(171,165)	(46,244)	121,314	0.6
Traumatic brain injury adjustment	(509,179)	0	(509,179)	0	0	0.0
Regional center adjustments	(277,807)	0	0	(277,807)	0	0.0
Gambling addiction program spending authority	(169,000)	0	(169,000)	0	0	0.0

**DEPARTMENT OF HUMAN SERVICES**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>HB 16-1405</b>	<b>\$1,886,419,116</b>	<b>\$828,943,472</b>	<b>\$375,832,301</b>	<b>\$128,067,449</b>	<b>\$553,575,894</b>	<b>4,786.2</b>
SB 16-019	62,831	62,831	0	0	0	0.4
SB 16-190	550,000	0	0	0	550,000	0.0
SB 16-199	81,675	0	81,675	0	0	1.0
SB 16-202	6,000,000	0	6,000,000	0	0	1.0
HB 16-1112	100,000	100,000	0	0	0	0.0
HB 16-1227	268,562	0	0	0	268,562	0.0
HB 16-1290	1,151,628	1,151,628	0	0	0	1.0
HB 16-1328	4,900	4,900	0	0	0	0.0
HB 16-1398	900,000	900,000	0	0	0	0.0
HB 16-1408	6,743,164	0	6,743,164	0	0	0.0
HB 16-1410	107,076	475,076	0	(368,000)	0	1.8
HB 16-1414	172,778	0	0	172,778	0	2.0
<b>TOTAL</b>	<b>\$1,902,561,730</b>	<b>\$831,637,907</b>	<b>\$388,657,140</b>	<b>\$127,872,227</b>	<b>\$554,394,456</b>	<b>4,793.4</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$20,967,893)</b>	<b>\$12,975,450</b>	<b>\$38,559,499</b>	<b>(\$4,907,460)</b>	<b>(\$67,595,382)</b>	<b>(182.4)</b>
Percentage Change	(1.1%)	1.6%	11.0%	(3.7%)	(10.9%)	(3.7%)

**FY 2015-16 APPROPRIATION - MID-YEAR ADJUSTMENTS**

House Bill 16-1242 modifies FY 2015-16 appropriations to:

- Add \$2,727,097 General Fund and 4.5 FTE for the Colorado Mental Health Institute at Pueblo (CMHIP) to address continued increases in the number of court-ordered competency evaluations and competency restorations;
- Add \$1,519,482 cash funds from the Older Coloradans Cash Fund for community-based services to persons sixty years of age or older to assist such persons to live in their own homes and communities for as long as possible;
- Add \$953,788 General Fund to repay the U.S. Food and Nutrition Service for federal money used in error by the Department for modifications to the Colorado Benefits Management System (CBMS);
- Adds \$938,322 total funds, including \$750,658 General Fund, for counties to begin hiring additional caseworkers and supervisors to respond to cases of abuse or exploitation of at-risk adults with intellectual and developmental disabilities;
- Add \$656,050 General Fund to cover the cost of medications for CMHIP patients;
- Add \$439,814 federal Child Care Development Funds and 0.3 FTE to expand the state’s Early Childhood Mental Health Specialists program;
- Make two changes related to the Gambling Addiction Program including: (a) adding \$169,000 reappropriated funds transferred from the Department of Local Affairs (DOLA) for the Department of Human Services to address recommendations in a recent performance audit; and (b) changing the appropriation format to clarify the funding source for the Program (resulting in an increase of \$269,000 cash funds and a decrease of \$269,000 reappropriated funds);
- Add \$20,000 General Fund for the Department to contract with an entity to begin training adult protective service workers, law enforcement agencies, Community Centered Boards (and providers), and other agencies on reporting instances of potential mistreatment of at-risk adults with intellectual and developmental disabilities;
- Make changes resulting in a net zero funding impact to increase the number of employees overseeing the statewide behavioral health crisis system contracts (resulting in a 0.6 FTE increase in FY 2015-16);

- Make fund source adjustments to reflect updated mental health institute revenue estimates, including: an increase of \$544,079 General Fund; an increase of \$244,685 reappropriated funds; and a decrease of \$788,764 cash funds revenues;
- Make several technical fund source corrections that result in a net zero funding impact, and authorizes the Department to "roll forward" spending authority to complete projects initiated in FY 2014-15;
- Reduce \$1,154,556 total funds, including \$686,334 General Fund, to adjust appropriations for the Colorado Benefits Management System (CBMS) based on up-to-date system usage statistics;
- Reduce \$709,586 total funds, including a decrease of \$519,143 General Fund, based on a decrease in the forecasted caseload for committed youth from an average daily population of 734.6 to 711.9;
- Reduce \$100,000 General Fund due to the new contract supporting the Automated Child Support Enforcement System requiring \$100,000 less than the previous contract supporting the system; and
- Reduce \$88,946 General Fund and 0.5 FTE to eliminate the General Fund dollars appropriated to the Grand Junction Regional Center (GJRC) for physician services for regional center waiver clients.

House Bill 16-1405 authorizes the Department to "roll forward" spending authority through June 30, 2017, for \$455,000 federal Child Care Development Funds originally appropriated for FY 2014-15 for modifications to the Child Care Automated Tracking System (CHATS) interface. This bill also provides roll forward authority through June 30, 2017 for funds not expended prior to July 1, 2016 that were appropriated to the Tony Grampas Youth Services Program from the Youth Mentoring Services Cash Fund.

## FY 2016-17 APPROPRIATION HIGHLIGHTS

**OLD AGE PENSION TECHNICAL CORRECTION:** The appropriation includes an increase of \$18,936,099 cash funds to align appropriations from the Old Age Pension (OAP) Fund with actual expenditures. 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 to the Department in the State Constitution.

**COLORADO BENEFITS MANAGEMENT SYSTEM (CBMS) BASE ADJUSTMENT AND ENHANCEMENTS:** The appropriation includes an increase of \$13,485,143 total funds, including \$12,276,308 General Fund, to increase the base appropriation supporting CBMS and add an additional 117,276 vendor pool hours for CBMS enhancements. The money is reappropriated to the Governor's Office of Information Technology to arrange for service provision.

**VETERANS COMMUNITY LIVING CENTERS ADJUSTMENT:** The appropriation includes an increase of \$6,650,000 total funds appropriated for informational purposes to the Veterans Community Living Centers based on projected FY 2016-17 Veterans Community Living Center expenditures.

**COUNTY CHILD WELFARE STAFF – PHASE 2:** The appropriation includes an increase of \$6,064,149 total funds, including \$5,428,510 General Fund, for the phase 2 increase of county level child welfare case aides, case workers, and supervisors.

**TITLE IV-E WAIVER CASH FUNDS:** The appropriation includes an increase of \$6,000,000 cash funds, from the Title IV-E Waiver Demonstration Project Cash Fund for prevention and intervention services and continued expansion of Title IV-E Waiver interventions.

**EARLY INTERVENTION CASELOAD GROWTH:** The appropriation includes an increase of \$3,803,626 total funds, including \$2,207,911 General Fund, for Early Intervention direct services and case management.

**YOUTH CORRECTIONS SECURITY STAFFING INCREASE:** The appropriation includes an increase of \$2,185,126 General Fund and 36.3 FTE to add security officers to address ongoing safety issues at the ten state-owned and state-operated youth corrections facilities.

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

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 14-1317 Colorado Child Care Assistance Program	\$2,000,000	\$2,000,000	\$0	\$0	\$0	0.0
SB 15-240 Funding Formula for Independent Living Centers	2,000,000	2,000,000	0	0	0	0.0
HB 16-1242 Department Supplemental	1,911,739	1,348,747	562,992	0	0	0.0
SB 15-012 Colorado Works Pass-through Support Payments	1,910,636	1,651,593	0	0	259,043	0.0
HB 15-1131 DYC Information Release	1,284	1,284	0	0	0	0.0
SB 14-130 Increase Personal Care Allowance Nursing Facility	0	0	(169)	169	0	0.0
HB 14-1368 Transition IDD youth	(2,829,586)	0	(2,829,586)	0	0	0.0
HB 14-1015 Transitional Jobs	(1,204,730)	(1,204,730)	0	0	0	(1.0)
SB 15-242 Child Welfare Staff Funding Allocation	(687,000)	(598,210)	(40,000)	0	(48,790)	0.0
HB 15-1367 Retail Marijuana Taxes	(500,000)	(2,500,000)	2,000,000	0	0	0.0
SB 14-012 Aid to the Needy Disabled Program	(246,897)	(246,897)	0	0	0	0.0
SB 15-204 Autonomy of Child Protection	(242,450)	(242,450)	0	0	0	0.0
HB 15-1248 Safe Placements	(10,990)	(10,990)	0	0	0	0.1
SB 15-241 Collaborative Management Program	(7,690)	(7,690)	0	0	0	0.0
<b>TOTAL</b>	<b>\$2,094,316</b>	<b>\$2,190,657</b>	<b>(\$306,763)</b>	<b>\$169</b>	<b>\$210,253</b>	<b>(0.9)</b>

**CONTINUATION OF CHILD CARE QUALITY INITIATIVES:** The appropriation includes an increase of \$1,552,936 federal Child Care Development Funds and 7.3 FTE to support ongoing sustainability of the Colorado Shines child care quality rating program and the associated technology systems that were initially funded through the Race to the Top Early Learning Challenge grant.

**COURT-ORDERED COMPETENCY EVALUATIONS AND RESTORATION TREATMENT:** The appropriation includes \$1,384,588 General Fund and 3.0 FTE to provide a full 12 months of ongoing funding to expand the number of psychologists performing both inpatient and outpatient competency evaluations, and for the operation of a 30-bed competency evaluation and restoration program located in the Arapahoe County Detention Center.

**EARLY CHILDHOOD MENTAL HEALTH SPECIALISTS:** The appropriation includes an increase of \$1,273,766 federal Child Care Development Funds and 0.2 FTE to expand the Early Childhood Mental Health Services program in the Division of Community and Family Support.

**TOBACCO MASTER SETTLEMENT REVENUE ADJUSTMENT:** The appropriation includes an adjustment based on the Legislative Council FY 2016-17 Tobacco Master Settlement revenue projection.

**ANNUAL CHILD CARE LICENSING VISITS:** The appropriation includes an increase of \$673,524 federal Child Care Development Funds and 0.8 FTE to improve the caseload ratio of licensing specialists to child care facilities to 1:86 to allow for one unannounced inspection annually in order to comply with federal annual inspection requirements.

**EXPAND ACCESS TO INPATIENT PSYCHIATRIC CARE:** The appropriation includes \$500,000 General Fund to support an initiative on the Western Slope that will expand access to inpatient psychiatric care for individuals who are diagnosed with physical health conditions that are exacerbated by co-occurring mental health problems.

**SNAP OVERSIGHT INCREASE:** The appropriation includes an increase of \$367,857 total funds, including \$183,929 General Fund, and 3.0 FTE to improve the State's oversight of the federally-funded and county-administered Supplemental Nutrition Assistance Program (SNAP).

**BEHAVIORAL HEALTH CRISIS SERVICES STAFFING:** The appropriation includes \$161,465 General Fund and 2.4 FTE to provide a full 12 months of funding for 3.0 FTE added in FY 2015-16 to enhance oversight of the statewide behavioral health crisis system.

**YOUTH CORRECTIONS SPECIAL EDUCATION NEEDS ASSESSMENT:** The appropriation includes an increase of \$125,000 General Fund to conduct a needs assessment of special education services for youth committed to Division of Youth Corrections facilities.

**COUNTY ADULT PROTECTIVE SERVICES TRAINING:** The appropriation includes an increase of \$65,000 General Fund to provide training opportunities to county adult protective services workers regarding the implementation of protections against abuse of individuals with intellectual and developmental disabilities.

**CORRECTIONAL TREATMENT CASH FUND ALLOCATION:** The appropriation reflects: (1) an increase of \$95,000 reappropriated funds (transferred from the Judicial Department) for the Short-term Intensive Residential Remediation and Treatment (STIRRT) program to cover the costs of modifying the program based on current research and best practices; and (2) a reduction of \$45,000 reappropriated funds for Jail-based Behavioral Health Services.

**DOC FOOD SERVICE INFLATION:** The appropriation includes \$45,977 reappropriated funds transferred from the Department of Corrections (DOC) to cover an increase in the cost of preparing meals for DOC facilities located on the Pueblo campus.

**TECHNICAL ADJUSTMENTS:** The appropriation includes a number of technical changes to fund source notations and an increase of \$8,757 cash funds based on available revenues for various behavioral health programs.

**INDIRECT COST ASSESSMENT:** The appropriation includes a net zero fund source adjustment to the Department's statewide indirect cost assessment.

**MENTAL HEALTH INSTITUTES ELECTRONIC HEALTH RECORD FUNDING ADJUSTMENT:** The appropriation provides a one-time shift of \$771,000 General Fund from the Department's Office of Information Technology Services to the Behavioral Health Services section. This shift temporarily reduces funding for the ongoing development and enhancement of a new electronic health record system at the mental health institutes to pay for contract nursing staff and overtime for the institutes' nursing staff to attend mandatory training for the new system.

**OFFICE OF EARLY CHILDHOOD REORGANIZATION:** The appropriation includes a net zero impact for the reorganization of the Office of Early Childhood beginning in FY 2017-18.

**MENTAL HEALTH INSTITUTE REVENUE ADJUSTMENT:** The appropriation shifts \$368,000 from cash funds to reappropriated funds to more accurately reflect payments from the Judicial Department to the mental health institutes for inpatient competency evaluations.

**MARIJUANA TAX CASH FUND ADJUSTMENT:** The appropriation shifts \$500,000 from General Fund to cash funds to utilize marijuana tax revenues to support a portion of an existing line item appropriation that provides for co-occurring behavioral health services to adolescents and adults in southern Colorado and the Arkansas Valley.

**ANNUALIZE SB 15-239:** The appropriation includes a reduction of \$50,234,784 total funds, including \$4,958,143 General Fund and 240.0 FTE, to transfer the Division of Vocational Rehabilitation Programs and Business Enterprise Program to the Department of Labor and Employment pursuant to S.B. 15-239 (Transfer Vocational Rehabilitation from DHS to CDLE).

**INFORMATIONAL FUNDS ADJUSTMENT:** The appropriation includes a decrease of \$30,971,815 federal funds and 1.5 FTE reflected for informational purposes. This decrease includes the elimination of a Temporary Assistance for Needy Families (TANF) reserve line item that has been shown in prior fiscal years for informational purposes only and from which no expenditures are made in any fiscal year.

**BASE APPROPRIATION REDUCTION:** The appropriation includes a decrease of \$8,103,214 total funds, including \$568,442 General Fund, and 0.8 FTE to adjust the base-level appropriation for several programs based on an analysis of prior-year expenditures versus prior-year appropriations.

**SB 16-093 TRANSFER ILCs:** The appropriation includes a reduction of \$7,221,066 total funds to transfer the funds appropriated for Independent Living Centers (ILCs) to the Department of Labor and Employment on July 1, 2016 pursuant to S.B. 16-093 (Transfer Independent Living Services).

**YOUTH CORRECTIONS CASELOAD ADJUSTMENT:** The appropriation includes a decrease of \$2,226,338 total funds, including \$2,007,362 General Fund, as a result of a forecasted decrease in the average daily population of committed youth from 711.9 for FY 2015-16 to 678.8 for FY 2016-17.

**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 increases awarded in FY 2015-16; short-term disability; supplemental State contributions to the Public Employees' Retirement Association (PERA) pension fund; shift differential; vehicle lease payments; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; Capitol complex leased space; and payments to OIT.

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

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 14-15 MHI electronic health record system	\$2,483,225	\$2,483,225	\$0	\$0	\$0	0.3
FY 15-16 CHATS	300,000	0	0	0	300,000	0.0
FY 15-16 Senior data evaluation technical change	150,000	150,000	0	0	0	0.0
FY 15-16 One-time reduction	59,680	59,680	0	0	0	0.0
FY 15-16 SNAP penalty	9,439	9,439	0	0	0	0.0
FY 15-16 Child welfare case management	\$1,436	\$1,192	\$0	\$0	\$244	0.3
FY 15-16 SNAP study	(1,959,403)	(1,809,403)	0	0	(150,000)	0.0
FY 15-16 Child welfare hotline funding	(1,465,565)	(1,465,565)	0	0	0	0.0
FY 15-16 Leap year adjustment	(365,272)	(272,294)	(68,074)	(24,904)	0	0.0
FY 15-16 Circle program business plan analysis	(225,000)	(225,000)	0	0	0	0.0
FY 15-16 Child welfare public awareness campaign	(206,000)	(206,000)	0	0	0	0.0
FY 15-16 Salary survey and merit pay	(156,465)	(103,104)	(3,091)	(21,340)	(28,930)	0.0

ANNUALIZE PRIOR YEAR BUDGET ACTIONS

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 15-16 Senior services data evaluation	(150,000)	(150,000)	0	0	0	0.0
FY 15-16 Respite care task force	(125,000)	(125,000)	0	0	0	0.0
FY 15-16 Domestic violence spending increase	(100,000)	0	(100,000)	0	0	0.0
<b>TOTAL</b>	<b>(\$1,748,925)</b>	<b>(\$1,652,830)</b>	<b>(\$171,165)</b>	<b>(\$46,244)</b>	<b>\$121,314</b>	<b>0.6</b>

**TRAUMATIC BRAIN INJURY ADJUSTMENT:** The appropriation includes a reduction of \$509,179 cash funds from the Traumatic Brain Injury Cash Fund based on historical revenue and expenditures from the fund.

**REGIONAL CENTER ADJUSTMENTS:** The appropriation includes adjustments to the direct costs and depreciation amount for each regional center based on the most recent census and cost-per-day data.

**GAMBLING ADDICTION PROGRAM SPENDING AUTHORITY:** The appropriation eliminates a one-time FY 2015-16 appropriation of \$169,000 cash funds from the Gambling Addiction Account within the Local Government Limited Gaming Impact Fund that allowed the Department to spend down the fund balance and address issues identified in a recent performance audit.

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

# JUDICIAL DEPARTMENT

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

- Both the *Office of the State Public Defender* (OSPD) and the *Office of Alternate Defense Counsel* (OADC) provide legal representation for indigent criminal defendants. 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.
- The *Office of the Respondent Parents' Counsel*, as of July 1, 2016, will oversee the provision of legal representation for indigent parents or guardians who are involved in dependency and neglect proceedings.
- The *Office of the Child Protection Ombudsman*, as of January 1, 2016, serves as an independent and neutral organization to investigate complaints and grievances about child protection services, make recommendations about system improvements, and serve as a resource for persons involved in the child welfare system.
- The *Independent Ethics Commission* 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 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
General Fund	\$387,197,626	\$446,285,574	\$478,617,095	\$486,328,896
Cash Funds	139,499,079	135,533,939	156,643,072	164,992,153
Reappropriated Funds	25,814,561	30,798,095	34,086,127	34,245,215
Federal Funds	4,425,000	4,425,000	4,425,000	4,425,000
<b>TOTAL FUNDS</b>	<b>\$556,936,266</b>	<b>\$617,042,608</b>	<b>\$673,771,294</b>	<b>\$689,991,264</b>
Full Time Equiv. Staff	4,358.7	4,522.3	4,592.3	4,615.1

## GENERAL FACTORS DRIVING THE BUDGET

Funding for this department consists of 70.5 percent General Fund, 23.9 percent cash funds, 5.0 percent reappropriated funds, and 0.6 percent federal funds. Cash funds primarily include: various docket fees and surcharges that support court operations; fees paid by individuals sentenced to probation; attorney licensing fees that are used to regulate the practice of law in Colorado; and fees and cost recoveries related to electronic filings and other information technology services.

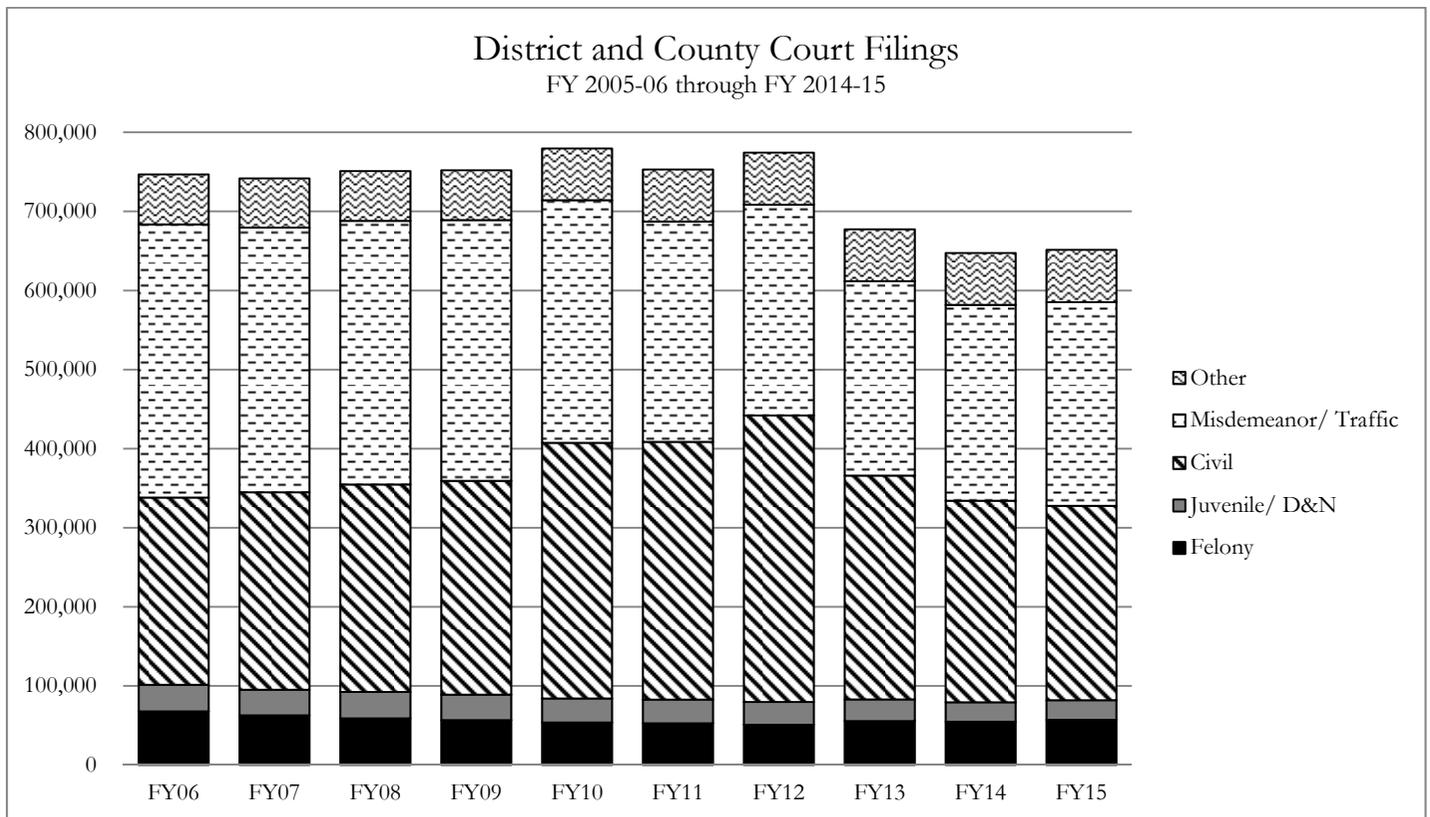
The main factor driving the budget for the Judicial Department is caseload. Judges, attorneys, probation officers, and support staff can only manage a certain number of cases each year. As the caseload grows, so does the need for resources if the Department is to continue fulfilling its constitutional and statutory duties in a timely and effective manner. Caseloads are generally driven by:

- Population changes;
- Changes in the state's economic climate, which can affect the number of civil filings (such as foreclosures and collections), the crime rate, and the proportion of clients who are financially eligible for state-funded legal representation; and
- 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 2014-15, approximately 655,000 cases were filed in the state court system, including 425,947 (65.0 percent) in county courts, 225,438 (34.4 percent) in district and water courts, 2,413 in the Court of Appeals, and 1,549 in the Supreme Court. The following chart depicts the number of cases filed annually in county and district courts since FY 2005-06. Cases are depicted using the following categories: felony; juvenile or dependency and neglect ("D&N"); civil; misdemeanor or traffic; and other.



From FY 2005-06 through FY 2011-12, the total number of these "trial court" case filings increased by 3.7 percent, with a modest compound annual growth rate of 0.6 percent. The most significant increase occurred in civil cases, and particularly cases concerning tax liens and foreclosures. In FY 2012-13 this trend reversed, and total trial court case filings have declined by 15.9 percent over the last three fiscal years (nearly 123,000 cases). This decline primarily included a decrease of 62,503 (44.4 percent) tax lien and foreclosure district court cases and a decrease of 48,414 (25.0 percent) civil cases in county courts.

Generally, tax lien, foreclosure, misdemeanor, and traffic cases do not require a significant amount of judge and court staff time, so the workload impact of reductions in these case types since FY 2005-06 is less significant than depicted in the above chart. For those case types that do have a significant workload impact, the caseload trend for

the last three fiscal years is mixed. While the number of felony, probate, and mental health cases have increased (by a total of 8,300), the number of D&N and juvenile cases has declined (by a total of 3,360).

The Department routinely monitors its workload and periodically requests funding changes through the budget process or through legislation. In response to workload increases, the General Assembly periodically passes legislation to increase the number of judges within one or more judicial districts. Most recently, H.B. 14-1050 added two district court judges and the associated court support staff for the 18th judicial district court (Arapahoe, Douglas, Elbert, and Lincoln counties) and H.B. 15-1034 added one judgeship to the 12th judicial district court (Alamosa, Conejos, Costilla, Mineral, Rio Grande, and Saguache counties). The Department indicates that FY 2015-16 funding supports only 85 percent of the full need for district court judges, but it supports 104 percent of the full need for county court judges and 102 percent of the full staffing need for non-judge trial court staff.

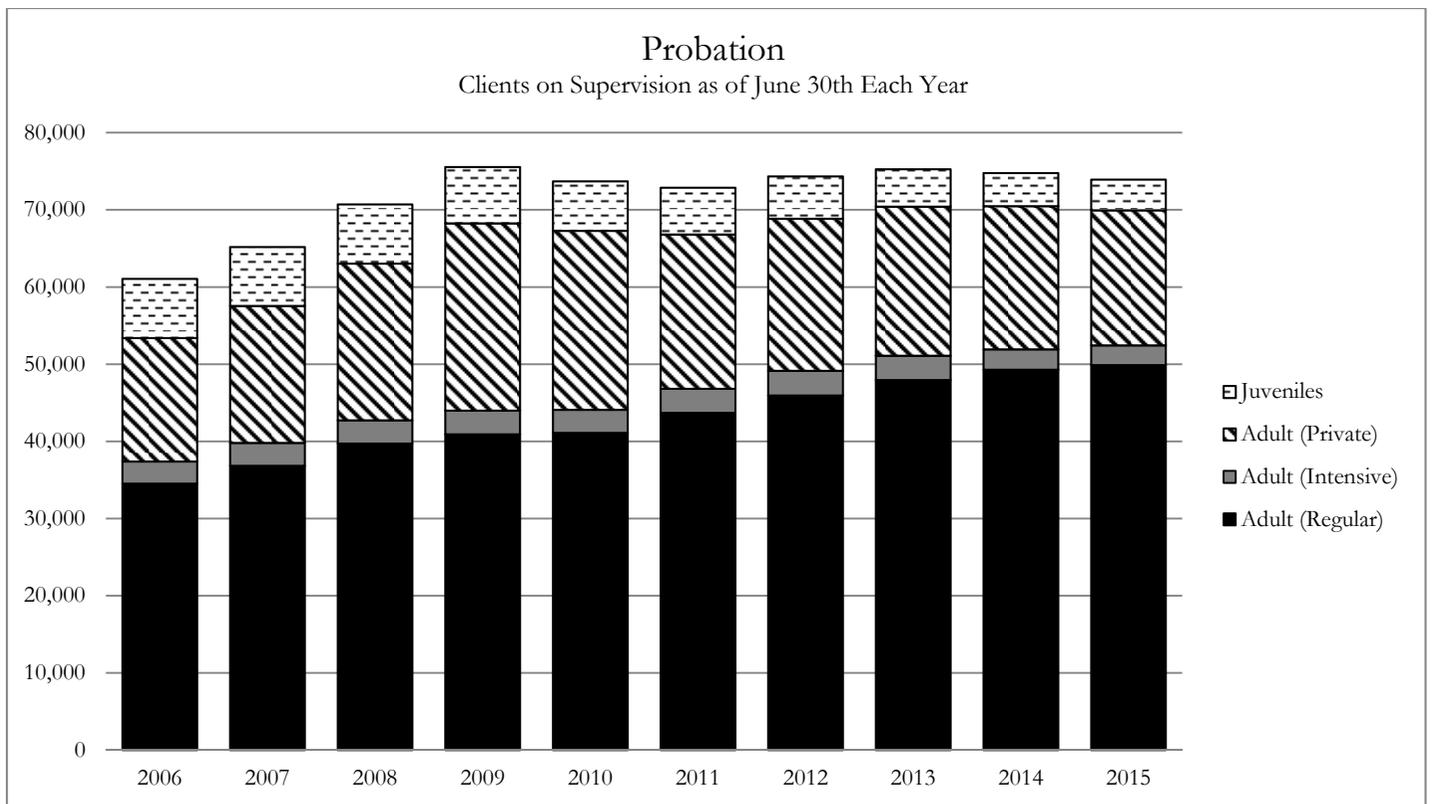
## PROBATION AND RELATED SERVICES CASELOAD

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 1,250 employees prepare assessments, provide pre-sentence investigation services to the courts, and supervise offenders sentenced to probation. Supervision services are provided based on each offender's risk of re-offending.

Funding for probation services is primarily driven by the number and types of offenders sentenced to probation and statutory requirements concerning probation eligibility and supervision time frames. Those offenders that present a higher risk of re-offending require more resources. For example, the most recent data indicates that the average annual cost of probation supervision ranges from \$1,556 for an adult on "regular" probation to \$3,308 for an adult on "intensive" supervision; similarly, the average annual cost of probation supervision for juveniles ranges from \$2,265 for regular supervision to \$4,095 for intensive supervision.

The chart on the following page depicts changes in the numbers of adults and juveniles on supervision since 2006. The total number of offenders sentenced to probation increased significantly from 2006 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 in nine of the last ten years. State employees currently supervise all juvenile offenders and 75.0 percent of adult offenders. About two-thirds of privately supervised offenders were sentenced to probation for offenses related to driving under the influence of alcohol or drugs. The number of offenders supervised by private probation providers increased significantly from 2008 through 2010. This change appears to be primarily related to a hiring freeze and state funding reductions that occurred during that time frame due to the economic downturn. As funding was restored, this trend reversed and the number of offenders supervised by private probation providers has declined to 17,487 since 2009 (a reduction of 27.9 percent).

Overall, the number of juvenile and adult offenders who are supervised by state staff increased from 45,090 in June 2006 to 56,432 in June 2015 (25.2 percent). As this number grows, so does the need for probation supervisors, officers, and support staff to adequately supervise offenders. The Department routinely monitors its workload and periodically requests funding changes to adjust probation staffing levels based on the number and types of offenders sentenced to probation. The Department indicates that FY 2015-16 funding supports 91 percent of the full need for probation staff (including probation officers, supervisors, and support staff).



In addition, the General Assembly appropriates state funds to subsidize the cost of required treatment and services for offenders on probation. From FY 2007-08 to FY 2016-17, state funding for treatment and services for probation clients more than doubled, increasing from \$8.5 million to \$19.1 million. In FY 2014-15, nearly half of available state funding was used for substance abuse testing and treatment, and another 17.5 percent was used for sex offender assessment, treatment, and polygraph expenses.

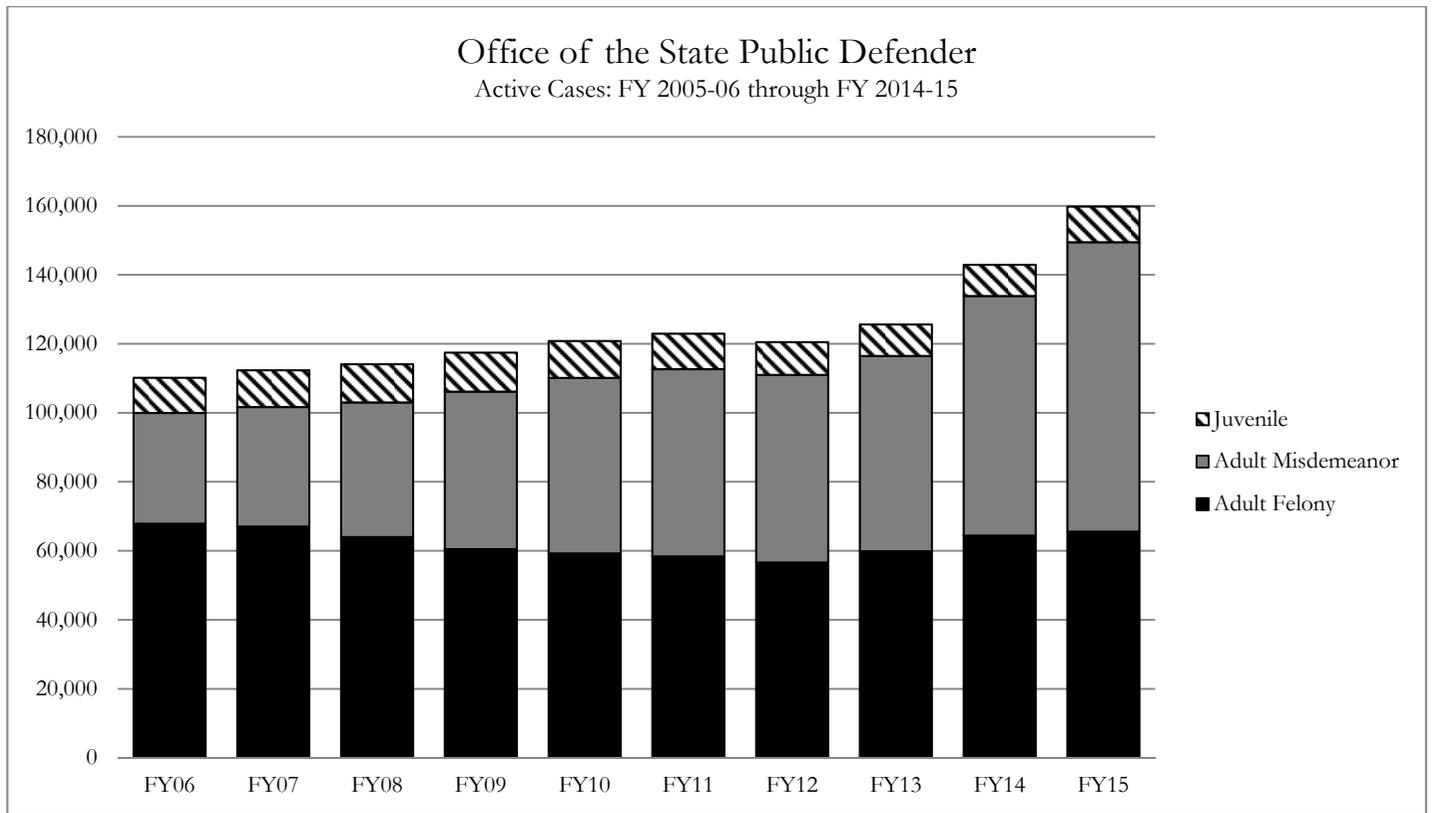
### CASELOAD IMPACTS UNIQUE TO INDEPENDENT AGENCIES

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

The *Office of the State Public Defender* (OSPD) represents criminal defendants who have inadequate financial resources to pay for their own defense. The OSPD's workload is affected by the number and types of cases filed, as well as the proportion of clients who are eligible for state-funded representation. As in the court system, more complicated cases consume more resources than simpler cases: felonies require more time than misdemeanors, and homicides require more time than assaults or robberies. Recent data indicates that the OSPD spends an average of \$711 to represent a juvenile defendant, \$515 to represent an adult misdemeanor defendant, and \$825 to represent an adult felony defendant.

As illustrated in the chart on the following page, the total number of cases requiring public defender involvement has increased in nine of the last ten fiscal years, reaching 159,814 in FY 2014-15. From FY 2012-13 to FY 2014-15 the total number of cases increased by 34,208 (27.2 percent). This primarily includes an increase of 27,244 (48.1 percent) adult misdemeanor cases largely due to the passage of H.B. 13-1210, which repealed a statute that required an indigent person charged with a misdemeanor or other minor offenses to meet with the prosecuting attorney for plea negotiations before legal counsel is appointed. In addition, the number of adult felony cases increased by 5,703 (9.5 percent) over the same time period. The OSPD routinely monitors its workload and periodically requests

funding changes to ensure that staffing levels are sufficient to provide legal representation in an ethical and effective manner. The OSPD indicates that FY 2015-16 funding supports 90 percent of the need for attorneys, and 85 percent of the full need for all public defender staff (including attorneys, investigators, and support staff).

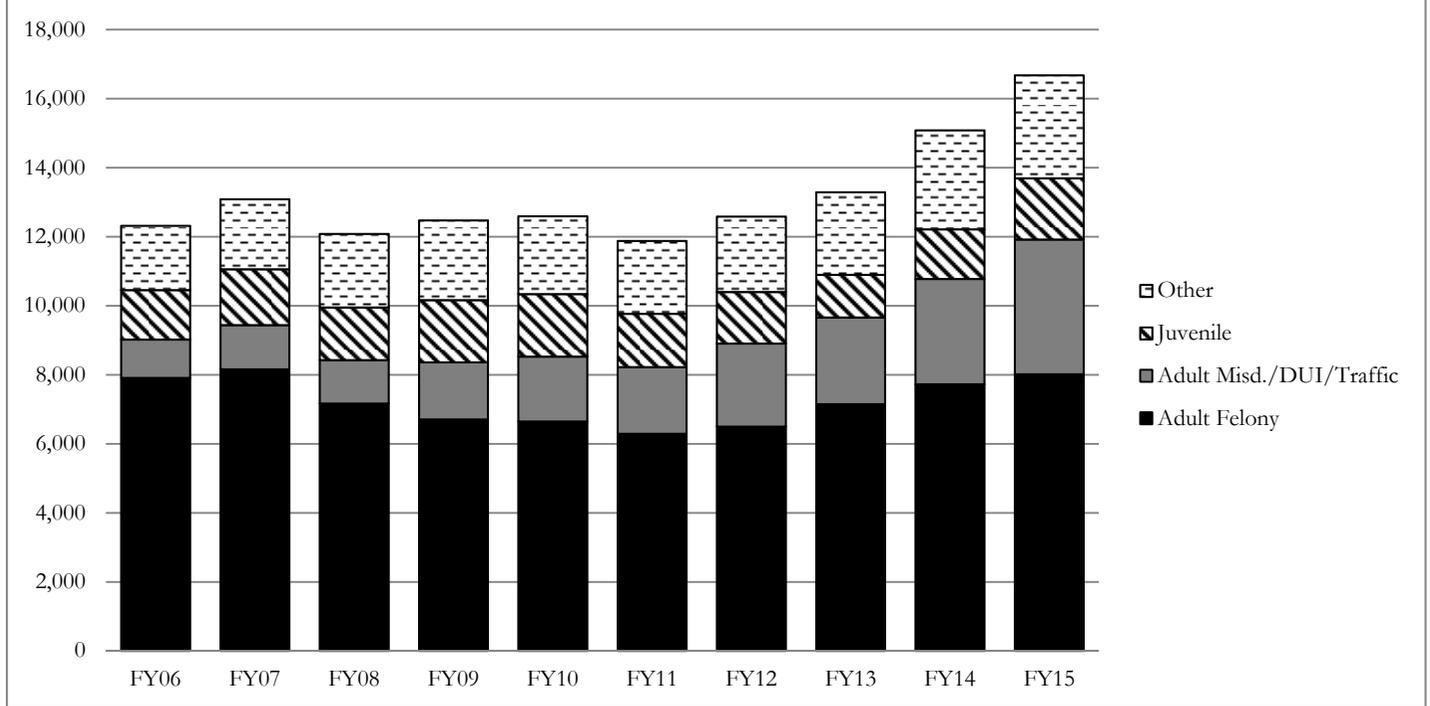


The *Office of the Alternate Defense Counsel* (OADC) contracts with private attorneys to represent indigent defendants in cases where the OSPD has an ethical conflict of interest in providing legal representation. The OADC paid for legal representation in 16,680 cases in FY 2014-15, at an average cost of \$1,610 per case. Similar to the OSPD, certain types of cases (e.g., death penalty cases) are more expensive than others; these cases require more hours of attorney time and a higher hourly rate. For example, in FY 2014-15 the OADC paid for an average of 17 attorney hours per case; however, the average number of attorney hours per case ranged from seven for adult misdemeanor and juvenile cases to 1,767 for death penalty cases.

As illustrated in the chart on the following page, the OADC's overall caseload is generally more variable than that of the OSPD. However, similar to the OSPD, the OADC has experienced significant caseload increases in the last two fiscal years (an overall increase of 3,390 cases or 25.5 percent). The OADC experienced increases in every case type, but the most significant increases occurred in adult misdemeanors/DUI/Traffic cases (1,393 cases or 55.5 percent) and juvenile cases (538 cases or 43.6 percent). As the OADC contracts with private attorneys, it routinely submits requests for budget adjustments to ensure that it has sufficient funding to cover payments for all assigned cases.

## Office of the Alternate Defense Counsel

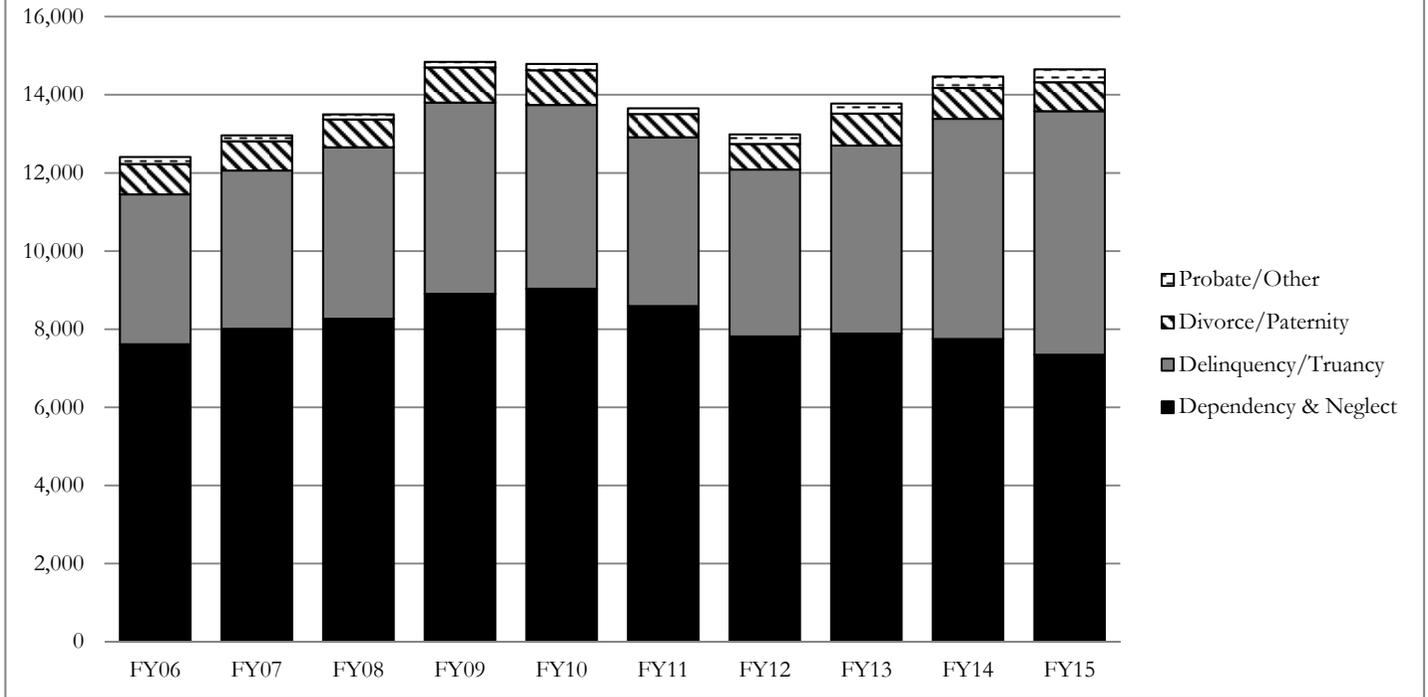
Cases Paid: FY 2005-06 through FY 2014-15



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 14,653 court appointments in FY 2014-15 at an average cost of \$1,297 per appointment. Similar to the OSPD and OADC, the average cost per appointment varies significantly for different types of cases. For example, in FY 2014-15 the OCR spent an average of \$323 per appointment in truancy cases, \$582 per appointment in juvenile delinquency cases, \$875 per appointment in domestic relations cases, and \$2,008 per appointment in cases involving abuse and neglect (called dependency and neglect or "D&N" cases). Thus, the OCR's expenditures are primarily driven by the number of D&N cases, as these cases account for the most court appointments and require the most attorney time.

As illustrated in the chart on the following page, the overall number of appointments has increased over the last three fiscal years. This overall increase is primarily related to increases in the number of appointments involving juvenile delinquency or truancy; these appointments now account for 42.6 percent of the total, compared to 30.9 percent in FY 2005-06. The OCR routinely submits requests for budget adjustments to ensure that it has sufficient funding and staffing (in its El Paso County office) to cover payments for all assigned cases.

Office of the Child's Representative  
Appointments Paid: FY 2005-06 through FY 2014-15



## APPROPRIATION HIGHLIGHTS - 2016 LEGISLATIVE SESSION

### JUDICIAL DEPARTMENT

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$670,009,402	\$477,393,699	\$155,800,052	\$32,390,651	\$4,425,000	4,573.3
SB 15-204	351,086	351,086	0	0	0	2.2
HB 15-1034	340,651	333,631	7,020	0	0	3.2
HB 15-1043	1,272,133	1,272,133	0	0	0	14.2
HB 15-1149	(618,145)	(603,145)	(15,000)	0	0	(1.1)
HB 15-1153	27,580	27,580	0	0	0	0.5
HB 15-1367	3,100,000	0	1,550,000	1,550,000	0	0.0
HB 16-1243	(240,384)	313,140	(699,000)	145,476	0	0.0
HB 16-1405	(471,029)	(471,029)	0	0	0	0.0
<b>TOTAL</b>	<b>\$673,771,294</b>	<b>\$478,617,095</b>	<b>\$156,643,072</b>	<b>\$34,086,127</b>	<b>\$4,425,000</b>	<b>4,592.3</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$673,771,294	\$478,617,095	\$156,643,072	\$34,086,127	\$4,425,000	4,592.3
Information technology and security	7,967,204	711,934	7,255,270	0	0	5.5
Courthouse capital and infrastructure maintenance	4,572,473	2,256,122	2,316,351	0	0	0.0
Centrally appropriated line items	2,341,938	2,550,157	(208,219)	0	0	0.0
Discovery sharing system	1,831,914	1,761,914	70,000	0	0	0.0
Annualize prior year legislation	1,136,284	1,120,804	15,480	0	0	8.4
Court-appointed counsel caseload	220,149	220,149	0	0	0	0.0
Cash funds spending authority	100,000	0	100,000	0	0	0.0
Social worker coordinator	71,396	71,396	0	0	0	1.0
Correctional Treatment Cash Fund allocation	44,490	0	44,490	0	0	0.0

JUDICIAL DEPARTMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Inflation adjustments	34,970	1,269	33,701	0	0	0.0
Information systems manager	29,021	29,021	0	0	0	0.2
Fund source adjustment	0	(193,475)	(19,866)	213,341	0	0.0
Annualize prior year budget actions	(1,789,482)	(437,842)	(1,351,640)	0	0	3.3
Mandated costs	(75,000)	(75,000)	0	0	0	0.0
Eliminate one-time funding	(57,006)	(57,006)	0	0	0	0.0
Indirect cost assessment	(54,570)	54,570	(54,659)	(54,481)	0	0.0
Other	(29,772)	0	(30,000)	228	0	0.0
<b>HB 16-1405</b>	<b>\$690,115,303</b>	<b>\$486,631,108</b>	<b>\$164,813,980</b>	<b>\$34,245,215</b>	<b>\$4,425,000</b>	<b>4,610.7</b>
SB 16-102	65,788	65,788	0	0	0	0.9
SB 16-116	178,173	0	178,173	0	0	3.5
HB 16-1410	(368,000)	(368,000)	0	0	0	0.0
<b>TOTAL</b>	<b>\$689,991,264</b>	<b>\$486,328,896</b>	<b>\$164,992,153</b>	<b>\$34,245,215</b>	<b>\$4,425,000</b>	<b>4,615.1</b>
<b>INCREASE/(DECREASE)</b>	\$16,219,970	\$7,711,801	\$8,349,081	\$159,088	\$0	22.8
Percentage Change	2.4%	1.6%	5.3%	0.5%	0.0%	0.5%

### FY 2015-16 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 16-1243 primarily: (1) adds \$2.3 million General Fund for the Office of the Alternate Defense Counsel and the State Court Administrator's Office to cover higher than anticipated court-appointed counsel expenses; and (2) decreases funding by \$2.3 million total funds (including \$1.6 million General Fund) to reflect the early completion, delay, or cancellation of local courthouse facility projects. House Bill 16-1405 primarily decreases funding by \$650,000 General Fund to reflect updated court-appointed counsel caseload and expenditure projections by the Office of the Child's Representative.

### FY 2016-17 APPROPRIATION HIGHLIGHTS

**INFORMATION TECHNOLOGY AND SECURITY:** The appropriation includes an increase of \$7,967,204 total funds (including \$711,934 General Fund and \$7,255,270 cash funds from the Judicial Department Information Technology Cash Fund), for four purposes:

- \$4,063,026 cash funds to develop a disaster recovery site;
- \$3,184,864 cash funds to replace two iSeries servers;
- \$490,652 (primarily General Fund) to expand the information security team by adding two application security specialists, a systems security engineer, and an information security analyst (3.7 FTE for FY 2016-17); and
- \$228,662 (primarily General Fund) to add two information technology analyst supervisors (1.8 FTE for FY 2016-17).

**COURTHOUSE CAPITAL AND INFRASTRUCTURE MAINTENANCE:** The appropriation includes a net increase of \$4,572,473 to fulfill the State's responsibility for new, expanded, and remodeled courthouse and probation facilities. This includes an increase of \$4,692,351 total funds (including \$2,376,000 General Fund and \$2,316,351 cash funds from the Information Technology Cash Fund) for furnishings, phone systems, docketing systems, and courtroom information technology infrastructure and audio visual equipment. This increase is offset by a decrease of \$119,878 General Fund to eliminate funding for a phone system lease purchase agreement that will be paid off in FY 2015-16.

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

**DISCOVERY SHARING SYSTEM:** The appropriation includes an increase of \$1,831,914 total funds (including \$1,761,914 General Fund and \$70,000 cash funds from the Statewide Discovery Sharing System Surcharge Fund) for the Colorado District Attorneys' Council to continue the development and implementation of a statewide system that will enable the sharing and transfer of information electronically between law enforcement agencies, district attorneys' offices, and the defense. As this system is implemented in each judicial district, the defense will no longer be required to reimburse district attorneys for duplicating discoverable materials. The appropriation thus transfers a total of \$1,034,194 General Fund from existing appropriations for district attorney reimbursements to support the discovery sharing system.

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

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 14-203 and HB 15-1149 Office of Respondent Parents' Counsel	\$1,200,554	\$1,178,054	\$22,500	\$0	\$0	3.3
SB 15-204 Office of the Child Protection Ombudsman	82,834	82,834	0	0	0	2.6
HB 15-1034 Add One Judge	(65,975)	(58,955)	(7,020)	0	0	0.3
HB 15-1043 Felony Offense for Repeat DUI Offenders	(53,549)	(53,549)	0	0	0	2.7
HB 15-1153 Child and Family Investigator Oversight	(27,580)	(27,580)	0	0	0	(0.5)
<b>TOTAL</b>	<b>\$1,136,284</b>	<b>\$1,120,804</b>	<b>\$15,480</b>	<b>\$0</b>	<b>\$0</b>	<b>8.4</b>

**COURT-APPOINTED COUNSEL CASELOAD:** The appropriation includes an increase of \$220,149 General Fund to reflect projected caseload and expenditure increases for court-appointed counsel for the Office of the Child's Representative.

**CASH FUNDS SPENDING AUTHORITY:** The appropriation increases cash funds spending authority by \$100,000, including: (a) an increase of \$1,500,000 from the Offender Services Fund to provide treatment and other support services for offenders on probation; (b) an increase of \$600,000 to allow the Department to access the full amount available in the Underfunded Courthouse Facility Cash Fund; and (c) a decrease of \$2,000,000 from the Alcohol and Drug Driving Safety Program Fund to more accurately reflect available revenues and likely expenditures.

**SOCIAL WORKER COORDINATOR:** The appropriation includes \$71,396 General Fund for the Office of the Alternate Defense Counsel to add 1.0 FTE licensed clinical social worker to supervise and coordinate the use of contract social workers and social work interns who work with contract attorneys on juvenile cases and certain high-needs adult cases.

**CORRECTIONAL TREATMENT CASH FUND ALLOCATION:** The appropriation reflects an increase of \$44,490 cash funds from the Correctional Treatment Cash Fund to provide the necessary spending authority for the Judicial Department to transfer additional money allocated to the Department of Human Services.

**INFLATION ADJUSTMENTS:** The appropriation includes an increase of \$34,970 total funds (including \$1,269 General Fund and \$33,701 cash funds) for various inflation adjustments.

**INFORMATION SYSTEMS MANAGER:** The appropriation includes \$29,021 General Fund to reclassify an existing Program Administrator position for the Office of the Child's Representative to an Information Systems Manager position and to increase the position from 0.6 FTE to 0.8 FTE.

**FUND SOURCE ADJUSTMENT:** The appropriation includes an increase of \$213,341 reappropriated funds, offset by a \$193,475 decrease in General Fund and a \$19,866 decrease in cash funds appropriations from the Justice Center Cash Fund for the debt service payments and operational costs for the Ralph L. Carr Colorado Judicial Center. Primarily, this fund source change is due to an increase in the Department of Law's share of space in the facility.

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

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2015-16 Senior judge program	\$136,366	\$136,366	\$0	\$0	\$0	0.0
FY 2015-16 Probation supervisors and staff	78,260	109,010	(30,750)	0	0	2.1
FY 2015-16 Self-represented litigant coordinators and family court facilitators	11,285	18,665	(7,380)	0	0	0.5
FY 2015-16 Appellate court FTE	7,359	9,819	(2,460)	0	0	0.2
FY 2015-16 Regional trainers	4,312	8,002	(3,690)	0	0	0.2
FY 2015-16 OCR FTE increase	3,410	3,410	0	0	0	0.0
FY 2015-16 Recruitment and retention	3,259	4,489	(1,230)	0	0	0.1
FY 2015-16 Problem-solving courts FTE	2,293	5,675	(3,382)	0	0	0.0
FY 2015-16 Language access administration	2,064	3,294	(1,230)	0	0	0.1
FY 2015-16 Restorative justice coordinator	1,032	0	1,032	0	0	0.0
FY 2015-16 Courthouse capital and infrastructure maintenance	(1,998,550)	(696,000)	(1,302,550)	0	0	0.0
FY 2015-16 OADC staff support	(40,572)	(40,572)	0	0	0	0.1
<b>TOTAL</b>	<b>(\$1,789,482)</b>	<b>(\$437,842)</b>	<b>(\$1,351,640)</b>	<b>\$0</b>	<b>\$0</b>	<b>3.3</b>

**MANDATED COSTS:** The appropriation eliminates a \$75,000 General Fund appropriation that was available to reimburse the District Attorney in the 18<sup>th</sup> judicial district for costs incurred in the *James Holmes* case.

**ELIMINATE ONE-TIME FUNDING:** The appropriation eliminates \$57,006 General Fund that was added for the State Court Administrator's Office to purchase additional legal services from the Department of Law.

**INDIRECT COST ASSESSMENT:** The appropriation includes a net decrease of \$54,570 in the Department's indirect costs assessments (including a decrease of \$54,659 cash funds and an increase of \$89 reappropriated funds). This decrease in indirect cost assessments requires a fund source adjustment reducing by \$54,570 the amount of department indirect cost recoveries (reappropriated funds) that are applied to offset the need for General Fund in the Courts Administration section.

**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 consists of seven divisions:

- 1 The Executive Director's Office is responsible for providing common services to all divisions, including human resources and accounting services.
- 2 The Division of Unemployment Insurance is responsible for the administration and monitoring of Colorado's unemployment insurance programs, including project management of ongoing unemployment insurance technology improvements.
- 3 The Division of Employment and Training is responsible for the administration of the workforce development programs and state-run workforce centers, and research and analysis on Colorado's employment trends.
- 4 The Division of Labor Standards and Statistics is responsible for ensuring employer compliance with State and federal employment laws.
- 5 The Division of Oil and Public Safety is responsible for the inspection of boilers, conveyances, amusement park and carnival rides, distribution centers of petroleum products, storage sites for explosive materials, and monitoring the clean-up of leaking underground storage tanks.
- 6 The Division of Workers' Compensation is responsible for enforcing workers' compensation laws and the administration of the Major Medical Insurance and Subsequent Injury Funds.
- 7 The Division of Vocational Rehabilitation and Independent Living Services is responsible for: providing vocational rehabilitation services to individuals with disabilities so they can obtain employment and assisting the Independent Living Centers with the provision of independent living services that allow individuals with disabilities to live and work independently in the community of their choice.

## DEPARTMENT BUDGET: RECENT APPROPRIATIONS

FUNDING SOURCE	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
General Fund	\$98,519	\$661,690	\$8,008,584	\$20,786,362
Cash Funds	65,399,832	66,168,686	74,251,770	71,493,888
Reappropriated Funds	650,740	650,740	4,439,547	9,401,877
Federal Funds	97,192,944	100,027,649	100,821,204	142,469,635
<b>TOTAL FUNDS</b>	<b>\$163,342,035</b>	<b>\$167,508,765</b>	<b>\$187,521,105</b>	<b>\$244,151,762</b>
Full Time Equiv. Staff	1,012.5	1,016.5	1,030.3	1,279.8

## GENERAL FACTORS DRIVING THE BUDGET

Funding for this department consists of 8.5 percent General Fund, 29.3 percent cash funds, 3.9 percent reappropriated funds, and 58.4 percent federal funds. Some of the major factors driving the Department's budget are discussed below.

## WORKFORCE DEVELOPMENT PROGRAMS

These programs provide employment services for businesses and job training and placement services for job seekers through a network of state- and county-run one-stop workforce centers. Many workforce development programs are funded with federal funds not subject to appropriation by the General Assembly. Workforce development programs account for 28.6 percent of the total funding for the Department.

## UNEMPLOYMENT INSURANCE PROGRAMS

The Unemployment Insurance Programs (UI Programs) provide temporary compensation to individuals who are laid off through no fault of their own. The appropriation for UI Programs in the Long Bill reflects the cost of administering the UI Programs. Pursuant to Section 8-77-104 (1), C.R.S., the funds used to pay benefits are not subject to appropriation by the General Assembly and do not appear in the Long Bill. Unemployment Insurance claims are paid from the Unemployment Insurance Trust Fund (UITF), which resides in the federal treasury and is maintained by the federal Unemployment Insurance Program.

The appropriation for administering the UI Programs accounts for 17.0 percent of the Department's FY 2016-17 appropriation. Approximately 71.0 percent of the UI Programs appropriation is federal funds. In a healthy economy the number of claims is lower resulting in fewer benefits being paid, which builds up the balance of the UITF. During challenging economic times, the number of claims and benefits paid increases, resulting in a decrease in the balance of the UITF.

## WORKERS' COMPENSATION

Colorado employers are required to carry workers' compensation insurance to pay for medical expenses incurred during the treatment of work-related injuries and for partial wage replacement. The Division of Workers' Compensation provides services to support this mandate including: customer service, claims resolution, employer and employee education, and cost containment programs. The budget for the 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.

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

## TRANSFER OF DIVISION OF VOCATIONAL REHABILITATION AND INDEPENDENT LIVING CENTERS

With passage of S.B. 15-239 (Transfer of the Division of Vocational Rehabilitation) and S.B. 16-093 (Transfer Independent Living Services) the Department of Labor and Employment began administering services previously provided by the Department of Human Services in the newly created Division of Vocational Rehabilitation and Independent Living Services on July 1, 2016. This division, created in FY 2016-17, consists of two subdivisions: (A) Vocational Rehabilitation Programs and (B) Office of Independent Living Services.

(A) Vocational Rehabilitation Programs assists individuals, whose disabilities result in barriers to employment or independent living, with attaining and maintaining employment and/or independent living. At any of the 43 field and satellite offices located throughout the state, rehabilitation counselors work with clients to assess their needs and identify appropriate vocational rehabilitation services. Funding for the Vocational Rehabilitation Programs is 78.7 percent federal funds and 21.3 percent state funds. State funds include General Fund and reappropriated funds primarily from school districts for the School to Work Alliance Program.

(B) Independent Living Services provides funding to the nine Independent Living Centers in Colorado that provide services to individuals with significant disabilities. The goal of independent living services is to provide individuals with the resources and skills to live independently in the community. Funding for independent living services is primarily General Fund. There is a small amount of client cash funds and federal funds.

## APPROPRIATION HIGHLIGHTS - 2016 LEGISLATIVE SESSION

DEPARTMENT OF LABOR AND EMPLOYMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$178,911,115	\$2,698,594	\$74,251,770	\$1,139,547	\$100,821,204	1,023.5
SB 15-239	665,330	665,330	0	0	0	0.0
HB 15-1030	157,950	157,950	0	0	0	0.3
HB 15-1170	118,969	118,969	0	0	0	1.0
HB 15-1230	582,698	582,698	0	0	0	1.0
HB 15-1274	485,043	485,043	0	0	0	2.5
HB 15-1276	6,600,000	3,300,000	0	3,300,000	0	2.0
<b>TOTAL</b>	<b>\$187,521,105</b>	<b>\$8,008,584</b>	<b>\$74,251,770</b>	<b>\$4,439,547</b>	<b>\$100,821,204</b>	<b>1,030.3</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$187,521,105	\$8,008,584	\$74,251,770	\$4,439,547	\$100,821,204	1,030.3
Annualize SB 15-239 (Transfer Voc. Rehab.)	50,566,510	4,973,840	793,571	4,939,313	39,859,786	240.0
SB 16-093 (Transfer Independent Living Services)	7,221,066	6,831,945	29,621	0	359,500	4.0
Centrally appropriated line items	4,587,775	1,618,753	1,018,021	19,817	1,931,184	0.0
Unemployment insurance investigations and criminal enforcement	412,854	0	412,854	0	0	4.5
Skilled WORK program reorganization	0	0	0	0	0	0.0
Reduction for unemployment insurance technology initiatives	(5,466,214)	0	(5,466,214)	0	0	0.0
Annualize prior year budget actions and legislation	(728,084)	(683,510)	(45,735)	3,200	(2,039)	0.3
Reduction for Trade Adjustment Act	(500,000)	0	0	0	(500,000)	0.0
<b>HB 16-1405</b>	<b>\$243,615,012</b>	<b>\$20,749,612</b>	<b>\$70,993,888</b>	<b>\$9,401,877</b>	<b>\$142,469,635</b>	<b>1,279.1</b>
SB 16-179	36,750	36,750	0	0	0	0.5
HB 16-1267	500,000	0	500,000	0	0	0.2
<b>TOTAL</b>	<b>\$244,151,762</b>	<b>\$20,786,362</b>	<b>\$71,493,888</b>	<b>\$9,401,877</b>	<b>\$142,469,635</b>	<b>1,279.8</b>
<b>INCREASE/(DECREASE)</b>	<b>\$56,630,657</b>	<b>\$12,777,778</b>	<b>(\$2,757,882)</b>	<b>\$4,962,330</b>	<b>\$41,648,431</b>	<b>249.5</b>
Percentage Change	30.2%	159.6%	(3.7%)	111.8%	41.3%	24.2%

## FY 2016-17 APPROPRIATION HIGHLIGHTS

**ANNUALIZE SB 15-239 (TRANSFER VOC. REHAB.):** The appropriation includes an increase of \$50,566,510 total funds, including \$4,973,840 General Fund, and 240.0 FTE for the transfer of the Vocational Rehabilitation Programs and Business Enterprise Program from the Department of Human Services pursuant to S.B. 15-239 (Transfer Vocational Rehabilitation from DHS to CDLE).

**SB 16-093 (TRANSFER INDEPENDENT LIVING SERVICES):** The appropriation includes an increase of \$7,221,066 total funds, including \$6,831,945 General Fund and 4.0 FTE for the transfer of independent living services provided by Independent Living Centers from the Department of Human Services pursuant to S.B. 16-093 (Transfer Independent Living 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; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; shift differential; salary survey; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; vehicle lease payments; Capitol complex leased space; payments to the Governor's Office of Information Technology (OIT); and CORE operations.

**UNEMPLOYMENT INSURANCE INVESTIGATIONS AND CRIMINAL ENFORCEMENT UNIT:** The appropriation includes an increase of \$412,854 cash funds and 4.5 FTE for increased staff to address a backlog of approximately 167 cases that exceed the Department-set threshold for UI benefit fraud of \$10,000.

**SKILLED WORK PROGRAM REORGANIZATION:** The appropriation includes the addition of a new line item directing \$3,300,000 General Fund to the Skilled Workers Outreach and Key (WORK) Training Grant Program Cash Fund. House Bill 15-1274 (Skilled Workers Outreach and Key Training Grant Program) requires the General Assembly to appropriate a total of \$10,000,000 over three fiscal years concluding in FY 2017-18.

**REDUCTION FOR UNEMPLOYMENT INSURANCE TECHNOLOGY INITIATIVES:** The appropriation includes a reduction of \$5,466,214 cash funds from the Employment and Training Technology Fund to reflect the Department terminating its contract with its technology vendor and continuing the project with a new vendor. The new project is funded in the capital construction portion of the Long Bill.

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

ANNUALIZE PRIOR YEAR BUDGET ACTIONS AND LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 15-1230 Innovative Industry Workforce Development	\$14,827	\$14,827	\$0	\$0	\$0	0.3
SB 15-239 Transfer of DVR	(665,330)	(665,330)	0	0	0	0.0
FY 15-16 prior year salary survey	(46,233)	(1,303)	(79,185)	3,201	31,054	0.0
HB 15-1170 Increasing Postsecondary and Workforce Readiness	(23,703)	(23,703)	0	0	0	0.0
HB 15-1274 Creation of Career Pathways for Students	(7,055)	(7,055)	0	0	0	0.0
FY 15-16 merit base pay	(590)	(946)	33,450	(1)	(33,093)	0.0
<b>TOTAL</b>	<b>(\$728,084)</b>	<b>(\$683,510)</b>	<b>(\$45,735)</b>	<b>\$3,200</b>	<b>(\$2,039)</b>	<b>0.3</b>

**REDUCTION FOR TRADE ADJUSTMENT ACT:** The appropriation includes a reduction of \$500,000 informational federal funds for the Trade Adjustment Act to more accurately reflect historical actual expenditures for the program.

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

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# DEPARTMENT OF LAW

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

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

## DEPARTMENT BUDGET: RECENT APPROPRIATIONS

FUNDING SOURCE	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
General Fund	\$12,168,714	\$13,575,405	\$15,283,511	\$15,138,947
Cash Funds	12,833,181	15,578,104	15,807,162	15,612,031
Reappropriated Funds	42,227,639	43,867,145	44,919,639	45,630,682
Federal Funds	1,770,364	1,747,272	1,796,425	1,783,034
<b>TOTAL FUNDS</b>	<b>\$68,999,898</b>	<b>\$74,767,926</b>	<b>\$77,806,737</b>	<b>\$78,164,694</b>
Full Time Equiv. Staff	452.5	469.0	477.6	483.5

## GENERAL FACTORS DRIVING THE BUDGET

Funding for this department consists of 19.4 percent General Fund, 20.0 percent cash funds, 58.4 percent reappropriated funds, and 2.3 percent federal funds. Some of the major factors driving the Department's budget are discussed below.

### LEGAL SERVICES TO STATE AGENCIES

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

For FY 2016-17, the General Assembly has authorized the Department of Law to spend up to \$40.5 million providing legal services to state agencies (including associated central appropriations for items such as employee benefits, leased space, and information technology costs). This amount represents 51.8 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 2012-13 TO FY 2016-17

STATE DEPARTMENT	FY 12-13 ACTUAL	FY 13-14 ACTUAL	FY 14-15 ACTUAL	FY 15-16 APPROP./ ESTIM.	FY 16-17 APPROP./ ESTIM.	PERCENT OF TOTAL
Regulatory Agencies	\$7,383,603	\$8,969,467	\$9,965,585	\$10,464,959	\$10,562,762	26.1%
Personnel	2,379,484	3,504,482	4,262,304	4,636,956	5,743,414	14.2%
Natural Resources	3,514,961	4,563,407	5,105,845	4,842,850	4,844,889	12.0%
Revenue	2,740,083	3,409,251	3,971,975	4,183,656	4,565,981	11.3%
Public Health and Environment	2,393,330	2,840,844	2,958,702	3,249,247	2,929,751	7.2%
Human Services	1,401,843	1,680,642	2,122,858	1,751,889	1,675,594	4.1%
Corrections	1,273,306	1,240,836	1,985,056	1,876,733	1,877,523	4.6%
Transportation	956,102	1,265,248	1,488,468	1,561,205	1,561,862	3.9%
Other agencies <sup>1</sup>	<u>4,446,571</u>	<u>5,674,798</u>	<u>6,068,147</u>	<u>6,687,028</u>	<u>6,707,487</u>	16.6%
<b>Total Expenditures/ Appropriation</b>	<b>\$26,489,283</b>	<b>\$33,148,975</b>	<b>\$37,928,939</b>	<b>\$39,254,523</b>	<b>\$40,469,263</b>	100.0%
<i>% change of total from prior year</i>	<i>(2.3%)</i>	<i>25.1%</i>	<i>14.4%</i>	<i>3.5%</i>	<i>3.1%</i>	
<i>% of total Department of Law appropriations</i>	<i>45.3%</i>	<i>48.0%</i>	<i>50.7%</i>	<i>50.6%</i>	<i>51.8%</i>	
<i>% of total state operating appropriations</i>	<i>0.1%</i>	<i>0.1%</i>	<i>0.2%</i>	<i>0.1%</i>	<i>0.1%</i>	
<b>Blended Legal Rate</b>	<b>\$77.25</b>	<b>\$91.08</b>	<b>\$99.01</b>	<b>\$95.01</b>	<b>\$95.05</b>	
<i>% change from prior year</i>	<i>2.0%</i>	<i>17.9%</i>	<i>8.7%</i>	<i>(4.0%)</i>	<i>0.0%</i>	
<b>Total Hours</b>	363,602	413,097	383,082	413,097	425,770	
<i>% change from prior year</i>	<i>6.4%</i>	<i>13.6%</i>	<i>(7.3%)</i>	<i>7.8%</i>	<i>3.1%</i>	

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

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

## CRIMINAL JUSTICE AND APPELLATE

The largest allocation of General Fund in the Department is for the Criminal Justice and Appellate section, which accounts for 38.2 percent of General Fund appropriations to the Department for FY 2016-17. More than half of the General Fund in this section is devoted to the Appellate Unit, which represents the State in criminal appeals, and about one-third is devoted to the Special Prosecutions Unit, which investigates and prosecutes a variety of crimes. The following table provides expenditure and workload data for the Appellate Unit. In FY 2013-14, the General Assembly appropriated funding to add 6.0 attorney FTE to allow the Department to address a growing backlog of criminal appeals cases. The FY 2014-15 appropriation added an additional administrative assistant to support the expanded Appellate Unit. The FY 2016-17 appropriation eliminates 1.0 attorney FTE added on a time-limited basis in FY 2014-15 to address the case backlog.

APPELLATE UNIT DATA: FY 2010-11 TO FY 2015-16

	FY 11-12 Actual	FY 12-13 Actual	FY 13-14 Actual	FY 14-15 Actual	FY 15-16 APPROP.	FY 16-17 APPROP.
Expenditures/Appropriations (excluding central appropriations)	\$2,603,619	\$2,709,335	\$3,230,248	\$3,692,658	\$3,782,761	\$3,854,792
FTE	30.9	31.3	37	37.7	39	38
Opening briefs received	1,171	1,018	911	952	n/a	n/a
Answer briefs filed	894	885	1,149	1,017	n/a	n/a
Case backlog	608	564	272	168	n/a	n/a

## DISTRICT ATTORNEYS' SALARIES

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

people. Upon request, DAs provide legal advice and legal representation to county officers and employees, and render legal advice to peace officers pertaining to affidavits and warrants for arrests, searches, seizures, and court orders for the production of records.

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

The appropriation to the Department of Law for the State's contribution for DA salaries currently accounts for 18.1 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 2015-16			
FISCAL YEAR	EXPENDITURES/ APPROPRIATIONS	ANNUAL INCREASE	CUMULATIVE INCREASE
2007-08	\$1,315,985	n/a	n/a
2008-09	1,654,605	\$338,620	\$338,620
2009-10	2,096,027	441,422	780,042
2010-11	2,263,229	167,202	947,244
2011-12	2,479,847	216,618	1,163,862
2012-13	2,656,471	176,624	1,340,486
2013-14	2,676,960	20,489	1,360,975
2014-15	2,697,640	20,680	1,381,655
2015-16 appropriation	2,718,249	20,609	1,402,264
2016-17 appropriation	2,738,841	20,592	1,422,856

## APPROPRIATION HIGHLIGHTS - 2016 LEGISLATIVE SESSION

DEPARTMENT OF LAW						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2015-16 APPROPRIATION:						
SB 15-234	\$77,257,689	\$14,963,624	\$15,796,431	\$44,703,757	\$1,793,877	476.1
SB 15-014	56,706	0	0	56,706	0	0.3
SB 15-106	8,506	0	0	8,506	0	0.0
SB 15-110	4,726	0	0	4,726	0	0.0
SB 15-196	3,780	0	0	3,780	0	0.0
SB 15-239	18,902	0	0	18,902	0	0.1
HB 15-1063	94,441	94,441	0	0	0	0.8
HB 15-1309	7,426	0	0	7,426	0	0.0
HB 15-1367	229,428	200,000	0	29,428	0	0.1
HB 15-1379	33,254	0	0	33,254	0	0.2
HB 16-1244	91,879	25,446	10,731	53,154	2,548	0.0
<b>TOTAL</b>	<b>\$77,806,737</b>	<b>\$15,283,511</b>	<b>\$15,807,162</b>	<b>\$44,919,639</b>	<b>\$1,796,425</b>	<b>477.6</b>

**DEPARTMENT OF LAW**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
FY 2015-16 Appropriation	\$77,806,737	\$15,283,511	\$15,807,162	\$44,919,639	\$1,796,425	477.6
Centrally appropriated line items	630,548	90,684	127,506	441,404	(29,046)	0.0
Indirect cost assessment	387,901	0	109,102	263,675	15,124	0.0
Senior AAG special prosecution	133,734	133,734	0	0	0	0.9
Colorado River Compact	64,314	0	64,314	0	0	0.5
Safe2Tell software	60,000	60,000	0	0	0	0.0
Consumer protection compliance investigator	58,538	0	58,538	0	0	1.0
District attorney IDD training	55,000	55,000	0	0	0	0.0
Accounting technician	52,632	0	0	52,632	0	1.0
Carr building additional leased space	21,527	6,089	1,999	12,908	531	0.0
Change in grant funding	9,882	0	0	9,882	0	0.0
Fund source adjustments	0	(273,046)	0	273,046	0	0.0
LSSA appropriation adjustment	(875,358)	0	0	(875,358)	0	0.0
POST marijuana reduction	(618,000)	0	(618,000)	0	0	0.0
Special prosecutions marijuana reduction	(150,000)	0	(150,000)	0	0	0.0
Annualize prior year budget actions	(97,273)	(170,906)	11,410	62,223	0	(0.7)
Rocky Mountain Arsenal reduction	(50,000)	0	0	(50,000)	0	0.0
Annualize prior year legislation	(18,199)	(182,061)	200,000	(36,138)	0	0.1
<b>HB 16-1405</b>	<b>\$77,471,983</b>	<b>\$15,003,005</b>	<b>\$15,612,031</b>	<b>\$45,073,913</b>	<b>\$1,783,034</b>	<b>480.4</b>
SB 16-036	100,000	0	0	100,000	0	0.0
SB 16-040	71,258	0	0	71,258	0	0.4
SB 16-058	3,800	0	0	3,800	0	0.0
SB 16-069	3,802	0	0	3,802	0	0.0
SB 16-161	10,071	0	0	10,071	0	0.1
SB 16-193	135,942	135,942	0	0	0	1.0
SB 16-197	228,024	0	0	228,024	0	1.3
HB 16-1034	3,800	0	0	3,800	0	0.0
HB 16-1047	47,505	0	0	47,505	0	0.1
HB 16-1097	23,753	0	0	23,753	0	0.1
HB 16-1160	15,202	0	0	15,202	0	0.1
HB 16-1197	2,850	0	0	2,850	0	0.0
HB 16-1211	9,501	0	0	9,501	0	0.0
HB 16-1261	9,501	0	0	9,501	0	0.0
HB 16-1280	3,800	0	0	3,800	0	0.0
HB 16-1324	9,501	0	0	9,501	0	0.0
HB 16-1328	4,900	0	0	4,900	0	0.0
HB 16-1404	9,501	0	0	9,501	0	0.0
<b>TOTAL</b>	<b>\$78,164,694</b>	<b>\$15,138,947</b>	<b>\$15,612,031</b>	<b>\$45,630,682</b>	<b>\$1,783,034</b>	<b>483.5</b>
<b>INCREASE/(DECREASE)</b>	\$357,957	(\$144,564)	(\$195,131)	\$711,043	(\$13,391)	5.9
Percentage Change	0.5%	(0.9%)	(1.2%)	1.6%	(0.7%)	1.2%

**FY 2015-16 APPROPRIATION - MID-YEAR ADJUSTMENTS**

House Bill 16-1244 adds \$91,879 total funds (including \$25,446 General Fund) in FY 2015-16 to support additional leased space in the Ralph L. Carr Colorado Judicial Center.

## FY 2016-17 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; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; vehicle lease payments; workers' compensation; attorney registration and continuing legal education; legal services; administrative law judges; payment to risk management and property funds; Ralph L. Carr Colorado Judicial Center leased space; payments to the Governor's Office of Information Technology (OIT); and CORE operations.

**INDIRECT COST ASSESSMENT:** The appropriation includes an increase in the department's indirect cost assessment.

**SENIOR AAG SPECIAL PROSECUTION:** The appropriation includes an increase of \$133,734 General Fund and 0.9 FTE to add a senior assistant attorney general to the Special Prosecutions Unit to focus on complex drug trafficking cases in response to an increasing workload.

**COLORADO RIVER COMPACT:** The appropriation includes an increase of \$64,314 cash funds from the Colorado Water Conservation Board Litigation Fund and 0.5 attorney FTE to provide additional support for the defense of the State's interests in the Colorado River Compact.

**SAFE2TELL SOFTWARE:** The appropriation includes an increase of \$60,000 General Fund to support the Department's contract for anonymous tip reporting software for the Safe2Tell Program.

**CONSUMER PROTECTION COMPLIANCE INVESTIGATOR:** The appropriation includes an increase of \$58,538 cash funds from custodial funds and 1.0 FTE to support an additional consumer protection compliance investigator. Appropriations of custodial funds are reflected in the Long Bill for informational purposes only.

**DISTRICT ATTORNEY IDD TRAINING:** The appropriation includes an increase of \$55,000 General Fund for district attorneys and district attorney investigators to attend training related to prosecuting cases of mistreatment of individuals with intellectual and developmental disabilities.

**ACCOUNTING TECHNICIAN:** The appropriation includes an increase of \$52,632 reappropriated funds from indirect cost recoveries and 1.0 FTE to allow the Department to hire an additional accounting technician based on increasing workload.

**CARR BUILDING ADDITIONAL LEASED SPACE:** The appropriation includes an increase of \$21,527 total funds (including \$6,089 General Fund) above the FY 2015-16 appropriation as adjusted by the Department's FY 2015-16 supplemental bill (H.B. 16-1244) for additional leased space in the Ralph L. Carr Judicial Center. The incremental increase in FY 2016-17 (above the supplemental appropriation) will allow the Department to secure additional space to build out a dedicated computer training room to support the Department's training activities.

**CHANGE IN GRANT FUNDING:** The appropriation reflects an anticipated increase of \$9,882 in the total amount of grant funding available from the Department of Public Safety (reflected as reappropriated funds in the Department of Law) for efforts to investigate and prosecute multi-jurisdictional auto theft. Section 24-31-108 (1) (b) (I), C.R.S., continuously appropriates grant funds to the Department of Law. Thus, the appropriation is shown in the Long Bill for informational purposes only.

**FUND SOURCE ADJUSTMENTS:** The appropriation includes a decrease in General Fund that is offset by an increase in reappropriated funds from indirect cost recoveries.

**LSSA APPROPRIATION ADJUSTMENT:** The appropriation includes a decrease of \$875,358 reappropriated funds from the Legal Services Cash Fund to align with estimates of legal services expenditures for FY 2016-17.

**POST MARIJUANA REDUCTION:** The appropriation includes a reduction of \$618,000 cash funds from the Marijuana Tax Cash Fund appropriated to the Peace Officers' Standards and Training (P.O.S.T.) Board for marijuana training and development grants to align with the P.O.S.T. Board's anticipated marijuana-related expenditures for FY 2016-17.

**SPECIAL PROSECUTIONS MARIJUANA REDUCTION:** The appropriation includes a reduction of \$150,000 cash funds from the Marijuana Tax Cash Fund for the Special Prosecutions Unit in FY 2016-17 to better align the appropriation with the Unit's anticipated marijuana training expenditures.

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

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 13-14 Appellate Unit attorney	(\$84,959)	(\$84,959)	\$0	\$0	\$0	(1.0)
FY 15-16 CORA and OML attorney	2,662	2,662	0	0	0	0.1
FY 15-16 Salary survey and merit pay	0	(84,269)	12,640	71,629	0	0.0
FY 15-16 Legislative liaison	(4,703)	0	0	(4,703)	0	0.0
FY 15-16 Contract administrator	(4,703)	0	0	(4,703)	0	0.0
FY 15-16 Office of Community Engagement	(4,340)	(4,340)	0	0	0	0.2
FY 15-16 Tobacco legal assistant	(1,230)	0	(1,230)	0	0	0.0
<b>TOTAL</b>	<b>(\$97,273)</b>	<b>(\$170,906)</b>	<b>\$11,410</b>	<b>\$62,223</b>	<b>\$0</b>	<b>(0.7)</b>

**ROCKY MOUNTAIN ARSENAL REDUCTION:** The appropriation eliminates \$50,000 reappropriated funds that previously supported natural resource damage work at the Rocky Mountain Arsenal based on a lack of use of the funding.

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

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 15-1063 Prohibited Communications Concerning Patents	\$17,939	\$17,939	\$0	\$0	\$0	0.2
HB 15-1367 Retail Marijuana Taxes	1	(200,000)	200,000	1	0	0.0
SB 15-239 Transfer of Vocational Rehab Programs	(18,902)	0	0	(18,902)	0	(0.1)
SB 15-106 Regulation of Barbers and Cosmetologists	(8,506)	0	0	(8,506)	0	0.0
HB 15-1309 Placement of ITR by Dental Hygienists	(4,951)	0	0	(4,951)	0	0.0
SB 15-110 Regulation of Funeral Establishments	(3,780)	0	0	(3,780)	0	0.0
<b>TOTAL</b>	<b>(\$18,199)</b>	<b>(\$182,061)</b>	<b>\$200,000</b>	<b>(\$36,138)</b>	<b>\$0</b>	<b>0.1</b>

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

# LEGISLATIVE BRANCH

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

## DEPARTMENT BUDGET: RECENT APPROPRIATIONS

FUNDING SOURCE	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
General Fund	\$38,592,648	\$40,962,675	\$43,297,162	\$44,789,293
Cash Funds	179,000	179,000	179,000	179,000
Reappropriated Funds	1,627,371	903,816	1,165,000	900,000
Federal Funds	0	0	0	0
<b>TOTAL FUNDS</b>	<b>\$40,399,019</b>	<b>\$42,045,491</b>	<b>\$44,641,162</b>	<b>\$45,868,293</b>
Full Time Equiv. Staff	272.6	278.6	281.3	285.0

## GENERAL FACTORS DRIVING THE BUDGET

Funding for this department consists of 97.6 percent General Fund, 0.4 percent cash funds, and 2.0 percent reappropriated funds. Some of the major factors driving the Department's budget are discussed below.

### SPECIAL STUDIES OR FUNCTIONS

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

#### LEGISLATIVE SPECIAL STUDIES

SPECIAL STUDY	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 ESTIMATE	FY 2016-17 ESTIMATE
Property Tax Study	\$600,000	\$630,000	\$630,000	\$660,000
Ballot Analysis	\$628,781	\$998,534	\$670,000	\$1,700,000

# APPROPRIATION HIGHLIGHTS - 2016 LEGISLATIVE SESSION

LEGISLATIVE DEPARTMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-191 (Legislative Appropriation)	\$40,475,144	\$39,381,144	\$179,000	\$915,000	\$0	\$280.6
SB 15-234 (Long Bill)	4,012,160	3,762,160	0	250,000	0	0.0
SB 15-029	100,000	100,000	0	0	0	0.0
SB 15-214	25,857	25,857	0	0	0	0.3
SB 15-256	9,587	9,587	0	0	0	0.1
HB 15-1057	18,414	18,414	0	0	0	0.3
<b>TOTAL</b>	<b>\$44,641,162</b>	<b>\$43,297,162</b>	<b>\$179,000</b>	<b>\$1,165,000</b>	<b>\$0</b>	<b>281.3</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$44,641,162	\$43,297,162	\$179,000	\$1,165,000	\$0	281.3
Salary/benefits/operating adjustments	775,510	790,510	0	(15,000)	0	0.0
Centrally appropriated line items	278,117	278,117	0	0	0	0.0
Property tax study	30,000	30,000	0	0	0	0.0
Ballot analysis	10,670	10,670	0	0	0	0.0
Cost of living study	(250,000)	0	0	(250,000)	0	0.0
Annualize prior year legislation	(100,000)	(100,000)	0	0	0	0.0
HB 16-1353 (Legislative Appropriation) <sup>1</sup>	41,573,865	40,494,865	179,000	900,000	0	281.3
HB 16-1405 (Long Bill) <sup>1</sup>	3,811,594	3,811,594	0	0	0	0.0
SB 16-163	26,111	26,111	0	0	0	0.4
SB 16-183	19,698	19,698	0	0	0	0.3
SB 16-203	212,149	212,149	0	0	0	2.7
HB 16-1077	21,628	21,628	0	0	0	0.3
HB 16-1172	3,248	3,248	0	0	0	0.0
HB 16-1411	200,000	200,000	0	0	0	0.0
<b>TOTAL</b>	<b>\$45,868,293</b>	<b>\$44,789,293</b>	<b>\$179,000</b>	<b>\$900,000</b>	<b>\$0</b>	<b>285.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$1,227,131</b>	<b>\$1,492,131</b>	<b>\$0</b>	<b>(\$265,000)</b>	<b>\$0</b>	<b>3.7</b>
Percentage Change	2.7%	3.4%	0.0%	(22.7%)	n/a	1.3%

<sup>1</sup> The FY 2015-16 Appropriation plus the sum of the appropriation highlights equals the combined appropriation in H.B. 16-1353 (Legislative Appropriation) and H.B. 16-1405 (Long Bill).

## FY 2016-17 APPROPRIATION HIGHLIGHTS

**SALARY/BENEFITS/OPERATING ADJUSTMENTS:** The appropriation includes a net increase of \$775,510, including \$790,510 General Fund, that is primarily the result of changes in health, life, and dental insurance benefits; increases to specific agencies' personal services, operating, and travel budgets; an increase for non-metro legislator per diem pursuant to statute; increases for the Legislative Aides Program; and dues for joint governmental agencies.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items for the following: supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund, Capitol Complex maintenance costs, workers compensation, payments to risk management and property funds, payments for the state accounting system (Colorado Operations Resource Engine), and legal services. These increases are offset by a decrease in information technology costs.

**PROPERTY TAX STUDY:** 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.

**BALLOT ANALYSIS:** The appropriation includes an increase of \$10,670 General Fund for the costs associated with an analysis of measures on the ballot. Section 1 (7.5) of Article V of the State Constitution requires the nonpartisan research staff of the General Assembly to perform this function.

**COST OF LIVING STUDY:** The appropriation includes a decrease of \$250,000 reappropriated funds from a transfer from the Department of Education for a cost of living study. Legislative Council staff, pursuant to Section 22-54-104 (5) (c) (III) (A), C.R.S., is required to certify the cost of living factor for each school district every two years based on a cost of living analysis that is typically conducted through a contract. The appropriation is eliminated for FY 2016-17 as the Legislative Council staff is not required to perform the analysis in FY 2016-17.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes a decrease of \$100,000 General Fund for the second year impact related to S.B. 15-029 (Volunteer Firefighter Pension Plan Study).

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

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# DEPARTMENT OF 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 four sections: the Executive Director’s Office, Property Taxation, the Division of Housing, and the Division of Local Government.

## DEPARTMENT BUDGET: RECENT APPROPRIATIONS

FUNDING SOURCE	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
General Fund <sup>1</sup>	\$17,710,455	\$22,039,101	\$24,626,224	\$26,012,580
Cash Funds	213,224,629	209,046,453	209,312,306	194,098,487
Reappropriated Funds	8,630,903	9,412,579	10,487,107	10,915,745
Federal Funds	69,956,340	70,345,868	76,876,045	75,085,768
<b>TOTAL FUNDS</b>	<b>\$309,522,327</b>	<b>\$310,844,001</b>	<b>\$321,301,682</b>	<b>\$306,112,580</b>
Full Time Equiv. Staff	164.3	168.4	172.5	173.9

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

## GENERAL FACTORS DRIVING THE BUDGET

Funding for this department consists of 8.5 percent General Fund, 63.4 percent cash funds, 3.6 percent reappropriated funds, and 24.5 percent federal funds. Some of the major factors driving the Department’s budget are discussed below.

### DEDICATED FUNDING SOURCES

The Department awards grants and oversees direct distributions to local governments for various programs with dedicated cash fund revenue sources. The FY 2016-17 appropriation for the Department reflects \$180.1 million cash funds for these programs or nearly sixty percent of the Department’s overall budget. These amounts are shown for informational purposes only, and actual expenditures may differ significantly from the amounts shown in the Long Bill. They include:

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

Available revenue, rather than Long Bill appropriations, determines the amount of funding allocated to local governments for these programs. The following table summarizes recent actual and estimated revenue.

**MAJOR CONSTITUTIONALLY OR STATUTORILY DEDICATED CASH REVENUES  
ADMINISTERED BY THE DEPARTMENT OF LOCAL AFFAIRS (\$ MILLIONS)**

REVENUES	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 ESTIMATE <sup>1</sup>	FY 2016-17 ESTIMATE <sup>1</sup>
Severance Tax	\$66.3	127.1	\$140.1	\$33.1	\$38.5
Federal Mineral Lease <sup>2</sup>	48.9	72.3	59.6	38.6	40.7
Conservation Trust Fund	54.3	52.1	51.2	57.0	50.1
Limited Gaming Fund	5.0	5.0	5.0	4.9	4.9
<b>TOTALS</b>	<b>\$174.5</b>	<b>\$256.5</b>	<b>\$255.9</b>	<b>\$133.6</b>	<b>\$134.2</b>

<sup>1</sup> Severance Tax and Federal Mineral Lease Revenue estimates are based on the June 2016 Legislative Council Staff forecast.

<sup>2</sup> Excludes additional distributions authorized pursuant to Section 34-63-102 (1) (c) (I) (III), C.R.S.

As reflected in the table, severance tax and federal mineral lease revenue is volatile. Oil, gas, and mineral prices and production volumes dictate annual revenue, and these are difficult to project. Further, funds received in one year are not always awarded in the same year and, once awarded, may be expended over multiple years. Because of this, the informational amount included in the Long Bill for Local Government Mineral and Energy Impact Grants and Disbursements is not typically adjusted from year to year. However, in light of actual and projected declines in severance tax and federal mineral lease revenues, this figure was reduced from \$150.0 million to \$125.0 million for FY 2016-17.

Severance tax revenues distributed to local governments are likely to be cut further based on the April 2016 State Supreme Court decision in *BP America vs. the Colorado Department of Revenue*. This decision broadened the array of costs oil and gas companies are allowed to deduct when calculating severance tax obligations. As a result, the State expects to refund significant severance tax revenues to oil and gas companies in FY 2015-16 and FY 2016-17. In addition, it anticipates ongoing funding reductions from this revenue source. Senate Bill 16-218 (State Severance Tax Refunds) freezes \$48.3 million in revenue in the Local Government Severance Tax Fund from distribution to local governments for grants pending further action by the Joint Budget Committee.

## FEDERAL FUNDS

Federal funds comprise about one quarter (\$75.1 million) of the Department of Local Affairs' FY 2016-17 appropriation. Most of the Department's federally-funded programs do not require state matching funds and are provided at the discretion of federal authorities. Annual expenditures from some of the major ongoing federal grants administered by this department are summarized in the following table.

**ANNUAL EXPENDITURES FROM MAJOR ONGOING FEDERAL GRANTS  
ADMINISTERED BY DEPARTMENT OF LOCAL AFFAIRS (\$ MILLIONS)<sup>1</sup>**

	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 APPROP. <sup>2</sup>	FY 2016-17 APPROP. <sup>2</sup>
Federal Department of Housing and Urban Development (HUD) rental subsidies	\$45.2	\$40.3	\$43.6	\$48.0	\$45.4
HUD affordable housing development <sup>3</sup>	8.1	6.5	5.5	7.5	12.0
HUD Community Development Block Grant <sup>3</sup>	6.1	7.2	14.0	8.5	5.2
Health and Human Services Community Services Block Grant	6.4	5.4	5.6	6.0	6.0
HUD Emergency Shelter and Homeless Prevention Programs	1.0	2.2	1.5	1.8	1.5

<sup>1</sup> Amounts exclude portions used for administration and overhead.

<sup>2</sup> Reflects amounts shown for informational purposes in the Long Bill in FY 2015-16 and FY 2016-17. The Emergency Shelter and Homeless Prevention amount is higher than the Long Bill estimate based on updated information.

<sup>3</sup> The portion of the Community Development Block Grant (CDBG) used for affordable housing development is included in the affordable housing development amount, rather than the CDBG amount. The CDBG amount does not include CDBG-DR (disaster recovery) amounts that are not reflected in the Long Bill.

# APPROPRIATION HIGHLIGHTS - 2016 LEGISLATIVE SESSION

## DEPARTMENT OF LOCAL AFFAIRS

	TOTAL FUNDS	GENERAL FUND <sup>1,2</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$319,746,653	\$23,257,038	\$209,158,832	\$10,454,738	\$76,876,045	169.7
SB 15-029	4,271	4,271	0	0	0	0.0
HB 15-1033	364,915	364,915	0	0	0	0.3
HB 15-1225	32,369	0	0	32,369	0	0.5
HB 15-1367	1,153,474	1,000,000	153,474	0	0	2.0
<b>TOTAL</b>	<b>\$321,301,682</b>	<b>\$24,626,224</b>	<b>\$209,312,306</b>	<b>\$10,487,107</b>	<b>\$76,876,045</b>	<b>172.5</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$321,301,682	\$24,626,224	\$209,312,306	\$10,487,107	\$76,876,045	172.5
Local Government Permanent Fund	8,750,000	0	8,750,000	0	0	0.0
Fort Lyon Supportive Residential Community	1,765,786	1,765,786	0	0	0	1.0
Community Choice Transition housing vouchers	1,300,125	1,300,125	0	0	0	0.0
Centrally appropriated line items	648,666	180,033	116,729	161,514	190,390	0.0
Indirect cost adjustment	178,955	(112,049)	34,456	291,613	(35,065)	0.0
Reflect decline in severance tax and FML revenue	(25,000,000)	0	(25,000,000)	0	0	0.0
Adjust federal funds	(1,944,033)	0	0	0	(1,944,033)	0.0
Other technical adjustments	(470,000)	(470,000)	0	0	0	0.0
Annualize prior year legislation	(328,396)	(1,304,232)	993,344	(17,508)	0	(0.2)
Unused cash spending authority	(111,444)	0	(107,444)	(4,000)	0	0.0
Annualize prior year budget actions	(8,031)	(2,577)	(904)	(2,981)	(1,569)	0.1
<b>HB 16-1405</b>	<b>\$306,083,310</b>	<b>\$25,983,310</b>	<b>\$194,098,487</b>	<b>\$10,915,745</b>	<b>\$75,085,768</b>	<b>173.4</b>
HB 16-1175	29,270	29,270	0	0	0	0.5
<b>TOTAL</b>	<b>\$306,112,580</b>	<b>\$26,012,580</b>	<b>\$194,098,487</b>	<b>\$10,915,745</b>	<b>\$75,085,768</b>	<b>173.9</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$15,189,102)</b>	<b>\$1,386,356</b>	<b>(\$15,213,819)</b>	<b>\$428,638</b>	<b>(\$1,790,277)</b>	<b>1.4</b>
Percentage Change	(4.7%)	5.6%	(7.3%)	4.1%	(2.3%)	0.8%

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

<sup>2</sup>Includes \$4,700,000 in FY 2015-16 and \$4,230,000 in FY 2016-17 that is exempt from the statutory limit on state General Fund appropriations pursuant to Section 24-75-201.1, C.R.S.

### FY 2016-17 APPROPRIATION HIGHLIGHTS

**LOCAL GOVERNMENT PERMANENT FUND:** The appropriation includes an increase of \$8,750,000 from the Local Government Permanent Fund. Statute permits this appropriation based on a Legislative Council Staff projection that federal mineral lease (FML) revenue will decline by more than 10.0 percent from FY 2014-15 to FY 2015-16. These funds will be distributed in the same manner and proportions as other direct distributions of FML revenue to local governments. This amount represents the current estimate of funds that will be available in the Permanent Fund in FY 2016-17.

**FORT LYON SUPPORTIVE RESIDENTIAL COMMUNITY:** The appropriation includes an increase of \$1,765,786 General Fund and 1.0 FTE to support the operation of the Fort Lyon Supportive Residential Community, pending a federal decision on whether the program is eligible or ineligible for federal financial support. The Community is a 250-bed transitional housing program for chronically homeless people with substance abuse issues. It is located on the historic Fort Lyon campus in Bent County.

**COMMUNITY CHOICE TRANSITION HOUSING VOUCHERS:** The appropriation includes an increase of \$1,300,125 General Fund for 150 new Community Choice Transition (CCT) vouchers for individuals seeking to leave or avoid institutional placement and for increased costs for vouchers for those already enrolled in the Medicaid CCT 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; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; salary survey; workers' compensation; legal services; payment to risk management and property funds; vehicle lease payments; Capitol complex leased space; payments to the Governor's Office of Information Technology (OIT); and CORE operations.

**INDIRECT COST ADJUSTMENT:** The appropriation includes a net increase of \$178,955 total funds, including a reduction of \$112,049 General Fund, based on adjustments in the Department's indirect cost assessment plan as well as amounts available in the Department's Indirect Cost Excess Recoveries Cash Fund.

**REFLECT DECLINE IN SEVERANCE TAX AND FML REVENUE:** The appropriation includes a reduction of \$25.0 million cash funds for Local Government Mineral and Energy Impact Grants and Disbursements based on recent trends in severance tax and federal mineral lease (FML) revenue available for distribution to local governments. This line item is shown for informational purposes only in the Long Bill.

**ADJUST FEDERAL FUNDS:** The appropriation includes a decrease of \$1,944,033 federal funds reflected for informational purposes only. This includes various adjustments in the Divisions of Housing and Local Government.

**OTHER TECHNICAL ADJUSTMENTS:** The appropriation includes an adjustment to align an informational General Fund appropriation for volunteer firefighter pensions and benefits with the Legislative Council Staff General Fund revenue forecast.

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

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 15-033 Strategic Planning Group on Aging	(\$299,961)	(\$299,961)	\$0	\$0	\$0	0.0
HB 15-1225 Federal Land Coordination	(17,508)	0	0	(17,508)	0	(0.2)
HB 15-1367 Retail Marijuana Taxes	(6,656)	(1,000,000)	993,344	0	0	0.0
SB 15-029 Volunteer Firefighter Pension Study	(4,271)	(4,271)	0	0	0	0.0
<b>TOTAL</b>	<b>(\$328,396)</b>	<b>(\$1,304,232)</b>	<b>\$993,344</b>	<b>(\$17,508)</b>	<b>\$0</b>	<b>(0.2)</b>

**UNUSED CASH SPENDING AUTHORITY:** The appropriation includes a reduction of \$111,444 total funds for unused cash spending authority. This includes a reduction of \$70,000 cash funds for Other Local Government Grants based on the balance of funds anticipated to be available in the Colorado Heritage Communities Grant Fund, a reduction of \$37,444 cash funds from the Moffat Tunnel Cash Fund appropriation in light of the recent level of expenditures from the Fund, and a reduction of \$4,000 reappropriated funds for amounts previously transferred from the Governor's Office that are no longer available.

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

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 15-16 Salary survey and merit pay	(\$7,338)	(\$1,884)	(\$904)	(\$2,981)	(\$1,569)	0.0
FY 15-16 Improve statutory compliance	(693)	(693)	0	0	0	0.1
<b>TOTAL</b>	<b>(\$8,031)</b>	<b>(\$2,577)</b>	<b>(\$904)</b>	<b>(\$2,981)</b>	<b>(\$1,569)</b>	<b>0.1</b>

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

# DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

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

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

Approximately 95.4 percent of the Department's budget is federal funds, 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 the cooperative agreements with the federal government, the State provides funding for 50.0 percent of maintenance and utilities costs at the fifteen armories located on state land, and between 20.0 to 25.0 percent of costs at four other facilities.

## DEPARTMENT BUDGET: RECENT APPROPRIATIONS

FUNDING SOURCE	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
General Fund	\$7,378,715	\$8,244,667	\$8,294,927	\$8,305,504
Cash Funds	1,239,695	1,282,783	1,281,079	1,211,976
Reappropriated Funds	800,000	1,100,000	800,000	800,000
Federal Funds	214,439,842	214,750,293	215,007,350	215,094,209
<b>TOTAL FUNDS</b>	<b>\$223,858,252</b>	<b>\$225,377,743</b>	<b>\$225,383,356</b>	<b>\$225,411,689</b>
Full Time Equiv. Staff	1,389.6	1,391.2	1,392.3	1,392.4

## GENERAL FACTORS DRIVING THE BUDGET

Funding for this department consists of 3.7 percent General Fund, 0.5 percent cash funds, 0.4 percent reappropriated funds, and 95.4 percent federal funds. Some of the major factors driving the Department's budget are discussed below. The primary factors driving the budget are National Guard operations and services provided for veterans. The Department also provides limited assistance to the Colorado Wing of the Civil Air Patrol.

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

COLORADO NATIONAL GUARD AUTHORIZED STRENGTH AND MEMBERSHIP				
TOTAL AUTHORIZED STRENGTH	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Army National Guard	3,987	3,999	3,978	3,832
Air National Guard	1,519	1,553	1,566	1,557
<b>TOTAL NATIONAL GUARD MEMBERS</b>				
	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Army National Guard	3,988	4,002	3,986	3,933
Air National Guard	1,500	1,533	1,533	1,535
<b>TOTAL</b>	<b>5,488</b>	<b>5,535</b>	<b>5,519</b>	<b>5,468</b>
Percentage of Slots Filled	99.7%	99.7%	99.5%	101.5%

## DIVISION OF VETERANS AFFAIRS

The primary budget drivers for the Division of Veterans Affairs (DVA) are the number of veterans who need assistance with federal benefits claims, the amount of Tobacco Master 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 are Veterans Service Operations. The Division 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. The Division administers the Veterans Assistance Grant 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.

From July 1, 2015 through May 30, 2016, the DVA and the County Veterans Service Officer program have assisted with 19,057 benefit claims from veterans. For FY 2015-16, the number of veterans in Colorado eligible to receive assistance is 413,271.

## APPROPRIATION HIGHLIGHTS - 2016 LEGISLATIVE SESSION

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$225,391,179	\$8,285,043	\$1,281,079	\$800,000	\$215,025,057	1,392.3
HB 16-1245	(7,823)	9,884	0	0	(17,707)	0.0
<b>TOTAL</b>	<b>\$225,383,356</b>	<b>\$8,294,927</b>	<b>\$1,281,079</b>	<b>\$800,000</b>	<b>\$215,007,350</b>	<b>1,392.3</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$225,383,356	\$8,294,927	\$1,281,079	\$800,000	\$215,007,350	1,392.3
Centrally appropriated line items	96,718	4,529	4,276	0	87,913	0.0
Annualize prior year budget actions	4,994	6,048	0	0	(1,054)	0.1
Tobacco Master Settlement revenue adjustment	(73,379)	0	(73,379)	0	0	0.0
<b>HB 16-1405</b>	<b>\$225,411,689</b>	<b>\$8,305,504</b>	<b>\$1,211,976</b>	<b>\$800,000</b>	<b>\$215,094,209</b>	<b>1,392.4</b>
<b>TOTAL</b>	<b>\$225,411,689</b>	<b>\$8,305,504</b>	<b>\$1,211,976</b>	<b>\$800,000</b>	<b>\$215,094,209</b>	<b>1,392.4</b>
<b>INCREASE/(DECREASE)</b>	<b>\$28,333</b>	<b>\$10,577</b>	<b>(\$69,103)</b>	<b>\$0</b>	<b>\$86,859</b>	<b>0.1</b>
Percentage Change	0.0%	0.1%	(5.4%)	0.0%	0.0%	0.0%

## FY 2015-16 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 16-1245 modifies the FY 2015-16 appropriations to reduce vehicle lease payments by \$7,823 General Fund and to refinance the Capitol Complex Leased Space payments, with an increase of \$17,707 General Fund and a decrease of \$17,707 federal funds.

## FY 2016-17 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; workers' compensation; shift differential; legal services; payment to risk management and property funds; vehicle lease payments; payments to the Governor's Office of Information Technology (OIT); Capitol complex leased space; and CORE operations.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes a net increase of \$4,994 total funds, including \$6,048 General Fund, and 0.1 FTE for adjustments for the second-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 15-16 State protocol vehicle	\$6,292	\$6,292	\$0	\$0	\$0	0.0
FY 15-16 Process improvement and safety champion	618	618	0	0	0	0.1
FY 15-16 Salary survey and merit pay	(1,916)	(862)	0	0	(1,054)	0.0
<b>TOTAL</b>	<b>\$4,994</b>	<b>\$6,048</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$1,054)</b>	<b>0.1</b>

**TOBACCO MASTER SETTLEMENT REVENUE ADJUSTMENT:** The appropriation includes a reduction of \$73,379 cash funds based on the Legislative Council Staff FY 2016-17 Tobacco Master Settlement revenue projection.

# DEPARTMENT OF NATURAL RESOURCES

The Department of Natural Resources is responsible for developing, protecting, and enhancing Colorado's natural resources for the use and enjoyment of present and future residents and visitors. The Department is comprised of the following divisions: the Executive Director's Office, including the Colorado Avalanche Information Center; the Division of Reclamation, Mining, and Safety; the Oil and Gas Conservation Commission; the State Board of Land Commissioners; the Division of Parks and Wildlife; the Colorado Water Conservation Board; and the Water Resources Division.

## DEPARTMENT BUDGET: RECENT APPROPRIATIONS

FUNDING SOURCE	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
General Fund	\$25,126,713	\$26,309,329	\$27,671,518	\$28,742,941
Cash Funds	215,232,947	192,487,142	198,404,864	202,967,586
Reappropriated Funds	8,778,322	8,103,450	8,701,045	7,703,225
Federal Funds	28,538,422	28,852,895	29,141,800	26,641,222
<b>TOTAL FUNDS</b>	<b>\$277,676,404</b>	<b>\$255,752,816</b>	<b>\$263,919,227</b>	<b>\$266,054,974</b>
Full Time Equiv. Staff	1,439.1	1,444.7	1,462.6	1,462.7

## GENERAL FACTORS DRIVING THE BUDGET

Funding for the Department of Natural Resources in FY 2016-17 consists of 10.8 percent General Fund, 76.3 percent cash funds, 2.9 percent reappropriated funds, and 10.0 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) (a), C.R.S., total severance tax revenues are divided equally between the State Severance Tax Trust Fund, administered by the Department of Natural Resources, and the Local Government Severance Tax Fund, which is administered by the Department of Local Affairs to provide funding to local governments impacted by mining activities. Of revenues credited to the State Severance Tax Trust Fund, 50.0 percent (or 25.0 percent of total severance tax revenues) are allocated to the Severance Tax Perpetual Base Fund, used by the Colorado Water Conservation Board for water construction projects. The other 50.0 percent of State Severance Tax Trust Fund revenues (or 25.0 percent of total severance tax revenues) are allocated to the Severance Tax Operational Fund for "programs that promote and encourage sound natural resource planning, management, and development related to minerals, energy, geology, and water."

Severance tax revenues are highly variable and programs supported by the Operational Fund are divided into two tiers to manage the impact of this variability. Tier I expenditures primarily support employee salaries and on-going costs for programs in the Department. The required reserve for Tier I programs is equal to total appropriations for Tier I programs in a given fiscal year. Tier II 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 II programs is equal to 15.0 percent of the authorized expenditures for Tier II programs in that fiscal year. Tier II programs are subject to proportional reductions if revenue projections indicate there are insufficient funds available to support authorized expenditures.

Based on the March 2016 Legislative Council Staff severance tax revenue forecast, Tier II programs received 91.0 percent of authorized distributions in FY 2015-16 after proportional reductions of 9.0 percent. For FY 2016-17, however, there will only be sufficient revenue to fund Tier I appropriations and Tier II funding will be completely eliminated. This is due, in part, to a \$10.0 million restriction on expenditures that was included as a provision in S.B. 16-218 (State Severance Tax Refunds) and a reduction of \$604,235 in FY 2015-16 revenue for the Operational Fund's share of the payment to BP America required by the April 2016 Colorado Supreme Court decision in *BP America v. Colorado Department of Revenue*. For additional information on S.B. 16-218, see the "Recent Legislation" section at the end of Part III of this department.

SEVERANCE TAX OPERATIONAL FUND SUMMARY						
	FY 11-12 ACTUAL	FY 12-13 ACTUAL	FY 13-14 ACTUAL	FY 14-15 ACTUAL	FY 15-16 ESTIMATE	FY 16-17 ESTIMATE
Beginning Balance	\$18,439,558	\$25,665,238	\$18,981,012	\$34,935,927	\$52,247,465	\$7,028,207
Revenues	50,090,625	32,567,255	65,222,486	68,307,732	19,192,146 <sup>a</sup>	24,658,270
Transfers to General Fund	(3,950,000)	0	0	0	0	0
<b>TOTAL FUNDS AVAILABLE</b>	<b>\$64,580,183</b>	<b>\$58,232,493</b>	<b>\$84,203,498</b>	<b>\$103,243,659</b>	<b>\$71,439,611</b>	<b>\$31,686,477</b>
Tier I Appropriations	\$13,565,154	\$13,612,136	\$13,135,215	\$12,680,817	\$14,902,036	\$17,740,680
Tier II Transfers <sup>b</sup>	25,301,072	25,610,752	36,078,691	38,251,072	38,306,151	0
SB 16-218 Restricted Funds <sup>c</sup>	0	0	0	0	10,000,000	0
Other <sup>d</sup>	48,720	28,593	53,665	64,305	1,203,217	375,000
<b>TOTAL EXPENDITURES</b>	<b>\$38,914,946</b>	<b>\$39,251,481</b>	<b>\$49,267,571</b>	<b>\$50,996,194</b>	<b>\$64,411,404</b>	<b>\$18,115,680</b>
Ending Balance	\$25,665,237	\$18,981,012	\$34,935,927	\$52,247,465	\$7,028,207	\$13,570,797
Tier I and II Reserve Requirements	17,360,315	17,974,796	18,497,876	18,418,478	21,213,747	20,293,674
<b>UNOBLIGATED BALANCE</b>	<b>\$8,304,922</b>	<b>\$1,006,216</b>	<b>\$16,438,051</b>	<b>\$33,828,987</b>	<b>(\$14,185,540)</b>	<b>(\$6,722,877)</b>

<sup>a</sup> Includes a reduction of \$604,235 in FY 2015-16 for the Operational Fund's share of the amount owed to BP America as a result of the Colorado Supreme Court ruling in *BP America v. Colorado Department of Revenue*.

<sup>b</sup> Tier II spending in FY 2015-16 and FY 2016-17 is based on the March 2016 Legislative Council Staff Revenue Forecast.

<sup>c</sup> Senate Bill 16-218 (State Severance Tax Refunds) included a provision restricting \$10.0 million in Operational Fund revenue from being spent for any purpose. This restriction may be released upon a majority vote of the Joint Budget Committee.

<sup>d</sup> Includes roll-forwards and off the top expenditures. See Appendix F for more detail.

## STATE BOARD OF LAND COMMISSIONERS

The State Board of Land Commissioners (State Land Board) manages agricultural, commercial, mineral, and other leases on eight public trusts of land and is tasked with generating reasonable and consistent revenue for trust beneficiaries over time. Total trust revenues have more than tripled over the past ten years, with a record high of \$191.4 million in FY 2014-15. This growth is largely driven by record bonus payments on mineral leases and by rental payments and royalties on oil and gas production, which accounted for more than 82 percent of total trust revenue last year. However, bonus payments are expected to taper off significantly over the next two years as the number of available land parcels decreases and payments for oil and gas development leases on the State Land Board's Lowry Range and 70 Ranch properties are completed.

The Public School Trust benefiting K-12 education is the largest of the trusts managed by the State Land Board, accounting for more than 98.0 percent of total trust revenues. House Bill 08-1335, also known as the Building Excellent Schools Today or BEST Act, significantly changed the distribution of state public school land revenue (see Section 22-43.7-104, C.R.S.). Fifty percent of the gross amount of income received during the fiscal year from state public school lands is deposited in the Public School Capital Construction Assistance Fund for the BEST program. Of the remaining 50.0 percent, approximately \$10.2 million will support State Land Board operations and the Investment and Development Fund in FY 2016-17 and the remainder will be deposited into the Public School (Permanent) Fund.

**PUBLIC SCHOOL TRUST REVENUE**

	FY 11-12 ACTUAL	FY 12-13 ACTUAL	FY 13-14 ACTUAL	FY 14-15 ACTUAL	FY 15-16 FORECAST	FY 16-17 FORECAST
Mineral Royalties	\$48,815,542	\$49,464,902	\$101,215,659	\$ 113,189,670	\$63,136,500	\$50,336,500
Mineral Bonuses	78,406,236	53,183,032	50,038,216	50,445,063	48,188,240	20,735,618
Mineral Rental	2,655,179	3,918,821	3,402,599	2,629,685	3,666,941	3,226,220
Surface Rental	11,390,961	12,396,903	12,336,313	14,789,281	15,636,284	15,696,283
Commercial/Other	3,212,209	4,089,543	4,571,195	3,765,738	4,924,693	5,778,927
Land and Timber Sales	22,552	975	86,250	58,558	58,558	58,558
Non-Reinvested Sales	0	0	0	3,750,892	0	0
Interest Income	235,323	273,360	185,148	875,725	875,725	875,725
<b>TOTAL REVENUES</b>	<b>\$144,738,002</b>	<b>\$123,327,536</b>	<b>\$171,835,380</b>	<b>\$189,504,612</b>	<b>\$136,486,941</b>	<b>\$96,707,831</b>

**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 11-12 ACTUAL	FY 12-13 ACTUAL	FY 13-14 ACTUAL	FY 14-15 ACTUAL	FY 15-16 ESTIMATE <sup>1</sup>	FY 16-17 ESTIMATE <sup>1</sup>
Active Wells	47,860	50,909	52,337	53,600	53,760	54,000
Drilling Permits Requested	4,541	3,893	4,399	3,725	3,275	3,300
Well Starts (Spud)	3,114	1,853	2,134	1,961	1,058	1,000
Active Drilling Rigs	72	60	66	59	26	20
Site Investigations & Remediation Workplans	763	640	540	576	494	490
Avg. Inspection Frequency (per year)	3.16	2.71	2.07	1.53	1.30	1.34
Hearing Applications	456	525	614	672	680	680
OGCC Expenditures <sup>2</sup>	\$7,401,858	\$7,645,886	\$9,461,573	\$9,641,024	\$12,827,024	\$12,501,619
Total FTE	65.4	72.2	82.4	94.6	110.3	110.3

<sup>1</sup> Data included for FY 2015-16 and FY 2016-17 are estimates provided by the Oil and Gas Conservation Commission.

<sup>2</sup> Division-only expenditures include all fund sources; does not include centrally appropriated items funded in the Executive Director's Office. Data for FY 2015-16 and FY 2016-17 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 (CPW), effective July 1, 2011.

**STATE PARKS**

The CPW 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. For FY 2016-17, State Parks are expected to have an estimated 12.7 million visitors and will receive an estimated \$72.7 million in total revenue from fees, lottery funds, and other state and federal funds, as shown in the following tables:

**STATE PARKS VISITATION**

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Estimate	FY 2016-17 Estimate
State Parks Visitation	11,948,406	12,464,445	12,589,089	12,714,980
<i>Percent Change</i>	<i>3.9%</i>	<i>4.5%</i>	<i>1.0%</i>	<i>1.0%</i>

STATE PARK REVENUES				
	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 ESTIMATE	FY 2016-17 ESTIMATE
Licenses, Passes, Fees, and Permits	\$19,844,081	\$22,369,227	\$22,400,000	\$22,400,000
Registrations	8,526,903	8,783,582	8,800,000	8,800,000
Federal and State Grants	5,497,017	4,826,688	4,800,000	4,800,000
Lottery and Great Outdoors Colorado	26,311,827	24,609,078	24,600,000	24,600,000
Sale of Goods, Services, and Assets	1,730,769	1,978,655	2,000,000	2,000,000
Interest Income	451,737	497,366	500,000	500,000
Other Revenues	724,908	4,268,693	4,300,000	4,300,000
General Fund and Severance Tax	5,233,721	5,315,063	5,300,000	5,300,000
<b>REVENUES BEFORE TRANSFERS</b>	<b>\$68,320,963</b>	<b>\$72,648,352</b>	<b>\$72,700,000</b>	<b>\$72,700,000</b>
Intra-Agency, Inter-Fund Transfers	14,903,503	8,679,179	8,700,000	8,700,000
<b>TOTAL REVENUES</b>	<b>\$83,224,466</b>	<b>\$81,327,531</b>	<b>\$81,400,000</b>	<b>\$81,400,000</b>

### GREAT OUTDOORS COLORADO (GOCO) BOARD GRANTS

GOCO awards annual grants to the Division of Parks and Wildlife. Grants for State Parks are used for developing new parks (capital) as well as enhancing and maintaining existing parks (operating). Wildlife grants are used for species protection, habitat development, watchable wildlife, and wildlife education. Pursuant to Article XXVII of the State Constitution, these grants are not subject to legislative appropriation. The table below shows recent GOCO awards:

GREAT OUTDOORS COLORADO (GOCO) BOARD GRANTS				
	FY 2013-14 AWARD	FY 2014-15 AWARD	FY 2015-16 ESTIMATE	FY 2016-17 ESTIMATE
Parks Capital Budget	\$12,387,381	\$12,686,153	\$13,954,544	\$10,144,058
Parks Operating Budget	4,710,000	5,124,000	5,056,500	5,106,500
<b>TOTAL GOCO GRANTS FOR STATE PARKS</b>	<b>\$17,097,381</b>	<b>\$17,810,153</b>	<b>\$19,011,044</b>	<b>\$15,250,558</b>
Wildlife Base Capital Budget	\$2,327,000	\$4,527,000	\$4,319,500	\$7,660,085
Wildlife Additional Capital Budget	3,200,000	0	0	0
Wildlife Operating Budget	6,273,000	7,273,000	7,480,500	7,590,500
<b>TOTAL GOCO GRANTS FOR WILDLIFE</b>	<b>\$11,800,000</b>	<b>\$11,800,000</b>	<b>\$11,800,000</b>	<b>\$15,250,585</b>

### WILDLIFE

CPW 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 1.5 million acres, including 346 state wildlife areas. Funding for Wildlife operations and programs is a mixture of cash funds from license fees, federal funds, Great Outdoors Colorado funds, and various other sources. Hunting and fishing licenses provide more than half of the revenue for wildlife programs. Approximately 60 percent of all hunting licenses sold are for big game species (mainly elk and deer), and 58.7 percent of all revenue from the sale of hunting and fishing licenses comes from the sale of non-resident big game hunting licenses. The table below shows Wildlife revenues by category:

WILDLIFE REVENUES				
	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 ESTIMATE	FY 2016-17 ESTIMATE
Licenses, Passes, Fees, and Permits	\$80,248,078	\$85,006,520	\$85,862,475	\$86,735,596
Federal and State Grants	25,175,291	29,435,545	26,606,114	27,651,820
Lottery and Great Outdoors Colorado	5,285,059	12,085,392	11,800,000	12,000,000
Sale of Goods, Services, and Assets	1,023,806	828,831	800,000	800,000
Donations	827,985	879,269	879,269	879,269
Interest Income	576,093	687,521	500,000	500,000
Other Revenues	4,318,569	4,669,717	1,100,000	1,100,000
General Fund and Severance Tax	3,501,839	3,448,103	3,448,103	2,586,077
<b>REVENUE BEFORE TRANSFERS</b>	<b>\$120,956,720</b>	<b>\$137,040,898</b>	<b>\$130,995,961</b>	<b>\$132,252,762</b>

WILDLIFE REVENUES				
	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 ESTIMATE	FY 2016-17 ESTIMATE
Intra-Agency, Inter-Fund Transfers	5,372,994	15,907,070	15,907,070	15,907,070
<b>TOTAL REVENUES</b>	<b>\$126,329,714</b>	<b>\$152,947,968</b>	<b>\$146,903,031</b>	<b>\$148,159,832</b>

## WATER RESOURCES DIVISION (STATE ENGINEER'S OFFICE)

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

The DWR also safeguards the public health of the people of Colorado and protects the ground water in Colorado by setting and enforcing minimum standards through permit applications and inspections for the construction and repair of wells. The DWR oversees approximately 297,000 permitted and decreed wells. Additionally, the dam safety program protects public safety through the regulation of 1,962 jurisdictional dams, including an average of 550 dam inspections annually. The DWR staff also maintains 570 streamflow, ditch and reservoir gages used for administration of water rights and reservoir operations. In order to accomplish these and other work duties, the DWR staff drives approximately 2.1 million miles annually.

## COLORADO WATER CONSERVATION BOARD CONSTRUCTION FUND

The Colorado Water Conservation Board (CWCB) Construction Fund, created in Section 37-60-121 (1) (a), C.R.S., provides loans and grants for projects that will increase the beneficial consumptive use of Colorado's waters. Sections 37-60-122 (1) (b) and 37-60-121 (1) (b) (IV), C.R.S., authorize the CWCB to make loans up to \$10.0 million without General Assembly approval, but limit participation to projects that can repay the CWCB's investment unless specifically authorized by the legislature. The unappropriated balance of money in the CWCB Construction Fund and the Severance Tax Trust Fund Perpetual Base Account are continuously appropriated for this purpose. The CWCB Construction Fund also pays for the administrative expenses of the CWCB.

CWCB Construction Fund revenues are from interest earnings, transfers from the Severance Tax Perpetual Base Fund, and Federal Mineral Lease Fund distributions, as shown in the following table. For FY 2016-17, S.B. 16-174 (CWCB Construction Fund Projects) appropriates \$7.9 million cash funds from the CWCB Construction Fund for various water-related projects and provides for the following transfers:

- \$5,200,000 from Severance Tax Perpetual Base Fund to the CWCB Construction Fund to support appropriations made in other sections of the bill;
- \$5,000,000 from the Perpetual Base Fund to the CWCB Construction Fund to secure funding in advance of anticipated expenditures in FY 2017-18 for the implementation of the Colorado State Water Plan; and
- \$1,100,000 from the CWCB Construction Fund to replenish the Litigation Fund and the Flood and Drought Response Fund, both of which are continuously appropriated.

**COLORADO WATER CONSERVATION BOARD CONSTRUCTION FUND**

CASH FLOW SUMMARY REPORT BASED ON MARCH 2016 LEGISLATIVE COUNCIL STAFF REVENUE ESTIMATE

	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 ESTIMATE	FY 2016-17 ESTIMATE
Interest (Loans, Treasury, Miscellaneous)	\$1,109,901	\$10,355,755	\$9,371,530	\$11,911,969
Federal Mineral Lease (FML) Revenues	17,033,141	14,395,034	8,983,536	10,148,901
Other Revenues (including pass-through)	3,279,136	1,761,462	1,739,777	1,627,304
Contingent Transfer of General Fund Surplus pursuant to S.B. 13-236	0	30,000,000	0	0
Rio Grande Cooperative Project	15,000,000	0	0	0
Chatfield Reservoir Reallocation Project	28,000,000	0	29,000,000	0
Windy Gap Reservoir Bypass Channel Project	2,000,000	0	250,000	0
Agriculture Emergency Drought Grants	911,279	0	0	0
State Gov't Grant – Other State Departments	0	1,483,845	0	0
Governor's Executive Order for Forest Fires	605,225	529,135	1,365,640	0
Severance Tax Perpetual Base Fund Transfers (Water Plan Projects)	0	0	0	10,200,000
<b>TOTAL REVENUES</b>	<b>\$67,938,682</b>	<b>\$58,525,231</b>	<b>\$50,710,483</b>	<b>\$33,888,174</b>
Cash Expenditures/CWCB Operating Costs <sup>1</sup>	\$8,646,978	\$7,775,070	\$9,126,390	\$9,235,896
Non-Reimbursable Expenditures	5,844,873	4,963,800	3,930,351	7,905,000
Transfer to Other CWCB Funds	424,679	0	0	1,100,000
Flood Emergency Funds (from Dept of Public Safety)	0	1,496,127	0	0
Rio Grande Cooperative Project Expense	2,493,528	439,761	0	0
Windy Gap Reservoir Bypass Channel	0	0	0	250,000
Long Hollow Reservoir Project	0	1,575,000	0	0
Agriculture Emergency Drought Grants	911,279	0	0	0
Governor's Executive Order for Forest Fires	605,225	529,135	1,365,640	0
Watershed Grants	323,257	0	0	0
<b>TOTAL EXPENDITURES</b>	<b>\$19,249,819</b>	<b>\$16,778,893</b>	<b>\$14,422,381</b>	<b>\$18,490,896</b>
<b>NET CASH FLOW</b>	<b>\$48,688,863</b>	<b>\$41,746,338</b>	<b>\$36,288,102</b>	<b>\$15,397,278</b>

<sup>1</sup> Includes cash expenditures for all Long Bill line items less non-reimbursable expenditures.

**SEVERANCE TAX PERPETUAL BASE FUND**

The Severance Tax Perpetual Base Fund (Section 39-29-109 (2) (a), C.R.S.) receives half of the revenue allocated to the State Severance Tax Trust Fund, or 25.0 percent of total severance tax revenue, and provides loans or grants for construction, rehabilitation, enlargement, or improvement of water projects. This fund is a revolving loan account, and as such no permanent programs depend on this fund. The tables below summarize recent fund activity:

**SEVERANCE TAX PERPETUAL BASE FUND**

FUND BALANCE REPORT

	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 ESTIMATE	FY 2016-17 ESTIMATE
Net Cash Assets <u>Less</u> Loan Obligations	\$90,018,444	\$60,566,562	\$21,761,101*	\$33,001,505
New Project Loans	\$23,911,841	\$18,282,615	\$30,000,000	\$30,000,000

\* Reflects the restriction of \$19.1 million in accordance with provisions in S.B. 16-218 (State Severance Tax Refunds).

**SEVERANCE TAX PERPETUAL BASE FUND CASH FLOW SUMMARY**

CASH FLOW SUMMARY REPORT BASED ON MARCH 2016 LEGISLATIVE COUNCIL STAFF REVENUE ESTIMATE

	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 ESTIMATE	FY 2016-17 ESTIMATE
Severance Tax Revenues	\$62,926,524	\$67,872,895	\$21,768,564	\$21,494,604
Interest (Loans and Treasury)	5,694,672	5,552,117	5,981,790	5,255,852
<b>TOTAL REVENUES</b>	<b>\$68,621,196</b>	<b>\$73,425,012</b>	<b>\$27,750,354</b>	<b>\$26,750,456</b>
Agriculture Emergency Drought Grants	911,279	444,594	1,000,000	1,000,000
Rio Grande Cooperative Project	15,000,000	0	0	0
Chatfield Reservoir Reallocation Project (2013 Projects Bill)	28,000,000	0	29,000,000	0
Windy Gap Reservoir Bypass Channel	2,000,000	0	0	0

**SEVERANCE TAX PERPETUAL BASE FUND CASH FLOW SUMMARY**

CASH FLOW SUMMARY REPORT BASED ON MARCH 2016 LEGISLATIVE COUNCIL STAFF REVENUE ESTIMATE

	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 ESTIMATE	FY 2016-17 ESTIMATE
Statutory Transfer to CDPHE	10,000,000	10,000,000	0	0
Governor's Executive Orders for Forest Fires	2,500,000	0	0	0
Governor's Energy Office	53,638	64,305	14,779	34,827
Transfer to Construction Fund for Water Plan Projects	0	0	0	10,200,000
Misc. Fines and Fees	28	89	0	0
<b>TOTAL EXPENDITURES</b>	<b>\$58,464,945</b>	<b>\$10,508,988</b>	<b>\$30,014,779</b>	<b>\$11,234,827</b>
<b>NET CASH FLOW</b>	<b>\$10,156,251</b>	<b>\$62,916,024</b>	<b>(\$2,264,425)</b>	<b>\$15,515,629</b>

**APPROPRIATION HIGHLIGHTS - 2016 LEGISLATIVE SESSION**

**DEPARTMENT OF NATURAL RESOURCES**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$250,860,028	\$27,479,559	\$185,537,624	\$8,701,045	\$29,141,800	1,462.1
SB 15-008	50,000	0	50,000	0	0	0.0
SB 15-253	5,580,000	0	5,580,000	0	0	0.0
HB 15-1006	2,000,000	0	2,000,000	0	0	0.0
HB 15-1013	41,959	41,959	0	0	0	0.5
HB 15-1016	12,240	0	12,240	0	0	0.0
HB 15-1045	150,000	150,000	0	0	0	0.0
HB 15-1166	60,000	0	60,000	0	0	0.0
HB 15-1178	165,000	0	165,000	0	0	0.0
HB 15-1277	5,000,000	0	5,000,000	0	0	0.0
<b>TOTAL</b>	<b>\$263,919,227</b>	<b>\$27,671,518</b>	<b>\$198,404,864</b>	<b>\$8,701,045</b>	<b>\$29,141,800</b>	<b>1,462.6</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$263,919,227	\$27,671,518	\$198,404,864	\$8,701,045	\$29,141,800	1,462.6
Centrally appropriated line items	2,898,413	1,645,943	4,260,086	(957,939)	(2,049,677)	0.0
CPW digital radio replacement	1,024,000	0	1,024,000	0	0	0.0
SLB Asset Manager	63,864	0	63,864	0	0	1.0
SLB ATLAS licenses	0	0	0	0	0	0.0
CPW FTE transfer	0	0	0	0	0	0.0
Annualize prior year legislation	(10,500,703)	(4,703)	(10,496,000)	0	0	0.0
Base reductions and technical adjustments	(1,488,641)	0	(467,054)	(571,587)	(450,000)	(1.0)
Indirect cost assessment	(415,675)	(541,985)	(426,319)	541,985	10,644	0.0
Annualize prior year budget actions	(311,679)	(27,832)	(262,023)	(10,279)	(11,545)	0.1
OGCC fund source adjustment	(250,000)	0	(250,000)	0	0	0.0
<b>HB 16-1405</b>	<b>\$254,938,806</b>	<b>\$28,742,941</b>	<b>\$191,851,418</b>	<b>\$7,703,225</b>	<b>\$26,641,222</b>	<b>1,462.7</b>
SB 16-174	7,905,000	0	7,905,000	0	0	0.0
HB 16-1256	211,168	0	211,168	0	0	0.0
HB 16-1458	3,000,000	0	3,000,000	0	0	0.0
<b>TOTAL</b>	<b>\$266,054,974</b>	<b>\$28,742,941</b>	<b>\$202,967,586</b>	<b>\$7,703,225</b>	<b>\$26,641,222</b>	<b>1,462.7</b>
<b>INCREASE/(DECREASE)</b>	<b>\$2,135,747</b>	<b>\$1,071,423</b>	<b>\$4,562,722</b>	<b>(\$997,820)</b>	<b>(\$2,500,578)</b>	<b>0.1</b>
Percentage Change	0.8%	3.9%	2.3%	(11.5%)	(8.6%)	0.0%

## FY 2016-17 APPROPRIATION HIGHLIGHTS

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

**CPW DIGITAL RADIO REPLACEMENT:** The appropriation includes an increase of \$1,024,000 cash funds to replace obsolete radios used by Colorado Parks and Wildlife (CPW) staff and volunteers. Of this amount, \$341,000 is from the Parks and Outdoor Recreation Cash Fund for radios used by State Parks personnel and \$683,000 is from the Wildlife Cash Fund for radios used by Wildlife personnel. This appropriation will be required each year for four years starting in FY 2016-17.

**SLB ASSET MANAGER:** The appropriation includes an increase of \$63,864 cash funds and 1.0 FTE for an Asset Manager on the West Slope to help inspect, monitor, and improve State Land Board (SLB) assets in western Colorado.

**SLB ATLAS LICENSES:** The appropriation includes a net-zero transfer of \$90,000 cash funds from the Executive Director's Office to the State Land Board (SLB). This funding, formerly used for support from OIT, will cover ongoing licensing costs for the State Land Board's newly-implemented asset management system, ATLAS (Automated Trust Land Asset System).

**CPW FTE TRANSFER:** The appropriation includes a net-zero transfer of 3.0 FTE from the Wildlife Operations line item to the Habitat Partnership Program in Colorado Parks and Wildlife (CPW) to replace the independent contractors currently administering the program with permanent staff. These FTE will be supported by the continuously-appropriated Habitat Partnership Cash Fund going forward.

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

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
S.B. 15-253 CWCB Construction Fund Projects	(\$5,580,000)	\$0	(\$5,580,000)	\$0	\$0	0.0
H.B. 15-1277 Species Conservation Trust Fund Projects	(5,000,000)	0	(5,000,000)	0	0	0.0
Other 2015 Legislation	79,297	(4,703)	84,000	0	0	0.0
<b>TOTAL</b>	<b>(\$10,500,703)</b>	<b>(\$4,703)</b>	<b>(\$10,496,000)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**BASE REDUCTIONS AND TECHNICAL ADJUSTMENTS:** The appropriation includes a decrease of \$1,488,641 total funds and 1.0 FTE for the following base reductions and technical adjustments:

- A decrease of \$1,238,641 total funds to more accurately align appropriations with expenditures for six line items in the Department budget;
- A decrease of \$250,000 reappropriated funds for the elimination of the Integrated Resource Services appropriation in the Executive Director's Office;

- A decrease of 1.0 FTE for the elimination of an unfunded vacancy in the Division of Reclamation, Mining, and Safety Coal Program; and
- The addition of footnotes authorizing roll-forward spending authority for two Colorado Water Conservation Board grant programs through the end of FY 2017-18.

**INDIRECT COST ASSESSMENT:** The appropriation includes a net decrease in the Department's indirect cost assessment.

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

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 15-16 Avalanche forecasters and admin support	\$0	\$0	\$7,599	(\$7,599)	\$0	0.0
FY 15-16 OGCC permitting and hearings staff	(188,744)	0	(188,744)	0	0	0.0
FY 15-16 Salary survey and merit pay	(110,258)	(15,155)	(80,878)	(2,680)	(11,545)	0.0
FY 15-16 Enhanced water administration	(12,677)	(12,677)	0	0	0	0.1
<b>TOTAL</b>	<b>(\$311,679)</b>	<b>(\$27,832)</b>	<b>(\$262,023)</b>	<b>(\$10,279)</b>	<b>(\$11,545)</b>	<b>0.1</b>

**OGCC FUND SOURCE ADJUSTMENT:** The appropriation includes a net decrease of \$250,000 cash funds for the Oil and Gas Conservation Commission (OGCC) comprised of: (1) an increase of \$2,978,717 cash funds from Tier I of the Severance Tax Operational Fund, offset by a decrease from the Oil and Gas Conservation and Environmental Response Fund in the same amount; and (2) a decrease of \$250,000 cash funds from the Oil and Gas Conservation and Environmental Response Fund for emergency response.

**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 31,900 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 including overseeing state fiscal rules through the Office of the State Controller, administering the state's procurement policies, maintaining the state archives and public records, providing for statewide planning and post-appropriation construction for capital construction and controlled maintenance and overseeing statewide lease and building energy policy through the Office of the State Architect, maintaining the buildings in the capitol complex, providing mail services for state agencies, providing document handling services such as printing and copying, administering the state's motor vehicle fleet, and providing administrative law judge services.

## DEPARTMENT BUDGET: RECENT APPROPRIATIONS

FUNDING SOURCE	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
General Fund	\$31,439,880	\$7,130,338	\$11,817,618	\$13,145,504
Cash Funds	13,728,813	14,873,826	14,293,652	16,928,150
Reappropriated Funds	151,463,339	153,203,279	163,651,651	160,138,857
Federal Funds	0	0	0	
<b>TOTAL FUNDS</b>	<b>\$196,632,032</b>	<b>\$175,207,443</b>	<b>\$189,762,921</b>	<b>\$190,212,511</b>
Full Time Equiv. Staff	393.1	393.1	410.1	421.5

## GENERAL FACTORS DRIVING THE BUDGET

Funding for this department consists of 6.9 percent General Fund, 8.9 percent cash funds, and 84.2 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 <sup>1</sup> - FTE REFLECTED IN APPROPRIATIONS									
	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16
Total FTE	30,211.0	31,142.5	31,070.5	31,466.9	30,657.3	30,559.8	30,787.2	31,480.9	31,878.2

STATE EMPLOYEES <sup>1</sup> - FTE REFLECTED IN APPROPRIATIONS									
	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16
Percent Change		3.1%	(0.2%)	1.3%	(2.6%)	(0.3%)	0.7%	2.3%	1.3%
								Average FTE Percentage Change	0.69%
								Colorado Population Average Growth - 2006-2013 (7 years) <sup>2</sup>	1.52%

<sup>1</sup> Excludes Department of Higher Education

<sup>2</sup> Data from the State Demography Office

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

## RISK MANAGEMENT

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

STATEWIDE RISK MANAGEMENT SERVICES - PREMIUMS AND ADMINISTRATIVE EXPENSES					
	FY12-13 Actual	FY13-14 Actual	FY14-15 Actual	FY15-16 Approp.	FY16-17 Approp.
Workers' Comp. Claims and Excess Policy	\$40,447,902	\$32,783,361	\$32,874,194	\$37,910,667	\$36,100,175
Property Policies and Deductibles and Payouts	7,668,912	7,618,195	15,300,264	7,507,385	7,779,922
Liability Claims and Excess Policy	<u>5,404,465</u>	<u>4,040,406</u>	<u>6,877,063</u>	<u>4,544,498</u>	<u>7,362,548</u>
<b>SUBTOTAL Claims, Premiums, and Deductibles</b>	<b>\$53,521,279</b>	<b>\$44,441,962</b>	<b>\$55,051,521</b>	<b>\$49,962,550</b>	<b>\$51,242,645</b>
Claims, Premiums, and Deductibles percentage	94.6%	83.9%	85.2%	84.4%	83.1%
Workers' Comp. Legal Services	n/a	\$2,231,183	\$2,235,456	\$2,452,571	\$2,452,571
Liability Legal Services	<u>2,276,115</u>	<u>3,105,358</u>	<u>3,426,764</u>	<u>2,807,823</u>	<u>3,985,654</u>
<b>SUBTOTAL Legal Services</b>	<b>\$2,276,115</b>	<b>\$5,336,541</b>	<b>\$5,662,220</b>	<b>\$5,260,394</b>	<b>\$6,438,225</b>
Legal Services percentage	4.0%	10.1%	8.8%	8.9%	10.4%
Risk Management Admin. Expense and TPA Fees <sup>1</sup>	\$777,763	\$3,216,405	\$3,887,040	\$3,962,971	\$4,019,021
Administrative Expense Percentage	1.4%	6.7%	6.6%	7.3%	6.5%
<b>TOTAL Risk Management</b>	<b>\$56,575,157</b>	<b>\$52,994,908</b>	<b>\$64,600,781</b>	<b>\$59,185,915</b>	<b>\$61,699,891</b>
Change in Risk Management Expenses	14.5%	(6.3%)	21.9%	n/a	n/a
FY12-13 - FY16-17 Appropriations	\$59,928,651	\$58,473,182	\$60,348,176	\$59,185,915	\$61,699,891
Reversion/(Overexpenditure)	\$3,353,494	\$5,478,274	(\$4,252,605)	n/a	n/a

<sup>1</sup> Third party administrator or TPA Fees are fees paid to Broadspire, the State's third party administrator for the workers' compensation program.

## 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.

FLEET MANAGEMENT PROGRAM							
	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17
Total Fleet Program Appropriation	\$42,101,025	\$43,602,451	\$42,834,398	\$44,845,691	\$46,180,744	\$44,263,947	\$39,564,702
Total Fleet Program Actual Expenditure	\$36,669,122	\$39,194,682	\$38,778,051	\$40,427,656	\$38,083,976	n/a	n/a
Fleet Vehicles	5,903	5,912	5,912	5,932	5,950	5,969	5,997

**FLEET MANAGEMENT PROGRAM**

	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17
Change in Number of Vehicles	1.5%	0.2%	0.0%	0.3%	0.3%	0.3%	0.5%
Annual Cost per Vehicle	\$6,212	\$6,630	\$6,559	\$6,815	\$6,401	n/a	n/a
Monthly Cost per Vehicle	\$518	\$552	\$547	\$568	\$533	n/a	n/a
Change in Cost per Vehicle	12.8%	6.7%	(1.1%)	3.9%	(6.1%)	n/a	n/a

Vehicle costs include variable and fixed expenses. Variable costs are billed at a rate per mile based on department and vehicle type and are typically paid from operating expenses line items. Variable costs include insurance, fuel, maintenance, and repairs. Fixed costs include the vehicle lease payments and the Department's vehicle management fee and are included in each department's *Vehicle Lease Payments* line item. The Department acquires private-sector financing for new or replacement vehicles. Leases vary between 72 and 120 months, with the exception of State Patrol vehicles which are leased for 48 months.

**APPROPRIATION HIGHLIGHTS - 2016 LEGISLATIVE SESSION**

**DEPARTMENT OF PERSONNEL**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$181,200,121	\$11,711,626	\$13,830,708	\$155,657,787	\$0	406.4
SB 15-270	0	0	0	0	0	1.0
HB 15-1219	1,200	0	0	1,200	0	0.0
HB 16-1246	8,561,600	105,992	462,944	7,992,664	0	2.7
<b>TOTAL</b>	<b>\$189,762,921</b>	<b>\$11,817,618</b>	<b>\$14,293,652</b>	<b>\$163,651,651</b>	<b>\$0</b>	<b>410.1</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$189,762,921	\$11,817,618	\$14,293,652	\$163,651,651	\$0	410.1
CORE lease purchase payments	3,936,611	0	0	3,936,611	0	0.0
Risk Management adjustments	2,979,010	0	0	2,979,010	0	0.0
IDS operating increase spending authority	2,100,000	0	0	2,100,000	0	0.0
Centrally appropriated line items	1,904,306	405,722	5,158	1,493,426	0	0.0
IDS Adjustments for other state agencies	1,497,603	0	0	1,497,603	0	0.0
CORE Operations adjustments	387,792	0	2,344,042	(1,956,250)	0	0.0
Collections module staffing	320,330	0	320,330	0	0	8.0
Resources for Administrative Courts	311,804	0	0	311,804	0	4.5
Annualize prior year legislation	300,422	213,622	82,000	4,800	0	1.0
Capitol Complex adjustments	250,273	0	7,285	242,988	0	0.0
Perceptive cost adjustment	43,805	0	43,805	0	0	0.0
Address Confidentiality Program adjustment	22,241	131,303	(109,062)	0	0	0.0
Fund source adjustment	0	606,673	(268,090)	(338,583)	0	0.0
Annualize prior year budget actions	(8,519,673)	(29,434)	(436,558)	(8,053,681)	0	(2.6)
Fleet Management adjustments	(4,560,213)	0	0	(4,560,213)	0	0.0
Indirect cost assessment	(1,423,680)	0	(262,866)	(1,160,814)	0	0.0
Other	(28,019)	0	(13,574)	(14,445)	0	0.0
<b>HB 16-1405</b>	<b>\$189,285,533</b>	<b>\$13,145,504</b>	<b>\$16,006,122</b>	<b>\$160,133,907</b>	<b>\$0</b>	<b>421.0</b>
SB 16-040	4,950	0	0	4,950	0	0.0
HB 16-1362	42,283	0	42,283	0	0	0.5
HB 16-1408	879,745	0	879,745	0	0	0.0
<b>TOTAL</b>	<b>\$190,212,511</b>	<b>\$13,145,504</b>	<b>\$16,928,150</b>	<b>\$160,138,857</b>	<b>\$0</b>	<b>421.5</b>
<b>INCREASE/(DECREASE)</b>	<b>\$449,590</b>	<b>\$1,327,886</b>	<b>\$2,634,498</b>	<b>(\$3,512,794)</b>	<b>\$0</b>	<b>11.4</b>
Percentage Change	0.2%	11.2%	18.4%	(2.1%)	n/a	2.8%

## FY 2015-16 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 16-1246 adds \$8,561,600 total funds, including:

- An increase of \$3,950,659 reappropriated funds for CORE lease purchase payments;
- An increase of \$2,100,000 reappropriated funds for Integrated Document Solutions (IDS) operating increase spending authority;
- An increase of \$1,430,610 for IDS-related adjustments for other state agencies;
- An increase of \$499,015 for Risk Management adjustments;
- An increase of \$428,467 cash funds for CORE Operations' Perceptive cost adjustment;
- An increase of \$144,432 cash funds and an increase of 2.7 FTE for Collections module staffing;
- An increase of \$12,380 for Fleet-related lease-purchase adjustments for additional vehicles approved for state agencies; and
- A decrease of \$3,963 total funds for the Address Confidentiality Program, which includes a fund source adjustment that includes an increase of \$105,992 General Fund and a decrease of \$109,955 cash funds from offender surcharge revenue.

## FY 2016-17 APPROPRIATION HIGHLIGHTS

**CORE LEASE PURCHASE PAYMENTS:** The appropriation includes an increase of \$3,936,611 reappropriated funds to provide spending authority for the Colorado Operations Resource Engine (CORE) lease-purchase payments in the Department's operating budget. Prior to the transfer from the Governor's Office of Information Technology (OIT) to the Department in FY 2015-16, this item was included in the capital construction section of the budget.

**RISK MANAGEMENT ADJUSTMENTS:** The appropriation includes a net increase of \$2,979,010 reappropriated funds for risk management base adjustments. In order of dollar amount by increase and then decrease, adjustments include:

- An increase of \$2,801,412 for liability claims;
- An increase of \$1,177,831 for liability legal services;
- An increase of \$467,482 for workers' compensation legal services;
- An increase of \$272,537 for property policies;
- An increase of \$53,602 for the risk management information system;
- An increase of \$35,887 for workers' compensation excess policy;
- An increase of \$16,638 for liability excess policy; and
- A decrease of \$1,846,379 for workers' compensation claims.

**IDS OPERATING INCREASE SPENDING AUTHORITY:** The appropriation includes an increase of \$2,100,000 reappropriated funds spending authority in a dedicated line item for pass-through payments to commercial print vendors on behalf of state agencies for Integrated Document Solutions (IDS).

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

**IDS ADJUSTMENTS FOR OTHER STATE AGENCIES:** The appropriation includes an increase of \$1,497,603 reappropriated funds spending authority including \$1,493,430 to provide print services and postage for the Colorado Benefits Management System adjustment in the Governor's Office of Information Technology and \$4,173 to provide print services for income tax refund fraud in the Department of Revenue.

**CORE OPERATIONS ADJUSTMENTS:** The appropriation includes an increase of \$387,792 total funds for CORE Operations base adjustments to fund 500 additional electronic content management concurrent licenses, for a total of 1,000 licenses for up to 4,000 CORE system users. The appropriation also includes a fund source adjustment to provide \$2,344,042 cash funds from the Supplier Database Cash Fund and a reduction of \$1,956,250 reappropriated funds from state agency users.

**COLLECTIONS MODULE STAFFING:** The appropriation includes an increase of \$320,330 cash funds from the Debt Collection Fund and 8.0 FTE for additional collectors for Central Collections Services.

**RESOURCES FOR ADMINISTRATIVE COURTS:** The appropriation includes an increase of \$311,804 reappropriated funds and 4.5 FTE for the Office of Administrative Courts. The adjustment includes \$290,574 for 3.0 FTE Technician II level clerks and 1.5 FTE ALJ II level administrative law judges (ALJs) for the Colorado Springs and Grand Junction locations and \$21,230 for leased space in Colorado Springs.

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

ANNUALIZE PRIOR YEAR LEGISLATION						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
SB 15-270 Create Office of State Architect	\$213,622	\$213,622	\$0	\$0	\$0	1.0
SB 13-276 Disability Investigational and Pilot Support Fund	82,000	0	82,000	0	0	0.0
SB 15-282 Jump-start Prog Econ Dev Distressed Counties	4,800	0	0	4,800	0	0.0
HB 15-1181 Colorado is Honoring Our Military Tax Exempt	1,200	0	0	1,200	0	0.0
HB 15-1219 EZ Investment Tax Credit for Renewable Energy	(1,200)	0	0	(1,200)	0	0.0
<b>TOTAL</b>	<b>\$300,422</b>	<b>\$213,622</b>	<b>\$82,000</b>	<b>\$4,800</b>	<b>\$0</b>	<b>1.0</b>

**CAPITOL COMPLEX ADJUSTMENTS:** The appropriation includes an increase of \$250,273 cash and reappropriated funds from the Department of Personnel Revolving Fund for Capitol Complex utilities adjustments.

**PERCEPTIVE COST ADJUSTMENT:** The appropriation includes an increase of \$43,805 cash funds from the Supplier Database Cash Fund for CORE's electronic content management (ECM) contract provider, Perceptive, for a test environment, sub-integration server packs, and additional storage.

**ADDRESS CONFIDENTIALITY PROGRAM ADJUSTMENT:** The appropriation includes an increase of \$22,241 total funds for the Address Confidentiality Program. The appropriation includes a fund source adjustment to provide an increase of \$131,303 General Fund and a decrease of \$109,062 cash funds from offender surcharge revenue.

**FUND SOURCE ADJUSTMENT:** The appropriation includes an increase in General Fund offset by a decrease in cash and reappropriated funds. This adjustment is due to a decrease in statewide indirect cost recoveries.

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

ANNUALIZE PRIOR YEAR BUDGET ACTIONS

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 14-15 Total compensation survey	\$300,000	\$300,000	\$0	\$0	\$0	0.0
FY 15-16 Merit pay	211,739	67,484	26,590	117,665	0	0.0
FY 15-16 Salary survey	18,351	19,613	(204)	(1,058)	0	0.0
FY 15-16 Capitol Complex Master Plan FTE resources	4,385	4,385	0	0	0	0.1
FY 15-16 Supplemental adjustments	(8,561,600)	(105,992)	(462,944)	(7,992,664)	0	(2.7)
FY 09-10 Mail equipment purchase	(223,754)	(46,130)	0	(177,624)	0	0.0
FY 13-14 Employee engagement survey	(215,000)	(215,000)	0	0	0	0.0
FY 15-16 Restructure OSC to support CORE	(53,794)	(53,794)	0	0	0	0.0
<b>TOTAL</b>	<b>(\$8,519,673)</b>	<b>(\$29,434)</b>	<b>(\$436,558)</b>	<b>(\$8,053,681)</b>	<b>\$0</b>	<b>(2.6)</b>

**FLEET MANAGEMENT ADJUSTMENTS:** The appropriation includes a decrease of \$4,560,213 reappropriated funds in Fleet Management in the Central Services division, including:

- An increase of \$51,260 for additional vehicles approved for state agencies;
- A decrease of \$4,171,544 for fuel and automotive supplies;
- A decrease of \$439,929 for vehicle replacement lease purchase payments; and
- A decrease of \$342,749 for fuel and automotive supplies offset by increases of \$200,000 for motor pool vehicle lease and operating expenses and \$142,749 for administrative operating expenses.

**INDIRECT COST ASSESSMENT:** The appropriation includes a net decrease in the department's indirect cost assessments.

**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

- a. Provides department-wide administrative services
- b. Houses the Health Disparities Program, which provides grants for health initiatives aimed at reducing and eliminating disparities currently existing in the provision of health services across the state
- c. Houses the Office of Planning and Partnerships which oversees the distribution of state funds to local public health agencies

## 2 Center for Health and Environmental Information

- a. Maintains a database of all Colorado births, deaths, marriages, and divorces
- b. Provides birth and death certificates
- c. Gathers and analyzes health data for use by public and private agencies
- d. Operates the Medical Marijuana Registry

## 3 Laboratory Services

- a. Provides testing, analysis, and results reporting of laboratory tests on specimens and samples submitted by other divisions, departments, and private clients
- b. Includes the following laboratory units:
  - i. Molecular Sciences and Newborn Screening Units
  - ii. Public Health Microbiology and Environmental Microbiology Units
  - iii. Radiation counting facility
  - iv. Organic and Inorganic Units
  - v. Evidential Breath and Alcohol Testing and Certification Units

## 4 Air Pollution Control Division

- a. Performs statewide air monitoring, pollutant analysis, and air emission modeling
- b. Researches the causes and effects of pollution from mobile vehicles and implements strategies aimed at reducing emissions from mobile sources
- c. Permits, monitors, and inspects factories, power plants, and other commercial air pollutant emitters for compliance with air pollutant emissions standards

## 5 Water Quality Control Division

- a. Issues waste water discharge permits and, if necessary, takes enforcement action to ensure compliance with water quality standards
- b. Issues water quality permits for the following sectors: construction, public and private utilities, commerce and industry, pesticides, and water quality certification
- c. Monitors the pollutant levels in rivers, streams, and other bodies of water

- d. Conducts surveillance of public and non-public drinking water sources to ensure compliance with federal and state water quality standards
  - e. Reviews designs and specifications of new and/or expanding water treatment facilities
- 6 Hazardous Materials and Waste Management Division
- a. Regulates the treatment, storage, and disposal of solid and hazardous waste in Colorado
  - b. Performs inspections of solid waste facilities
  - c. Oversees hazardous waste generators, transporters, and storage facilities
  - d. Regulates commercial radioactive materials in Colorado
  - e. Administers the Waste Tire Program
- 7 Division of Environmental Health and Sustainability
- a. Certifies and inspects wholesale food distributors and dairy processors
  - b. Oversees restaurant, child care facility, and school inspections done by local public health agencies (with a few exceptions where the State is responsible for these inspections)
  - c. Administers the following environmental sustainability programs:
    - i. Environmental Leadership Program
    - ii. Pollution Prevention Program
    - iii. Pharmaceutical Take-Back Program
  - d. Administers the Recycling Resources Opportunity Program
  - e. Administers the Animal Feeding Operations Program
- 8 Disease Control and Environmental Epidemiology Division
- a. Responsible for identifying, containing, controlling, and tracking the spread of communicable diseases, with a focus on: hepatitis, tuberculosis, sexually transmitted infections, and HIV/AIDS
  - b. Operates the Immunization Program which includes the Immunization Outreach Program, the Colorado Immunization Information System, and grants to local public health agencies for operation of immunization clinics
  - c. Assesses the threat risk from environmental contaminants on human health, and when needed, takes action to contain and/or nullify these threats
- 9 Prevention Services Division
- a. Administers the Tobacco Education, Prevention, and Cessation Program and the Cancer, Cardiovascular Disease, and Chronic Pulmonary Disease Prevention, Early Detection, and Treatment Program
  - b. Operates the Breast and Cervical Cancer Screening Program
  - c. Operates programs for children with special needs and the Genetics Counseling Program
  - d. Administers the School-Based Health Centers Program
  - e. Administers injury and suicide prevention programs
  - f. Operates the Primary Care Office and Oral Health Program
  - g. Administers the following two federal food assistance programs:
    - i. Women, Infants, and Children Program, and
    - ii. Child and Adult Care Food Program.

- 10 Health Facilities and Emergency Medical Services Division
  - a. Enforces through certification and inspections the standards for the operation of health care facilities, including hospitals and nursing facilities
  - b. Inspects and certifies emergency medical and trauma service providers
  
- 11 Office of Emergency Preparedness and Response
  - a. 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
  - b. 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 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
General Fund <sup>1</sup>	\$54,127,441	\$64,322,851	\$48,015,287	\$47,629,976
Cash Funds	152,650,718	161,438,088	157,897,569	185,983,908
Reappropriated Funds	29,645,685	35,141,182	37,645,004	41,167,484
Federal Funds	290,623,521	291,317,631	294,153,882	288,692,568
<b>TOTAL FUNDS</b>	<b>\$527,047,365</b>	<b>\$552,219,752</b>	<b>\$537,711,742</b>	<b>\$563,473,936</b>
Full Time Equiv. Staff	1,239.3	1,265.0	1,288.6	1,311.3

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

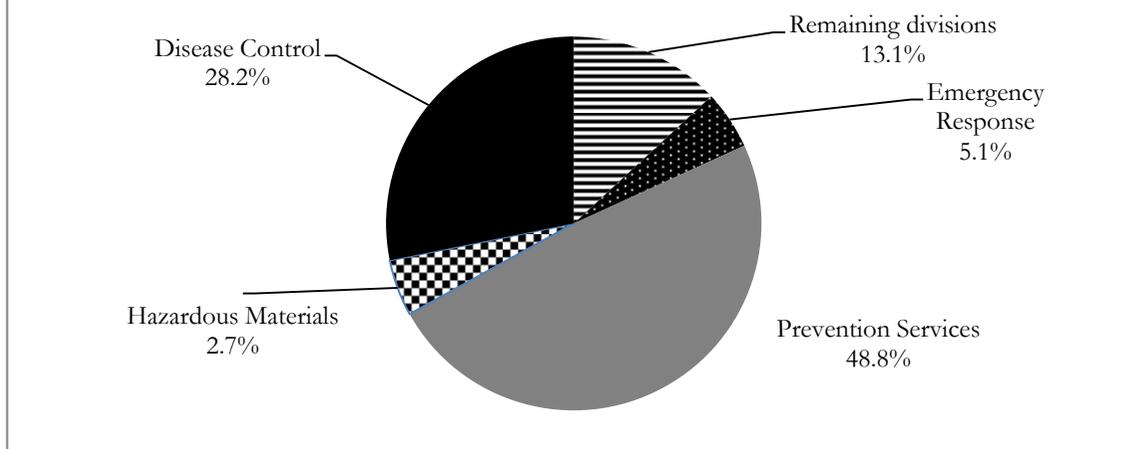
## GENERAL FACTORS DRIVING THE BUDGET

Funding for the Department for FY 2016-17 consists of 8.5 percent General Fund (including appropriations from the General Fund Exempt account), 33.0 percent cash funds, 7.3 percent reappropriated funds, and 51.2 percent federal funds. Some of the major factors driving the budget are reviewed below.

### FEDERAL FUNDS

Federal funds account for 51.2 percent of the Department's FY 2016-17 total appropriation. The Department receives federal funds from multiple federal agencies ranging from the Environmental Protection Agency to the federal Department of Health and Human Services. The majority of the federal funds in the Department's Long Bill are shown for informational purposes because the General Assembly does not have the authority to limit the amount of federal funds the Department may receive and expend. The following graphic illustrates the projected distribution of federal funds by division for FY 2016-17.

## Distribution of FY 2016-17 Federal Funds



The majority of the federal funds (\$111.2 million out of \$140.8 million) within the Prevention Services Division are for the two federally funded nutrition programs: the Women, Infants, and Children Program (WIC), and the Adult and Child Food Care Program (CACFP). Within the Disease Control and Environmental Epidemiology Division, 59.1 percent of the federal funds are for the purchase of immunizations for local public health agencies, and 19.1 percent of the federal funds are for the Ryan White Comprehensive AIDS Resources Emergency Act. The Ryan White Act funds are used for primary care and support services for individuals living with HIV and AIDS who lack health insurance and the financial resources to pay for their care.

## REVENUE FROM AMENDMENT 35 TOBACCO TAX AND THE TOBACCO MASTER SETTLEMENT AGREEMENT

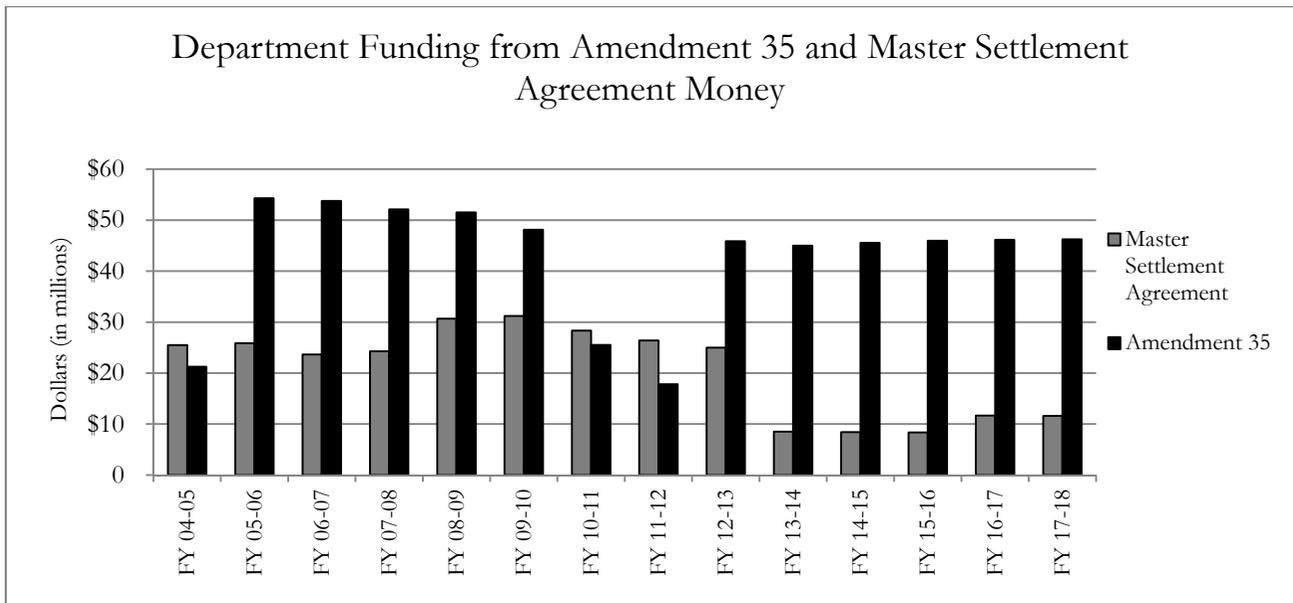
The Department receives revenue from the Amendment 35 tobacco tax and from the Tobacco Master Settlement Agreement for various programs. Amendment 35 was approved by voters in 2004 and imposed a \$0.64 tax on each pack of cigarettes sold in Colorado with related taxes on other tobacco products. Amendment 35 revenues are distributed based on a state constitutional formula. The following department programs receive Amendment 35 revenue:

- Tobacco Education, Prevention, and Cessation Program;
- Health Disparities Grant Program;
- Cardiovascular, Pulmonary, and Chronic Disease Grant Program; and
- Breast and Cervical Cancer Screening Program.

Revenue from the Tobacco Master Settlement Agreement (MSA) is the product of a 1998 legal settlement between tobacco manufacturers and the states who sued the tobacco manufacturers as a way to recover Medicaid and other health-related costs they incurred as a result of treating smoking related illnesses. Statutory formulas dictate the distribution of MSA revenue and the Department receives revenue for:

- A Drug Assistance Program;
- Colorado AIDS and HIV Prevention Grant Program (CHAPP);
- Colorado Immunizations Program;
- Health Care Professional Loan Forgiveness Program (i.e. the Health Services Corps); and
- Dental Loan Repayment Program

As these two revenue streams decrease over time, programs must reassess the amount of funds available for administrative overhead and the amount of funds available for grants. The following table summarizes the Department's funding from these two revenue sources from FY 2004-05 through projections for FY 2017-18.



The following are explanations of significant revenue changes shown in the above table:

- Amendment 35 tobacco tax revenues were first generated for the second part of FY 2004-05.
- The significant drop in FY 2010-11 and FY 2012-13 of Amendment 35 tobacco tax revenue was due to the declaration of a fiscal emergency by the General Assembly and the diversion of Amendment 35 revenue from the Department to the Department of Health Care Policy and Financing to offset the need for General Fund for health related programs.
- The reduction of Master Settlement Agreement funds starting in FY 2013-14 was due to the transfer of the Nurse Home Visitor Program and the Tony Grampsas Youth Services Program to the Department of Human Services.
- House Bill 16-1408 included adjustments to the amount of Tobacco Master Settlement money received by department programs, including increases for the AIDS & HIV Prevention Grants, the Dental Loan Repayment Program, and the Immunization Program. Local Public Health Agencies prior to H.B. 16-1408 received Tobacco Master Settlement money, but starting in FY 2016-17 Marijuana Tax Cash Fund dollars will support the purpose.

## PROGRAMS FUNDED WITH MARIJUANA TAX REVENUE

The legalization of recreational marijuana by voters in 2012 and subsequent voter approval of new taxes on recreational marijuana resulted in the passage of legislation authorizing the Department to use a portion of the new marijuana tax revenue for new and existing programs. The following is a summary of recent legislation related to programs funded with marijuana tax revenue:

- Senate Bill 13-283 (Implement Amendment 64 Consensus Recommendations) required the Department to monitor the emerging science and medical information regarding marijuana use.

- House Bill 13-1317 (Implement Amendment 64 Majority Recommendations) required the State Laboratory within the Department to develop and provide to the Department of Revenue standards for licensing marijuana testing laboratories.
- Senate Bill 14-215 (Disposition of Legal Marijuana Related Revenue):
  - Created the prevention and education campaigns about the appropriate and legal use of marijuana; and
  - Required the Department to obtain health data through surveys or other means regarding marijuana and other drug use and to monitor the health effects of marijuana.
- House Bill 15-1283 (Marijuana Reference Library and Lab Testing Access) required the Department to:
  - Maintain a marijuana laboratory testing reference library (the Department also has the option to contract out this duty); and
  - Conduct proficiency testing of, and problem remediation with, licensed marijuana testing laboratories.
- House Bill 15-1367 (Retail Marijuana Taxes) appropriates money to the following programs in the Department due to the passage of Proposition BB:
  - The Poison Control Center for the development of a system that can disseminate poison control information via text messaging, instant messaging, or email; and
  - The marijuana prevention and education campaign to offset the FY 2015-16 Long Bill reductions as a result of the TABOR impacts from retail marijuana revenue that resulted in the need for Proposition BB.

The net impact of the legislation and budget decisions made by the General Assembly has increased the number of programs and the amount of funding the Department receives from the Marijuana Tax Cash Fund. The following table summarizes appropriations of marijuana tax revenues to the Department for FY 2013-14 through FY 2016-17.

SUMMARY OF DEPARTMENT FUNDING FROM MARIJUANA TAX REVENUES				
PROGRAM	FY 2013-14 APPROPRIATION	FY 2014-15 APPROPRIATION	FY 2015-16 APPROPRIATION	FY 2016-17 APPROPRIATION
Substance abuse prevention grants (Communities that Care)	n/a	n/a	n/a	\$7,204,555
FTE				4.5
Marijuana prevention and education campaigns	n/a	5,683,608	2,150,000	7,025,000
FTE		3.7	3.7	3.7
Health kids Colorado survey	n/a	903,561	781,789	781,789
FTE		1.5	1.5	1.5
Retail marijuana research grants - year 1	n/a	n/a	n/a	343,622
FTE				0.3
Cannabis health environmental and epidemiological training	307,542	320,388	320,388	320,388
FTE	4	4.0	4.0	4.0
Marijuana health survey data collection	n/a	n/a		238,000
Laboratory certification	0	86,167	200,142	200,142
FTE	0	0.8	1.5	1.5
Poison Control Center	n/a	n/a	0	123,383
Marijuana lab proficiency testing	n/a	n/a	31,669	78,999
FTE			0.3	1.0
<b>TOTAL Appropriations</b>	<b>\$307,542</b>	<b>\$6,993,724</b>	<b>\$3,483,988</b>	<b>\$16,315,878</b>
<b>FTE</b>	<b>4.0</b>	<b>10.0</b>	<b>11.0</b>	<b>16.5</b>

## CASH FUND BALANCES

The Department has a significant number of cash funds with large uncommitted fund balances that were not being utilized for FY 2015-16. In order to provide the Department with sufficient spending authority to expend the uncommitted fund balances, the FY 2016-17 Long Bill includes a number of appropriation adjustments that will enable the Department to spend down cash fund balances without impacting fees. For most funds in the following table, the additional spending authority will enable the Department to issue an increased number of grants that comply with the statutory purposes of each specific fund. The following is a summary of the cash funds for which there is an appropriation increase for FY 2016-17 as a result of uncommitted fund balances.

CASH FUND BALANCES		
Cash Fund	Increase	Purpose
Prevention, early detection, and treatment fund balance	\$7,738,141	Funds competitive grants for activities and programs that work to provide a cohesive approach to the treatment of cancer, cardiovascular disease, and pulmonary disease.
Waste tire cash funds balances	3,339,759	Pays monthly rebates to in-state end users, retailers who sell tire-derived products, and processor of Colorado waste tires who sell their tire-derived products to out-of-state end users.
Recycling resources economic opportunity fund balance	2,000,000	Funds grants that promote economic development through the sustainable management of discarded materials.
Emergency medical services grants	1,750,000	Funds grants for Colorado emergency medical and trauma service (EMTS) agencies to purchase equipment and vehicles, provide training, add personnel, improve retention and recruitment programs and make system improvements.
Tobacco education, prevention, and cessation fund balance	1,051,983	Funds grants to programs aimed at reducing the use of tobacco by youth and funds grants designed to reduce health inequities among minority and high risk populations.

In contrast to the funds shown above, the Medical Marijuana Program Fund is projected to have insufficient revenue to support ongoing programmatic costs in FY 2016-17. Therefore, the General Assembly reduced the appropriation from the fund to align spending authority for the medical marijuana registry with the amount of revenue projected to be available for FY 2016-17.

# APPROPRIATION HIGHLIGHTS - 2016 LEGISLATIVE SESSION

## DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT

	TOTAL FUNDS	GENERAL FUND <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$532,213,807	\$44,363,169	\$156,136,752	\$37,560,004	\$294,153,882	1,287.1
SB 15-014	1,068,560	0	1,068,560	0	0	0.0
SB 15-189	(25,000)	0	0	(25,000)	0	0.0
SB 15-247	863,033	0	863,033	0	0	0.0
HB 15-1083	25,000	25,000	0	0	0	0.0
HB 15-1102	120,982	120,982	0	0	0	1.4
HB 15-1232	23,736	23,736	0	0	0	0.4
HB 15-1249	1,868	(17,600)	19,468	0	0	0.0
HB 15-1281	32,386	0	32,386	0	0	0.2
HB 15-1283	23,850	0	23,850	0	0	0.2
HB 15-1367	3,500,000	3,500,000	0	0	0	0.0
HB 16-1247	(168,149)	0	(278,149)	110,000	0	(1.0)
HB 16-1405	31,669	0	31,669	0	0	0.3
<b>TOTAL</b>	<b>\$537,711,742</b>	<b>\$48,015,287</b>	<b>\$157,897,569</b>	<b>\$37,645,004</b>	<b>\$294,153,882</b>	<b>1,288.6</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$537,711,742	\$48,015,287	\$157,897,569	\$37,645,004	\$294,153,882	1,288.6
Prevention, early detection, and treatment fund balance	7,738,141	0	7,738,141	0	0	0.0
Substance abuse prevention	7,204,555	0	7,204,555	0	0	4.5
Centrally appropriated line items	6,478,534	514,006	516,690	(1,099,061)	6,546,899	0.0
Waste tire cash funds balances	3,339,759	0	3,339,759	0	0	0.0
Family planning program	2,511,135	2,511,135	0	0	0	0.0
Trusted adult campaign	2,375,000	0	2,375,000	0	0	0.0
Recycling resources economic opportunity fund balance	2,000,000	0	2,000,000	0	0	0.0
Emergency medical services grants	1,750,000	0	1,750,000	0	0	0.0
Tobacco education, prevention, and cessation fund balance	1,051,983	0	1,051,983	0	0	0.0
Indirect cost assessment	709,915	0	609,915	100,000	0	0.0
Amendment 35 tobacco tax revenue adjustment	506,752	4,997	461,779	39,976	0	0.0
CMS final settings rule site compliance surveys	425,372	0	0	425,372	0	5.4
Oil and gas data analysis	418,144	0	209,072	209,072	0	0.2
Leave payouts increase	384,636	0	0	384,636	0	0.0
Cubicle replacement	371,818	0	0	371,818	0	0.0
Lab building maintenance and repair	370,413	0	0	370,413	0	0.0
Retail marijuana health research grants	343,622	0	343,622	0	0	0.3
Health survey data collection	238,000	0	238,000	0	0	0.0
Commission on affordable health care	177,755	177,755	0	0	0	0.0
Poison center enhanced marijuana data collection	123,383	0	123,383	0	0	0.0
Suicide prevention	100,000	100,000	0	0	0	0.0
Compliance and reporting accountant	63,827	0	0	63,827	0	1.1
Tobacco Master Settlement fund balances	60,496	0	60,496	0	0	0.0
Marijuana lab proficiency testing	47,330	0	47,330	0	0	0.7
Transfer to DPS adjustment	25,873	0	0	12,626	13,247	0.0
Waste tire revenue adjustment	17,325	0	17,325	0	0	0.0
Technical services base adjustment	9,430	9,430	0	0	0	0.0
Office of Health Equity adjustments	0	0	(3,370,121)	3,370,121	0	0.0
Long Bill adjustments	0	0	0	0	0	0.0
Cervical cancer eligibility expansion	0	0	0	0	0	0.0
Informational funds adjustment	(10,830,110)	0	0	0	(10,830,110)	10.2

**DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT**

	TOTAL FUNDS	GENERAL FUND <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Clean water sectors adjustment	(2,323,998)	(245,457)	(962,550)	0	(1,115,991)	0.0
Annualize prior year budget actions	(2,208,264)	(982,257)	(710,620)	(440,028)	(75,359)	(0.5)
Annualize prior year legislation	(1,630,486)	(3,568,374)	2,224,180	(286,292)	0	4.6
Base adjustments	(1,216,169)	(188,539)	(1,027,630)	0	0	0.0
Medical marijuana fund balance	(700,000)	0	(700,000)	0	0	(6.6)
Health disparities grant fund balance	(629,101)	0	(629,101)	0	0	0.0
Necessary document assistance program	(300,000)	(300,000)	0	0	0	0.0
Stationary sources reduction	(111,652)	0	(111,652)	0	0	0.0
Tobacco Master Settlement revenue adjustment	(92,616)	0	(92,616)	0	0	0.0
Pompe testing reduction	(6,797)	0	(6,797)	0	0	0.0
<b>HB 16-1405</b>	<b>\$556,505,747</b>	<b>\$46,047,983</b>	<b>\$180,597,712</b>	<b>\$41,167,484</b>	<b>\$288,692,568</b>	<b>1,308.5</b>
SB 16-069	73,986	73,986	0	0	0	1.0
HB 16-1034	24,985	0	24,985	0	0	0.3
HB 16-1141	199,456	0	199,456	0	0	0.8
HB 16-1280	21,836	0	21,836	0	0	0.2
HB 16-1386	300,000	300,000	0	0	0	0.0
HB 16-1408	5,109,621	0	5,109,621	0	0	0.0
HB 16-1413	1,208,007	1,208,007	0	0	0	0.0
HB 16-1424	30,298	0	30,298	0	0	0.5
<b>TOTAL</b>	<b>\$563,473,936</b>	<b>\$47,629,976</b>	<b>\$185,983,908</b>	<b>\$41,167,484</b>	<b>\$288,692,568</b>	<b>1,311.3</b>
<b>INCREASE/(DECREASE)</b>	\$25,762,194	(\$385,311)	\$28,086,339	\$3,522,480	(\$5,461,314)	22.7
Percentage Change	4.8%	(0.8%)	17.8%	9.4%	(1.9%)	1.8%

<sup>1</sup> Includes General Fund Exempt, and includes amounts 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. See Appendix D for more information.

**FY 2015-16 APPROPRIATION - MID-YEAR ADJUSTMENTS**

House Bill 16-1247 modifies the FY 2015-16 appropriations to:

- Add \$190,000 cash funds to correct a technical error related to one-time costs of the Electronic Death Registration System developed pursuant to H.B. 12-1041.
- Add \$110,000 reappropriated funds transferred from the Department of Health Care Policy and Financing to comply with Section 25-27.5-106 (2) (a.5) (I) (C), C.R.S., which requires fees for new or renewal home care agency licenses issued to a Community-Centered Board or service agency be paid for from the Intellectual and Developmental Disabilities Services Cash Fund for FY 2014-15 and FY 2015-16.
- Add \$15,000 cash funds from the Marijuana Tax Cash Fund for laboratory services. These funds will be transferred to the Department of Agriculture for cannabinoid content and homogeneity testing on marijuana flowers.
- Reduce \$483,149 cash funds from the Newborn Screening and Genetic Counseling Cash Fund and 1.0 FTE to eliminate funding that was provided to add the Pompe disorder to the newborn screening panel. This reduction is due to state revenue constraints and uncertainty about the available revenues in the Newborn Screening and Genetic Counseling Cash Fund.

House Bill 16-1405 adds \$31,669 cash funds from the Marijuana Tax Cash Fund and 0.3 FTE for the Laboratory Services Division to continue work on completion of the marijuana testing reference library and to develop and implement a marijuana proficiency testing program.

## FY 2016-17 APPROPRIATION HIGHLIGHTS

**PREVENTION, EARLY DETECTION, AND TREATMENT FUND BALANCE:** The appropriation includes an increase of \$7,738,141 cash funds from the Prevention, Early Detection, and Treatment Fund to appropriate the uncommitted fund balance for Cancer, Cardiovascular Disease, and Chronic Pulmonary Disease Grants. These funds are from Amendment 35 tobacco tax revenue and are constitutionally limited in their use for three programs, including Cancer, Cardiovascular Disease, and Chronic Pulmonary Disease Grants.

**SUBSTANCE ABUSE PREVENTION:** The appropriation includes an increase of \$7,204,555 cash funds from the Marijuana Tax Cash Fund and 4.5 FTE for the Department to issue grants through the Communities that Care Model to 45 communities across the state.

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

**WASTE TIRE CASH FUNDS BALANCES:** The appropriation includes an increase of \$3,339,759 cash funds from the three waste tire funds to appropriate the uncommitted fund balances in those funds to the Waste Tire Program line items (Waste Tire Administration, Market Development, and End User Rebates). The primary reason for the large uncommitted fund balance is due to a lower rebate amount than could have been paid for calendar year 2015 from the End User Fund pursuant to H.B. 14-1352 (Update Waste Tire Management System).

**FAMILY PLANNING PROGRAM:** The appropriation includes an increase of \$2,511,135 General Fund for the Family Planning Program.

**TRUSTED ADULT CAMPAIGN:** The appropriation includes an increase of \$2,375,000 cash funds from the Marijuana Tax Cash Fund for the expansion of the youth education campaign to include trusted adults.

**RECYCLING RESOURCES ECONOMIC OPPORTUNITY FUND BALANCE:** The appropriation includes an increase of \$2,000,000 cash funds from the Recycling Resources Economic Opportunity Fund to appropriate the uncommitted fund balance to the Recycling Resources Economic Opportunity Program line item. The uncommitted fund balance is due to a statutory fee increase without an associated increase in spending authority.

**EMERGENCY MEDICAL SERVICES GRANTS:** The appropriation includes an increase of \$1,750,000 cash funds from the Emergency Medical Services Cash Fund to increase the number of grants provided through the Emergency Medical and Trauma Grants Program.

**TOBACCO EDUCATION, PREVENTION, AND CESSATION FUND BALANCE:** The appropriation includes an increase of \$1,051,983 cash funds from the Tobacco Education, Prevention, and Cessation Fund to appropriate the uncommitted fund balance which consists of Amendment 35 Tobacco Tax revenues. The appropriation will enable more dollars to be granted out through the Tobacco Education, Cessation, and Prevention Grants Program.

**INDIRECT COST ASSESSMENT:** The appropriation includes a net increase in the Department's indirect cost assessment.

**AMENDMENT 35 TOBACCO TAX REVENUE ADJUSTMENT:** The appropriation includes an increase of total funds based on the Legislative Council Amendment 35 revenue forecast for FY 2016-17.

**CMS FINAL SETTINGS RULE SITE COMPLIANCE SURVEYS:** The appropriation includes an increase of \$425,372 reappropriated funds and 5.4 FTE to conduct site surveys of home- and community-based service providers to determine provider compliance with the Centers for Medicare and Medicaid Services (CMS) final settings rule. The final settings rule is designed to ensure individuals receiving services are actively involved in service decisions and reside in settings that do not isolate the individuals.

**OIL AND GAS DATA ANALYSIS:** The appropriation includes an increase of \$418,144 total funds, of which \$209,072 are cash funds from the Stationary Sources Control Fund and reappropriated to the Disease Control and Environmental Epidemiology Division for the data analysis of oil and gas data collected through the Air Quality Dispersion Study and Garfield County Study.

**LEAVE PAYOUTS INCREASE:** The appropriation includes an increase of \$384,636 reappropriated funds from departmental indirect cost recoveries to the leave payouts line item.

**CUBICLE REPLACEMENT:** The appropriation includes an increase of \$371,818 reappropriated funds from departmental indirect cost recoveries to replace cubicles.

**LAB BUILDING MAINTENANCE AND REPAIR:** The appropriation includes an increase of \$370,413 reappropriated funds from departmental indirect cost recoveries to pay for maintenance and repairs at the State Laboratory Building.

**RETAIL MARIJUANA HEALTH RESEARCH GRANTS:** The appropriation includes an increase of \$343,622 cash funds from the Marijuana Tax Cash Fund and 0.3 FTE to issue grants for research on the health effects of recreational marijuana using the existing infrastructure of the Medical Marijuana Research Program.

**HEALTH SURVEY DATA COLLECTION:** The appropriation includes an increase of \$238,000 cash funds from the Marijuana Tax Cash Fund to comply with the requirements of S.B. 13-283 (Amendment 64 Consensus Recommendations), which requires the Department to monitor the health effects of marijuana and to collect the data on a county level.

**COMMISSION ON AFFORDABLE HEALTH CARE:** The appropriation includes an increase of \$177,755 General Fund for the Commission on Affordable Health Care to complete its statutory duties by July 1, 2017.

**POISON CENTER ENHANCED MARIJUANA DATA COLLECTION:** The appropriation includes an increase of \$123,383 cash funds from the Marijuana Tax Cash Fund for a contract with the Rocky Mountain Poison and Drug Center to develop a data system to collect detailed information on the type, name, and source of the marijuana products discussed in calls to the Center.

**SUICIDE PREVENTION:** The appropriation includes an increase of \$100,000 General Fund for the Suicide Prevention Program.

**COMPLIANCE AND REPORTING ACCOUNTANT:** The appropriation includes an increase of \$63,827 reappropriated funds from departmental indirect cost recoveries and 1.1 FTE to increase staff in the Department's Accounting Office.

**TOBACCO MASTER SETTLEMENT FUND BALANCES:** The appropriation includes an increase of \$60,496 cash funds from the Drug Assistance Program Fund, the AIDS and HIV Prevention Fund, and the Public Health Services Support Fund to appropriate uncommitted fund balances. The appropriation increases are to the Ryan White Operating Expenses line item from the Drug Assistance Program Fund, the AIDS and HIV Operating Expenses line item from the AIDS and HIV Prevention Fund, and Distributions to Local Public Health Agencies from the Public Health Services Support Fund.

**MARIJUANA LAB PROFICIENCY TESTING:** The appropriation includes an increase of \$47,330 cash funds from the Marijuana Tax Cash Fund and 0.7 FTE for the Department to continue work on the marijuana testing reference library and to develop and implement a marijuana proficiency testing program.

**TRANSFER TO DPS ADJUSTMENT:** The appropriation includes an increase of \$25,873 total funds to reflect adjustments in the Department of Public Safety (DPS) costs paid for with Medicaid and Medicare funds that are reappropriated from the Department of Public Health and Environment.

**WASTE TIRE REVENUE ADJUSTMENT:** The appropriation includes an increase of \$17,325 cash funds based on the projected amount of waste tire revenue for FY 2016-17.

**TECHNICAL SERVICES BASE ADJUSTMENT:** The appropriation includes an increase of \$9,430 General Fund to fund the remaining contract for data analysis of the Front Range Air Pollution and Photochemistry Experiment.

**OFFICE OF HEALTH EQUITY ADJUSTMENTS:** The appropriation includes a net zero adjustment from cash funds to reappropriated funds to correctly reflect funds reappropriated from the Prevention Services Division to the Office of Health Equity.

**LONG BILL ADJUSTMENTS:** The appropriation includes a number of net zero funding adjustments to the Long Bill structure to align the Long Bill appropriations with programmatic responsibilities.

**CERVICAL CANCER ELIGIBILITY EXPANSION:** The appropriation includes an expansion of the age of women who are eligible for screening from 40 to 64 years of age to 21 to 64 years of age.

**INFORMATIONAL FUNDS ADJUSTMENT:** The appropriation includes a net decrease of \$10,830,110 to federal funds and an increase of 10.2 FTE reflected for informational purposes only.

**CLEAN WATER SECTORS ADJUSTMENT:** The appropriation includes a decrease of \$2,323,998 total funds based on the elimination of a one-time General Fund subsidy in FY 2015-16 and available cash fund revenues and federal funds.

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

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 15-16 Water quality improvement grants moved from capital construction budget	\$600,000	\$0	\$600,000	\$0	\$0	0.0
FY 15-16 Vehicles added through decision items	28,144	0	28,144	0	0	0.0
FY 15-16 Primary care FTE and one-time operating costs	992	992	0	0	0	0.1
FY 15-16 Indirect cost adjustment for information technology	0	190,618	0	(190,618)	0	0.0

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 15-16 Electronic health record systems for local public health agencies	(665,471)	(665,471)	0	0	0	0.0
FY 15-16 Immunization FTE and operating second year costs	(396,761)	(396,761)	0	0	0	0.4
FY 15-16 Oil and gas task force recommendation	(336,850)	0	(336,850)	0	0	0.0
FY 15-16 Air quality dispersion study funding	(331,762)	0	(331,762)	0	0	0.0
FY 15-16 Information technology infrastructure	(240,000)	0	0	(240,000)	0	0.0
FY 15-16 Solid waste study	(231,000)	0	(231,000)	0	0	0.0
FY 11-12 Funding for uranium mill work	(198,500)	0	(198,500)	0	0	0.0
FY 15-16 Clean water sector funding	(102,317)	0	(26,958)	0	(75,359)	0.0
FY 15-16 Wholesale food inspections	(98,479)	0	(98,479)	0	0	0.0
FY 15-16 Salary survey and merit pay	(77,436)	(14,848)	(53,178)	(9,410)	0	0.0
FY 15-16 Vaccines for CHP+	(71,609)	(71,609)	0	0	0	(1.0)
FY 15-16 Operating costs for new Air Quality staff	(55,080)	0	(55,080)	0	0	0.0
FY 15-16 Toxicology legal services	(25,178)	(25,178)	0	0	0	0.0
FY 15-16 Assisted living surveys onetime operating	(6,957)	0	(6,957)	0	0	0.0
<b>TOTAL</b>	<b>(\$2,208,264)</b>	<b>(\$982,257)</b>	<b>(\$710,620)</b>	<b>(\$440,028)</b>	<b>(\$75,359)</b>	<b>(0.5)</b>

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

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 15-1249 Recodify Water Pollution Fees	\$816,617	\$0	\$816,617	\$0	\$0	5.0
HB 15-1283 Marijuana Reference Library and Lab Testing Access	0	0	176,292	(176,292)	0	0.0
SB 15-014 Medical Marijuana	(1,068,560)	0	(1,068,560)	0	0	0.0
HB 15-1367 Retail Marijuana Taxes	(1,000,000)	(3,500,000)	2,500,000	0	0	0.0
SB 15-247 Tobacco Settlement Funded Drug Assistance Program	(263,033)	0	(263,033)	0	0	0.0
HB 14-1360 Sunset Review of Home Care Agencies	(32,136)	0	77,864	(110,000)	0	0.0
HB 15-1102 Cottage Foods Act Expansion	(31,505)	(31,505)	0	0	0	(0.2)
HB 15-1083 Patient Contribution Rehabilitation Services	(25,000)	(25,000)	0	0	0	0.0
HB 15-1281 Newborn Heart Defect Screening	(15,000)	0	(15,000)	0	0	0.0
HB 15-1232 Emergency Use of Epinephrine Auto-Injectors	(11,869)	(11,869)	0	0	0	(0.2)
<b>TOTAL</b>	<b>(\$1,630,486)</b>	<b>(\$3,568,374)</b>	<b>\$2,224,180</b>	<b>(\$286,292)</b>	<b>\$0</b>	<b>4.6</b>

**BASE ADJUSTMENTS:** The appropriation includes a decrease of \$1,216,169 total funds, including \$188,539 General Fund, to adjust the appropriation for several programs based on an analysis of prior-year expenditures versus prior-year appropriations.

**MEDICAL MARIJUANA FUND BALANCE:** The appropriation includes a decrease of \$700,000 cash funds from the Medical Marijuana Program Cash Fund and 6.6 FTE based on funds available for expenditure in FY 2016-17.

**HEALTH DISPARITIES GRANT FUND BALANCE:** The appropriation includes a decrease of \$629,101 cash funds from the Health Disparities Grant Fund balance based on funds available for grants in FY 2016-17.

**NECESSARY DOCUMENT ASSISTANCE PROGRAM:** The appropriation includes a decrease of \$300,000 General Fund to eliminate funding for the Necessary Document Assistance Program because of a prior lack of statutory authority for this program.

**STATIONARY SOURCES REDUCTION:** The appropriation includes a decrease of \$111,652 cash funds from the Stationary Sources Control Program related to implementation costs of the federal Clean Power Plan.

**TOBACCO MASTER SETTLEMENT REVENUE ADJUSTMENT:** The appropriation includes a reduction based on the Legislative Council FY 2016-17 Tobacco Master Settlement revenue projection.

**POMPE TESTING REDUCTION:** The appropriation includes a decrease of \$6,797 cash funds from the Newborn Screening and Genetic Counseling Cash Fund to remove the second year costs that would have been incurred if the Pompe disorder was added to the newborn screening panel in FY 2015-16.

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

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# DEPARTMENT OF PUBLIC SAFETY

The Department consists of six divisions: the Executive Director's Office, Colorado State Patrol, Division of Fire Prevention and Control, Division of Criminal Justice, Colorado Bureau of Investigation, and Division of Homeland Security and Emergency Management.

The Executive Director's Office is responsible for department-wide management and administration, including policy development, human resources, accounting, purchasing and budgeting. This office includes the Witness Protection Program, the Colorado Integrated Criminal Justice Information System (CICJIS), and the School Safety Resource Center.

The Colorado State Patrol facilitates motor vehicle traffic and enforces all applicable laws on approximately 9,100 miles of state and federal highways and more than 57,000 miles of county roads. Port of Entry officers collect fuel taxes and registration fees and ensure compliance with statutory weight and size restrictions for commercial vehicles. State Troopers perform commercial motor vehicle safety, hazardous materials routing and rule making, aviation, homeland security, communications, investigative services, capitol complex security, and criminal interdiction.

The Division of Fire Prevention and Control is tasked with fire code enforcement, training, and certification, as well as wildfire preparedness, response, suppression, coordination, and management.

The Division of Criminal Justice conducts criminal justice research, assists with policy formation, administers grants for law enforcement and community crime control programs, addresses the needs of crime victims, 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, maintains fingerprint records and DNA profiles, oversees the statewide crime reporting program, and operates scientific laboratories.

The Division of Homeland Security and Emergency Management consists of three offices: Office of Emergency Management, Office of Prevention and Security, and Office of Preparedness. The Division is tasked with consolidating and restructuring the state's homeland security and disaster preparedness and response functions through better coordination of emergency management and homeland security entities in the state.

## DEPARTMENT BUDGET: RECENT APPROPRIATIONS

FUNDING SOURCE	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
General Fund	\$168,464,555	\$134,566,411	\$119,777,386	\$123,111,348
Cash Funds	166,495,597	175,622,518	185,772,422	190,312,212
Reappropriated Funds	26,975,529	33,311,956	34,381,520	38,369,062
Federal Funds	55,237,146	58,435,885	59,519,141	61,508,579
<b>TOTAL FUNDS</b>	<b>\$417,172,827</b>	<b>\$401,936,770</b>	<b>\$399,450,469</b>	<b>\$413,301,201</b>
Full Time Equiv. Staff	1,618.2	1,688.6	1,727.1	1,781.1

## GENERAL FACTORS DRIVING THE BUDGET

Funding for this Department consists of 29.8 percent General Fund, 46.0 percent cash funds, 9.3 percent reappropriated funds, and 14.9 percent federal funds. Some of the major factors driving the Department's budget are discussed below.

### HIGHWAY SUPERVISION AND THE HIGHWAY USERS TAX FUND

The Highway Users Tax Fund (HUTF) is the primary source of state highway funds in Colorado. HUTF revenue include gas and special-fuel taxes, driver's license fees, motor vehicle title and registration fees, fines, license plate fees, and passenger-mile taxes. Pursuant to Section 18 of Article X of the Colorado Constitution, HUTF revenues are required to be used exclusively for the construction, maintenance, and supervision of state public highways, and associated administrative costs.

Prior to appropriating HUTF revenue for construction and maintenance of highways, the General Assembly appropriates HUTF revenues to the Department of Public Safety for highway related administrative and supervisory functions. The distribution to the State Patrol is taken "off-the-top," before the statutory formula allocation of HUTF to the state highway fund, counties, and cities. Pursuant to Section 43-4-201 (3) (a) (I) (B), C.R.S., off-the-top appropriations are limited to a 6.0 percent annual growth from the prior year's total HUTF appropriation, and may not exceed 23.0 percent of the total prior fiscal year HUTF revenue. After the off-the-top share is disbursed, remaining HUTF revenues are distributed to cities, counties, and the State Highway Fund. For more information about HUTF off-the-top, see Appendix E.

### COMMUNITY CORRECTIONS

The primary factor driving the Division of Criminal Justice's General Fund budget is the cost of community corrections programs. Community corrections facilities, also called halfway houses, are operated by local governments, private providers, and non-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 and mental illness. The additional cost of a specialized residential program, over and above the standard residential rate, is called a differential. The following table summarizes the number of placements by type in recent years.

**COMMUNITY CORRECTIONS POPULATION, RATES, AND EXPENDITURES**

	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 ESTIMATE	FY 2016-17 APPROP.
Average daily population (ADP) in Community Corrections	4,097.4	3,917.3	3,813.2	3,616.6	3,774.7
Residential ADP	3,247.4	3,111.0	3,077.4	2,938.9	3,093.4
Nonresidential ADP	850.0	806.3	735.8	677.7	681.3
Percentage of ADP that is residential	79.3%	79.4%	80.7%	81.3%	82.0%
Percentage of residential ADP in:					
Diversion	48.9%	51.2%	49.5%	49.7%	49.5%
Transition	45.2%	42.4%	43.6%	43.9%	42.6%
Parole	5.9%	6.5%	6.9%	6.4%	7.9%
Specialized programs <sup>1</sup>	18.3%	17.9%	17.7%	18.3%	20.0%
Daily residential rate for a standard bed	\$37.74	\$38.68	\$41.34	\$42.09	\$42.09
Percent change	0.0%	2.5%	6.9%	1.8%	0.0%
Average daily differential for specialized programs <sup>2</sup>	\$23.13	\$33.02	\$36.57	\$37.52	\$38.64
Percent change	2.6%	42.7%	10.7%	2.6%	3.0%
Daily non-residential rate	\$5.12	\$5.25	\$6.03	\$6.13	\$6.13
Percent change	0.0%	2.5%	14.9%	1.7%	0.0%
GF expenditure of Community Corrections subdivision (\$ million)	\$53.6	\$54.4	\$58.5	\$60.2	\$62.2
General Fund expenditure change	4.4%	1.3%	7.6%	2.9%	3.3%

<sup>1</sup> Diversion + transition + parole = 100%. A portion of each of these populations is in specialized programs.

<sup>2</sup> The average differential is a weighted average of differentials for the various types of specialized residential programs. This average changes when rates change or when the mix of offenders in specialized programs changes.

## LABORATORY AND INVESTIGATIVE SERVICES

The Colorado Bureau of Investigation (CBI) provides information technology, laboratory, and investigative services to local, state, and federal law enforcement agencies upon request. Pursuant to Section 24-33.5-412 (1) (a), C.R.S., the CBI is charged with assisting any sheriff, chief of police, district attorney, head of a state agency, or chief law enforcement officer in the investigation and detection of crime and in the enforcement of the laws of the state. CBI laboratories provide forensic evidence analysis, including: DNA, fingerprint, firearm, physiological fluid, chemical, digital, shoe, and tire tracks evidence. In addition, the CBI field team investigates crime scenes upon the request of local, state, and federal law enforcement agencies.

CBI's laboratory services and budget have increased in recent years due to legislation passed by the General Assembly. House Bill 14-1340 (State Toxicology Laboratory) requires the CBI to operate a state toxicology laboratory and to assist local law enforcement agencies in the enforcement of laws for driving under the influence of alcohol or drugs. House Bill 13-1020 (Testing Evidence of Sexual Assault) added new requirements for the Department regarding the processing and reduction of the backlog of sexual assault kits. Due to the increase in required laboratory services, the General Assembly authorized expansion of the Pueblo and Denver/Arvada labs to accommodate growing caseloads.

The Colorado Crime Information Center (CCIC) provides information to law enforcement agencies on warrants, case status, stolen property, registrations, known offenders, and drivers' licenses. The CCIC maintains system hardware and software, including a statewide telecommunications network connecting more than 500 client law enforcement agencies to the CCIC. The CCIC provides criminal identification checks, criminal background checks, and fingerprint-based criminal background checks, and also operates the State's "instacheck" criminal background check program for the firearms industry. The budget is driven primarily by information technology enhancement needs and the expansion of statutory requirements.

**COLORADO BUREAU OF INVESTIGATION WORKLOAD MEASURES**

	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16*
Total laboratory specimens analyzed	101,163	116,528	117,358	138,986	132,706
Total civil fingerprint and name checks	448,938	481,543	458,632	500,620	505,362
Total criminal fingerprints processed	226,612	216,491	209,738	240,421	219,560
Total instant criminal background checks (for firearms)	274,738	436,553	310,807	325,085	341,824

\* Fiscal year to date total as of May 31, 2016.

**DISASTER AND EMERGENCY RESPONSE**

In the event of a natural or man-made disaster, divisions within the Department may act as the central coordinating point at the state level. As a result, disasters and emergencies can play a significant role in the Department budget.

**WILDLAND FIRES AND THE COLORADO FIREFIGHTING AIR CORPS**

The recent wildfire seasons combined with the consolidation of fire prevention and safety responsibilities from various other departments have driven the budget for the Division of Fire Prevention and Control (DFPC). The following table summarizes the Division's appropriations for the last fiscal four years.

DIVISION OF FIRE PREVENTION AND CONTROL				
	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
General Fund	\$516,757	\$20,839,905	\$11,537,430	\$11,080,481
Cash Funds	17,601,028	9,557,995	12,896,372	10,811,586
Reappropriated Funds	592,985	4,890,741	4,897,439	4,813,248
Federal Funds	561,412	336,609	341,734	342,419
<b>TOTAL</b>	<b>\$19,272,182</b>	<b>\$35,625,250</b>	<b>\$29,672,975</b>	<b>\$27,047,734</b>
FTE	63.7	109.1	118.9	110.9

Much of the change in General Fund is attributed to the Colorado Firefighting Air Corps (CFAC), which authorized the Division of Fire Prevention and Control to purchase, lease, and contract with aviation firefighting resources and to establish the Center of Excellence for Advanced Technology Aerial Firefighting to research, test, and evaluate existing and new technologies for aerial firefighting. Funding for CFAC in FY 2014-15 totaled \$19,672,000. CFAC cost estimates for FY 2016-17 are included in the chart below.

DFPC AVIATION PROGRAM FY 2016-17 ESTIMATED COSTS	
Fixed wing aircraft and helicopters	\$7,076,100
Aviation program personal services and operating costs	1,718,061
Center of Excellence personal services and operating costs	795,668
<b>TOTAL</b>	<b>\$9,589,829</b>

**EMERGENCY RESPONSE**

The Division of Homeland Security and Emergency Management (DHSEM) supports the State's response to all hazards and disasters such as flooding, tornadoes, wildfires, hazardous materials incidents, and acts of terrorism. During and following a significant emergency event in the state, DHSEM serves as a central hub for receiving and distributing funds for emergency response and recovery. As seen in the chart below, this can significantly impact the budget, as it did following the 2012 floods in Colorado.

DIVISION OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT				
	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
General Fund	\$71,043,809	\$2,286,516	\$2,413,823	\$2,621,779
Cash Funds	37,280,590	4,510,988	4,567,986	4,015,755
Reappropriated Funds	670,127	706,237	702,436	700,390
Federal Funds	\$148,818,190	\$26,030,651	\$26,052,543	\$25,719,146
<b>TOTAL</b>	<b>\$257,812,716</b>	<b>\$33,534,392</b>	<b>\$33,736,788</b>	<b>\$33,057,070</b>

# APPROPRIATION HIGHLIGHTS - 2016 LEGISLATIVE SESSION

DEPARTMENT OF PUBLIC SAFETY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$401,570,957	\$123,485,119	\$184,426,485	\$34,159,434	\$59,499,919	1,722.8
SB 15-014	60,000	0	60,000	0	0	0.0
SB 15-020	72,512	72,512	0	0	0	0.9
SB 15-124	780,019	780,019	0	0	0	0.0
SB 15-185	38,799	38,799	0	0	0	0.4
SB 15-217	30,851	30,851	0	0	0	0.5
HB 15-1129	600,000	600,000	0	0	0	0.5
HB 15-1273	73,457	73,457	0	0	0	1.0
HB 15-1285	89,893	89,893	0	0	0	1.0
HB 15-1379	15,999	0	0	15,999	0	0.0
HB 16-1248	(854,331)	(2,365,577)	1,285,937	206,087	19,222	0.0
HB 16-1405	(3,027,687)	(3,027,687)	0	0	0	0.0
<b>TOTAL</b>	<b>\$399,450,469</b>	<b>\$119,777,386</b>	<b>\$185,772,422</b>	<b>\$34,381,520</b>	<b>\$59,519,141</b>	<b>1,727.1</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$399,450,469	\$119,777,386	\$185,772,422	\$34,381,520	\$59,519,141	1,727.1
Centrally appropriated line items	6,631,726	2,694,353	5,761,134	(1,912,563)	88,802	0.0
Executive Director's Office reorganization	4,352,411	0	0	4,352,411	0	(0.0)
Annualize prior year budget actions	1,963,017	2,128,247	13,881	(151,436)	(27,675)	0.0
Informational funds adjustment	1,850,000	0	0	0	1,850,000	(0.5)
Community corrections caseload	1,477,579	1,477,579	0	0	0	0.0
Lease-purchase payment true-up	691,175	691,175	0	0	0	0.0
Juvenile diversion programs	400,000	0	400,000	0	0	0.3
Additional E-470 troopers	230,033	0	230,033	0	0	2.0
Cognitive behavioral treatment pilot	212,262	212,262	0	0	0	2.7
DUI/DUID training spending authority	150,000	0	0	150,000	0	0.0
Align dispatch with billing	1	0	3,003	(1,428)	(1,574)	0.0
Correct HSEM FTE	0	0	0	0	0	43.2
Adjust fire safety grant spending authority	(1,900,000)	0	(1,900,000)	0	0	0.0
Annualize prior year legislation	(936,407)	(1,900,963)	948,573	15,983	0	6.9
Correct Offender ID appropriation	(725,000)	0	(725,000)	0	0	0.0
Equipment lease funding	(393,600)	(393,600)	0	0	0	0.0
Leap day adjustment	(147,247)	(147,247)	0	0	0	0.0
Indirect cost assessment	(111,673)	(1,523,062)	(256,175)	1,537,679	129,885	0.0
Eliminate Policing Institute line item	(100,000)	0	0	(50,000)	(50,000)	(2.5)
Begin phase-out of SB13-283 funding	(79,992)	0	(79,992)	0	0	(1.0)
Leased space true-up	(55,145)	0	(55,145)	0	0	0.0
Adjust Witness Protection Fund	(33,000)	(33,000)	0	0	0	0.0
<b>HB 16-1405</b>	<b>\$412,926,609</b>	<b>\$122,983,130</b>	<b>\$190,112,734</b>	<b>\$38,322,166</b>	<b>\$61,508,579</b>	<b>1,778.2</b>
SB 16-040	15,296	0	0	15,296	0	0.0
SB 16-191	79,992	0	79,992	0	0	1.0
SB 16-197	2,135	0	2,135	0	0	0.0
HB 16-1040	60,238	60,238	0	0	0	0.0
HB 16-1047	31,600	0	0	31,600	0	0.3
HB 16-1097	2,636	0	2,636	0	0	0.0
HB 16-1160	114,188	0	114,188	0	0	0.6
HB 16-1404	527	0	527	0	0	0.0
HB 16-1453	67,980	67,980	0	0	0	1.0
<b>TOTAL</b>	<b>\$413,301,201</b>	<b>\$123,111,348</b>	<b>\$190,312,212</b>	<b>\$38,369,062</b>	<b>\$61,508,579</b>	<b>1,781.1</b>
<b>INCREASE/(DECREASE)</b>	<b>\$13,850,732</b>	<b>\$3,333,962</b>	<b>\$4,539,790</b>	<b>\$3,987,542</b>	<b>\$1,989,438</b>	<b>54.0</b>
Percentage Change	3.5%	2.8%	2.4%	11.6%	3.3%	3.1%

## FY 2015-16 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 16-1248 modifies the FY 2015-16 appropriation to:

- Add \$1,488,404 total funds for Colorado State Trooper pay increases to comply with statutory requirements;
- Add \$150,000 reappropriated funds from the Department of Law for Driving Under the Influence/Driving Under the Influence of Drugs (DUI/DUID) training recommended by the Peace Officer Standards and Training (POST) Board;
- Reduce \$1,629,312 General Fund for the third year costs of H.B. 13-1020 (Testing of Sexual Assault Kits);
- Reduce \$393,600 General Fund for lease equipment funding in the Colorado Bureau of Investigation (CBI) due to lower than expected equipment cost;
- Reduce of \$240,709 General Fund for adjustments to the Department's vehicle lease payments;
- Reduce \$173,969 General Fund for lease-purchase payments for the new Colorado Bureau of Investigation laboratories; and
- Reduction of \$55,145 cash funds for leased space adjustments.

House Bill 16-1405 reduces the FY 2015-16 appropriation by \$3,027,687 General Fund based on revised caseload estimates for community corrections programs and provides roll forward authority for \$60,000 from the Marijuana Tax Cash Fund appropriated to the Colorado Crime Information Center.

## FY 2016-17 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; payment to risk management and property funds; vehicle lease payments; Capitol complex leased space; payments to the Governor's Office of Information Technology (OIT); and CORE operations.

**EXECUTIVE DIRECTOR'S OFFICE REORGANIZATION:** The appropriation includes \$4,352,411 reappropriated funds in order to consolidate within the Executive Director's Office (EDO) administrative resources currently operating at the division level, and adds five new positions.

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

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 15-16 H.B. 13-1020 adjustment	\$1,629,312	\$1,629,312	\$0	\$0	\$0	0.0
FY 15-16 Laboratory equipment	393,600	393,600	0	0	0	0.0
FY 15-16 Lease purchase payments	173,969	173,969	0	0	0	0.0
FY 15-16 Leased space	55,145	0	55,145	0	0	0.0
FY 15-16 DUI/DUID training	(150,000)	0	(150,000)	0	0	0.0
FY 15-16 Merit pay	(91,050)	(45,657)	(28,365)	(828)	(16,200)	0.0
FY 15-16 Assisted living surveys one time operating	(47,959)	(22,977)	(12,899)	(608)	(11,475)	0.0
<b>TOTAL</b>	<b>\$1,963,017</b>	<b>\$2,128,247</b>	<b>(\$136,119)</b>	<b>(\$1,436)</b>	<b>(\$27,675)</b>	<b>0.0</b>

**INFORMATIONAL FUNDS ADJUSTMENT:** The appropriation includes increased informational appropriations of \$1,850,000 federal funds and a reduction of 0.5 FTE reflected in the Long Bill for informational purposes only.

**COMMUNITY CORRECTIONS CASELOAD:** The appropriation includes an increase of \$1,477,579 General Fund for the expected reopening of a community corrections program that closed during FY 2015-16.

**LEASE PURCHASE PAYMENT TRUE-UP:** The appropriation includes an increase of \$691,175 General Fund for adjustments to the lease-purchase payments for the Colorado Bureau of Investigation laboratories.

**JUVENILE DIVERSION PROGRAMS:** The appropriation includes \$400,000 cash funds from the Marijuana Tax Cash Fund for screening, assessment and treatment of marijuana and general substance abuse needs of children who are in juvenile justice diversion programs.

**ADDITIONAL E-470 TROOPERS:** The appropriation includes an increase of \$230,033 cash funds and 2.0 FTE to increase patrolling hours in the E-470 corridor under the existing contract with the E-470 Public Highway Authority.

**COGNITIVE BEHAVIOR TREATMENT PILOT:** The appropriation includes an increase of \$212,262 General Fund and 2.7 FTE for a community corrections pilot program for high risk offenders. Additional program costs of \$1,653,105 General Fund will be paid from existing General Fund appropriations.

**DUI/DUID TRAINING SPENDING AUTHORITY:** The appropriation includes \$150,000 reappropriated funds from the Department of Law for Driving Under the Influence/Driving Under the Influence of Drugs (DUI/DUID) training recommended by the POST Board.

**ALIGN DISPATCH WITH BILLING:** The appropriation includes a net increase of \$1 total funds to correctly align Colorado State Patrol dispatch billing with revenue.

**CORRECT HSEM FTE:** The appropriation includes an FTE increase in the Division of Homeland Security and Emergency Management (HSEM) to more accurately reflect FTE utilization.

**ADJUST FIRE SAFETY GRANT SPENDING AUTHORITY:** The appropriation includes a reduction of \$1,900,000 cash funds for the Fire Safety Grants to reflect actual expenditures.

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

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 15-124 Reduce Parole Revocations for Technical Violations	\$780,019	\$780,019	\$0	\$0	\$0	0.0
HB 15-1379 Marijuana Permitted Economic Interest	15,983	0	0	15,983	0	0.2
SB 15-185 Police Data Collection and Community Policing	2,077	2,077	0	0	0	0.1
HB 15-014 Medical Marijuana	1,940	0	1,940	0	0	1.0
SB 15-020 Education to Prevent Child Sexual Abuse and Assault	613	613	0	0	0	0.1
SB 15-205 Veterans Fire Corps	0	0	0	0	0	6.0
HB 13-1020 Testing of Sexual Assault Kits	(1,629,312)	(1,629,312)	0	0	0	0.0
HB 14-1340 State Toxicology Laboratory	(47,030)	(993,663)	946,633	0	0	0.0
SB 15-217 Police Shooting Data Collection	(30,851)	(30,851)	0	0	0	(0.5)
HB 15-1285 Law Enforcement Use of Body-worn Cameras	(25,143)	(25,143)	0	0	0	0.0
HB 15-1273 Comprehensive School Discipline Reporting	(4,703)	(4,703)	0	0	0	0.0
<b>TOTAL</b>	<b>(\$936,407)</b>	<b>(\$1,900,963)</b>	<b>\$948,573</b>	<b>\$15,983</b>	<b>\$0</b>	<b>6.9</b>

**CORRECT OFFENDER ID APPROPRIATION:** The appropriation includes a reduction of \$725,000 cash funds for the Colorado Bureau of Investigation's laboratory and investigative services operating costs to reflect actual expenditures.

**EQUIPMENT LEASE FUNDING:** The appropriation includes a reduction of \$393,600 General Fund for lease equipment funding in the Colorado Bureau of Investigation due to lower than expected equipment cost.

**LEAP DAY ADJUSTMENT:** The appropriation includes a reduction for community corrections to remove leap day funding that paid for the extra day of community corrections payments that occurred during FY 2015-16.

**INDIRECT COST ASSESSMENT:** The appropriation includes a net decrease to the Department's indirect cost assessment.

**ELIMINATE POLICING INSTITUTE LINE ITEM:** The appropriation eliminates funding for a program that is no longer receiving federal funding or funding from the P.O.S.T Board.

**BEGIN PHASE-OUT OF SB 13-283 FUNDING:** The appropriation includes a reduction of \$79,992 cash funds from the Marijuana Tax Cash Fund and 1.0 FTE to reflect the approaching conclusion of a study required by S.B. 13-283 (Implement Amendment 64) of law enforcement activity related to the implementation of retail marijuana. Senate Bill 16-191 extends the study to future years and restores this funding.

**LEASED SPACE TRUE-UP:** The appropriation includes a reduction of \$55,145 cash funds to adjust leased space payments.

**ADJUST WITNESS PROTECTION FUND:** The appropriation includes a reduction of \$33,000 General Fund appropriated to the Witness Protection Fund, which has a sufficient fund balance to support current programs.

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

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# DEPARTMENT OF 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 small businesses and consumers at hearings before the Public Utilities Commission.
- 5 Division of Financial Services is responsible for enforcing state and federal laws relating to the regulation of credit unions and savings and loan associations.
- 6 Division of Insurance is responsible for licensing insurance agents and companies.
- 7 Public Utilities Commission is responsible for regulating utilities throughout the state.
- 8 Division of Real Estate licenses real estate agents and mortgage brokers and investigates allegations of real estate and mortgage fraud.
- 9 Division of Professions and Occupations licenses individuals in over 50 professions and occupations.
- 10 Division of Securities licenses securities agents and investigates allegations of securities misconduct.

## DEPARTMENT BUDGET: RECENT APPROPRIATIONS

FUNDING SOURCE	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
General Fund	\$1,703,494	\$1,884,591	\$1,923,405	\$1,769,297
Cash Funds	73,652,864	78,741,802	80,625,258	78,137,343
Reappropriated Funds	4,504,371	4,725,487	4,875,289	4,852,173
Federal Funds	1,323,983	1,391,262	1,486,010	1,383,918
<b>TOTAL FUNDS</b>	<b>\$81,184,712</b>	<b>\$86,743,142</b>	<b>\$88,909,962</b>	<b>\$86,142,731</b>
Full Time Equiv. Staff	572.7	587.6	585.5	588.2

## GENERAL FACTORS DRIVING THE BUDGET

Funding for this department consists of 2.1 percent General Fund, 90.7 percent cash funds, 5.6 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 12.2 percent of the Department's FY 2016-17 total appropriation.

**DEPARTMENT OF REGULATORY AGENCIES LEGAL SERVICES EXPENDITURES**

	FY 12-13 ACTUAL	FY 13-14 ACTUAL	FY 14-15 ACTUAL	FY 15-16 APPROP.	FY 16-17 APPROP.
Legal Services	\$7,383,603	\$9,767,656	\$11,020,252	\$10,437,650	\$10,539,009
Legal Services Hours	104,884	107,566	108,364	109,858	110,879
Change in Hours	(1,951)	2,682	798	1,494	803
Percent Change in Hours	(1.8%)	2.6%	0.7%	1.4%	0.7%
Percent of Department Total	9.4%	12.0%	12.7%	11.8%	12.2%
Dept. of Law Blended Legal Rate	\$77.25	\$91.08	\$94.51	\$95.01	\$95.05

Over the period from FY 2010-11 through FY 2014-15, five divisions have accounted for between 81.0 and 88.8 percent of the Department's legal services.

**Legal Services Expenditures by Top Five Divisions**

	FY 10-11 ACTUAL	FY 11-12 ACTUAL	FY 12-13 ACTUAL	FY 13-14 ACTUAL	FY 14-15 ACTUAL
Professions & Occupations	\$3,286,424	\$3,336,464	\$3,426,052	\$3,806,424	\$4,186,650
Public Utilities Commission + Office of Consumer Counsel	1,664,076	1,835,306	1,759,139	2,358,562	2,857,499
Real Estate	890,231	787,757	837,152	942,438	980,635
Insurance	781,201	743,813	594,427	918,930	898,837
<b>Top Five Subtotal</b>	<b>6,621,932</b>	<b>6,703,340</b>	<b>6,616,770</b>	<b>8,026,354</b>	<b>8,923,621</b>
Department Total	\$8,017,385	\$8,088,494	\$8,165,123	\$9,767,656	\$10,049,506
Top Five Percent of Total	82.6%	82.9%	81.0%	82.2%	88.8%

**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 REGULATED BY THE  
DIVISIONS OF INSURANCE, REAL ESTATE, REGISTRATIONS, AND SECURITIES**

	FY 10-11 ACTUAL	FY 11-12 ACTUAL	FY 12-13 ACTUAL	FY 13-14 ACTUAL	FY 14-15 ACTUAL
<b>Div. of Insurance - Producer Licenses</b>					
New Licenses	29,789	30,556	30,900	31,603	33,160
Active Licenses	129,559	128,710	134,951	142,105	150,058
<b>Div. of Real Estate</b>					
Broker & Salesperson	39,062	37,560	37,439	38,729	40,268
Mortgage Loan Originators	5,013	5,443	7,182	6,847	8,494
Appraisers	3,365	3,209	3,068	2,833	2,734
<b>Div. of Professions and Occupations</b>					
New Licenses	34,431	35,210	36,152	35,793	40,257
Active Licenses	345,026	347,285	366,402	368,851	387,924
<b>Div. of Securities</b>					
Sales Representative License Renewals	153,576	163,818	165,433	171,999	187,878
Investment Advisor License Renewals	9,522	9,743	10,297	11,103	12,287

## 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 2010-11.

EXAMINATIONS CONDUCTED BY THE DIVISIONS OF BANKING, FINANCIAL SERVICES, AND SECURITIES						
	FY 10-11 ACTUAL	FY 11-12 ACTUAL	FY 12-13 ACTUAL	FY 13-14 ACTUAL	FY 14-15 ACTUAL	CHANGE SINCE FY 10-11
Banking examinations	195	171	180	141	146	(25.1%)
Credit union examinations	39	34	31	34	34	(12.8%)
Securities examination	65	110	175	138	174	167.7%

## OTHER LEGISLATION

The General Assembly has passed an average of 11.9 bills per session over the last ten sessions that increased the Department's regulatory responsibilities. The 2016 Session included 8 bills with appropriations for an additional \$875,311 cash funds and 2.7 FTE. The following table shows the impact of other legislation on the Department's budget.

OTHER LEGISLATION						
SESSION	NO. OF BILLS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	TOTAL FUNDS	FTE
2007	22	\$42,290	\$2,670,098	\$66,962	\$2,737,060	15.3
2008	19	149,205	2,233,416	0	2,233,416	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
2015	5	0	148,422	0	148,422	0.0
2016	8	0	875,311	0	0	2.7
<b>AVERAGE</b>	<b>11.9</b>	<b>\$19,150</b>	<b>\$985,175</b>	<b>\$66,030</b>	<b>\$963,674</b>	<b>7.8</b>

## APPROPRIATION HIGHLIGHTS - 2016 LEGISLATIVE SESSION

DEPARTMENT OF REGULATORY AGENCIES							
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE	
FY 2015-16 APPROPRIATION:							
SB 15-234	\$88,429,145	\$1,923,405	\$80,144,441	\$4,875,289	\$1,486,010	583.6	
SB 15-106	8,506	0	8,506	0	0	0.0	
SB 15-110	4,726	0	4,726	0	0	0.0	
SB 15-210	50,000	0	50,000	0	0	0.0	
HB 15-1309	37,940	0	37,940	0	0	0.0	
HB 15-1343	47,250	0	47,250	0	0	0.0	
HB 16-1249	332,395	0	332,395	0	0	1.9	
<b>TOTAL</b>	<b>\$88,909,962</b>	<b>\$1,923,405</b>	<b>\$80,625,258</b>	<b>\$4,875,289</b>	<b>\$1,486,010</b>	<b>585.5</b>	

**DEPARTMENT OF REGULATORY AGENCIES**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$88,909,962	\$1,923,405	\$80,625,258	\$4,875,289	\$1,486,010	585.5
Annualize terms of new lease agreement	(2,405,433)	(97,037)	(1,995,015)	(272,917)	(40,464)	0.0
Centrally appropriated line items	(1,256,869)	(61,517)	(1,192,511)	15,615	(18,456)	0.0
Indirect cost assessment	(263,116)	0	(219,945)	0	(43,171)	0.0
Annualize prior year legislation	(110,225)	0	(110,225)	0	0	0.0
Annualize prior year budget actions	(86,899)	4,446	(85,530)	(5,814)	(1)	0.0
<b>HB 16-1405</b>	<b>\$84,787,420</b>	<b>\$1,769,297</b>	<b>\$77,022,032</b>	<b>\$4,612,173</b>	<b>\$1,383,918</b>	<b>585.5</b>
SB 16-087	480,000	0	240,000	240,000	0	0.0
SB 16-161	25,134	0	25,134	0	0	0.3
HB 16-1047	331,019	0	331,019	0	0	0.3
HB 16-1160	32,342	0	32,342	0	0	0.3
HB 16-1186	150,000	0	150,000	0	0	0.0
HB 16-1197	73,551	0	73,551	0	0	0.9
HB 16-1324	12,941	0	12,941	0	0	0.0
HB 16-1404	77,546	0	77,546	0	0	0.9
HB 16-1414	172,778	0	172,778	0	0	0.0
<b>TOTAL</b>	<b>\$86,142,731</b>	<b>\$1,769,297</b>	<b>\$78,137,343</b>	<b>\$4,852,173</b>	<b>\$1,383,918</b>	<b>588.2</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$2,767,231)</b>	<b>(\$154,108)</b>	<b>(\$2,487,915)</b>	<b>(\$23,116)</b>	<b>(\$102,092)</b>	<b>2.7</b>
Percentage Change	(3.1%)	(8.0%)	(3.1%)	(0.5%)	(6.9%)	0.5%

**FY 2015-16 APPROPRIATION - MID-YEAR ADJUSTMENTS**

House Bill 16-1249 adds \$200,000 cash funds for the Broadband Deployment Board, \$134,644 cash funds and 1.9 FTE for the implementation of Senate Bill 15-202 (Exclude Water Conditioning Appliance from Plumbing), and reduced vehicle lease payments by \$2,249 cash funds.

**FY 2016-17 APPROPRIATION HIGHLIGHTS**

**ANNUALIZE TERMS OF NEW LEASE AGREEMENT:** The appropriation includes a reduction of \$2,405,433 total funds, including \$97,037 General Fund, \$1,995,015 cash funds, \$272,917 reappropriated funds, and \$40,464 federal funds. The overall reduction will result in an appropriation of \$788,208 cash funds for the leased space line item in the Department’s Executive Director’s Office. The Department has signed a new 10-year lease from FY 2016-17 through FY 2026-27 at their current location of 1560 Broadway in Denver that includes significant cost savings in the first year of the lease.

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

**INDIRECT COST ASSESSMENT:** The appropriation includes a decrease of \$263,116 total funds in the Department’s indirect cost assessment.

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

**ANNUALIZE PRIOR YEAR LEGISLATION**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 15-1343 Streamline HOA Manager Licensing Requirements	(\$39,250)	\$0	(\$39,250)	\$0	\$0	0.0
HB 15-1309 Protective Restorations By Dental Hygienists	(35,465)	0	(35,465)	0	0	0.0
SB 15-202 Exclude Water Conditioning Appliance From Plumbing	(22,278)	0	(22,278)	0	0	0.0
SB 15-106 Sunset Barber & Cosmetologist Act & Committee	(8,506)	0	(8,506)	0	0	0.0
SB 15-110 Sunset Mortuary Science Regulation	(4,726)	0	(4,726)	0	0	0.0
<b>TOTAL</b>	<b>(\$110,225)</b>	<b>\$0</b>	<b>(\$110,225)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

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

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 15-16 Broadband board	(\$66,000)	\$0	(\$66,000)	\$0	\$0	0.0
FY 15-16 Salary survey and merit pay	(20,899)	4,446	(19,530)	(5,814)	(1)	0.0
<b>TOTAL</b>	<b>(\$86,899)</b>	<b>\$4,446</b>	<b>(\$85,530)</b>	<b>(\$5,814)</b>	<b>(\$1)</b>	<b>0.0</b>

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

# DEPARTMENT OF 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. 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 that it also collects for State government. The Department currently receives and distributes sales and use taxes on behalf of approximately 250 local governments and special districts.

The Department also operates the State Lottery, which accounts for approximately one-third of the Department's annual budget. Lottery proceeds (sales less prizes and expenses) are distributed to the Conservation Trust Fund, Great Outdoors Colorado, Parks and Outdoors Recreation, and the Public School Capital Construction Fund.

## DEPARTMENT BUDGET: RECENT APPROPRIATIONS

FUNDING SOURCE	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
General Fund <sup>1</sup>	\$80,547,235	\$103,605,100	\$97,942,157	\$100,710,413
Cash Funds	221,039,808	219,536,248	221,218,250	230,466,408
Reappropriated Funds	5,068,713	5,534,457	5,314,170	6,471,205
Federal Funds	824,388	824,388	824,388	824,388
<b>TOTAL FUNDS</b>	<b>\$307,480,144</b>	<b>\$329,500,193</b>	<b>\$325,298,965</b>	<b>\$338,472,414</b>
Full Time Equiv. Staff	1,253.2	1,332.8	1,371.4	1,430.4

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

## GENERAL FACTORS DRIVING THE BUDGET

The Department's funding for FY 2016-17 consists of 29.8 percent General Fund, 68.1 percent cash funds, 1.9 percent reappropriated funds, and 0.2 percent federal funds. The Department's primary budget drivers are the State's tax structure, population levels, business activity in regulated industries, and technological capabilities. In addition, mineral severance activity and legislative changes related to identification document requirements have increased demands on Department staff and systems in recent years.

### TAXATION BUSINESS GROUP

The complexity of Colorado's tax structure affects the resources required by the Taxation Business Group and Information Technology Division. In addition to collecting State taxes, the Department collects local taxes for most counties, cities and special districts in Colorado, and tracks and distributes the collections monthly to the local governments. Local sales taxes collected include: county lodging, local marketing, regional transportation, football stadium, scientific and cultural, local improvement, mass transit, and short term rental tax.

## DIVISION OF MOTOR VEHICLES

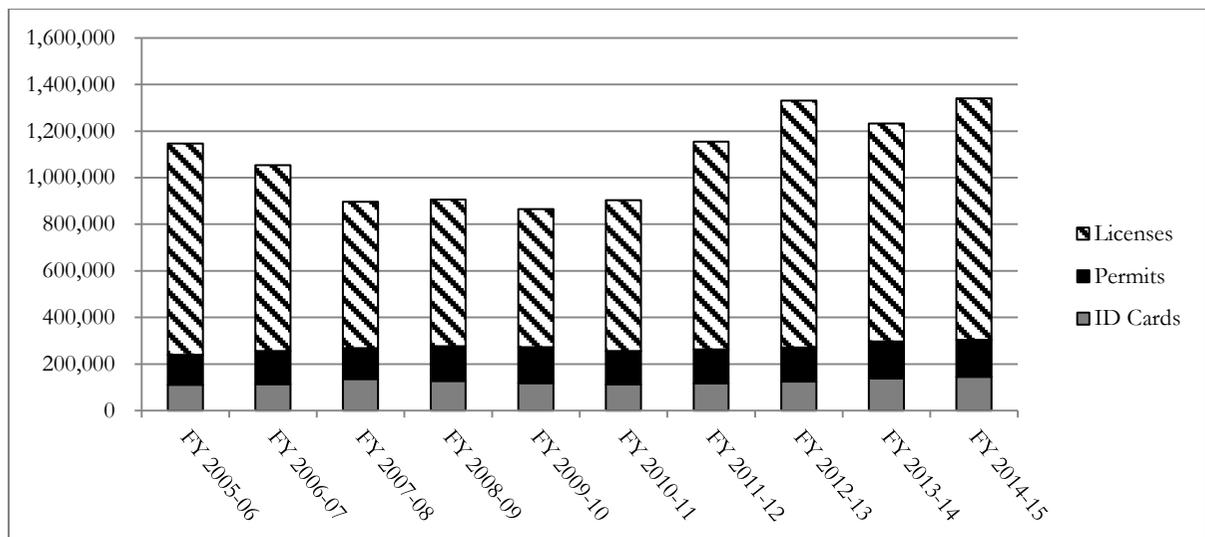
The Division of Motor Vehicles issues driver's licenses and identification cards, maintains driver records and enforces administrative sanctions, suspensions, and reinstatements of driver's licenses, regulates commercial driving schools, oversees the State's vehicle emissions program, provides support for the Statewide Vehicle Titling and Registration System (CSTARS), oversees the motorist insurance identification database program, and administers the Ignition Interlock Subsidy Program.

### DRIVER AND VEHICLE SERVICES

There are 56 driver's license offices (36 operated by the State and 20 operated by the counties) that issue driver's licenses and state identification (ID) cards.

Legislation on both the State and federal levels is a significant budget driver for this division. In 2001, the term of a driver's license was increased from five to ten years. The number of driver's licenses issued dropped in FY 2006-07 as the first drivers who were issued ten-year licenses did not have to renew their licenses. As a result of subsequent legislation passed in order to comply with federal law, the State returned to five-year renewals beginning in 2005. Starting in January 2011, the first five-year driver's licenses that were issued starting in 2005, along with the ten-year licenses that were issued in 2001, were due for renewal at the same time, resulting in an increase in the number of documents issued.

### NUMBER OF DRIVERS LICENSES, PERMITS AND IDENTIFICATION DOCUMENTS ISSUED



Recent changes in state and federal law have also increased transaction times for driver's licenses and ID cards. For example, the Department has instituted new policies and procedures to ensure that those documents are secure and verifiable by utilizing databases to confirm residency and legal status.

In addition to issuing driver's licenses, the Driver Services and Vehicle Services sections are responsible for: managing driver's licensing records; verifying documents presented for identification, including proof of the applicant's legal presence in the United States; identifying and administering administrative sanctions, including all restraints for alcohol related driving offenses; investigating fraud related to driver's licenses and identification cards; providing support and coordination for the motor vehicle registration process; administering the S.B 13-251 (Driver's License & Identification Documentation) driver's license program; 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.

DIVISION OF MOTOR VEHICLES—VEHICLE EMISSIONS LICENSING				
	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
Station Licenses Issued	75	87	87	81
Station Licenses Renewed	67	81	51	49
Mechanic's Licenses Issued	355	683	593	496
Mechanic's Licenses Renewed	151	245	173	161

## 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 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
Title Applications Received	1,561,184	1,608,557	1,621,277	1,561,035

## MOTORIST INSURANCE IDENTIFICATION DATABASE (MIIDB) PROGRAM

The Motorist Insurance Identification Database Program helps law enforcement officers verify driver compliance with the State's motor vehicle insurance requirements. The Program is authorized to suspend driving privileges for uninsured motorists. Funding for the Program comes from a \$0.10 surcharge on motor vehicle registration fees.

## ENFORCEMENT BUSINESS GROUP

The Enforcement Business Group regulates the liquor, tobacco, medical and retail marijuana, racing, gambling (except games of chance operated for charity, which are regulated by the Secretary of State), and automobile sales industries. The Limited Gaming Control Commission approves the Limited Gaming Division budget.

## LIMITED GAMING DIVISION

The Limited Gaming Division licenses and regulates the limited gaming industry, including gaming devices, facilities, personnel, and activities. The Division also enforces the laws contained in the Limited Gaming Act, as well as the rules and regulations promulgated by the Colorado Limited Gaming Control Commission (Commission). The Commission has constitutional authority to allocate money to the Division. Money remains in the Limited Gaming Fund after the payment of the Division's expenses are distributed according to the Constitution as follows:

- 28.0 percent to the State Historical Society;
- 12.0 percent to the gaming counties (Gilpin and Teller) in amounts proportional to gaming revenues collected in each county;
- 10.0 percent to the gaming cities (Black Hawk, Central City, and Cripple Creek) in amounts proportional to gaming revenues collected in each city; and
- 50.0 percent to the General Fund or such other uses or funds as the General Assembly may provide.

Amendment 50, approved by voter in 2008, expanded limited gaming to include higher limits on bets, extended hours, and new games. The proceeds of expanded gaming, after expenses, are distributed to limited gaming cities (10.0 percent) and counties (12.0 percent), and the State's community colleges (78.0 percent).

State limited gaming revenues, expenses and distributions are detailed in the following table.

LIMITED GAMING REVENUES, EXPENSES, AND DISTRIBUTIONS					
	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
Limited Gaming Revenue	\$105,949,859	\$103,557,500	\$104,644,974	\$106,322,700	\$111,421,159
Commission/Division Expenses	12,097,096	12,305,062	12,872,721	13,877,185	13,981,725
Total Amount Distributed (includes escrow reserve)	95,327,351	91,197,386	92,686,816	92,219,372	97,218,342
Distributions					
State General Fund	\$20,400,269	\$20,304,942	\$12,102,134	\$11,820,185	\$13,571,425
Local Government Gaming Impact Fund	3,600,806	3,314,827	5,000,000	5,000,000	5,000,000
Tourism Promotion Fund	12,002,686	11,049,424	15,000,000	15,000,000	15,000,000
State Historical Society	24,195,009	23,127,355	23,633,195	23,475,304	24,455,998
Film Incentives Cash Fund	240,054	220,989	500,000	500,000	500,000
Bioscience Discovery Evaluation Grant Program	4,320,967	3,977,793	5,500,000	5,500,000	0
Advanced Industries Acceleration Cash Fund	0	0	0	0	5,500,000
Innovative Higher Ed Research Fund	1,680,376	1,546,920	2,100,000	2,100,000	2,100,000
Creative Industries Cash Fund	960,215	883,954	2,000,000	2,000,000	2,000,000
<b>Total</b>	<b>\$67,400,382</b>	<b>\$64,426,204</b>	<b>\$65,835,329</b>	<b>\$65,395,489</b>	<b>\$68,127,423</b>
Limited Gaming Counties					
Gilpin County	\$8,544,294	\$8,196,996	\$8,364,125	\$8,373,641	\$8,780,053
Teller County	1,824,995	1,714,728	1,764,387	1,687,203	\$1,701,089
<b>Total</b>	<b>\$10,369,289</b>	<b>\$9,911,724</b>	<b>\$10,128,512</b>	<b>\$10,060,844</b>	<b>\$10,481,142</b>
Limited Gaming Cities					
City of Black Hawk	\$6,352,054	\$6,048,629	\$6,174,172	\$6,244,431	\$6,592,639
Central City	768,192	782,200	795,932	733,603	\$724,072
City of Cripple Creek	1,520,829	1,428,940	1,470,322	1,406,003	\$1,417,574
<b>Total</b>	<b>\$8,641,075</b>	<b>\$8,259,769</b>	<b>\$8,440,426</b>	<b>\$8,384,037</b>	<b>\$8,734,285</b>
Amendment 50 Distributions					
Limited Gaming Counties	\$1,069,993	\$1,031,963	\$993,906	\$1,005,480	\$1,185,549
Limited Gaming Cities	891,661	859,969	828,255	837,900	987,059
Community College System	6,954,952	6,707,757	6,460,388	6,535,622	7,702,884
<b>Total</b>	<b>\$8,916,606</b>	<b>\$8,599,689</b>	<b>\$8,282,549</b>	<b>\$8,379,002</b>	<b>\$9,875,492</b>

## LIQUOR AND TOBACCO ENFORCEMENT DIVISION

The Liquor and Tobacco Enforcement Division licenses persons who manufacture, import, distribute or sell alcoholic beverages; regulates the sale and distribution of liquor within the State; and enforces State and federal laws regarding the sale of tobacco products to minors. The Division enforces the provisions of the liquor, beer, and special events codes. The following table details the enforcement actions the Division has undertaken in the last five fiscal years.

LIQUOR AND TOBACCO ENFORCEMENT DIVISION—VIOLATIONS DETECTED					
	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
Total liquor licenses in force	15,935	13,515	12,816	12,998	13,348
State administrative actions	369	278	424	382	314
State revocations	4	3	0	5	0
State suspensions	163	51	70	44	33
State denials	0	1	1	3	3
Division-filed court cases	784	756	1,042	1,026	988
Division-assisted local hearings	6	6	12	5	3

## 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 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 14-15
Total motor vehicle related hearings <sup>1</sup>	23,526	22,710	21,867	20,390	22,188
Other hearings <sup>2</sup>	<u>125</u>	<u>119</u>	<u>132</u>	<u>95</u>	<u>78</u>
Total hearings	23,651	22,829	21,999	20,485	22,266

<sup>1</sup> Includes hearings related to excessive points, express consent, driving under the influence convictions, habitual traffic offender, insurance related restraints, vehicular assault/homicide, controlled substance, underage drinking and driving, and ignition interlock cases.

<sup>2</sup> Includes hearings related to liquor, racing, tax, tobacco, vehicle emissions, commercial driver's licenses and 3rd party testers, automobile salespersons, gaming, and marijuana.

## MOTOR VEHICLE DEALER LICENSING BOARD

The Motor Vehicle Dealer Licensing Board is responsible for licensing and regulating the sale and distribution of motor vehicles and promulgating consumer protection regulations. Responsibilities include licensing all salespersons and those with ownership interests in new and used auto dealerships.

MOTOR VEHICLE DEALER LICENSING BOARD					
	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
Total dealer/salesperson licenses issued	17,652	18,059	18,699	19,295	
Complaints received	1,525	1,347	1,234	1,225	1,218
Investigations completed	1,595	1,559	1,304	1,270	1,220
Violations/Founded complaints	858	822	673	656	697
Verbal warnings issued	456	360	326	238	181
Written warnings issued	117	137	175	225	321
Criminal summons issued	60	26	22	11	25
Cases presented to Dealer Board	186	286	135	159	153

## MARIJUANA ENFORCEMENT

House Bill 10-1284 established the Medical Marijuana Enforcement Division, which is responsible for the licensing and regulation of medical marijuana dispensaries, cultivation facilities, and infused products manufacturing facilities, and enforcing State laws and regulations regarding medical marijuana. House Bill 13-1317 renamed the division the Marijuana Enforcement Division and gave the Division responsibility for regulation of recreational and medical marijuana retailers, cultivation facilities, and infused products manufacturers. Senate Bill 14-215 created the Marijuana Tax Cash Fund (MTCF) and directs that all sales taxes collected by the State starting in FY 2014-15 from retail and medical marijuana be deposited in the MTCF instead of the Marijuana Cash Fund (MCF). For more information about bills related to the topic of marijuana and the disposition of marijuana taxes made through the 2016 Long Bill, please refer to Appendix K – Marijuana.

## STATE LOTTERY DIVISION

The State Lottery recorded sales of \$538.0 million in FY 2014-15, and net proceeds of \$128.0 million were distributed to the beneficiaries. The table below shows total sales and distributions of net proceeds from the lottery.

SALES AND DISTRIBUTIONS (\$ MILLIONS)					
	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
Total Sales	\$518.9	\$545.3	\$566.3	\$545.0	\$538.0
<u>Distributions</u>					
Conservation Trust Fund	\$45.3	\$49.3	\$54.2	52.1	51.2
Great Outdoors Colorado	56.0	57.1	59.2	60.3	62.0
Colorado Parks and Wildlife	11.3	12.3	13.6	13.0	12.8
Public School Capital Construction Fund (BEST)	<u>0.7</u>	<u>4.6</u>	<u>8.6</u>	<u>4.7</u>	<u>2.0</u>
Total Distributions	\$113.3	\$123.3	\$135.6	\$130.1	\$128.0

# APPROPRIATION HIGHLIGHTS - 2016 LEGISLATIVE SESSION

DEPARTMENT OF REVENUE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$323,064,380	\$97,544,431	\$219,381,391	\$5,314,170	\$824,388	1,363.7
SB 15-014	113,704	0	113,704	0	0	1.0
SB 15-090	506,487	0	506,487	0	0	0.0
SB 15-188	69,453	0	69,453	0	0	1.0
SB 15-206	5,300	5,300	0	0	0	0.0
SB 15-229	5,304	0	5,304	0	0	0.0
HB 15-1004	4,120	0	4,120	0	0	0.0
HB 15-1026	58,132	0	58,132	0	0	0.0
HB 15-1136	7,880	2,866	5,014	0	0	0.0
HB 15-1217	3,060	0	3,060	0	0	0.0
HB 15-1219	33,000	33,000	0	0	0	0.0
HB 15-1228	73,440	0	73,440	0	0	0.0
HB 15-1313	5,452	0	5,452	0	0	0.0
HB 15-1366	36,000	36,000	0	0	0	0.0
HB 15-1367	25,440	0	25,440	0	0	0.0
HB 15-1379	166,305	0	166,305	0	0	1.4
HB 16-1250	1,121,508	320,560	800,948	0	0	4.3
<b>TOTAL</b>	<b>\$325,298,965</b>	<b>\$97,942,157</b>	<b>\$221,218,250</b>	<b>\$5,314,170</b>	<b>\$824,388</b>	<b>1,371.4</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$325,298,965	\$97,942,157	\$221,218,250	\$5,314,170	\$824,388	1,371.4
Informational funds adjustment	5,897,770	5,500,000	397,770	0	0	0.0
Income tax refund fraud prevention	1,597,864	1,597,864	0	0	0	14.5
Marijuana Enforcement Division FTE	1,313,217	0	1,313,217	0	0	17.0
Indirect cost assessment	1,102,032	(1,139,951)	1,112,464	1,129,519	0	0.0
Centrally appropriated line items	969,594	642,238	299,840	27,516	0	0.0
Division of Motor Vehicles funding	836,501	3,200,000	(2,363,499)	0	0	0.0
Earned income tax credit	489,968	489,968	0	0	0	7.1
Gaming Commission adjustment	344,278	0	344,278	0	0	6.6
Annualize prior year legislation	66,674	(31,433)	98,107	0	0	2.4
Postage fund mix adjustment	0	(23,813)	23,813	0	0	0.0
Long Bill alignment	0	0	0	0	0	0.0
Annualize prior year budget actions	(1,042,645)	(4,416,221)	3,373,576	0	0	(4.3)
Reduction for CDPHE Lab	(176,292)	0	(176,292)	0	0	0.0
<b>HB 16-1405</b>	<b>\$336,697,926</b>	<b>\$103,760,809</b>	<b>\$225,641,524</b>	<b>\$6,471,205</b>	<b>\$824,388</b>	<b>1,414.7</b>
SB 16-030	12,566	12,566	0	0	0	0.0
SB 16-036	100,000	100,000	0	0	0	0.0
SB 16-040	995,738	0	995,738	0	0	9.8
SB 16-197	398,682	0	398,682	0	0	2.4
HB 16-1056	21,929	0	21,929	0	0	0.4
HB 16-1211	76,284	0	76,284	0	0	1.1
HB 16-1261	132,251	0	132,251	0	0	2.0
HB 16-1332	37,038	37,038	0	0	0	0.0
HB 16-1415	0	(3,200,000)	3,200,000	0	0	0.0
<b>TOTAL</b>	<b>\$338,472,414</b>	<b>\$100,710,413</b>	<b>\$230,466,408</b>	<b>\$6,471,205</b>	<b>\$824,388</b>	<b>1,430.4</b>
<b>INCREASE/(DECREASE)</b>	<b>\$13,173,449</b>	<b>\$2,768,256</b>	<b>\$9,248,158</b>	<b>\$1,157,035</b>	<b>\$0</b>	<b>59.0</b>
Percentage Change	4.0%	2.8%	4.2%	21.8%	0.0%	4.3%

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

<sup>2</sup> Includes \$23,500,000 in FY 2015-16 and \$29,000,000 in FY 2016-17 that is exempt from the statutory limit on state General Fund appropriations pursuant to Section 24-75-201.1, C.R.S.

## FY 2015-16 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 16-1250 modifies the FY 2015-16 appropriation to:

- Add \$527,630 cash funds from the Licensing Services Cash Fund to the Division of Motor Vehicles to fund the increased cost of identity documents from a new production vendor and to account for updated document issuance projections;
- Add \$300,000 General Fund for the Department to purchase the fraud manager module for the state tax processing software to stay on top of the latest patterns of fraud being detected amongst the over 20 states contracted with the vendor;
- Add \$273,318 cash funds from the Marijuana Cash Fund and 4.3 FTE to address the wait times experienced by marijuana businesses making ownership changes or applying for initial licensure, which exceeds 12 weeks; and
- Add \$20,560 General Fund to update tax software and hire temporary staff to test the changes in FY 2015-16.

## FY 2016-17 APPROPRIATION HIGHLIGHTS

**INFORMATIONAL FUNDS ADJUSTMENT:** The appropriation includes an increase of \$5,897,770 total funds reflected in the Long Bill for informational purposes only for the cigarette tax rebate, the marijuana tax rebate, the property tax and heating credit for elderly individuals, and distribution to local government for not imposing their own cigarette taxes.

**INCOME TAX REFUND FRAUD PREVENTION:** The appropriation includes an increase of \$1,597,864 General Fund and 14.5 FTE to provide additional staff resources to address increasing fraud activity related to income tax returns. The increase includes \$600,000 for contract maintenance of the fraud module for the Department's tax software which allows it to identify patterns of fraud as they are identified in other states with the module. New staff will include both call center staff to address increased calls caused by delays on returns that are potentially fraudulent and staff to investigate and, if possible, refer for prosecution those perpetrating fraud.

**MARIJUANA ENFORCEMENT DIVISION:** The appropriation includes an increase of \$1,313,217 from the Marijuana Cash Fund and 17.0 FTE to reduce the wait times being experienced by marijuana businesses filing change of ownership petitions and new business applications, which currently exceed 12 weeks. The main reason for the wait times is that financial agreements in the industry are becoming increasingly complex due to the lack of traditional banking services available to marijuana businesses.

**INDIRECT COST ASSESSMENT:** The appropriation includes a net increase Department's indirect cost assessment.

**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; shift differential; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; vehicle lease payments; Capitol complex leased space; leased space; payments to the Governor's Office of Information Technology (OIT); and CORE operations.

**DIVISION OF MOTOR VEHICLES FUNDING:** The appropriation includes an increase of \$3,200,000 General Fund and a reduction of \$2,363,499 cash fund spending authority due to Department fees not generating enough revenue to cover expenses. The additional funding also addresses the increased costs of producing identity documents under a newly procured contract. See also the description for H.B. 16-1415 (DMV Driver and Motor Vehicle Services) at the end of Part III of this department.

**EARNED INCOME TAX CREDIT:** The appropriation includes an increase of \$489,968 General Fund and 7.1 FTE to provide additional staff to detect and prevent fraud in the application of the earned income tax credit. Staff will also address increased calls from taxpayers to the Department for assistance.

**GAMING COMMISSION ADJUSTMENT:** The appropriation reflects changes to the Gaming Commission’s budget, which is reflected in the Long Bill for informational purposes. The change includes an increase of \$344,278 cash funds and 6.6 FTE.

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

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 15-090 Temporary Registration Document Standards	\$204,703	\$0	\$204,703	\$0	\$0	0.0
SB 15-260 Medical Marijuana Product Testing	66,508	0	66,508	0	0	1.0
HB 14-1311 Job Creations & Main Street Revitalization Act	63,643	63,643	0	0	0	0.4
HB 14-1072 Income Tax Credit for Child Care Expenses	49,837	49,837	0	0	0	1.2
HB 15-1379 Marijuana Permitted Economic Interest	44,272	0	44,272	0	0	0.6
SB 15-282 Jump Start Program for Distressed Communities	42,030	42,030	0	0	0	0.0
HB 15-1181 Colorado is Honoring Our Military Tax Exemption	26,385	26,385	0	0	0	0.0
HB 15-1228 Special Fuel Tax on LPG	(73,440)	0	(73,440)	0	0	0.0
HB 14-1279 Income Tax Credit for Business Personal Property	(65,871)	(65,871)	0	0	0	(0.8)
HB 15-1026 Reserved Parking Disabled Military Plates	(52,942)	0	(52,942)	0	0	0.0
HB 14-1089 10th Mountain Division License Plate Qualification	(38,174)	0	(38,174)	0	0	0.0
HB 15-1366 Expand Job Growth Tax Credit for High Ed	(36,000)	(36,000)	0	0	0	0.0
HB 15-1219 EZ Investment Tax Credit for Renewables	(33,000)	(33,000)	0	0	0	0.0
HB 14-1017 Expand Availability of Affordable Housing	(29,680)	(29,680)	0	0	0	0.0
HB 15-1367 Retail Marijuana Taxes	(19,089)	0	(19,089)	0	0	0.0
HB 14-1119 Tax Credit for Donating Food to Charitable Org	(18,540)	(18,540)	0	0	0	0.0
HB 13-1042 State Income Tax Deduction Disallowed	(13,286)	(13,286)	0	0	0	0.0
HB 13-001 Colorado Working Families Opportunity Act	(8,785)	(8,785)	0	0	0	0.0
HB 13-1317 Implement Amendment 64 Majority Recommendation	(7,150)	0	(7,150)	0	0	0.0
SB 15-206 Implement Conservation Easement Tax Credit	(5,300)	(5,300)	0	0	0	0.0
HB 15-1136 Parking Privileges Disabled Veteran Plate	(4,884)	(2,866)	(2,018)	0	0	0.0
SB 15-188 Tier 1 Tobacco Settlement Allocation	(4,703)	0	(4,703)	0	0	0.0
SB 15-014 Medical Marijuana	(4,703)	0	(4,703)	0	0	0.0
HB 15-1004 Firefighter Motorcycle License Plate	(4,120)	0	(4,120)	0	0	0.0
HB 15-1217 Local Government Input Liquor Sales Room Applications	(3,060)	0	(3,060)	0	0	0.0
SB 15-229 ALS License Plate	(2,936)	0	(2,936)	0	0	0.0
HB 15-1313 Rocky Mountain National Park License Plate	(2,788)	0	(2,788)	0	0	0.0
SB 11-184 Tax Reporting	(2,253)	0	(2,253)	0	0	0.0
<b>TOTAL</b>	<b>\$66,674</b>	<b>(\$31,433)</b>	<b>\$98,107</b>	<b>\$0</b>	<b>\$0</b>	<b>2.4</b>

**POSTAGE FUND MIX ADJUSTMENT:** The appropriation includes an increase of \$23,813 cash funds with a subsequent reduction of \$23,813 General Fund to address postage needs for cash funded programs exceeding the General Funded programs postage needs.

**LONG BILL ALIGNMENT:** The appropriation includes the first year of a two-year Long Bill restructure, which moves the tax protest section from the Taxation and Compliance subgroup to the Taxpayer Service Division in FY 2016-17. In FY 2017-18, the Hearings Division will move from the Enforcement Business Group to a subgroup under the Executive Director's Office.

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

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 15-16 CITA annual maintenance & support	\$112,632	\$112,632	\$0	\$0	\$0	0.0
FY 15-16 Tax document processing costs	65,073	65,073	0	0	0	0.0
FY 15-16 DMV funding deficit	0	(4,199,062)	4,199,062	0	0	0.0
FY 15-16 Supplemental driver's license costs	(527,630)	0	(527,630)	0	0	0.0
FY 15-16 Supplemental income tax fraud	(300,000)	(300,000)	0	0	0	0.0
Reverse supplemental marijuana enforcement	(273,318)	0	(273,318)	0	0	(4.3)
FY 15-16 Merit base pay	(50,543)	(26,872)	(23,671)	0	0	0.0
FY 15-16 DMV legal services	(38,004)	(38,004)	0	0	0	0.0
Reverse supplemental tax software testing	(20,560)	(20,560)	0	0	0	0.0
FY 15-16 Salary survey	(10,295)	(9,428)	(867)	0	0	0.0
<b>TOTAL</b>	<b>(\$1,042,645)</b>	<b>(\$4,416,221)</b>	<b>\$3,373,576</b>	<b>\$0</b>	<b>\$0</b>	<b>(4.3)</b>

**REDUCTION FOR CDPHE LAB:** The bill includes a reduction of \$176,292 cash funds to reflect a change in law that allows a direct appropriation to the Department of Public Health and Environment for marijuana lab certification. This appropriation was previously appropriated to the Department of Revenue and then transferred to the Department of Public Health and Environment.

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

# DEPARTMENT OF STATE

The Secretary of State is one of five independently-elected constitutional officers of the State and serves as Colorado's chief elections official and the chief executive officer of the Department of State. The Department of State is broadly responsible for overseeing elections, registering businesses, and publishing information and records for public use. This includes: administering statutory provisions that pertain to elections; managing the statewide voter registration database; implementing the Help America Vote Act; overseeing campaign finance reporting; registering lobbyists and monitoring the filing of required disclosures; collecting, maintaining, and providing public access to business filings; regulating charities and charitable gaming; and certifying notaries public. The Department has four divisions: (1) Administration; (2) Information Technology Services; (3) Elections Division; and (4) Business and Licensing Division.

## DEPARTMENT BUDGET: RECENT APPROPRIATIONS

FUNDING SOURCE	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
General Fund	\$0	\$0	\$0	\$0
Cash Funds	23,406,861	22,508,337	21,580,286	22,087,139
Reappropriated Funds	0	0	0	0
Federal Funds	0	0	0	0
<b>TOTAL FUNDS</b>	<b>\$23,406,861</b>	<b>\$22,508,337</b>	<b>\$21,580,286</b>	<b>\$22,087,139</b>
Full Time Equiv. Staff	139.0	137.3	137.3	137.4

## GENERAL FACTORS DRIVING THE BUDGET

The budget for the Department of State is driven by three major factors:

- 1 The volume of business filings, which generate nearly all the cash fund revenue used to support department programs through the associated fees;
- 2 Department-wide expenses related to the administration of elections; and
- 3 Information technology projects required to support elections and business filing processes.

### BUSINESS FILING FEES AND CASH FUND REVENUES

The Department is almost entirely cash-funded through the Department of State (DOS) Cash Fund. Cash fund revenues are primarily driven by the volume of business filings and the fees associated with each filing, with an average of 84.8 percent of all Department revenue accounted for by the business filing fees alone. Fees from other programs, including bingo-raffle licensing, campaign finance reporting, and the registration of lobbyists and notaries public, account for the remainder.

Pursuant to Section 24-21-104 (3) (b), C.R.S., the Department of State is authorized to "adjust fees so that the revenue generated from the fees approximates [the Department's] direct and indirect costs" and to manage the uncommitted reserve in the DOS Cash Fund. It is currently Department policy to conduct regular competitiveness review when setting fee amounts to keep business filing fees at or near the lowest rate in the country. The following table provides data on total business filings received by the Department, as well as a comparison of revenue from business filing fees with total cash fund revenue:

DOS BUSINESS FILING FEES AND CASH FUND REVENUE				
FISCAL YEAR	TOTAL BUSINESS FILINGS	REVENUE FROM BUSINESS FILING FEES <sup>1</sup>	TOTAL DOS CF REVENUE	FILING FEES AS PERCENT OF TOTAL
FY 2011-12	625,078	\$14,700,605	\$17,298,268	85.0%
FY 2012-13	682,949	\$12,749,090	\$14,838,261	85.9%
FY 2013-14	696,140	\$16,335,768	\$20,869,466	78.3%
FY 2014-15	748,368	\$16,981,602	\$19,878,791	85.4%
FY 2015-16 <sup>2</sup>	778,681	\$19,081,756	\$21,339,000	89.4%

<sup>1</sup> This column shows revenues from business filing fees only. It excludes revenue collected by other programs within the Business & Licensing Division.

<sup>2</sup> Data for FY 2015-16 is estimated by the Department of State.

## ELECTIONS ADMINISTRATION AND EXPENDITURES

A large proportion of Department expenditures are driven by costs associated with the administration of elections, which can vary based on growth in the population of eligible voters, changes in election laws, and the unique characteristics of each election cycle. According to Department estimates from February 2015, the direct and indirect costs of the Elections Division are estimated at \$14.7 million and account for approximately 67 percent of the Department's total budget. Of this amount, \$8.0 million is for the direct expenses of the Elections Division and specifically identifiable elections-related expenditures in other divisions, e.g. legal services in Administration, support for the voter registration system provided by Information Technology Services, and assistance from the service center operated by the Business and Licensing Division. The remaining amount is for the proportion of indirect or overhead expenses attributable to elections-related programs and personnel within the Department, e.g. administrative support, human resources services, and budgeting.

The Elections Division has specific appropriations for three types of expenditures in addition to personal services and operating costs:

- 1 The *Initiative and Referendum* line item funds the verification of signatures on candidate and initiative petitions. Department expenditures on signature verification depend on the year and number of initiatives on the ballot. While initiatives on the ballot for odd-year elections are limited to TABOR-related matters, there are no restrictions on the types of initiatives for even-year elections (presidential and gubernatorial election years) which results in higher even-year expenditures on signature verification.
- 2 The *Local Election Reimbursement* line item reimburses counties for costs related to statewide ballot issues and questions on a 'per voter' basis. These expenditures are driven by the number of eligible registered voters in each county and the reimbursement rate specified in statute. For FY 2016-17, the Department estimates that \$2.5 million will be required to fulfill reimbursement obligations for the November 2016 election.
- 3 The *Help America Vote Act Program (HAVA)* line item uses federal funds and matching cash funds to replace outdated voting technology, ensure accessibility for disabled voters, and institute a statewide voter registration system. In FY 2016-17, the Department expects to fund two major projects: improvements to the State of Colorado Registration and Elections (SCORE) system related to online voter registration; and the provision of a ballot drop box for each county in the state. These funds are continuously-appropriated to the Department and included for informational purposes only.

## INFORMATION TECHNOLOGY SERVICES PROJECTS

The Information Technology Services (ITS) Division provides most of the technology support for other divisions in the Department.

- *Business and Licensing Division:* Most of the business filing processes, public records resources, certification programs, and other services provided by the Department are handled electronically with 2,500 web-based transactions (i.e. filings with fees) processed daily. The ITS Division maintains and provides support for the systems used to manage these services.
- *Elections Division:* The ITS Division currently has 4.75 FTE dedicated exclusively to elections-related projects, including maintaining the federally-mandated SCORE system for statewide computerized voter registration and election management. SCORE is required by the Help America Vote Act and, while its creation was primarily funded by the Federal Elections Assistance Fund, the costs of any changes to the system are now supported by the Department of State Cash Fund.

## BUSINESS AND LICENSING DIVISION EXPENDITURES

The Business and Licensing Division accounts for 15.7 percent of the Department's total FY 2016-17 budget and is primarily responsible for collecting, maintaining, and providing public access to filings made by businesses and non-profit organizations. The Division also administers the *Business Intelligence Center (BIC)*, which was launched in FY 2013-14 to aggregate and standardize datasets from across state agencies and improve access to public information. Approximately half of the funding for BIC is used to put on the Go Code Colorado statewide application challenge event, where teams of developers and professionals compete to create apps that utilize available data to solve business challenges. Winning apps receive a one-year contract with the state worth \$25,000. BIC also receives financial contributions and in-kind donations from sponsors for Go Code Colorado, totaling \$195,000 for the 2014 challenge event, and \$231,000 for the 2015 challenge event. These amounts are not reflected in the budget for the Business and Licensing Division.

## APPROPRIATION HIGHLIGHTS - 2016 LEGISLATIVE SESSION

DEPARTMENT OF STATE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2015-16 APPROPRIATION:						
SB 15-234	\$21,580,286	\$0	\$21,580,286	\$0	\$0	137.3
<b>TOTAL</b>	<b>\$21,580,286</b>	<b>\$0</b>	<b>\$21,580,286</b>	<b>\$0</b>	<b>\$0</b>	<b>137.3</b>
FY 2016-17 APPROPRIATION:						
FY 2015-16 Appropriation	\$21,580,286	\$0	\$21,580,286	\$0	\$0	137.3
Centrally appropriated line items	519,554	0	519,554	0	0	0.0
Annualize prior year budget actions	100,000	0	100,000	0	0	0.0
Indirect cost assessment	27,824	0	27,824	0	0	0.0
Additional vehicle and vehicle upgrade	3,255	0	3,255	0	0	0.0
Base reductions and technical adjustments	(189,696)	0	(189,696)	0	0	0.0
<b>HB 16-1405</b>	<b>\$22,041,223</b>	<b>\$0</b>	<b>\$22,041,223</b>	<b>\$0</b>	<b>\$0</b>	<b>137.3</b>
SB 16-115	5,289	0	5,289	0	0	0.1
SB 16-186	20,130	0	20,130	0	0	0.0
HB 16-1070	15,450	0	15,450	0	0	0.0
HB 16-1282	5,047	0	5,047	0	0	0.0
<b>TOTAL</b>	<b>\$22,087,139</b>	<b>\$0</b>	<b>\$22,087,139</b>	<b>\$0</b>	<b>\$0</b>	<b>137.4</b>
<b>INCREASE/(DECREASE)</b>	\$506,853	\$0	\$506,853	\$0	\$0	0.1
Percentage Change	2.3%	n/a	2.3%	n/a	n/a	0.1%

## FY 2016-17 APPROPRIATION HIGHLIGHTS

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

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of FY 2015-16 salary survey and merit pay, as well as an increase of \$100,000 cash funds to align the appropriation for signature verification on initiative and referendum petitions with the anticipated increase in expenditures for the upcoming even-year election.

**INDIRECT COST ASSESSMENT:** The appropriation includes an increase in the Department's indirect cost assessment.

**ADDITIONAL VEHICLE AND VEHICLE UPGRADE:** The appropriation includes an increase of \$3,255 cash funds to provide funding for one additional vehicle and upgrade an existing two-wheel drive vehicle to a four-wheel drive model.

**BASE REDUCTIONS AND TECHNICAL ADJUSTMENTS:** The appropriation includes a decrease of \$189,696 cash funds to more accurately align appropriations with expenditures on legal services and division operations, as well as a net-zero transfer of 1.0 FTE within the Business and Licensing Division to reflect current staffing for the Business Intelligence Center.

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

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# DEPARTMENT OF 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.

Most policy and budget authority for the Department rests with the Transportation Commission, pursuant to Section 43-1-113 (1), C.R.S. Funds controlled by the Transportation Commission are reflected for informational purposes in three Long Bill line items: Construction, Maintenance, and Operations; the High Performance Transportation Enterprise; and the Statewide Bridge Enterprise. These line items are included in the Long Bill as estimates of the anticipated revenues available to the Commission.

The General Assembly appropriates funding for: the Administration division, which is primarily funded from the State Highway Fund; the First Time Drunk Driving Offenders Account, which is funded with driver's license reinstatement fees connected with alcohol-related driving offenses; and the Marijuana Impaired Driving Program, which is funded from the Marijuana Tax Cash Fund. Finally, the General Assembly has statutory oversight of revenue-raising measures and approval of the Governor's appointments to the Transportation Commission.

## DEPARTMENT BUDGET: RECENT APPROPRIATIONS

FUNDING SOURCE	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
General Fund	\$0	\$700,000	\$0	\$0
Cash Funds	759,829,076	748,479,175	844,073,959	747,880,934
Reappropriated Funds	19,775,304	19,773,476	19,777,338	5,866,138
Federal Funds	488,142,984	514,325,330	573,062,075	650,882,799
<b>TOTAL FUNDS</b>	<b>\$1,267,747,364</b>	<b>\$1,283,277,981</b>	<b>\$1,436,913,372</b>	<b>\$1,404,629,871</b>
Full Time Equiv. Staff	3,317.5	3,326.9	3,326.8	3,326.8

## GENERAL FACTORS DRIVING THE BUDGET

Funding for this department in FY 2016-17 consists of 53.2 percent cash funds, 0.4 percent reappropriated funds, and 46.3 percent federal funds. Some of the major factors driving the Department's budget are discussed below.

### TOTAL STATE FUNDING LEVELS AND GENERAL FUND EXPENDITURES

Total state funding for transportation has fluctuated substantially over the past ten years, primarily due to changes in the amount of General Fund transferred to the Highway Users Tax Fund (HUTF). The Department's main source of funding comes from the Highway Users Tax Fund. The HUTF is supported by state and federal excise taxes on gasoline, diesel, and special fuels, registration fees, surcharges, and other miscellaneous sources of revenue. Pursuant to statutory formula, CDOT receives over half of the State's monthly HUTF distributions.

Since 1997, the General Assembly has passed a variety of legislation to assist in the completion of priority transportation projects by providing additional funding to the State Highway Fund from General Fund sources, including: Capital Construction Fund appropriations (which originate in the General Fund); diversions of sales and use taxes from the General Fund to the Highway Users Tax Fund (pursuant to S.B. 97-001); Limited Gaming Fund

appropriations (which use cash funds that would otherwise be credited to the Clean Energy Fund); and two-thirds of the year-end General Fund surplus (pursuant to 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 pay back bondholders over time.

Transfers of General Fund dollars to the State Highway Fund under the legislation discussed above has 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. Transfers pursuant to S.B. 97-001 and H.B. 02-1310 increased in FY 2006-07 to a total of \$522 million, decreased to \$407 million in FY 2007-08, and then decreased to \$88 million in FY 2008-09.

## STATE TRANSPORTATION REVENUES

The Department's most significant source of State revenues is the excise tax on motor fuels, which has been set at \$0.22 per gallon of gasoline and \$0.205 per gallon of diesel fuel since 1991 and 1992 respectively. The major source of federal revenue is also an excise tax on motor fuels, which has been set at \$0.184 per gallon of gasoline and \$0.244 per gallon of diesel fuel since 1997. Taken together, the total excise taxes for Colorado are \$0.404 per gallon of gas and \$0.449 per gallon of diesel. The average fuel taxes for all states are \$0.495 per gallon of gas and \$0.550 per gallon of diesel; leaving Colorado in the bottom half of all states.

Fuel excise taxes have decreased purchasing power due to a combination of increased fuel efficiency (resulting in lower revenue per vehicle mile) and increased construction costs. According to the Department, increases in construction costs (as measured by the Construction Cost Index) have outpaced both the Department's revenues and general inflation. Essentially, \$1.00 in motor fuel tax revenue in 1991 would purchase less than \$0.40 in 2012.

## SENATE BILL 09-108 (FUNDING ADVANCEMENT FOR SURFACE TRANSPORTATION AND ECONOMIC RECOVERY)

Senate Bill 09-108 (FASTER) authorized the following new revenue sources within the Department:

- Road safety and bridge safety surcharges, each of which vary by vehicle weight and are collected through the same mechanism used for payment of registration fees and specific ownership taxes;
- A daily fee for the use of a rented motor vehicle;
- A supplemental oversize/overweight vehicle surcharge;
- An increased fee for the late registration of a motor vehicle; and
- An increased unregistered vehicle fine.

## FASTER HUTF

FASTER increased overall HUTF revenues, as well as the share of the Department's revenues coming from registration fees and surcharges. Prior to the enactment of FASTER, motor fuel taxes accounted for more than 70.0 percent of total HUTF revenues. FASTER-related HUTF revenues, which include the road safety surcharge, rented vehicle fee, oversize/overweight surcharge, and late registration fee, have reduced the share of contribution to the HUTF attributed to motor fuel tax revenues to about 60.0 percent. By law, the proceeds of these revenue sources are distributed 60.0 percent to CDOT, 22.0 percent to counties, and 18.0 percent to municipalities, and are not subject to "off-the-top" appropriations.

## FASTER BRIDGE SAFETY

The implementation of FASTER has also increased other revenues for the Department because not all of the legislation's fees and surcharges are credited to the HUTF. Bridge safety surcharge revenues are credited to the Statewide Bridge Enterprise Special Revenue Fund for the repair and rehabilitation of bridges rated as "poor" and

functionally obsolete and structurally deficient. This dedicated fund is managed by the Statewide Bridge Enterprise. The Board of the Enterprise consists of members also on the Transportation Commission.

### HIGH-PERFORMANCE TRANSPORTATION ENTERPRISE (HPTE)

FASTER also replaced the former Statewide Tolling Enterprise with the High-Performance Transportation Enterprise (HPTE). The HPTE has expanded authority to pursue innovative methods of financing the state's transportation system, including:

- Public-private partnerships;
- Operating concession agreements;
- User fee-based project financing;
- Availability payments; and
- Design-build contracting.

FASTER authorizes the HPTE to use road pricing on existing highway capacity as a congestion management tool if the Enterprise secures federal approval and the approval of all affected local governments. The Enterprise is governed by a seven-member board consisting of four appointees of the Governor and three members of the Transportation Commission. Both Enterprises are authorized to issue revenue bonds backed by their respective revenues.

### SENATE BILL 09-228 AND HOUSE BILL 16-1416

Among other provisions, S.B. 09-228 (Flexibility to Use State Revenues) set up a General Fund transfer to the HUTF contingent on an increase in Colorado personal income. Senate Bill 09-228 requires a five year block of transfers of 2.0 percent of General Fund revenues to the HUTF subject to a trigger based on growth of 5.0 percent in statewide personal income of 5.0 percent. Colorado personal income exceeded 5.0 percent in 2014, triggering the General Fund transfers in FY 2015-16. Once the personal income threshold is met for a single year, the 5-year block of transfers continues, regardless of the subsequent change in personal income.

Senate Bill 09-228 limits the General Fund transfers in relation to TABOR refunds. If the amount of the TABOR refund is between 1.0 percent and 3.0 percent of General Fund revenues for the state fiscal year, the S.B. 09-228 transfer is reduced by half in that year. If TABOR refunds exceed 3.0 percent, the S.B. 09-228 transfer is eliminated. Simply put, if TABOR refunds increase, S.B. 09-228 transfers decrease.

House Bill 16-1416 replaces the S.B. 09-228 transfer formulas with actual dollar amounts in FY 2015-16 and FY 2016-17. The bill transfers to the HUTF \$199.2 million in FY 2015-16 and \$158.0 million in FY 2016-17. There is no change in how transfers are calculated in FY 2017-18 through FY 2019-20.

### FEDERAL FUNDS

The Department's total share of federal funds has fluctuated in recent years. Federal receipts increased to \$586.6 million in FY 2009-10, with an infusion of funds as a result of the American Recovery and Reinvestment Act (ARRA). More recently, budgetary conditions, including the depletion of the surplus in the federal Highway Trust Fund, have resulted in "obligation limits" reducing each state's funding below the full amounts that were authorized in the federal transportation authorization bill, *Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users* (SAFETEA-LU).

CDOT receives federal funding for four purposes, including highways (Federal Highway Administration funds), safety (National Highway Traffic Safety Administration funds), transit (Federal Transit Administration funds), and aviation (Federal Aviation Administration funds). Federal funds provide a significant share of the CDOT's

resources, and fluctuations in federal funds, determined by multi-year authorization bills, affect the Department's annual budgetary outlook.

On July 6, 2012, President Obama the *Moving Ahead for Progress in the 21st Century Act (MAP-21)*. The legislation updated and replaced SAFETEA-LU; specifically reauthorizing federal transportation programs, providing budget authority for federal transportation apportionments, and updating federal statutes governing the U.S. Department of Transportation and its various agencies and programs.

On December 4, 2015, President Obama signed the Fixing America's Surface Transportation (FAST) Act into law. Following 36 short-term extensions over 10 years, the FAST Act provides long-term funding for highway, safety, transit, and rail programs. The five year, \$305 billion total authorization increases funding levels for Colorado in Federal Fiscal Year (FFY) 2015-16.

FEDERAL FUNDING TO CDOT (\$ MILLIONS)								
FEDERAL PROGRAM <sup>1</sup>	FY 08-09 ACTUAL	FY 09-10 ACTUAL	FY 10-11 ACTUAL	FY 11-12 ACTUAL	FY 12-13 ACTUAL	FY 13-14 ACTUAL	FY 14-15 ESTIMATED	FY 15-16 ESTIMATED
FHWA	\$536.9	\$568.8	\$349.3	\$472.0	\$514.3	\$606.5	\$576.5	\$640.7
FTA	13.9	13.3	13.2	12.8	15.7	16.1	16.0	20.7
FAA	0.3	0.3	0.2	0.3	0.3	0.1	0.3	0.0
NHTSA	2.1	6.3	6.3	7.1	7.9	1.7	6.5	7.6
ARRA	404.2	12.5	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL</b>	<b>\$957.4</b>	<b>\$601.2</b>	<b>\$369.0</b>	<b>\$492.2</b>	<b>\$538.2</b>	<b>\$624.4</b>	<b>\$599.3</b>	<b>\$669.0</b>

<sup>1</sup>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

## THE ADMINISTRATIVE PROGRAM LINE

The Administration line, created by Section 43-1-113 (2) (III), C.R.S., includes the salaries and expenses for a variety of offices and programs. It is a "program" line, which gives CDOT discretion to move funds from personal services to operating (and vice versa) and also from one program to another without seeking approval from the General Assembly. Section 43-1-113 (6) (a), C.R.S. limits expenditures to no more than 5.0 percent of the total CDOT budget. The Administration section consists of several offices and divisions and provides administrative support for more than 3,000 FTE that work for the Department statewide.

## APPROPRIATION HIGHLIGHTS - 2016 LEGISLATIVE SESSION

DEPARTMENT OF TRANSPORTATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2015-16 APPROPRIATION:						
SB 15-234	\$1,436,913,372	\$0	\$844,073,959	\$19,777,338	\$573,062,075	3,326.8
<b>TOTAL</b>	<b>\$1,436,913,372</b>	<b>\$0</b>	<b>\$844,073,959</b>	<b>\$19,777,338</b>	<b>\$573,062,075</b>	<b>3,326.8</b>
FY 2016-17 APPROPRIATION:						
FY 2015-16 Appropriation	\$1,436,913,372	\$0	\$844,073,959	\$19,777,338	\$573,062,075	3,326.8
Heat Is On	500,000	0	500,000	0	0	0.0
Centrally appropriated line items	109,674	0	109,674	0	0	0.0
Updated revenue projections	(32,893,175)	0	(96,802,699)	(13,911,200)	77,820,724	0.0
<b>HB 16-1405</b>	<b>\$1,404,629,871</b>	<b>\$0</b>	<b>\$747,880,934</b>	<b>\$5,866,138</b>	<b>\$650,882,799</b>	<b>3,326.8</b>
<b>TOTAL</b>	<b>\$1,404,629,871</b>	<b>\$0</b>	<b>\$747,880,934</b>	<b>\$5,866,138</b>	<b>\$650,882,799</b>	<b>3,326.8</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$32,283,501)</b>	<b>\$0</b>	<b>(\$96,193,025)</b>	<b>(\$13,911,200)</b>	<b>\$77,820,724</b>	<b>0.0</b>
Percentage Change	(2.2%)	n/a	(11.4%)	(70.3%)	13.6%	0.0%

## FY 2016-17 APPROPRIATION HIGHLIGHTS

**HEAT IS ON:** The appropriation includes \$500,000 from the Marijuana Tax Cash Fund to fund a statewide impaired driving public education campaign. “Heat Is On” will target males, ages 18-34, who have a higher risk of bingeing, are likely to combine marijuana and alcohol, and are less aware of DUI laws and consequences.

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

**UPDATED REVENUE PROJECTIONS:** The appropriation includes updates to the Department's revenue projections, which are provided for informational purposes only. The appropriation includes adjustments to Department's estimated apportionment of federal funds due to flood recovery dollars and an increase in expected toll revenue.

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# DEPARTMENT OF THE TREASURY

The State Treasurer is one of five independently elected constitutional officers of the state. The Department of the Treasury is responsible for the following primary duties: (1) acts as the State's banker and investment officer, providing investment, accounting, and cash management services and preparing related reports; (2) administers the Unclaimed Property Program; (3) disburses Senior Citizen and Disabled Veteran Property Tax Exemption payments to local governments; (4) provides short-term interest-free financing to school districts by issuing tax and revenue anticipation notes and making loans from the General Fund; (5) assists charter schools with long-term financing by making direct bond payments; (6) distributes Highway Users Tax Fund (HUTF) revenues to counties and municipalities; (7) distributes federal mineral leasing funds received for the State's share of sales, bonuses, royalties, and rentals of public lands within Colorado; (8) manages certain state public financing transactions; and (9) reimburses certain property taxes owed or paid for real and business personal property destroyed in a natural disaster.

## DEPARTMENT BUDGET: RECENT APPROPRIATIONS

FUNDING SOURCE	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
General Fund	\$106,058,124	\$121,578,482	\$135,037,666	\$146,008,257
Cash Funds	327,651,424	317,200,922	346,610,762	354,252,675
Reappropriated Funds	0	0	0	17,775,175
Federal Funds	0	0	0	0
<b>TOTAL FUNDS</b>	<b>\$433,709,548</b>	<b>\$438,779,404</b>	<b>\$481,648,428</b>	<b>\$518,036,107</b>
Full Time Equiv. Staff	31.9	31.9	31.9	32.9

## GENERAL FACTORS DRIVING THE BUDGET

The General Fund appropriation supports: (1) the senior citizen and disabled veteran property tax exemption, (2) tax reimbursements for property destroyed by a natural cause, and (3) a portion of the Department's administrative expenses. The Department's cash fund appropriation includes: (1) transaction fee revenue, which supports department administrative expenses; (2) moneys in the Unclaimed Property Trust Fund, which support the Unclaimed Property Program; and (3) distributions from the Highway Users Tax Fund to counties and municipalities. The Department's funding for FY 2016-17 consists of 28.2 percent General Fund, 68.4 percent cash funds, and 3.4 percent reappropriated funds.

## SENIOR CITIZEN AND DISABLED VETERAN PROPERTY TAX EXEMPTION

Section 3.5 of Article X of the Colorado Constitution grants a property tax exemption to qualifying senior citizens and disabled veterans. A senior citizen is eligible for the property tax exemption if the property owner-occupier is at least 65 years of age on the assessment date and has occupied the residence for at least ten years, or is the surviving spouse of a person who previously qualified for the exemption. An honorably discharged disabled veteran is eligible for the property tax exemption if the owner-occupier has a 100.0 percent service-connected disability (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 2016 session that reduced the exemption from those defined in statute.

State payments to local governments are subject to the Taxpayer's Bill of Rights (TABOR) limitation on the State's fiscal year spending, 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 the Treasury's budget for informational purposes.

SENIOR CITIZEN AND DISABLED VETERAN HOMESTEAD PROPERTY TAX EXEMPTION					
	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 ACTUAL	FY 2016-17 PROJECTED
Senior Citizens	\$100,821,732	\$107,723,840	\$114,234,918	\$124,500,824	**
Disabled Veterans	1,906,309	2,083,129	2,646,365	\$2,637,206	**
<b>TOTAL</b>	<b>\$102,728,041</b>	<b>\$109,806,969</b>	<b>\$116,881,283</b>	<b>\$127,138,030</b>	<b>\$142,700,000</b>

## PROPERTY TAX REIMBURSEMENTS FOR PROPERTY DESTROYED BY A NATURAL CAUSE

In the 2014 Session, the General Assembly passed H.B. 14-1001 providing a property tax reimbursement for real or business property listed on a single tax schedule that was destroyed by a natural cause. 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.

PROPERTY TAX REIMBURSEMENTS FOR PROPERTY DESTROYED BY A NATURAL CAUSE (H.B. 14-1001)		
COUNTY	FY 2014-15 ACTUAL	FY 2015-16 ACTUAL
Boulder	\$380,580	\$6,561
El Paso	377,381	2,117
Huerfano	3,411	0
Jefferson	6,277	0
Larimer	84,473	0
Logan	50,945	15,463
Mesa	183	68
Weld	193,246	0
<b>TOTAL</b>	<b>\$1,096,496</b>	<b>\$24,209</b>

## 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 2015-16 and FY 2016-17.

## HIGHWAY USERS TAX FUND (HUTF) REVENUES AND DISTRIBUTIONS (\$ MILLIONS)

	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17
	ACTUAL <sup>1</sup>	ACTUAL <sup>1</sup>	ACTUAL <sup>1</sup>	ACTUAL <sup>1</sup>	PROJECTED <sup>2</sup>	PROJECTED <sup>2</sup>
Total Revenues	\$943.3	\$937.5	\$970.6	\$1,016.1	\$1,033.4	\$1,047.9
<i>Annual Percent Change</i>	0.5%	(0.6%)	3.5%	4.7%	1.7%	1.4%
Treasury Distributions						
Counties	\$187.1	\$184.7	\$190.6	\$200.6	\$204.0	\$206.9
Municipalities	127.4	126.4	130.4	\$136.9	139.2	141.1

<sup>1</sup> Values have been updated to correspond with the final general ledgers for the Department of Treasury's Fund 405.

<sup>2</sup> Estimated based on Legislative Council Staff's forecasted percentage increase applied against the FY 2014-15 actual revenues and against Treasury's distributions to counties and municipalities.

## APPROPRIATION HIGHLIGHTS - 2016 LEGISLATIVE SESSION

### DEPARTMENT OF THE TREASURY

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$481,677,345	\$135,066,583	\$346,610,762	\$0	\$0	31.9
HB 16-1251	(28,917)	(28,917)	0	0	0	0.0
<b>TOTAL</b>	<b>\$481,648,428</b>	<b>\$135,037,666</b>	<b>\$346,610,762</b>	<b>\$0</b>	<b>\$0</b>	<b>31.9</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$481,648,428	\$135,037,666	\$346,610,762	\$0	\$0	31.9
Highway Users Tax Fund adjustment	19,679,238	0	19,679,238	0	0	0.0
Senior Citizen and Disabled Veteran Property Tax Exemption adjustment	16,700,000	16,700,000	0	0	0	0.0
Centrally appropriated line items	31,946	18,015	13,931	0	0	0.0
Annualize prior year legislation	28,917	28,917	0	0	0	0.0
Investment tools - Bloomberg and S&P	4,480	4,480	0	0	0	0.0
Federal mineral lease adjustment	2,125	(5,781,075)	(11,991,975)	17,775,175	0	0.0
Unclaimed Property leased office space	1,733	0	1,733	0	0	0.0
FTE increase	0	0	0	0	0	1.0
Annualize prior year budget actions	(33,990)	27,024	(61,014)	0	0	0.0
Investment tools - BondEdge	(26,770)	(26,770)	0	0	0	0.0
<b>HB 16-1405</b>	<b>\$518,036,107</b>	<b>\$146,008,257</b>	<b>\$354,252,675</b>	<b>\$17,775,175</b>	<b>\$0</b>	<b>32.9</b>
<b>TOTAL</b>	<b>\$518,036,107</b>	<b>\$146,008,257</b>	<b>\$354,252,675</b>	<b>\$17,775,175</b>	<b>\$0</b>	<b>32.9</b>
<b>INCREASE/(DECREASE)</b>	\$36,387,679	\$10,970,591	\$7,641,913	\$17,775,175	\$0	1.0
Percentage Change	7.6%	8.1%	2.2%	n/a	n/a	3.1%

### FY 2015-16 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 16-1251 reduces the FY 2015-16 General Fund appropriation as a result of the purchase of a more cost-effective investment tool.

### FY 2016-17 APPROPRIATION HIGHLIGHTS

**HIGHWAY USERS TAX FUND (HUTF) ADJUSTMENT:** The appropriation includes an increase of \$19,679,238 cash funds for distribution of HUTF revenues to counties and municipalities, based on the Legislative Council September 2015 forecast. The amount is shown for informational purposes only.

**SENIOR CITIZEN AND DISABLED VETERAN PROPERTY TAX EXEMPTION ADJUSTMENT:** The appropriation includes an increase of \$16,700,000 General Fund for reimbursements to local governments for lost property tax revenues, based on the Legislative Council March 2016 forecast. The amount is shown for informational purposes only.

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

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes an increase of \$28,917 General Fund for the second year impact of legislation.

**INVESTMENT TOOLS – BLOOMBERG AND S&P:** The appropriation includes an increase of \$4,480 General Fund for costs associated with the Bloomberg and S&P investment tools used by the Department's investment officers.

**FEDERAL MINERAL LEASE ADJUSTMENT:** The appropriation includes an increase of \$2,125 total funds for the refinancing for certificates of participation for academic facilities.

**UNCLAIMED PROPERTY LEASED OFFICE SPACE:** The appropriation includes an increase of \$1,733 cash funds from the Unclaimed Property Trust Fund for leased space in the CIO Logan Tower.

**FTE INCREASE:** The appropriation includes an increase in the Department's FTE in the Administration division to accurately reflect FTE usage.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes a number of changes to the out-year impact of funding decisions made through the FY 2015-16 appropriation including salary survey and merit pay.

**INVESTMENT TOOLS – BONDEDGE:** The appropriation includes a decrease of \$26,770 General Fund to replace BondEdge with a more efficient and cost effective system, and to provide training for transitioning investment staff.

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# CAPITAL CONSTRUCTION

This section summarizes state agency capital construction and controlled maintenance appropriations. Many of the appropriations are from the Capital Construction Fund. The primary source of revenue to the Capital Construction Fund is transfers and appropriations from the General Fund.

## DEPARTMENT BUDGET: RECENT APPROPRIATIONS

FUNDING SOURCE	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
Capital Construction Fund	\$188,069,493	\$388,023,295	\$252,223,287	\$115,569,901
Cash Funds	86,298,813	165,861,978	118,350,701	108,931,647
Reappropriated Funds	7,113,670	7,427,537	13,911,135	0
Federal Funds	2,266,990	2,819,525	15,436,269	14,585,220
<b>TOTAL FUNDS</b>	<b>\$283,748,966</b>	<b>\$564,132,335</b>	<b>\$399,921,392</b>	<b>\$239,086,768</b>

## GENERAL FACTORS DRIVING THE BUDGET

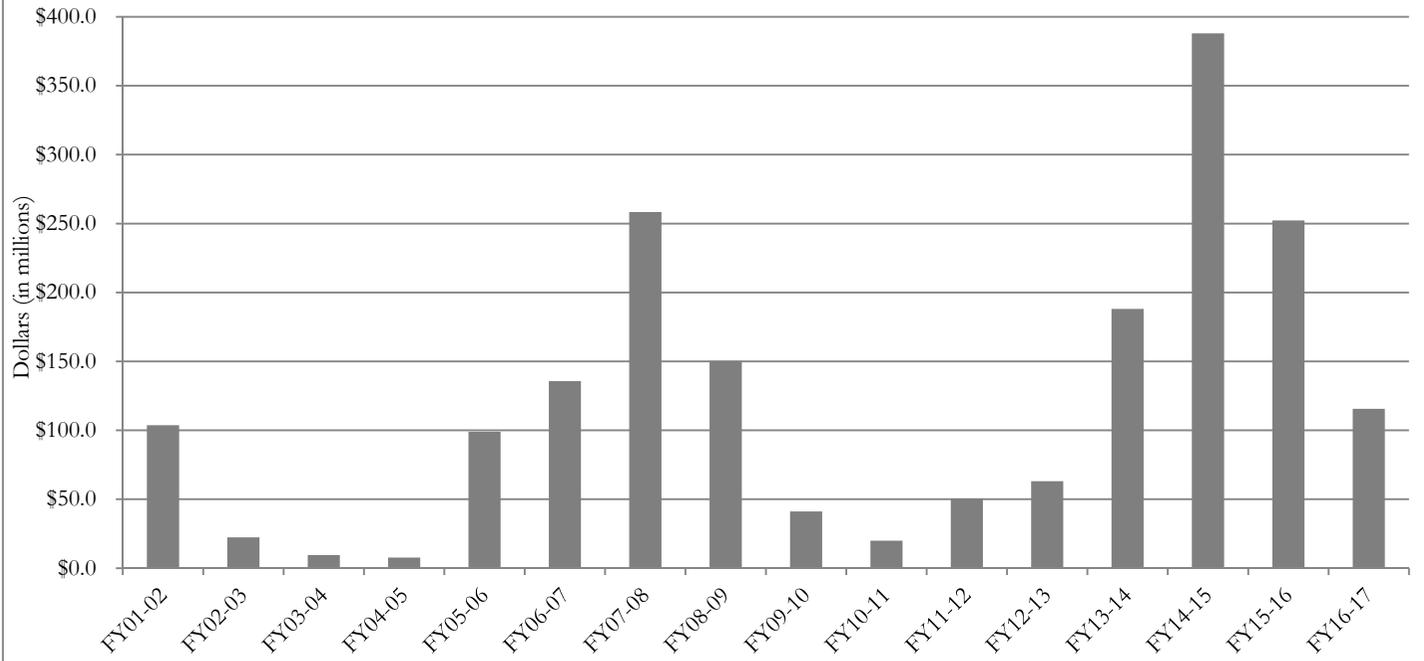
### REVENUE AVAILABLE FOR CAPITAL CONSTRUCTION

The amount appropriated for capital construction is primarily based on the recommendations of the Capital Development Committee and the most recent forecast of revenues available for capital construction given constitutional and statutory constraints on the budget. The Capital Construction Fund provides the primary source of capital construction funding for most state departments and appropriations from the Fund vary substantially from year to year.

In some years, statutory formulas trigger automatic transfers to the Capital Construction Fund. House Bill 02-1310 provided automatic transfers of excess General Fund revenue to the Capital Construction Fund and the Highway Users Tax Fund. These transfers were replaced in S.B. 09-228, which authorizes five years of transfers to the Capital Construction Fund of 0.5 percent of General Fund revenue for two years followed by 1.0 percent of General Fund revenue for three years. While these transfers were originally authorized to begin in FY 2012-13, they were delayed until a personal income-related trigger was met. Specifically, personal income increased by more than five percent in 2014, triggering a transfer in FY 2015-16. However, S.B. 09-228 also provided that a TABOR surplus of between 1.0 and 3.0 percent of General Fund revenue would cut the transfer in half and a TABOR surplus greater than 3.0 percent would eliminate the transfer entirely. House Bill 16-1416 replaces the transfer formula required by S.B. 09-228 with set amounts to be transferred to the Capital Construction Fund for FY 2015-16 and FY 2016-17, equal to \$49.8 million and \$52.7 million, respectively. The bill did not change the formula for the remaining three years of S.B. 09-228 transfers.

The following chart outlines appropriations from the Capital Construction Fund since FY 2001-02.

## Appropriations from the Capital Construction Fund FY 2001-02 to FY 2016-17

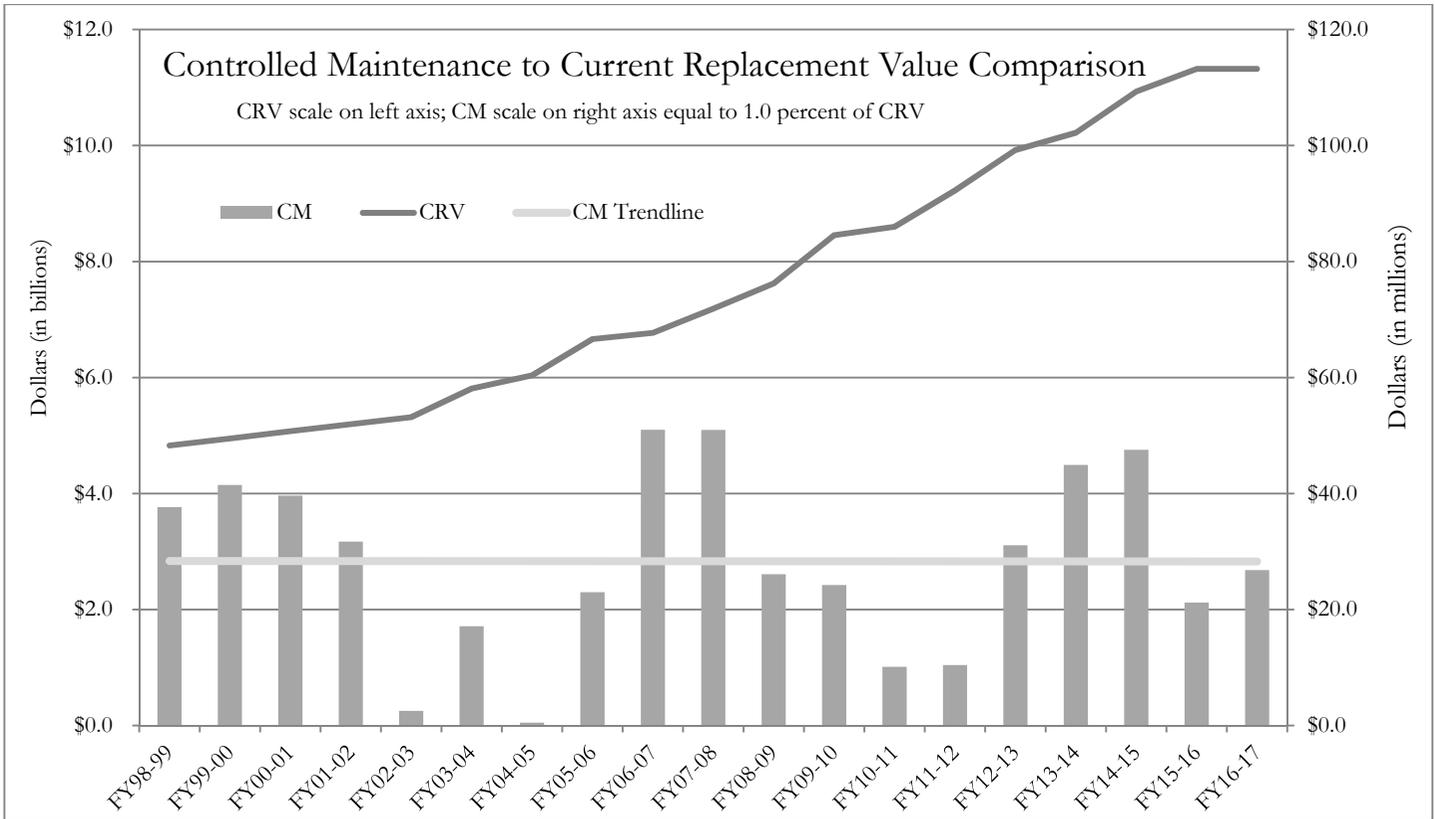


### CONTROLLED MAINTENANCE FUNDING

The State prioritizes capital construction and controlled maintenance based on the availability of funds after funding the operating budget. As a budget principle, new construction and real property purchases should be considered as discretionary, new request items in the budget. However, controlled maintenance represents the ongoing upkeep of the current building inventory. That inventory represents the policy and budget choices previously made to purchase and own state buildings and property.

Discretionary spending that provides budget savings on less controlled maintenance in a given year does not save the State money over time. Spending less in a year simply pushes the cost out to a future year. A deferred maintenance project which experiences construction inflation or building system failure will cost more. Building system failures that lead to additional system failures or loss of building use become much more expensive to the State.

The State Architect identifies an industry standard reinvestment rate of 3.0 to 4.0 percent of the current replacement value (CRV) of a building inventory to maintain conditions that prevent deterioration. The State Architect recommends a goal of funding 1.0 percent of the CRV of State buildings for controlled maintenance and an additional 1.0 to 3.0 percent of CRV for capital renewal and renovation. The following chart reflects actual controlled maintenance (CM) funding compared to CRV.



The CRV scale, represented in billions, is shown on the left side of the chart, while the CM scale, represented in millions, is shown on the right side of the chart. The CM scale is set equal to 1.0 percent of the CRV scale – equal to the State Architect’s recommendation. Controlled maintenance spending in any year that is equal to 1.0 percent of current replacement value would be reflected as exactly equal to CRV in the chart. While increasing CRV is creating an increasing gap between CRV and CM over the years shown, the CM linear trend line indicates that spending on controlled maintenance has remained relatively flat over this period.

Statewide controlled maintenance funding varies from year to year, but has trended relatively flat since FY 1998-99. The flat trend line over time compares to the total insured current replacement value of state buildings which has been increasing. That increase reflects a steady growth in gross square footage (GSF) of state buildings along with an increasing value of real property.

## APPROPRIATION HIGHLIGHTS - 2016 LEGISLATIVE SESSION

CAPITAL CONSTRUCTION						
	TOTAL FUNDS	CAPITAL CONSTRUCTION FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$396,231,034	\$249,945,429	\$116,938,201	\$13,911,135	\$15,436,269	0.0
HB 15-1310	552,500	0	552,500	0	0	0.0
HB 15-1333	730,510	730,510	0	0	0	0.0
HB 16-1252	2,407,348	1,547,348	860,000	0	0	0.0
<b>TOTAL</b>	<b>\$399,921,392</b>	<b>\$252,223,287</b>	<b>\$118,350,701</b>	<b>\$13,911,135</b>	<b>\$15,436,269</b>	<b>0.0</b>

CAPITAL CONSTRUCTION						
	TOTAL FUNDS	CAPITAL CONSTRUCTION FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
Capital construction, capital renewal, and capital lease purchase payments	\$162,350,870	\$78,745,246	\$83,203,988	\$0	\$401,636	0.0
Information technology projects	49,941,522	10,697,409	25,727,659	0	13,516,454	0.0
Controlled maintenance	26,794,376	26,127,246	0	0	667,130	0.0
<b>HB 16-1405</b>	<b>\$239,086,768</b>	<b>\$115,569,901</b>	<b>\$108,931,647</b>	<b>\$0</b>	<b>\$14,585,220</b>	<b>0.0</b>
<b>TOTAL</b>	<b>\$239,086,768</b>	<b>\$115,569,901</b>	<b>\$108,931,647</b>	<b>\$0</b>	<b>\$14,585,220</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$160,834,624)</b>	<b>(\$136,653,386)</b>	<b>(\$9,419,054)</b>	<b>(\$13,911,135)</b>	<b>(\$851,049)</b>	<b>0.0</b>
Percentage Change	(40.2%)	(54.2%)	(8.0%)	(100.0%)	(5.5%)	n/a

### FY 2015-16 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 16-1252 adds \$2,407,348 total funds, including increases of \$1,547,348 Capital Construction Fund and \$860,000 cash funds, for mid-year adjustments to FY 2015-16 capital construction appropriations. Changes include:

- An increase of \$1,547,348 Capital Construction Fund for cell modifications to the close custody living units at the Limon Correctional Facility (Cell Modifications, Limon Correctional Facility – Department of Corrections); and
- An increase of \$860,000 cash funds from the Marijuana Tax Cash Fund for pesticide laboratory equipment for the Department of Agriculture to test pesticide residue on marijuana plants (Biochemistry Laboratory Facility Pesticide Laboratory Equipment – Department of Agriculture).

### FY 2016-17 APPROPRIATION HIGHLIGHTS

**CAPITAL CONSTRUCTION, CAPITAL RENEWAL, AND CAPITAL LEASE PURCHASE PAYMENTS:** The appropriation includes \$162,350,870 total funds, including \$78,745,246 Capital Construction Fund, for 15 state-funded and nine cash-funded capital construction or capital renewal projects.

**INFORMATION TECHNOLOGY PROJECTS:** The appropriation includes \$49,941,522 total funds, including \$10,697,409 Capital Construction Fund from the Information Technology Capital Account within the Capital Construction Fund, for eight state-funded and three cash-funded information technology projects.

**CONTROLLED MAINTENANCE:** The appropriation includes \$26,794,376 total funds, including \$26,127,246 Capital Construction Fund, for 29 level I controlled maintenance projects and the Controlled Maintenance Emergency Account.

# **PART III**

## **DEPARTMENT DETAILS**

# Details

## DEPARTMENT OF AGRICULTURE

### FY 2015-16 AND FY 2016-17 APPROPRIATIONS BY DIVISION AND BILL

DEPARTMENT OF AGRICULTURE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 TOTAL APPROPRIATION:</b>	<b>\$47,057,065</b>	<b>\$10,006,234</b>	<b>\$30,998,626</b>	<b>\$1,881,548</b>	<b>\$4,170,657</b>	<b>283.0</b>
<b>BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION</b>						
Commissioner's Office and Administrative Services	\$11,730,762	\$3,080,330	\$6,784,552	\$1,527,548	\$338,332	18.7
Agricultural Services	14,879,530	4,453,063	7,717,063	309,000	2,400,404	131.8
Agricultural Markets Division	4,829,690	689,079	3,169,055	45,000	926,556	41.4
Brand Board	4,252,044	0	4,252,044	0	0	59.0
Colorado State Fair	9,225,912	600,000	8,625,912	0	0	26.9
Conservation Board	2,139,127	1,183,762	450,000	0	505,365	5.2
<b>BREAKDOWN OF TOTAL APPROPRIATION BY BILL</b>						
SB 15-234	\$45,709,657	\$9,706,234	\$30,176,218	\$1,656,548	\$4,170,657	274.1
SB 15-196	249,763	0	249,763	0	0	2.0
HB 15-1367	614,633	300,000	314,633	0	0	4.3
HB 16-1237	483,012	0	258,012	225,000	0	2.6
<b>FY 2016-17 TOTAL APPROPRIATION:</b>	<b>\$50,007,210</b>	<b>\$10,753,079</b>	<b>\$32,772,130</b>	<b>\$2,371,548</b>	<b>\$4,110,453</b>	<b>291.4</b>
<b>BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION</b>						
Commissioner's Office and Administrative Services	\$12,377,230	\$3,319,198	\$7,265,272	\$1,527,548	\$265,212	18.7
Agricultural Services	16,349,097	4,537,885	8,601,922	799,000	2,410,290	140.2
Agricultural Markets Division	4,867,228	699,841	3,194,217	45,000	928,170	41.4
Brand Board	4,298,871	0	4,298,871	0	0	59.0
Colorado State Fair	9,961,848	1,000,000	8,961,848	0	0	26.9
Conservation Board	2,152,936	1,196,155	450,000	0	506,781	5.2
<b>BREAKDOWN OF TOTAL APPROPRIATION BY BILL</b>						
HB 16-1405	\$50,003,410	\$10,753,079	\$32,768,330	\$2,371,548	\$4,110,453	291.4
SB 16-058	3,800	0	3,800	0	0	0.0
<b>INCREASE/(DECREASE)</b>	<b>\$2,950,145</b>	<b>\$746,845</b>	<b>\$1,773,504</b>	<b>\$490,000</b>	<b>(\$60,204)</b>	<b>8.4</b>
Percentage Change	6.3%	7.5%	5.7%	26.0%	(1.4%)	3.0%

**INFORMATIONAL FUNDS:** The FY 2016-17 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 2016-17 Appropriations containing an (I) notation	\$6,061,886	\$0	\$1,951,433	\$0	\$4,110,453

## 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
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$11,636,659	\$3,080,330	\$6,690,449	\$1,527,548	\$338,332	18.7
SB 15-196	3,780	0	3,780	0	0	0.0
HB 15-1367	24,703	0	24,703	0	0	0.0
HB 16-1237	65,620	0	65,620	0	0	0.0
<b>TOTAL</b>	<b>\$11,730,762</b>	<b>\$3,080,330</b>	<b>\$6,784,552</b>	<b>\$1,527,548</b>	<b>\$338,332</b>	<b>18.7</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$11,730,762	\$3,080,330	\$6,784,552	\$1,527,548	\$338,332	18.7
Centrally appropriated line items	678,190	349,333	384,595	0	(55,738)	0.0
Pesticide program inspection & enforcement support	258,400	0	258,400	0	0	0.0
Hemp regulatory and seed certification program	25,260	0	25,260	0	0	0.0
Annualize prior year legislation	0	0	0	0	0	0.0
Annualize prior year budget actions	(315,216)	(110,465)	(187,442)	0	(17,309)	0.0
Indirect cost assessment	(3,966)	0	(3,893)	0	(73)	0.0
<b>HB 16-1405</b>	<b>\$12,373,430</b>	<b>\$3,319,198</b>	<b>\$7,261,472</b>	<b>\$1,527,548</b>	<b>\$265,212</b>	<b>18.7</b>
SB 16-058	3,800	0	3,800	0	0	0.0
<b>TOTAL</b>	<b>\$12,377,230</b>	<b>\$3,319,198</b>	<b>\$7,265,272</b>	<b>\$1,527,548</b>	<b>\$265,212</b>	<b>18.7</b>
<b>INCREASE/(DECREASE)</b>	\$646,468	\$238,868	\$480,720	\$0	(\$73,120)	0.0
Percentage Change	5.5%	7.8%	7.1%	0.0%	(21.6%)	0.0%

### FY 2015-16 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 16-1237 modifies FY 2015-16 appropriations to provide an additional \$114,000 cash funds for the purchase of legal services and to reduce by \$48,380 cash funds vehicle lease payments.

### FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

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

**PESTICIDE PROGRAM INSPECTION & ENFORCEMENT SUPPORT:** The appropriation includes \$258,400 cash funds from the Marijuana Tax Cash Fund, created in Section 39-28.8-501 (1), C.R.S. This appropriation will be used to support the Plant Industry Division’s Pesticide Program’s implementation of the Pesticide Applicators’ Act, with specific regard to marijuana and hemp growing facilities.

**HEMP REGULATORY AND SEED CERTIFICATION PROGRAM:** The appropriation includes \$25,260 cash funds from the Marijuana Tax Cash Fund, created in Section 39-28.8-501 (1), C.R.S., to support the Plant Industry Division’s operating costs associated with the Industrial Hemp Regulator and Seed Certification Program.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes changes to reflect the out-year impact of funding decisions made through the FY 2015-16 appropriation for the annualization of the FY 2015-16 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.

## AGRICULTURAL SERVICES

This section includes four major Department program areas administered by their respective divisions:

- *ANIMAL INDUSTRY DIVISION* programs monitor the health of livestock and other animals used in various agricultural fields; prevent and control livestock disease; license and inspect pet animal facilities; implement pest control; and investigate animal cruelty claims.
- *PLANT INDUSTRY DIVISION PROGRAMS* manage statewide pest control programs; register pesticides and pesticide applicators; inspect plants and plant byproducts intended for domestic use or international export; oversee the organic certification program; and inspect nursery stock for quality and health.
- *INSPECTION AND CONSUMER SERVICES DIVISION* programs ensure compliance with product quality standards through licensing and inspection, the certification of large and small commercial weights and measurements devices, and analysis of fertilizer and animal feed for chemical contaminants.
- *CONSERVATION SERVICES DIVISION* programs provide technical and financial support, leadership, statewide coordination, and regulatory oversight to public and private landowners on an array of natural resource management challenges including noxious weed management and biological pest control.

These divisions receive cash funds from license and inspection fees, as well as General Fund.

AGRICULTURAL SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2015-16 APPROPRIATION:						
SB 15-234	\$13,926,225	\$4,453,063	\$6,988,758	\$84,000	\$2,400,404	122.9
SB 15-196	245,983	0	245,983	0	0	2.0
HB 15-1367	289,930	0	289,930	0	0	4.3
HB 16-1237	417,392	0	192,392	225,000	0	2.6
<b>TOTAL</b>	<b>\$14,879,530</b>	<b>\$4,453,063</b>	<b>\$7,717,063</b>	<b>\$309,000</b>	<b>\$2,400,404</b>	<b>131.8</b>

**AGRICULTURAL SERVICES**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$14,879,530	\$4,453,063	\$7,717,063	\$309,000	\$2,400,404	131.8
Pesticide program inspection & enforcement support	660,558	0	660,558	0	0	7.7
Annualize prior year budget actions	649,655	84,822	61,460	490,000	13,373	0.0
Hemp regulatory and seed certification program	91,660	0	91,660	0	0	0.0
Pesticide laboratory resources	38,606	0	38,606	0	0	0.7
Annualize prior year legislation	19,799	0	19,799	0	0	0.0
Indirect cost assessment	9,289	0	12,776	0	(3,487)	0.0
General Fund appropriation adjustment	0	0	0	0	0	0.0
<b>HB 16-1405</b>	<b>\$16,349,097</b>	<b>\$4,537,885</b>	<b>\$8,601,922</b>	<b>\$799,000</b>	<b>\$2,410,290</b>	<b>140.2</b>
<b>TOTAL</b>	<b>\$16,349,097</b>	<b>\$4,537,885</b>	<b>\$8,601,922</b>	<b>\$799,000</b>	<b>\$2,410,290</b>	<b>140.2</b>
<b>INCREASE/(DECREASE)</b>	\$1,469,567	\$84,822	\$884,859	\$490,000	\$9,886	8.4
Percentage Change	9.9%	1.9%	11.5%	158.6%	0.4%	6.4%

**FY 2015-16 APPROPRIATION - MID-YEAR ADJUSTMENTS**

House Bill 16-1237 modifies the FY 2015-16 appropriations to:

- Add \$192,392 cash funds and 2.6 FTE for pesticide inspection, testing, and enforcement support;
- Add \$210,000 reappropriated funds for the Noxious Weed Management Grant Program; and
- Add \$15,000 reappropriated funds for the Inspection and Consumer Services Division for cannabinoid content and homogeneity testing on marijuana flowers.

**FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS**

**PESTICIDE PROGRAM INSPECTION & ENFORCEMENT SUPPORT:** The appropriation includes \$660,558 cash funds from the Marijuana Tax Cash Fund, created in Section 39-28.8-501 (1), C.R.S. This appropriation will be used to support the Plant Industry Division’s Pesticide Program’s implementation of the Pesticide Applicators’ Act, with specific regard to marijuana and hemp growing facilities.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes changes to reflect the out-year impact of funding decisions made through the FY 2015-16 appropriation including the annualization of funding for the Noxious Weed Management Grant Program and annualization of the FY 2015-16 salary survey and merit pay.

**HEMP REGULATORY AND SEED CERTIFICATION PROGRAM:** The appropriation includes \$91,660 cash funds from the Marijuana Tax Cash Fund, created in Section 39-28.8-501 (1), C.R.S., to support the Plant Industry Division’s operating costs associated with the Industrial Hemp Regulator and Seed Certification Program.

**PESTICIDE LABORATORY RESOURCES:** The appropriation includes \$38,606 cash funds from the Marijuana Tax Cash Fund, created in Section 39-28.8-501 (1), C.R.S., and 0.7 FTE for the Inspection and Consumer Services Division. This money will be used to hire a qualified analytical chemist for the Biochemistry Laboratory to address an increase in workload due to the regulation of recreational marijuana.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes an increase of \$19,799 cash funds for the second-year impact of legislation.

**INDIRECT COST ASSESSMENT:** The appropriation includes a net increase in the division's indirect cost assessment.

**GENERAL FUND APPROPRIATION ADJUSTMENT:** The appropriation includes a decrease of \$250,000 General Fund for the Plant Industry Division and an increase of \$250,000 General Fund for the Conservation Services Division. This adjustment aligns appropriations to the actual expenditures for these divisions.

## 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 2015-16 APPROPRIATION:						
SB 15-234	\$4,829,690	\$689,079	\$3,169,055	\$45,000	\$926,556	41.4
<b>TOTAL</b>	<b>\$4,829,690</b>	<b>\$689,079</b>	<b>\$3,169,055</b>	<b>\$45,000</b>	<b>\$926,556</b>	<b>41.4</b>
FY 2016-17 APPROPRIATION:						
FY 2015-16 Appropriation	\$4,829,690	\$689,079	\$3,169,055	\$45,000	\$926,556	41.4
Annualize prior year budget actions	39,023	10,762	26,596	0	1,665	0.0
Indirect cost assessment	(1,485)	0	(1,434)	0	(51)	0.0
<b>HB 16-1405</b>	<b>\$4,867,228</b>	<b>\$699,841</b>	<b>\$3,194,217</b>	<b>\$45,000</b>	<b>\$928,170</b>	<b>41.4</b>
<b>TOTAL</b>	<b>\$4,867,228</b>	<b>\$699,841</b>	<b>\$3,194,217</b>	<b>\$45,000</b>	<b>\$928,170</b>	<b>41.4</b>
<b>INCREASE/(DECREASE)</b>	\$37,538	\$10,762	\$25,162	\$0	\$1,614	0.0
Percentage Change	0.8%	1.6%	0.8%	0.0%	0.2%	0.0%

### FY 2016-17 APPROPRIATION – H.B. 16-1405 (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 2015-16 appropriation including the annualization of the FY 2015-16 salary survey and merit pay.

**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 2015-16 APPROPRIATION:						
SB 15-234	\$4,252,044	\$0	\$4,252,044	\$0	\$0	59.0
<b>TOTAL</b>	<b>\$4,252,044</b>	<b>\$0</b>	<b>\$4,252,044</b>	<b>\$0</b>	<b>\$0</b>	<b>59.0</b>
FY 2016-17 APPROPRIATION:						
FY 2015-16 Appropriation	\$4,252,044	\$0	\$4,252,044	\$0	\$0	59.0
Annualize prior year budget actions	49,101	0	49,101	0	0	0.0
Indirect cost assessment	(2,274)	0	(2,274)	0	0	0.0
<b>HB 16-1405</b>	<b>\$4,298,871</b>	<b>\$0</b>	<b>\$4,298,871</b>	<b>\$0</b>	<b>\$0</b>	<b>59.0</b>
<b>TOTAL</b>	<b>\$4,298,871</b>	<b>\$0</b>	<b>\$4,298,871</b>	<b>\$0</b>	<b>\$0</b>	<b>59.0</b>
<b>INCREASE/(DECREASE)</b>	\$46,827	\$0	\$46,827	\$0	\$0	0.0
Percentage Change	1.1%	0.0%	1.1%	n/a	n/a	0.0%

## FY 2016-17 APPROPRIATION – H.B. 16-1405 (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 2015-16 appropriation including the annualization of the FY 2015-16 salary survey and merit pay.

**INDIRECT COST ASSESSMENT:** The appropriation includes a net decrease in the division's indirect cost assessment.

## 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. The State Fair receives \$250,000 General Fund for Future Farmers of America and 4-H program support. Attendance for the 2015 State Fair was 500,207.

COLORADO STATE FAIR						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2015-16 APPROPRIATION:						
SB 15-234	\$8,925,912	\$300,000	\$8,625,912	\$0	\$0	26.9
HB 15-1367	300,000	300,000	0	0	0	0.0
<b>TOTAL</b>	<b>\$9,225,912</b>	<b>\$600,000</b>	<b>\$8,625,912</b>	<b>\$0</b>	<b>\$0</b>	<b>26.9</b>

COLORADO STATE FAIR						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
FY 2015-16 Appropriation	\$9,225,912	\$600,000	\$8,625,912	\$0	\$0	26.9
Colorado State Fair Authority financial assistance	750,000	750,000	0	0	0	0.0
Annualize prior year legislation	0	(300,000)	300,000	0	0	0.0
Annualize prior year budget actions	(12,500)	(50,000)	37,500	0	0	0.0
Indirect cost assessment	(1,564)	0	(1,564)	0	0	0.0
<b>HB 16-1405</b>	<b>\$9,961,848</b>	<b>\$1,000,000</b>	<b>\$8,961,848</b>	<b>\$0</b>	<b>\$0</b>	<b>26.9</b>
<b>TOTAL</b>	<b>\$9,961,848</b>	<b>\$1,000,000</b>	<b>\$8,961,848</b>	<b>\$0</b>	<b>\$0</b>	<b>26.9</b>
<b>INCREASE/(DECREASE)</b>						
	\$735,936	\$400,000	\$335,936	\$0	\$0	0.0
Percentage Change	8.0%	66.7%	3.9%	n/a	n/a	0.0%

### FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

**COLORADO STATE FAIR AUTHORITY FINANCIAL ASSISTANCE:** The appropriation includes \$750,000 General Fund for operations and maintenance costs of the Colorado State Fair. This money is split between two line items within the Colorado State Fair, with \$450,000 being allocated to the Program Costs line item and \$300,000 being allocated to the State Fair Facility Maintenance line item.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes a net zero increase for the second-year impact of legislation. The primary change is the reduction of \$300,000 General Fund and increase of \$300,000 cash funds for FFA and 4-H program funding.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes changes to reflect the out-year impact of funding decisions made through the FY 2015-16 appropriation including:

- Annualization of the FY 2015-16 salary survey and merit pay; and
- Annualization of the FY 2015-16 Colorado State Fair Financial Sustainability Study.

**INDIRECT COST ASSESSMENT:** The appropriation includes a net decrease in the division's indirect cost assessment.

### 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 2015-16 APPROPRIATION:						
SB 15-234	\$2,139,127	\$1,183,762	\$450,000	\$0	\$505,365	5.2
<b>TOTAL</b>	<b>\$2,139,127</b>	<b>\$1,183,762</b>	<b>\$450,000</b>	<b>\$0</b>	<b>\$505,365</b>	<b>5.2</b>

**CONSERVATION BOARD**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$2,139,127	\$1,183,762	\$450,000	\$0	\$505,365	5.2
Annualize prior year budget actions	13,809	12,393	0	0	1,416	0.0
<b>HB 16-1405</b>	<b>\$2,152,936</b>	<b>\$1,196,155</b>	<b>\$450,000</b>	<b>\$0</b>	<b>\$506,781</b>	<b>5.2</b>
<b>TOTAL</b>	<b>\$2,152,936</b>	<b>\$1,196,155</b>	<b>\$450,000</b>	<b>\$0</b>	<b>\$506,781</b>	<b>5.2</b>
<b>INCREASE/(DECREASE)</b>	\$13,809	\$12,393	\$0	\$0	\$1,416	0.0
Percentage Change	0.6%	1.0%	0.0%	n/a	0.3%	0.0%

**FY 2016-17 APPROPRIATION – H.B. 16-1405 (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 2015-16 appropriation including the annualization of the FY 2015-16 salary survey and merit pay.

**RECENT LEGISLATION**

**2015 SESSION BILLS**

**S.B. 15-196 (INDUSTRIAL HEMP CERTIFIED SEEDS CONCENTRATION TEST):** Provides the Department with \$249,763 cash funds and 2.0 FTE to expand the Industrial Hemp Committee from 9 to 11 members and requires the Department to administer an industrial hemp certified seed program. The Department may import seeds to develop the certified seed program in accordance with state and federal laws.

**S.B. 15-234 (LONG BILL):** General appropriations act for FY 2015-16.

**H.B. 15-1367 (RETAIL MARIJUANA TAXES):** Refers a ballot issue to voters in November 2015, asking whether the State may retain and spend revenue collected from the Proposition AA excise and special sales taxes on retail marijuana in FY 2014-15. Creates a \$58.0 million Proposition AA Refund Account (Refund Account) in the General Fund. Contingent on voter approval of the ballot issue, the act makes several appropriations to the Department of Agriculture for FY 2015-16, as detailed in the following table.

<b>APPROPRIATIONS TO DEPARTMENT OF AGRICULTURE THAT ARE CONTINGENT ON VOTER APPROVAL</b>		
DIVISION AND LINE ITEM	FUND SOURCE	DOLLAR AMOUNT
Commissioner's Office and Administrative Services		
Legal Services	CF - Marijuana Tax Cash Fund	\$24,703
Agriculture Services		
Plant Industry Division	CF - Marijuana Tax Cash Fund	289,930
Colorado State Fair		
FFA and 4H Funding	CF - Proposition AA Refund Account	300,000
<b>TOTAL</b>		<b>\$614,633</b>

Independent of whether the voters approve the ballot issue, the act appropriates \$314,633 from the Marijuana Tax Cash Fund and 4.3 FTE to the Department in FY 2015-16 for the regulation of pesticide application to marijuana crops. For additional information, see the "Recent Legislation" section at the end of the Department of Revenue.

## 2016 SESSION BILLS

**S.B. 16-015 (RULES FOR ALLOWED MARIJUANA PESTICIDES):** Requires the Department to promulgate rules to designate criteria that identify pesticides that may be used in the cultivation of retail marijuana. The Department is required to publish a list of pesticides that meet the criteria on its website.

**S.B. 16-058 (CO FARM TO CONSUMER SALES):** Modifies the "Colorado Cottage Foods Act," which allows homemade food producers to sell certain food products directly to consumers. The bill eliminates the tiered system and the State Board of Health's authority to make rules governing the production of tier two foods, which currently consist of pickled vegetables. At the same time, the bill expands the type of foods that may be sold by producers under the Cottage Foods Act to include other non-potentially hazardous foods and encourages, rather than mandates, a producer to take a food safety course. The bill also expands the provisions of the Custom Processing of Meat Animals Act, which regulates the slaughter and processing of certain animals for human consumption, to include the processing of poultry, and exempts producers who raise and slaughter up to 1,000 poultry each calendar year from the provisions of the act. The bill appropriates \$3,800 cash funds to the Division of Inspections and Consumer Services and \$3,800 reappropriated funds to the Department of Law for the provision of legal services.

**H.B. 16-1163 (APPROPRIATIONS FROM NOXIOUS WEED MANAGEMENT FUND):** Specifies that all state money in the Noxious Weed Management Fund are subject to annual appropriations and that any unexpended and unencumbered money from an appropriation from the fund remain available for expenditure by the Department in the next fiscal year without further appropriation.

**H.B. 16-1194 (INCOME TAX DEDUCTION FOR LEASING OUT AG ASSET):** Creates an income tax deduction for taxpayers that lease an agricultural asset, defined as land, crops, livestock, livestock facilities, farm equipment, grain storage, or irrigation equipment, to a beginning farmer or rancher satisfying certain qualifications. The deduction is available for tax years 2017 through 2019 and is equal to 20 percent of the lease payment received from the beginning farmer or rancher for a lease of agricultural assets with a term of at least three years. Deductions are capped at \$25,000 per taxpayer per tax year.

**H.B. 16-1237 (SUPPLEMENTAL BILL):** Supplemental appropriation to the Department to modify FY 2015-16 appropriations included in the FY 2015-16 Long Bill (S.B. 15-234).

**H.B. 16-1405 (LONG BILL):** General appropriations act for FY 2016-17.

**H.B. 16-1460 (DOA AUTHORITY TO SELL & BUY PROP FOR CONSOLIDATION):** Gives the Department of Agriculture, in consultation with the Office of the State Architect within the Department of Personnel, the authority to sell and acquire real property specified in the bill. The bill directs the proceeds from the sale of the real property to be deposited in the Agriculture Management Fund and allows the proceeds to be spent for expenses related to the Department's ongoing office consolidation.

# Details

## DEPARTMENT OF CORRECTIONS

### FY 2015-16 AND FY 2016-17 APPROPRIATIONS BY DIVISION AND BILL

DEPARTMENT OF CORRECTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 TOTAL APPROPRIATION:</b>	<b>\$851,084,974</b>	<b>\$763,812,924</b>	<b>\$39,346,724</b>	<b>\$46,665,389</b>	<b>\$1,259,937</b>	<b>6,239.8</b>
<b>BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION</b>						
Management	\$217,370,744	\$210,748,225	\$6,053,065	\$276,542	\$292,912	92.9
Institutions	424,451,087	422,914,624	1,391,664	64,799	80,000	4,731.9
Support Services	41,809,831	40,410,808	595,039	803,984	0	241.2
Inmate Programs	43,862,100	40,404,229	1,405,175	1,959,068	93,628	545.7
Community Services	49,684,882	47,456,528	10,000	2,179,256	39,098	427.6
Parole Board	1,878,510	1,878,510	0	0	0	17.5
Correctional Industries	57,069,610	0	14,933,571	41,381,740	754,299	155.0
Canteen Operation	14,958,210	0	14,958,210	0	0	28.0
<b>BREAKDOWN OF TOTAL APPROPRIATION BY BILL</b>						
SB 15-234	\$868,560,106	\$779,703,369	\$40,931,411	\$46,665,389	\$1,259,937	6,239.8
HB 13-1154	121,773	121,773	0	0	0	0.0
HB 13-1318	14,987	14,987	0	0	0	0.0
HB 13-1325	5,551	5,551	0	0	0	0.0
SB 14-049	21,484	21,484	0	0	0	0.0
SB 14-092	21,484	21,484	0	0	0	0.0
SB 14-161	21,484	21,484	0	0	0	0.0
SB 14-176	21,484	21,484	0	0	0	0.0
HB 14-1037	21,484	21,484	0	0	0	0.0
SB 15-124	(853,476)	(853,476)	0	0	0	0.0
SB 15-185	9,800	9,800	0	0	0	0.0
SB 15-195	0	1,500,000	(1,500,000)	0	0	0.0
HB 15-1341	11,034	11,034	0	0	0	0.0
HB 16-1238	(16,892,221)	(16,807,534)	(84,687)	0	0	0.0
<b>FY 2016-17 TOTAL APPROPRIATION:</b>	<b>\$846,756,203</b>	<b>\$759,196,124</b>	<b>\$39,454,112</b>	<b>\$46,748,326</b>	<b>\$1,357,641</b>	<b>6,242.7</b>
<b>BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION</b>						
Management	\$207,336,641	\$200,975,326	\$5,791,861	\$276,542	\$292,912	92.9
Institutions	429,404,678	427,851,181	1,408,698	64,799	80,000	4,734.8
Support Services	41,374,570	39,779,635	733,043	861,892	0	241.2
Inmate Programs	44,330,185	40,872,318	1,405,175	1,959,068	93,624	545.7
Community Services	50,049,316	47,820,962	10,000	2,179,256	39,098	427.6
Parole Board	1,896,702	1,896,702	0	0	0	17.5
Correctional Industries	57,322,750	0	15,063,974	41,406,769	852,007	155.0
Canteen Operation	15,041,361	0	15,041,361	0	0	28.0
<b>BREAKDOWN OF TOTAL APPROPRIATION BY BILL</b>						
HB 16-1405	\$843,968,585	\$756,408,506	\$39,454,112	\$46,748,326	\$1,357,641	6,241.9
HB 13-1154	76,655	76,655	0	0	0	0.0
SB 14-049	42,968	42,968	0	0	0	0.0

DEPARTMENT OF CORRECTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 14-092	19,640	19,640	0	0	0	0.0
SB 14-161	19,640	19,640	0	0	0	0.0
SB 14-176	42,968	42,968	0	0	0	0.0
HB 14-1037	21,484	21,484	0	0	0	0.0
SB 15-067	219,576	219,576	0	0	0	0.0
HB 15-1043	2,581,944	2,581,944	0	0	0	0.0
HB 15-1229	22,068	22,068	0	0	0	0.0
HB 15-1305	22,068	22,068	0	0	0	0.0
HB 15-1341	275,849	275,849	0	0	0	0.0
SB 16-102	(721,496)	(721,496)	0	0	0	0.0
SB 16-180	95,504	95,504	0	0	0	0.8
HB 16-1117	24,700	24,700	0	0	0	0.0
HB 16-1406	32,175	32,175	0	0	0	0.0
HB 16-1411	11,875	11,875	0	0	0	0.0
<b>INCREASE/(DECREASE)</b>	<b>(\$4,328,771)</b>	<b>(\$4,616,800)</b>	<b>\$107,388</b>	<b>\$82,937</b>	<b>\$97,704</b>	<b>2.9</b>
Percentage Change	(0.5%)	(0.6%)	0.3%	0.2%	7.8%	0.0%

**INFORMATIONAL FUNDS:** The FY 2016-17 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 2016-17 Appropriations containing an (I) notation	\$16,399,002	\$0	\$15,041,361	\$0	\$1,357,641

## 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 for housing offenders. 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 2015-16 APPROPRIATION:						
SB 15-234	\$231,196,702	\$224,574,183	\$6,053,065	\$276,542	\$292,912	93.9
SB 15-124	(1,563,476)	(1,563,476)	0	0	0	0.0
HB 16-1238	(12,262,482)	(12,262,482)	0	0	0	(1.0)
<b>TOTAL</b>	<b>\$217,370,744</b>	<b>\$210,748,225</b>	<b>\$6,053,065</b>	<b>\$276,542</b>	<b>\$292,912</b>	<b>92.9</b>

MANAGEMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
FY 2015-16 Appropriation	\$217,370,744	\$210,748,225	\$6,053,065	\$276,542	\$292,912	92.9
Annualize prior year budget actions	91,893	91,893	0	0	0	0.0
External capacity	(5,463,104)	(5,463,104)	0	0	0	0.0
Centrally appropriated line items	(3,998,296)	(3,737,092)	(261,204)	0	0	0.0
<b>HB 16-1405</b>	<b>\$208,001,237</b>	<b>\$201,639,922</b>	<b>\$5,791,861</b>	<b>\$276,542</b>	<b>\$292,912</b>	<b>92.9</b>
SB 16-102	(721,496)	(721,496)	0	0	0	0.0
SB 16-180	25	25	0	0	0	0.0
HB 16-1117	24,700	24,700	0	0	0	0.0
HB 16-1406	32,175	32,175	0	0	0	0.0
<b>TOTAL</b>	<b>\$207,336,641</b>	<b>\$200,975,326</b>	<b>\$5,791,861</b>	<b>\$276,542</b>	<b>\$292,912</b>	<b>92.9</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$10,034,103)</b>	<b>(\$9,772,899)</b>	<b>(\$261,204)</b>	<b>\$0</b>	<b>\$0</b>	<b>(0.0)</b>
Percentage Change	(4.6%)	(4.6%)	(4.3%)	0.0%	0.0%	(0.0%)

### FY 2015-16 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 16-1238 modifies FY 2015-16 appropriations to:

- Add \$653,555 General Fund for inmate education and benefits programs at private prisons and reducing appropriations for Department of Corrections education programs in the Inmate Programs Division by an offsetting amount to correct a technical error in S.B. 15-195 (Spending Earned Time Savings);
- Move \$57,732 of General Fund appropriations and 1.0 FTE from the Management Division to the Parole Board; and
- Reduce General Fund appropriations for external capacity by \$12,858,305 to reflect a lower estimate of the inmate population for FY 2015-16;

### FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for annualization of FY 2015-16 salary survey and merit pay.

**EXTERNAL CAPACITY:** The appropriation reduces payments for placing inmates in private prisons and jails by \$8,463,104 General Fund based on the Legislative Council Staff forecast of fewer inmates in FY 2016-17 and includes a new appropriation of \$3 million General Fund to sustain external capacity.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; shift differential; 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 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
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$427,632,239	\$426,095,776	\$1,391,664	\$64,799	\$80,000	4,731.9
HB 13-1154	121,773	121,773	0	0	0	0.0
HB 13-1318	14,987	14,987	0	0	0	0.0
HB 13-1325	5,551	5,551	0	0	0	0.0
SB 14-049	21,484	21,484	0	0	0	0.0
SB 14-092	21,484	21,484	0	0	0	0.0
SB 14-161	21,484	21,484	0	0	0	0.0
SB 14-176	21,484	21,484	0	0	0	0.0
HB 14-1037	21,484	21,484	0	0	0	0.0
HB 15-1341	11,034	11,034	0	0	0	0.0
HB 16-1238	(3,441,917)	(3,441,917)	0	0	0	0.0
<b>TOTAL</b>	<b>\$424,451,087</b>	<b>\$422,914,624</b>	<b>\$1,391,664</b>	<b>\$64,799</b>	<b>\$80,000</b>	<b>4,731.9</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$424,451,087	\$422,914,624	\$1,391,664	\$64,799	\$80,000	4,731.9
Annualize prior year budget actions	3,864,576	3,864,576	0	0	0	2.1
Utilities inflation	333,230	315,236	17,994	0	0	0.0
Food service inflation	328,981	328,981	0	0	0	0.0
Increase inmate pay	300,000	300,000	0	0	0	0.0
Pharmaceuticals and external medical care	29,425	29,425	0	0	0	0.0
CSP II lease payment adjustment	3,500	3,500	0	0	0	0.0
Funding already in statute from criminal sentencing bills	(3,344,870)	(3,344,870)	0	0	0	0.0
Indirect cost assessment	(960)	0	(960)	0	0	0.0
<b>HB 16-1405</b>	<b>\$425,964,969</b>	<b>\$424,411,472</b>	<b>\$1,408,698</b>	<b>\$64,799</b>	<b>\$80,000</b>	<b>4,734.0</b>
HB 13-1154	76,655	76,655	0	0	0	0.0
SB 14-049	42,968	42,968	0	0	0	0.0
SB 14-092	19,640	19,640	0	0	0	0.0
SB 14-161	19,640	19,640	0	0	0	0.0
SB 14-176	42,968	42,968	0	0	0	0.0
HB 14-1037	21,484	21,484	0	0	0	0.0
SB 15-067	219,576	219,576	0	0	0	0.0
HB 15-1043	2,581,944	2,581,944	0	0	0	0.0
HB 15-1229	22,068	22,068	0	0	0	0.0
HB 15-1305	22,068	22,068	0	0	0	0.0
HB 15-1341	275,849	275,849	0	0	0	0.0
SB 16-180	94,849	94,849	0	0	0	0.8
<b>TOTAL</b>	<b>\$429,404,678</b>	<b>\$427,851,181</b>	<b>\$1,408,698</b>	<b>\$64,799</b>	<b>\$80,000</b>	<b>4,734.8</b>
<b>INCREASE/(DECREASE)</b>	<b>\$4,953,591</b>	<b>\$4,936,557</b>	<b>\$17,034</b>	<b>\$0</b>	<b>\$0</b>	<b>2.9</b>
Percentage Change	1.2%	1.2%	1.2%	0.0%	0.0%	0.1%

## FY 2015-16 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 16-1238 modifies FY 2015-16 appropriations to:

- Eliminate the Catastrophic Medical Expenses line item and combining it with the Purchase of Medical Services from Other Medical Facilities line item;
- Reduce the appropriation for pharmaceuticals and external medical care for inmates by \$3,441,917 General Fund to reflect a lower estimate of the inmate population and a lower estimated cost per inmate for pharmaceuticals.

## FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

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

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 15-16 Salary survey and merit pay	\$3,633,353	\$3,633,353	\$0	\$0	\$0	0.0
FY 15-16 Buena Vista wastewater increase	210,748	210,748	0	0	0	0.0
FY 15-16 Additional mental health staff	20,475	20,475	0	0	0	2.1
<b>TOTAL</b>	<b>\$3,864,576</b>	<b>\$3,864,576</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>2.1</b>

**UTILITIES INFLATION:** The appropriation includes an increase of \$333,230 total funds, including \$315,236 General Fund, due to utilities inflation.

**FOOD SERVICE INFLATION:** The appropriation includes an increase of \$328,981 General Fund for food inflation, comprised of \$283,004 for raw food and \$45,977 to pay for meals prepared by the Colorado Mental Health Institute at Pueblo, which provides meals for the three DOC facilities on that campus.

**INCREASE INMATE PAY:** The appropriation includes an additional \$300,000 General Fund for increased inmate pay.

**PHARMACEUTICALS AND EXTERNAL MEDICAL CARE:** The appropriation includes an increase of \$29,425 for pharmaceuticals and external medical care (i.e. care inmates receive outside of prison walls). Increased costs per offender are largely offset by an expected population decline.

**CSP II LEASE PAYMENT ADJUSTMENT:** The appropriation increases the appropriation for Colorado State Penitentiary II (CSP II) lease purchase payments by \$3,500 General Fund as required by the state's debt agreements. For FY 2016-17 the CSP II payment will equal \$20,258,268 General Fund. The last payment will be in FY 2018-19.

**FUNDING ALREADY IN STATUTE FROM CRIMINAL SENTENCING BILLS:** The appropriation reduces the appropriation that would otherwise be in the Long Bill for housing inmates by \$3,344,870 General Fund, which is the amount already appropriated for FY 2016-17 in criminal sentencing bills that were enacted during the preceding five sessions.

**INDIRECT COST ASSESSMENT:** The appropriation includes a decrease of the division's indirect cost assessment.

**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
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$42,392,030	\$40,908,320	\$679,726	\$803,984	\$0	241.2
SB 15-185	9,800	9,800	0	0	0	0.0
HB 16-1238	(591,999)	(507,312)	(84,687)	0	0	0.0
<b>TOTAL</b>	<b>\$41,809,831</b>	<b>\$40,410,808</b>	<b>\$595,039</b>	<b>\$803,984</b>	<b>\$0</b>	<b>241.2</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$41,809,831	\$40,410,808	\$595,039	\$803,984	\$0	241.2
Secure Colorado	205,212	203,981	1,231	0	0	0.0
Annualize prior year budget actions	204,614	203,308	1,306	0	0	0.0
Indirect cost assessment	0	(70,505)	0	70,505	0	0.0
Centrally appropriated line items	(845,717)	(968,587)	135,467	(12,597)	0	0.0
<b>HB 16-1405</b>	<b>\$41,373,940</b>	<b>\$39,779,005</b>	<b>\$733,043</b>	<b>\$861,892</b>	<b>\$0</b>	<b>241.2</b>
SB 16-180	630	630	0	0	0	0.0
<b>TOTAL</b>	<b>\$41,374,570</b>	<b>\$39,779,635</b>	<b>\$733,043</b>	<b>\$861,892</b>	<b>\$0</b>	<b>241.2</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$435,261)</b>	<b>(\$631,173)</b>	<b>\$138,004</b>	<b>\$57,908</b>	<b>\$0</b>	<b>(0.0)</b>
Percentage Change	(1.0%)	(1.6%)	23.2%	7.2%	n/a	(0.0%)

### FY 2015-16 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 16-1238 modifies FY 2015-16 appropriations to reduce the vehicle lease appropriation by \$591,999 total funds.

### FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

**SECURE COLORADO:** The appropriation includes an increase of \$205,212 total funds, comprised of \$203,981 General Fund and \$1,231 cash funds, to cover the Department's share of the Office of Information Technology's implementation of advanced information security event analytics capabilities.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for annualization of FY 2015-16 salary survey and merit pay.

**INDIRECT COST ASSESSMENT:** The appropriation uses increased departmental indirect cost assessments to reduce General Fund appropriations to the Business Operations subprogram in the Support Services division.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items for the following: vehicle lease payments; payments to the Governor's Office of Information Technology (OIT); and CORE operations.

**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
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$44,515,655	\$39,557,784	\$2,905,175	\$1,959,068	\$93,628	545.7
SB 15-195	0	1,500,000	(1,500,000)	0	0	0.0
HB 16-1238	(653,555)	(653,555)	0	0	0	0.0
<b>TOTAL</b>	<b>\$43,862,100</b>	<b>\$40,404,229</b>	<b>\$1,405,175</b>	<b>\$1,959,068</b>	<b>\$93,628</b>	<b>545.7</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$43,862,100	\$40,404,229	\$1,405,175	\$1,959,068	\$93,628	545.7
Annualize prior year budget actions	468,089	468,089	0	0	0	0.0
Indirect cost assessment	(4)	0	0	0	(4)	0.0
<b>HB 16-1405</b>	<b>\$44,330,185</b>	<b>\$40,872,318</b>	<b>\$1,405,175</b>	<b>\$1,959,068</b>	<b>\$93,624</b>	<b>545.7</b>
<b>TOTAL</b>	<b>\$44,330,185</b>	<b>\$40,872,318</b>	<b>\$1,405,175</b>	<b>\$1,959,068</b>	<b>\$93,624</b>	<b>545.7</b>
<b>INCREASE/(DECREASE)</b>	\$468,085	\$468,089	\$0	\$0	(\$4)	0.0
Percentage Change	1.1%	1.2%	0.0%	0.0%	(0.0%)	0.0%

### FY 2015-16 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 16-1238 modifies FY 2015-16 appropriations to add \$653,555 General Fund for inmate education and benefits programs at private prisons in the Management Division and reduce appropriations for Department of Corrections education programs in the Inmate Programs Division by an offsetting amount to correct a technical error in S.B. 15-195 (Spending Earned Time Savings).

### FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for annualization of FY 2015-16 salary survey and merit pay.

**INDIRECT COST ASSESSMENT:** The appropriation includes a decrease of the division's indirect cost assessment.

## COMMUNITY SERVICES

The Community Services division includes the Parole Subprogram, the Community Supervision Subprogram (for inmates in community corrections and in the Intensive Supervision-Inmate [ISP-Inmate program]), and the Community Re-entry Subprogram. Other costs associated with residential community corrections placements are appropriated to the Department of Public Safety's Division of Criminal Justice. The reappropriated funds are from the Correctional Treatment Cash Fund.

**COMMUNITY SERVICES**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$48,974,882	\$46,746,528	\$10,000	\$2,179,256	\$39,098	427.6
SB 15-124	710,000	710,000	0	0	0	0.0
<b>TOTAL</b>	<b>\$49,684,882</b>	<b>\$47,456,528</b>	<b>\$10,000</b>	<b>\$2,179,256</b>	<b>\$39,098</b>	<b>427.6</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$49,684,882	\$47,456,528	\$10,000	\$2,179,256	\$39,098	427.6
Annualize prior year budget actions	352,559	352,559	0	0	0	0.0
<b>HB 16-1405</b>	<b>\$50,037,441</b>	<b>\$47,809,087</b>	<b>\$10,000</b>	<b>\$2,179,256</b>	<b>\$39,098</b>	<b>427.6</b>
HB 16-1411	11,875	11,875	0	0	0	0.0
<b>TOTAL</b>	<b>\$50,049,316</b>	<b>\$47,820,962</b>	<b>\$10,000</b>	<b>\$2,179,256</b>	<b>\$39,098</b>	<b>427.6</b>
<b>INCREASE/(DECREASE)</b>	\$364,434	\$364,434	\$0	\$0	\$0	0.0
Percentage Change	0.7%	0.8%	0.0%	0.0%	0.0%	0.0%

**FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS**

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for annualization of FY 2015-16 salary survey and merit pay.

**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.

<b>PAROLE BOARD</b>						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$1,820,778	\$1,820,778	\$0	\$0	\$0	16.5
HB 16-1238	57,732	57,732	0	0	0	1.0
<b>TOTAL</b>	<b>\$1,878,510</b>	<b>\$1,878,510</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>17.5</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$1,878,510	\$1,878,510	\$0	\$0	\$0	17.5
Annualize prior year budget actions	18,192	18,192	0	0	0	0.0
<b>HB 16-1405</b>	<b>\$1,896,702</b>	<b>\$1,896,702</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>17.5</b>
<b>TOTAL</b>	<b>\$1,896,702</b>	<b>\$1,896,702</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>17.5</b>
<b>INCREASE/(DECREASE)</b>	\$18,192	\$18,192	\$0	\$0	\$0	0.0
Percentage Change	1.0%	1.0%	n/a	n/a	n/a	0.0%

**FY 2015-16 APPROPRIATION - MID-YEAR ADJUSTMENTS**

House Bill 16-1238 modifies FY 2015-16 appropriations by moving \$57,732 of General Fund appropriations and 1.0 FTE from the Management Division to the Parole Board.

FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for annualization of FY 2015-16 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 2015-16 APPROPRIATION:						
SB 15-234	\$57,069,610	\$0	\$14,933,571	\$41,381,740	\$754,299	155.0
<b>TOTAL</b>	<b>\$57,069,610</b>	<b>\$0</b>	<b>\$14,933,571</b>	<b>\$41,381,740</b>	<b>\$754,299</b>	<b>155.0</b>
FY 2016-17 APPROPRIATION:						
FY 2015-16 Appropriation	\$57,069,610	\$0	\$14,933,571	\$41,381,740	\$754,299	155.0
Annualize prior year budget actions	124,799	0	124,799	0	0	0.0
Indirect cost assessment	78,341	0	(9,396)	(9,971)	97,708	0.0
Increase inmate pay	50,000	0	15,000	35,000	0	0.0
<b>HB 16-1405</b>	<b>\$57,322,750</b>	<b>\$0</b>	<b>\$15,063,974</b>	<b>\$41,406,769</b>	<b>\$852,007</b>	<b>155.0</b>
<b>TOTAL</b>	<b>\$57,322,750</b>	<b>\$0</b>	<b>\$15,063,974</b>	<b>\$41,406,769</b>	<b>\$852,007</b>	<b>155.0</b>
<b>INCREASE/(DECREASE)</b>	\$253,140	\$0	\$130,403	\$25,029	\$97,708	0.0
Percentage Change	0.4%	n/a	0.9%	0.1%	13.0%	0.0%

FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for annualization of FY 2015-16 salary survey and merit pay.

**INDIRECT COST ASSESSMENT:** The appropriation includes a net increase of the division's indirect cost assessment.

**INCREASE INMATE PAY:** The appropriation increases inmate 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 Section 17-24-126 (1) C.R.S.

CANTEEN OPERATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2015-16 APPROPRIATION:						
SB 15-234	\$14,958,210	\$0	\$14,958,210	\$0	\$0	28.0
<b>TOTAL</b>	<b>\$14,958,210</b>	<b>\$0</b>	<b>\$14,958,210</b>	<b>\$0</b>	<b>\$0</b>	<b>28.0</b>
FY 2016-17 APPROPRIATION:						
FY 2015-16 Appropriation	\$14,958,210	\$0	\$14,958,210	\$0	\$0	28.0
Annualize prior year budget actions	66,022	0	66,022	0	0	0.0
Increase inmate pay	24,000	0	24,000	0	0	0.0
Indirect cost assessment	(6,871)	0	(6,871)	0	0	0.0
<b>HB 16-1405</b>	<b>\$15,041,361</b>	<b>\$0</b>	<b>\$15,041,361</b>	<b>\$0</b>	<b>\$0</b>	<b>28.0</b>
<b>TOTAL</b>	<b>\$15,041,361</b>	<b>\$0</b>	<b>\$15,041,361</b>	<b>\$0</b>	<b>\$0</b>	<b>28.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$83,151</b>	<b>\$0</b>	<b>\$83,151</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	0.6%	n/a	0.6%	n/a	n/a	0.0%

### FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for annualization of FY 2015-16 salary survey and merit pay.

**INCREASE INMATE PAY:** The appropriation increases inmate pay.

**INDIRECT COST ASSESSMENT:** The appropriation includes a decrease of the division's indirect cost assessment.

## RECENT LEGISLATION

### 2015 SESSION BILLS

**S.B. 15-067 (SECOND DEGREE ASSAULT INJURY TO EMERGENCY RESPONDERS):** Raises classification from assault in the third degree to assault in the second degree for certain criminal actions. Includes a 5-year statutory General Fund appropriation to the Department that provides \$219,576 for FY 2016-17, \$329,363 for FY 2017-18, \$417,635 for FY 2018-19, and \$505,907 for FY 2019-20.

**S.B. 15-124 (REDUCE PAROLE REVOCATIONS FOR TECHNICAL VIOLATIONS):** Narrows the scope of behavior that warrants arresting a parolee for a technical violation. Requires the use of intermediate sanctions to address noncompliance by a parolee in a manner consistent with the severity of the behavior and the risk level of the parolee, including referrals to treatment and support services. Reduces net FY 2015-16 General Fund appropriations to the Department by \$853,476, comprised of a decrease of \$1,563,476 for private prisons and an

increase of \$710,000 for grants to community-based organizations that support parolees. For more information, see the corresponding bill description in the "Recent Legislation" section of the Department of Public Safety.

**S.B. 15-185 (POLICE DATA COLLECTION AND COMMUNITY POLICING):** Requires the Department of Public Safety to compile and report parole hearing data, arrest data, and other related information to the General Assembly and the Colorado Commission on Criminal and Juvenile Justice. Includes a FY 2015-16 General Fund appropriation of \$9,800 to the Department of Corrections for one-time programming costs and a reappropriation of this sum to the Office of Information Technology. For more information, see the corresponding bill description in the "Recent Legislation" section of the Department of Public Safety.

**S.B. 15-195 (SPENDING SAVINGS FROM EARNED TIME IN THE DEPARTMENT OF CORRECTIONS):** Limits the amount of earned time savings that may be appropriated to the Department for inmate education and parole wrap-around services to \$6.5 million per year. Requires the Department to set phone rates so that the Department's resulting phone revenue will equal the direct and indirect cost of operating the phone system. Increases the Department's FY 2015-16 General Fund appropriation by \$1.5 million and reduces the FY 2015-16 cash funds appropriation from Canteen sales revenue by \$1.5 million.

**S.B. 15-234 (LONG BILL):** General appropriations act for FY 2015-16.

**H.B. 15-1043 (FELONY OFFENSE FOR REPEAT DUI OFFENDERS):** Increases the penalty for Driving Under the Influence (DUI) and related offenses from a misdemeanor to a class 4 felony after three or more convictions. Includes a 5-year statutory General Fund appropriation to the Department that provides \$2,581,944 for FY 2016-17, \$6,497,158 for FY 2017-18, \$9,397,689 for FY 2018-19, and \$9,397,689 for FY 2019-20. For more information, see the corresponding bill description in the "Recent Legislation" section of the Judicial Department.

**H.B. 15-1229 (RETALIATION AGAINST A PROSECUTOR):** Creates a new class 4 felony offense for the crime of retaliation against a prosecutor. Includes a 5-year statutory General Fund appropriation to the Department that provides \$22,068 for FY 2016-17, \$22,068 for FY 2017-18, \$22,068 for FY 2018-19, and \$5,076 for FY 2019-20.

**H.B. 15-1269 (TRANSFER PERSONS TO AND FROM CORRECTIONAL FACILITY):** Clarifies that mentally ill inmates may only be transferred from the Department of Corrections (DOC) to the Department Human Services (DHS) when such a transfer is done in accordance with a policy that provides for due process and in situations where the inmate cannot be safely confined in a DOC facility. Repeals the authority of the DHS to transfer non-offenders to the DOC. The DHS may only transfer a person receiving care at the Colorado Mental Health Institute at Pueblo or Fort Logan to a DOC facility if that person is serving a sentence to the DOC. The DHS is also authorized to return a person to the DOC if the inmate cannot be safely confined in the DHS facility. For more information, see the corresponding bill description in the "Recent Legislation" section of the Department of Human Services.

**H.B. 15-1303 (SENTENCING FOR CERTAIN SECOND DEGREE ASSAULTS):** Removes mandatory sentencing as a crime of violence for second degree assault committed against a person who the defendant knew or reasonably should have known was a peace officer, firefighter, or emergency medical service provider. Such a crime is no longer automatically a crime of violence. The bill is expected to reduce costs for the Department by an indeterminate amount.

**H.B. 15-1305 (UNLAWFUL MANUFACTURE MARIJUANA CONCENTRATE):** Makes it a class 2 drug felony for an unlicensed person to manufacture or permit manufacture of marijuana concentrate using a hazardous substance. Includes a 5-year statutory General Fund appropriation to the Department that provides \$22,068 for FY 2016-17, \$22,068 for FY 2017-18, and \$11,034 for FY 2018-19.

**H.B. 15-1341 (INCREASE PENALTY SEXUAL EXPLOITATION OF CHILD):** Increases the penalty for certain cases of sexual exploitation of a child by possession of sexually exploitative material from a class 6 felony to a class 5 felony and modifies terms concerning electronic media that constitute sexually exploitative material. Includes a 5-year statutory General Fund appropriation to the Department that provides \$11,034 for FY 15-16, \$275,849 for FY 2016-17, \$487,701 for FY 2017-18, \$487,701 for FY 2018-19, and \$487,701 for FY 2019-20.

## 2016 SESSION BILLS

**S.B. 16-034 (TAMPERING WITH A DECEASED HUMAN BODY):** Creates the crime of tampering with a deceased human body, a class 3 felony, which occurs when a person acting without legal right or authority, believing that an official proceeding is pending or in progress, willfully destroys, mutilates, conceals, removes, or alters a human body with the intent of hindering the official proceeding.

**S.B. 16-051 (JUDGE'S DISCRETION REGARDING CONSECUTIVE SENTENCES):** Eliminates the requirement that a person convicted of 2 or more separate crimes of violence arising out of the same incident be sentenced consecutively rather than concurrently. Potentially reduces Department expenditures starting in FY 2021-22 by an indeterminate amount.

**S.B. 16-095 (5 YEAR DOC APPROPRIATIONS FOR CRIMES FIXES):** Clarifies how many years of appropriations must be included in the fiscal note for a criminal sentencing bill and in the related bill. Specifies that only Department of Corrections expenditures are to be included and identifies the expenditures to include, which include parole costs. Clarifies that the statute applies when offenders are placed in private prisons.

**S.B. 16-102 (REPEAL CERTAIN MANDATORY MINIMUM PRISON SENTENCES):** Removes the mandatory term of incarceration that must accompany convictions of certain types of second degree assault or violations of bail bond conditions. Appropriates \$65,788 General Fund to the Judicial Department for FY 2016-17 based on the assumption that the Judicial Department will require 0.9 additional FTE. Reduces the FY 2016-17 General Fund appropriation to the Department of Corrections for private prison placements by \$721,496.

**S.B. 16-142 (MISCELLANEOUS UPDATES TO ELECTIONS LAWS):** Makes various changes and updates to election statutes, including creation of a class 6 felony for knowingly accessing the statewide voter registration system without authorization. Includes a 5-year statutory General Fund appropriation to the Department that provides \$21,864 for FY 2017-18 and \$546 for FY 2018-19. For more information, see the corresponding bill description in the "Recent Legislation" section of the Department of State.

**S.B. 16-180 (DOC PROGRAM FOR JUVENILE OFFENDERS):** Requires the Department to create a specialized program for offenders in the custody of the Department who committed a felony as a juvenile but were sentenced as an adult under adult laws. Requires the program to include best and promising practices in independent living skills development and reentry services for long-term offenders. Establishes eligibility criteria for program acceptance. Allows offenders who did not commit first degree murder to apply for the program after serving 20 years of their sentence. Allows first degree murderers to apply after 30 years. Requires offenders to participate for at least three years in order to complete the program. If the program has been successfully completed, an offender who did not commit first degree murder and has served at least 25 years of his or her sentence is presumed to have met the factual burden of presenting extraordinary mitigating circumstances and his release to early parole is presumed compatible with the safety and welfare of society unless rebutted by relevant evidence. The same presumption applies after 30 years for offenders who committed first degree murder. Makes offenders who complete the program eligible to apply for early parole. Directs the parole application to the parole board and the governor. Requires the parole board to make a recommendation to the governor and the governor to make the final parole decision. Appropriates \$95,504 General Fund to the Department for FY 2016-17.

**S.B. 16-181 (SENTENCING JUVENILES CONVICTED OF CLASS 1 FELONIES):** Establishes a procedure for resentencing persons who committed a class 1 felony while a juvenile and upon whom a court imposed a mandatory life sentence without the possibility of parole. If the related felony is first-degree murder committed in the course of any of several described offenses, then the district court may sentence the person to 30 to 50 years in prison, less any earned time granted, if the court finds extraordinary mitigating circumstances. Alternatively, the court may sentence the person to a term of life imprisonment with the possibility of parole after serving 40 years, less any earned time granted. If the related felony is not first-degree murder committed in the course of any of several described offenses, then the district court shall sentence the person to a term of life imprisonment with the possibility of parole after serving 40 years, less any earned time granted. Prohibits the awarding of good time to a resentenced offender but allows the retroactive award of earned time as if the person had been eligible for earned time from the beginning of his or her incarceration. The state board of parole may conduct parole hearings for resentenced offenders beginning in June 2017. Potentially reduces Department expenditures starting in FY 2017-18 by an indeterminate amount.

**H.B. 16-1080 (ASSAULT BY STRANGULATION):** Classifies strangulation with the intent to cause serious bodily injury as first degree assault, and strangulation with intent to cause bodily injury as second degree assault. Designates second degree assault by strangulation as an extraordinary risk crime, thus increasing the maximum presumptive sentence range. Includes a 5-year statutory General Fund appropriation to the Department that provides \$43,727 for FY 2017-18, \$87,454 for FY 2018-19, \$131,181 for FY 2019-20, and \$170,900 for FY 2020-21.

**H.B. 16-1117 (RECORD CUSTODIAL INTERROGATIONS):** Requires law enforcement officials who are investigating a class 1 or 2 felony or a felony sexual assault to make an audio-video recording of custodial interrogations occurring in a detention facility. Appropriates \$24,700 General Fund to the Department for FY 2016-17.

**H.B. 16-1190 (EXCLUDE DETENTION FACILITIES FROM DEADLY FORCE LAW):** Establishes that that prison cells and other places of habitation in detention facilities are not dwellings for purposes of Colorado's "Make my day" law, thus depriving inmates in those facilities of immunity from prosecution and civil liability when they use force, including deadly force, against another inmate who (1) has unlawfully entered the inmate-occupant's place of habitation, (2) the inmate-occupant reasonably believes is committing or intends to commit a crime against a person or property, in addition to the uninvited entry, and (3) the inmate-occupant reasonably believes might use physical force against the occupant, no matter how slight. The bill may result in increased sentences to the Department, but the amount and timing of the resulting costs was not estimated in the Legislative Council Staff Fiscal Note.

**H.B. 16-1238 (SUPPLEMENTAL APPROPRIATION):** Supplemental appropriation to the Department of Corrections to modify FY 2015-16 appropriations included in the FY 2015-16 Long Bill (S.B. 15-234).

**H.B. 16-1260 (EXTEND STATUTE OF LIMITATIONS SEXUAL ASSAULT):** Extends the criminal statute of limitations for felony sexual assault to 20 years. Potentially increases Department expenditures starting in FY 2026-27 by an indeterminate amount.

**H.B. 16-1362 (LICENSE PLATE AUCTION TRANSFER DISABILITY BENEFIT):** Transfers the functions of the License Plate Auction Group, currently housed in the Governor's Office, to the Disability-Benefit Support Contract Committee, housed in the Department of Personnel, and renames the new entity the Colorado Disability Funding Committee. Allows the committee to contract with an entity to sell and auction license registration numbers, for which it will also determine a reasonable commission. Directs that profits be used to aid people with disabilities in accessing disability benefits. Appropriates \$42,283 cash funds and 0.5 FTE from the Disability Support Fund to the Department of Personnel. Directs that any money used to implement additional license plate options be transferred to the Division of Correctional Industries in the Department of Corrections. For more information, see the corresponding bill description in the "Recent Legislation" section of the Department of Personnel.

**H.B. 16-1405 (LONG BILL):** General appropriations act for FY 2016-17.

**H.B. 16-1406 (COUNTY CORONERS REIMBURSEMENT BY DOC):** Requires the Department to reimburse a county for reasonable and necessary costs related to investigations or autopsies for persons who were in the custody of the DOC at the time of their death. For FY 2016-17 appropriates \$32,175 General Fund to the Department.

**H.B. 16-1411 (FORT LYON RESIDENTIAL COMMUNITY STUDY):** Authorizes the State Auditor to contract for a study of the Fort Lyon Supportive Residential Community to evaluate the program's costs, benefits, and outcomes. This program serves approximately 250 chronically homeless individuals at a historic facility in Bent County. The contractor for the study is to be selected with the concurrence of the Division of Housing in the Department of Local Affairs, and a Fort Lyon Study Advisory Committee, appointed by the Director of the Division of Housing, will assist the auditor and Division in evaluating proposals and the contractor's progress on the study. A preliminary findings report is due to the State Auditor by August 1, 2017 and a final report is due by August 1, 2018. After review by the Legislative Audit Committee, both reports will be disseminated to various legislative committees and executive branch agencies. For FY 2016-17, appropriates \$200,000 General Fund to the Legislative Department for the Office of the State Auditor to contract for the study and \$11,875 General Fund to the Department of Corrections for contract services related to compiling data for the study. Unspent amounts may be rolled forward for expenditure in FY 2017-18. The total cost of the study from FY 2016-17 until its completion in FY 2018-19 is not expected to exceed \$450,000 General Fund.

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# Details

## DEPARTMENT OF EDUCATION

### FY 2015-16 AND FY 2016-17 APPROPRIATIONS BY DIVISION AND BILL

DEPARTMENT OF EDUCATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 TOTAL APPROPRIATION:</b>	<b>\$5,306,995,556</b>	<b>\$3,478,443,043</b>	<b>\$1,146,145,308</b>	<b>\$31,757,276</b>	<b>\$650,649,929</b>	<b>598.8</b>
<b>BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION</b>						
Management and Administration	\$83,740,796	\$13,598,970	\$34,057,733	\$17,593,195	\$18,490,898	164.5
Assistance to Public Schools	5,198,748,007	3,448,807,372	1,110,739,784	10,150,474	629,050,377	217.1
Library Programs	8,529,170	4,787,725	272,791	360,000	3,108,654	38.1
School for the Deaf and the Blind	15,977,583	11,248,976	1,075,000	3,653,607	0	179.1
<b>BREAKDOWN OF TOTAL APPROPRIATION BY BILL</b>						
SB 15-234	\$5,395,441,471	\$3,542,723,792	\$1,172,310,474	\$29,757,276	\$650,649,929	598.0
SB 15-056	935,180	0	935,180	0	0	0.0
SB 15-235	161,258	161,258	0	0	0	0.0
SB 15-267	30,000,000	25,000,000	5,000,000	0	0	0.0
SB 15-290	218,825	0	218,825	0	0	0.0
HB 15-1170	92,934	92,934	0	0	0	0.7
HB 15-1270	7,232	7,232	0	0	0	0.1
HB 15-1321	10,000,000	0	10,000,000	0	0	0.0
HB 15-1323	(2,369,118)	0	(2,369,118)	0	0	0.0
HB 15-1367	6,000,000	4,000,000	0	2,000,000	0	0.0
HB 16-1253	(133,492,226)	(93,542,173)	(39,950,053)	0	0	0.0
<b>FY 2016-17 TOTAL APPROPRIATION:</b>	<b>\$5,457,998,350</b>	<b>\$3,764,627,106</b>	<b>\$1,011,967,311</b>	<b>\$33,075,421</b>	<b>\$648,328,512</b>	<b>599.5</b>
<b>BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION</b>						
Management and Administration	\$84,531,449	\$12,009,324	\$35,002,577	\$21,475,055	\$16,044,493	163.9
Assistance to Public Schools	5,348,551,051	3,736,211,653	975,615,874	7,583,897	629,139,627	217.3
Library Programs	8,602,274	4,824,022	273,860	360,000	3,144,392	38.1
School for the Deaf and the Blind	16,313,576	11,582,107	1,075,000	3,656,469	0	180.2
<b>BREAKDOWN OF TOTAL APPROPRIATION BY BILL</b>						
HB 16-1405	\$5,452,310,190	\$3,765,024,305	\$1,005,881,952	\$33,075,421	\$648,328,512	599.0
SB 16-072	5,000,000	0	5,000,000	0	0	0.0
SB 16-104	0	(441,095)	441,095	0	0	0.0
HB 16-1222	480,000	0	480,000	0	0	0.0
HB 16-1234	39,600	0	39,600	0	0	0.0
HB 16-1408	0	0	0	0	0	0.0
HB 16-1422	124,664	0	124,664	0	0	0.0
HB 16-1429	43,896	43,896	0	0	0	0.5
<b>INCREASE/(DECREASE)</b>	<b>\$151,002,794</b>	<b>\$286,184,063</b>	<b>(\$134,177,997)</b>	<b>\$1,318,145</b>	<b>(\$2,321,417)</b>	<b>0.7</b>
Percentage Change	2.8%	8.2%	(11.7%)	4.2%	(0.4%)	0.1%

**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 table below shows the amount of General Fund that is appropriated for FY 2015-16 and FY 2016-17 from the General Fund Exempt Account for preschool through twelfth grade education pursuant to Sections 24-77-103.6 (2) (b) and 24-77-104.5 (3), C.R.S. For additional information on General Fund Exempt appropriations, see Appendix H.

GENERAL FUND SUMMARY	TOTAL GENERAL FUND	GENERAL FUND	GENERAL FUND EXEMPT
FY 2015-16	\$3,478,443,043	\$2,669,418,576	\$809,024,467
FY 2016-17	\$3,764,627,106	\$2,890,792,106	\$873,835,000

**INFORMATIONAL FUNDS:** The FY 2016-17 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Education are annotated with the "(I)". For additional information, see Appendix J.

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2016-17 Appropriations containing an (I) notation	\$668,664,116	\$0	\$3,403,844	\$16,931,760	\$648,328,512

## 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
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$85,074,568	\$13,498,804	\$35,491,671	\$17,593,195	\$18,490,898	163.7
SB 15-056	935,180	0	935,180	0	0	0.0
HB 15-1170	92,934	92,934	0	0	0	0.7
HB 15-1270	7,232	7,232	0	0	0	0.1
HB 15-1323	(2,369,118)	0	(2,369,118)	0	0	0.0
<b>TOTAL</b>	<b>\$83,740,796</b>	<b>\$13,598,970</b>	<b>\$34,057,733</b>	<b>\$17,593,195</b>	<b>\$18,490,898</b>	<b>164.5</b>

MANAGEMENT AND ADMINISTRATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$83,740,796	\$13,598,970	\$34,057,733	\$17,593,195	\$18,490,898	164.5
Informational funds adjustment	2,694,032	0	(545,275)	4,147,021	(907,714)	(4.5)
Centrally appropriated line items	148,671	180,027	204,619	(187,658)	(48,317)	0.0
P-TECH adjustment	35,400	35,400	0	0	0	0.5
Fund source adjustments	0	(1,999,369)	2,000,000	(631)	0	0.0
Statewide assessment adjustments	(1,767,157)	0	(663,734)	0	(1,103,423)	0.0
Annualize prior year budget actions	(276,598)	209,869	(56,505)	(76,872)	(353,090)	3.6
Indirect cost assessment	(67,722)	0	(33,861)	0	(33,861)	0.0
Annualize prior year legislation	(15,573)	(15,573)	0	0	0	(0.2)
<b>HB 16-1405</b>	<b>\$84,491,849</b>	<b>\$12,009,324</b>	<b>\$34,962,977</b>	<b>\$21,475,055</b>	<b>\$16,044,493</b>	<b>163.9</b>
HB 16-1234	39,600	0	39,600	0	0	0.0
<b>TOTAL</b>	<b>\$84,531,449</b>	<b>\$12,009,324</b>	<b>\$35,002,577</b>	<b>\$21,475,055</b>	<b>\$16,044,493</b>	<b>163.9</b>
<b>INCREASE/(DECREASE)</b>	\$790,653	(\$1,589,646)	\$944,844	\$3,881,860	(\$2,446,405)	(0.6)
Percentage Change	0.9%	(11.7%)	2.8%	22.1%	(13.2%)	(0.4%)

### FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

**INFORMATIONAL FUNDS ADJUSTMENT:** The appropriation includes a net increase of \$2.7 million total funds that are reflected for informational purposes only. The increase is largely driven by various funds transferred to the State Charter School Institute for distribution to institute charter schools. The increase is partially offset by reductions to informational cash and federal funds appropriations. The adjustment includes a reduction of 4.5 FTE that had previously been federally funded but for which federal revenues will no longer be available in FY 2016-17.

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

**P-TECH ADJUSTMENT:** The appropriation includes an increase of \$35,400 General Fund and 0.5 FTE to support a higher-than-anticipated workload implementing H.B. 15-1270 (Pathways in Technology Early College High Schools).

**FUND SOURCE ADJUSTMENTS:** The appropriation includes decreases in General Fund and reappropriated funds that are offset by increases in cash funds.

**STATEWIDE ASSESSMENT ADJUSTMENTS:** The appropriation includes a decrease of \$1.8 million total funds (including \$663,734 cash funds from the State Education Fund) to reflect estimated contract costs for the administration of statewide standardized assessments in FY 2016-17.

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

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 15-16 Field implementation support	\$418,700	\$418,700	0	0	0	3.6
FY 15-16 State Review Panel online portal	(42,175)	(42,175)	0	0	0	0.0
FY 15-16 Salary survey and merit pay	(645,123)	(166,656)	(56,505)	(68,872)	(353,090)	0.0
FY 15-16 Security desk and measures	(8,000)	0	0	(8,000)	0	0.0
<b>TOTAL</b>	<b>(\$276,598)</b>	<b>209,869</b>	<b>(\$56,505)</b>	<b>(76,872)</b>	<b>(\$353,090)</b>	<b>3.6</b>

**INDIRECT COST ASSESSMENT:** The appropriation includes a decrease in the division’s indirect cost assessment.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes a reduction of \$15,573 General Fund and 0.2 FTE for the second year impact of legislation, including the following reductions:

- \$8,341 General Fund and 0.1 FTE associated with H.B. 15-1170 (Increasing Postsecondary and Workforce Readiness); and
- \$7,232 General Fund and 0.1 FTE associated with H.B. 15-1270 (Pathways in Technology Early College High Schools).

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

**ASSISTANCE TO PUBLIC SCHOOLS**

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

- **Public School Finance:** This subsection includes funding for the state share of districts' total program funding required under the School Finance Act, for other distributions that are directly related to school district pupil counts, and for administration of the School Finance Act and related programs.
- **Categorical Programs:** This subsection includes state and federal funding for all programs defined as "categorical programs" pursuant to Article IX, Section 17 of the Colorado Constitution.
- **Grant Programs, Distributions, and Other Assistance:** This subsection includes other state and federal funds that are distributed to schools and districts, or that are used to provide direct support and assistance to schools and districts.
- **Indirect Cost Assessment:** This subsection reflects all of the indirect cost assessments against fund sources within the Assistance to Public Schools division.

The changes in appropriation by subdivision and the factors driving such changes are included in tables for each subdivision.

**ASSISTANCE TO PUBLIC SCHOOLS**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$5,285,860,150	\$3,513,188,287	\$1,135,471,012	\$8,150,474	\$629,050,377	217.1
SB 15-235	161,258	161,258	0	0	0	0.0
SB 15-267	30,000,000	25,000,000	5,000,000	0	0	0.0
SB 15-290	218,825	0	218,825	0	0	0.0
HB 15-1321	10,000,000	0	10,000,000	0	0	0.0
HB 15-1367	6,000,000	4,000,000	0	2,000,000	0	0.0
HB 16-1253	(133,492,226)	(93,542,173)	(39,950,053)	0	0	0.0
<b>TOTAL</b>	<b>\$5,198,748,007</b>	<b>\$3,448,807,372</b>	<b>\$1,110,739,784</b>	<b>\$10,150,474</b>	<b>\$629,050,377</b>	<b>217.1</b>
<b>FY 2016-17 APPROPRIATION:</b>						
HB 16-1405	\$5,342,902,491	\$3,736,608,852	\$969,570,115	\$7,583,897	\$629,139,627	216.8
SB 16-072	5,000,000	0	5,000,000	0	0	0.0
SB 16-104	0	(441,095)	441,095	0	0	0.0
HB 16-1222	480,000	0	480,000	0	0	0.0
HB 16-1408	0	0	0	0	0	0.0
HB 16-1422	124,664	0	124,664	0	0	0.0
HB 16-1429	43,896	43,896	0	0	0	0.5
<b>TOTAL</b>	<b>\$5,348,551,051</b>	<b>\$3,736,211,653</b>	<b>\$975,615,874</b>	<b>\$7,583,897</b>	<b>\$629,139,627</b>	<b>217.3</b>
<b>INCREASE/(DECREASE)</b>	\$149,803,044	\$287,404,281	(\$135,123,910)	(\$2,566,577)	\$89,250	0.2
Percentage Change	2.9%	8.3%	(12.2%)	(25.3%)	0.0%	0.1%

**PUBLIC SCHOOL FINANCE**

This subsection of the Assistance to Public Schools section primarily consists of appropriations for the State's share of funding required under the School Finance Act of 1994, as amended. The local share of funding (35.7 percent of the amount required under the Act for FY 2016-17 or \$2.3 billion) is not reflected in appropriations to the Department. This subsection also includes funding for other distributions that are directly related to school district pupil counts, as well as funding for staff responsible for administering the School Finance Act and the Colorado Preschool Program, and for auditing school districts to ensure compliance with the federal school lunch, public school transportation, and English language proficiency programs.

For FY 2016-17, 87.3 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 2016-17 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 2016-17 Long Bill (H.B. 16-1405) includes appropriations sufficient to fully fund public schools based on projected student enrollment for FY 2016-17, support the minimum constitutionally required increase in the statewide base per-pupil funding amount, and maintain the negative factor as a constant dollar amount from FY 2015-16 to FY 2016-17 (\$830.7 million) as required by S.B. 15-267. Specifically, appropriations in the Public School Finance subsection of the Long Bill increased by \$125.6 million total funds compared to FY 2015-16, as described below in the “FY 2016-17 Appropriation – H.B. 16-1405 (Long Bill) Issue Descriptions” section.

The 2016 school finance bill (H.B. 16-1422) includes formula modifications that increase the cost of funding the public school finance formula for FY 2016-17. The bill includes an appropriation clause that increases appropriations for the state share of districts’ total program funding for FY 2016-17 by \$124,664 cash funds from the State Education Fund.

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 2015-16 and FY 2016-17. As detailed in the table:

- Long Bill appropriations for districts’ total program funding are based on the formula prior to H.B. 16-1422 (School Finance). As directed by S.B. 15-267, the Long Bill appropriation provides the increase in state funds necessary to maintain the negative factor as a constant dollar amount (\$830.7 million) from FY 2015-16 to FY 2016-17.
- House Bill 16-1422 modifies the statutory school finance formula, increasing the costs of fully funding the formula for FY 2016-17. This bill increases districts’ total program funding by \$124,664 and provides that amount in state funds.

When the above bills are taken into account, total state and local funding for school districts for FY 2016-17 is \$156.3 million (2.5 percent) higher than for FY 2015-16. This level of funding is anticipated to increase average per-pupil funding from \$7,313 in FY 2015-16 to \$7,425 in FY 2016-17 (an increase of \$112 per pupil, or 1.5 percent).

SCHOOL FINANCE FORMULA OVERVIEW					
DISTRICTS' TOTAL PROGRAM FUNDING: FY 2015-16 AND FY 2016-17					
SCHOOL FINANCE: TOTAL PROGRAM	FY 2015-16 AMENDED APPROPRIATION	LONG BILL (HB 16-1405) APPROPRIATION	ADJUSTMENTS IN HB 16-1422	FY 2016-17 APPROPRIATION	ANNUAL CHANGE
Funded pupil count	853,251.4	861,441.4	0.0	861,441.4	8,190.0
<i>Annual percent change</i>					1.0%
Statewide <u>base</u> per-pupil funding	\$6,292.39	\$6,367.90	\$0.00	\$6,367.90	\$75.51
<i>Annual percent change</i>					1.2%
Total program funding ( <u>prior to</u> negative factor)	\$7,070,267,168	\$7,226,487,943	\$124,664	\$7,226,612,607	\$156,345,439
LESS: Negative factor reduction	(830,702,393)	(830,702,393)	0	(830,702,393)	0
<b>EQUALS: Adjusted total program funding</b>	<b>\$6,239,564,775</b>	<b>\$6,395,785,550</b>	<b>\$124,664</b>	<b>\$6,395,910,214</b>	<b>\$156,345,439</b>
<i>Annual percent change</i>					2.5%
<i>Total funds reduction as percent of "full" funding</i>	<i>(11.7%)</i>	<i>(11.5%)</i>		<i>(11.5%)</i>	
Statewide <u>average</u> per-pupil funding	7,312.69	7,424.52	0.14	7,424.66	111.97
<i>Annual percent change</i>					1.5%
<u>Local share</u> of adjusted total program funding	2,259,785,802	2,280,782,709	0	2,280,782,709	20,996,907
<i>Annual percent change</i>					0.9%
<b>State share of adjusted total program funding</b>	<b>3,979,778,973</b>	<b>4,115,002,841</b>	<b>124,664</b>	<b>4,115,127,505</b>	<b>135,348,532</b>
<i>Annual percent change</i>					3.4%
<i>State share as % of Districts' Total Program</i>	<i>63.8%</i>	<i>64.3%</i>		<i>64.3%</i>	

The next table compares FY 2015-16 and FY 2016-17 appropriations for the Public School Finance subsection of the budget. This table is followed by descriptions of mid-year adjustments to FY 2015-16 appropriations and descriptions of the year-over-year funding changes that are reflected in the FY 2016-17 Long Bill (H.B. 16-1405). Descriptions of the statutory changes and the appropriation changes included in bills other than the Long Bill are included in the "Recent Legislation" section at the end of the Education section.

PUBLIC SCHOOL FINANCE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$4,102,865,793	\$3,367,837,348	\$733,441,437	\$1,587,008	\$0	17.9
SB 15-267	30,000,000	25,000,000	5,000,000	0	0	0.0
HB 15-1321	10,000,000	0	10,000,000	0	0	0.0
HB 16-1253	(133,492,226)	(93,542,173)	(39,950,053)	0	0	0.0
<b>TOTAL</b>	<b>\$4,009,373,567</b>	<b>\$3,299,295,175</b>	<b>\$708,491,384</b>	<b>\$1,587,008</b>	<b>\$0</b>	<b>17.9</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$4,009,373,567	\$3,299,295,175	\$708,491,384	\$1,587,008	\$0	17.9
Total program increase	135,339,886	292,360,820	(157,020,934)	0	0	0.0
CPP tax checkoff	72,025	0	72,025	0	0	0.0
Annualize prior year budget actions	35,764	0	1,569	34,195	0	0.0
Annualize prior year legislation	(10,000,000)	0	(10,000,000)	0	0	0.0
Juveniles held in jail reduction	(15,000)	0	(15,000)	0	0	0.0
<b>HB 16-1405</b>	<b>\$4,134,806,242</b>	<b>\$3,591,655,995</b>	<b>\$541,529,044</b>	<b>\$1,621,203</b>	<b>\$0</b>	<b>17.9</b>
SB 16-104	0	(441,095)	441,095	0	0	0.0
HB 16-1422	124,664	0	124,664	0	0	0.0
<b>TOTAL</b>	<b>\$4,134,930,906</b>	<b>\$3,591,214,900</b>	<b>\$542,094,803</b>	<b>\$1,621,203</b>	<b>\$0</b>	<b>17.9</b>
<b>INCREASE/(DECREASE)</b>	\$125,557,339	\$291,919,725	(\$166,396,581)	\$34,195	\$0	0.0
Percentage Change	3.1%	8.8%	(23.5%)	2.2%	n/a	0.0%

#### FY 2015-16 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 16-1253 reduces state funding distributed to public schools through the School Finance Act by \$133.5 million total funds (including \$93.5 million General Fund and \$40.0 million cash funds from the State Public School Fund) to account for an unexpected \$133.5 million increase in the local revenues available to support school finance. By maintaining total program funding at a constant level with lower-than-anticipated student counts and at-risk student counts, the bill reduced the negative factor by \$24.5 million in FY 2015-16. House Bill 16-1405 adjusts the portion of the Department's General Fund appropriations designated as General Fund Exempt.

#### FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

**TOTAL PROGRAM INCREASE:** The appropriation increases total state and local funding that is distributed to public schools through the School Finance Act by \$156.5 million, increasing average per pupil funding to \$7,425 (1.5 percent). Local tax revenues for school finance are anticipated to increase by \$21.0 million, so appropriations of state funds increase by \$135.5 million (\$135.3 million through the Long Bill and \$124,664 through H.B. 16-1422). This increase in state funds includes an increase of \$292.4 million General Fund that is partially offset by a decrease of \$156.9 million cash funds.

**CPP TAX CHECKOFF:** The appropriation includes an increase of \$72,025 cash funds to provide training and professional development to Colorado Preschool Program (CPP) providers in an effort to enhance literacy and mathematics instruction in CPP classrooms. The funds were collected in tax year 2013 as a result of a voluntary tax checkoff authorized in S.B. 11-109 (Public Education Tax Checkoff) and transferred to the Public Education Fund created in that bill.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation reflects the annualization of the FY 2015-16 salary survey and merit pay.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation eliminates \$10.0 million cash funds from the State Education Fund provided as one-time funding in FY 2015-16 through H.B. 15-1321 (Flexibility and Funding for Rural School Districts).

**JUVENILES HELD IN JAIL REDUCTION:** The appropriation includes a decrease of \$15,000 cash funds from the State Education Fund for reimbursements to school districts for services provided to juveniles held in jail as a result of lack of use of the program.

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

## CATEGORICAL PROGRAMS

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

Categorical programs are funded primarily with General Fund, cash funds from the State Education Fund, and various sources of federal funds. Additional cash funds are from the Public School Transportation Fund. Reappropriated funds include federal funds transferred from the Department of Human Services.

CATEGORICAL PROGRAMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$453,142,703	\$141,765,474	\$144,767,335	\$104,043	\$166,505,851	73.1
<b>TOTAL</b>	<b>\$453,142,703</b>	<b>\$141,765,474</b>	<b>\$144,767,335</b>	<b>\$104,043</b>	<b>\$166,505,851</b>	<b>73.1</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$453,142,703	\$141,765,474	\$144,767,335	\$104,043	\$166,505,851	73.1
Categorical programs increase	3,432,994	0	3,432,994	0	0	0.0
Annualize prior year budget actions	154,569	0	0	0	154,569	0.0
<b>HB 16-1405</b>	<b>\$456,730,266</b>	<b>\$141,765,474</b>	<b>\$148,200,329</b>	<b>\$104,043</b>	<b>\$166,660,420</b>	<b>73.1</b>
<b>TOTAL</b>	<b>\$456,730,266</b>	<b>\$141,765,474</b>	<b>\$148,200,329</b>	<b>\$104,043</b>	<b>\$166,660,420</b>	<b>73.1</b>
<b>INCREASE/(DECREASE)</b>	\$3,587,563	\$0	\$3,432,994	\$0	\$154,569	(0.0)
Percentage Change	0.8%	0.0%	2.4%	0.0%	0.1%	(0.0%)

## FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

**CATEGORICAL PROGRAMS INCREASE:** As required by Amendment 23, the appropriation includes a \$3,432,994 (1.2 percent) increase in *state* funding for categorical programs, based on the actual percent change in the Denver-Boulder-Greeley consumer price index in 2015. The full amount of the increase is from the State Education Fund. The following table details the allocation of the increase among categorical programs.

LONG BILL APPROPRIATION OF STATE FUNDING FOR CATEGORICAL PROGRAMS FOR FY 2016-17				
LONG BILL LINE ITEM	FY 2015-16 APPROPRIATION OF STATE FUNDS	ALLOCATION OF FY 2016-17 INCREASES IN STATE FUNDS		FY 2016-17 LONG BILL APPROPRIATION OF STATE FUNDS
		\$ CHANGE	% CHANGE	
<b>DISTRICT PROGRAMS REQUIRED BY STATUTE</b>				
Special education programs for children with disabilities	\$165,235,405	\$1,902,517	1.2%	\$167,137,922
English language proficiency programs	18,142,924	642,860	3.5%	18,785,784
<b>OTHER CATEGORICAL PROGRAMS</b>				
Public school transportation	55,597,261	610,642	1.1%	56,207,903
Career and technical education	25,436,648	202,715	0.8%	25,639,363
Special education programs for gifted and talented children	12,095,065	74,260	0.6%	12,169,325
Expelled and at-risk student services grant program	7,493,560	0	0.0%	7,493,560
Small attendance center aid	1,076,550	0	0.0%	1,076,550
Comprehensive health education	1,005,396	0	0.0%	1,005,396
<b>TOTALS</b>	<b>\$286,082,809</b>	<b>\$3,432,994</b>	<b>1.2%</b>	<b>\$289,515,803</b>

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation reflects the annualization of the FY 2015-16 salary survey and merit pay.

### 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, money 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.

**GRANT PROGRAMS, DISTRIBUTIONS, AND OTHER ASSISTANCE**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$727,322,499	\$3,585,465	\$257,237,240	\$6,403,852	\$460,095,942	126.1
SB 15-235	161,258	161,258	0	0	0	0.0
SB 15-290	218,825	0	218,825	0	0	0.0
HB 15-1367	6,000,000	4,000,000	0	2,000,000	0	0.0
<b>TOTAL</b>	<b>\$733,702,582</b>	<b>\$7,746,723</b>	<b>\$257,456,065</b>	<b>\$8,403,852</b>	<b>\$460,095,942</b>	<b>126.1</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$733,702,582	\$7,746,723	\$257,456,065	\$8,403,852	\$460,095,942	126.1
B.E.S.T. cash grants increase	20,000,000	0	20,000,000	0	0	0.0
Charter school capital construction increase	3,000,000	0	3,000,000	0	0	0.0
Early literacy assessment tool adjustment	191,459	0	191,459	0	0	0.0
B.E.S.T. priority assessment adjustment	150,000	0	150,000	0	0	0.0
Facility Schools Unit adjustment	54,555	0	0	54,555	0	0.0
Annualize prior year budget actions	(2,393,386)	111,381	(2,675,445)	15,808	154,870	0.0
Annualize prior year legislation	(2,000,000)	(4,000,000)	4,000,000	(2,000,000)	0	0.0
Office of Dropout Prevention reduction	(1,100,000)	0	(1,100,000)	0	0	0.0
School bullying prevention reduction	(1,100,000)	0	(1,100,000)	0	0	0.0
Start smart reduction	(993,719)	(670,721)	347,491	(670,489)	0	0.0
National Board stipends adjustment	(196,800)	0	(196,800)	0	0	0.0
Facility schools funding adjustment	(189,821)	0	(189,821)	0	0	0.0
CPR grant program elimination	(65,000)	0	(65,000)	0	0	(0.3)
Other technical adjustments	(2,853)	0	(2,207)	(646)	0	0.0
<b>HB 16-1405</b>	<b>\$749,057,017</b>	<b>\$3,187,383</b>	<b>\$279,815,742</b>	<b>\$5,803,080</b>	<b>\$460,250,812</b>	<b>125.8</b>
SB 16-072	5,000,000	0	5,000,000	0	0	0.0
HB 16-1222	480,000	0	480,000	0	0	0.0
HB 16-1408	0	0	0	0	0	0.0
HB 16-1429	43,896	43,896	0	0	0	0.5
<b>TOTAL</b>	<b>\$754,580,913</b>	<b>\$3,231,279</b>	<b>\$285,295,742</b>	<b>\$5,803,080</b>	<b>\$460,250,812</b>	<b>126.3</b>
<b>INCREASE/(DECREASE)</b>	\$20,878,331	(\$4,515,444)	\$27,839,677	(\$2,600,772)	\$154,870	0.2
Percentage Change	2.8%	(58.3%)	10.8%	(30.9%)	0.0%	0.2%

**FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS**

**B.E.S.T. CASH GRANTS INCREASE:** The appropriation includes an increase of \$20.0 million cash funds from the Public School Capital Construction Assistance Fund to support cash grants to be awarded by the Building Excellent Schools Today (B.E.S.T.) program in FY 2016-17.

**CHARTER SCHOOL CAPITAL CONSTRUCTION INCREASE:** The appropriation includes an increase of \$3.0 million cash funds from the Charter School Facilities Assistance Account within the Public School Capital Construction Assistance Fund (originally from marijuana excise tax revenues) to support charter school construction funding in FY 2016-17.

**EARLY LITERACY ASSESSMENT TOOL ADJUSTMENT:** The appropriation includes an increase of \$191,459 cash funds from the State Education Fund to support additional school districts participating in the Early Literacy Assessment Tool Program in FY 2016-17.

**B.E.S.T. PRIORITY ASSESSMENT ADJUSTMENT:** The appropriation includes an increase of \$150,000 cash funds from the Public School Capital Construction Assistance fund to allow the Department to complete a reconfiguration and update of the B.E.S.T. program's priority assessment database. The reconfiguration was initially funded with \$2.7 million in one-time funding in FY 2015-16 but a delay in the contracting process will require \$150,000 in FY 2016-17.

**FACILITY SCHOOLS UNIT ADJUSTMENT:** The appropriation includes an increase of \$54,555 reappropriated funds to align the appropriation for the Facility Schools Unit (Unit) and Facility Schools Board (Board) with the statutory direction that the Department withhold 2.0 percent of funding to be transferred to facility schools to support the operations of the Unit and Board.

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

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 14-15 Educator perception	\$100,000	\$100,000	\$0	\$0	\$0	0.0
FY 15-16 Salary survey and merit pay	228,682	11,381	46,623	15,808	154,870	0.0
FY 15-16 B.E.S.T. priority assessment	(2,722,068)	0	(2,722,068)	0	0	0.0
<b>TOTAL</b>	<b>(\$2,393,386)</b>	<b>\$111,381</b>	<b>(\$2,675,445)</b>	<b>\$15,808</b>	<b>\$154,870</b>	<b>0.0</b>

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments for the second-year impact of H.B. 15-1367 (Retail Marijuana Taxes).

**OFFICE OF DROPOUT PREVENTION REDUCTION:** The appropriation includes a decrease of \$1.1 million cash funds from the Marijuana Tax Cash Fund to align with anticipated marijuana tax revenues available in FY 2016-17.

**SCHOOL BULLYING PREVENTION REDUCTION:** The appropriation includes a decrease of \$1.1 million cash funds from the Marijuana Tax Cash Fund for the School Bullying Prevention and Education Program to better align appropriations with anticipated expenditures and available revenues in FY 2016-17.

**START SMART REDUCTION:** The appropriation includes a decrease of \$993,719 total funds (including \$670,721 General Fund) to better align appropriations for the Start Smart Nutrition Program with anticipated expenditures in FY 2016-17.

**NATIONAL BOARD STIPENDS ADJUSTMENT:** The appropriation includes a reduction of \$196,800 cash funds from the State Education Fund to align appropriations supporting stipends for National Board certified educators with the Department's estimated expenditures for FY 2016-17.

**FACILITY SCHOOLS FUNDING ADJUSTMENT:** The appropriation includes a net decrease of \$189,821 cash funds from the State Education Fund for distributions to facility schools based on the Department's current estimates of facility school pupil counts in FY 2016-17.

**CPR GRANT PROGRAM ELIMINATION:** The appropriation includes a reduction of \$65,000 cash funds and 0.3 FTE to eliminate the School Cardiopulmonary Resuscitation and Automated Defibrillator Training Program based on a lack of designated funding in FY 2016-17.

**OTHER TECHNICAL ADJUSTMENTS:** The appropriation includes a net decrease of \$2,853 total funds for minor technical 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.

INDIRECT COST ASSESSMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2015-16 APPROPRIATION:						
SB 15-234	\$2,529,155	\$0	\$25,000	\$55,571	\$2,448,584	0.0
<b>TOTAL</b>	<b>\$2,529,155</b>	<b>\$0</b>	<b>\$25,000</b>	<b>\$55,571</b>	<b>\$2,448,584</b>	<b>0.0</b>
FY 2016-17 APPROPRIATION:						
FY 2015-16 Appropriation	\$2,529,155	\$0	\$25,000	\$55,571	\$2,448,584	0.0
Indirect cost assessment	(220,189)	0	0	0	(220,189)	0.0
<b>HB 16-1405</b>	<b>\$2,308,966</b>	<b>\$0</b>	<b>\$25,000</b>	<b>\$55,571</b>	<b>\$2,228,395</b>	<b>0.0</b>
<b>TOTAL</b>	<b>\$2,308,966</b>	<b>\$0</b>	<b>\$25,000</b>	<b>\$55,571</b>	<b>\$2,228,395</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$220,189)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$220,189)</b>	<b>0.0</b>
Percentage Change	(8.7%)	n/a	0.0%	0.0%	(9.0%)	n/a

## FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

**INDIRECT COST ASSESSMENT:** The appropriation includes a net decrease in the division's indirect cost assessment.

## LIBRARY PROGRAMS

This section contains appropriations for all library-related programs and staff. There are approximately 1,800 publicly-funded libraries in Colorado, including libraries operated by school districts, higher education institutions, and counties and municipalities, as well as institutional libraries (e.g., nursing homes, correctional institutions, etc.). State library programs, which provide support to locally-funded libraries, are primarily supported by General Fund and federal funds. Cash fund sources include grants and donations. Reappropriated funds are transferred from the Colorado Disabled Telephone Users Fund to the Reading Services for the Blind Cash Fund and are used to support privately operated reading services for the blind.

LIBRARY PROGRAMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2015-16 APPROPRIATION:						
SB 15-234	\$8,529,170	\$4,787,725	\$272,791	\$360,000	\$3,108,654	38.1
<b>TOTAL</b>	<b>\$8,529,170</b>	<b>\$4,787,725</b>	<b>\$272,791</b>	<b>\$360,000</b>	<b>\$3,108,654</b>	<b>38.1</b>

**LIBRARY PROGRAMS**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$8,529,170	\$4,787,725	\$272,791	\$360,000	\$3,108,654	38.1
Annualize prior year budget actions	53,104	16,297	1,069	0	35,738	0.0
Talking Book Library building maintenance	20,000	20,000	0	0	0	0.0
<b>HB 16-1405</b>	<b>\$8,602,274</b>	<b>\$4,824,022</b>	<b>\$273,860</b>	<b>\$360,000</b>	<b>\$3,144,392</b>	<b>38.1</b>
<b>TOTAL</b>	<b>\$8,602,274</b>	<b>\$4,824,022</b>	<b>\$273,860</b>	<b>\$360,000</b>	<b>\$3,144,392</b>	<b>38.1</b>
<b>INCREASE/(DECREASE)</b>	\$73,104	\$36,297	\$1,069	\$0	\$35,738	0.0
Percentage Change	0.9%	0.8%	0.4%	0.0%	1.1%	0.0%

**FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS**

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes the annualization of FY 2015-16 salary survey and merit pay.

**TALKING BOOK LIBRARY BUILDING MAINTENANCE:** The appropriation includes an increase of \$20,000 General Fund to support additional building maintenance costs at the Colorado Talking Book Library.

**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 2014-15, the School had a total enrollment of 552 children, including 332 infants and toddlers served off campus and 220 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 money that is reappropriated from the Facility School Funding line item. Similar to community-based residential facilities that operate education programs, the CSDB is permitted to receive up to 1.73 times the *statewide base per pupil funding* level, based on the number of instructional days in the School’s calendar. The CSDB also receives other sources of state and federal funding (e.g., Medicaid and nutrition funding), tuition from other states that place children at CSDB, payments from school districts that place students at CSDB on a short-term basis for diagnostic purposes, and various grants and fees. The General Assembly appropriates state General Fund to cover operating costs that are not covered by other funding sources.

**SCHOOL FOR THE DEAF AND THE BLIND**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$15,977,583	\$11,248,976	\$1,075,000	\$3,653,607	\$0	179.1
<b>TOTAL</b>	<b>\$15,977,583</b>	<b>\$11,248,976</b>	<b>\$1,075,000</b>	<b>\$3,653,607</b>	<b>\$0</b>	<b>179.1</b>

## SCHOOL FOR THE DEAF AND THE BLIND

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$15,977,583	\$11,248,976	\$1,075,000	\$3,653,607	\$0	179.1
CSDB teacher salary adjustment	229,685	229,685	0	0	0	0.0
Annualize prior year budget actions	105,836	96,902	0	8,934	0	1.1
Centrally appropriated line items	472	472	0	0	0	0.0
Fund source adjustments	0	6,072	0	(6,072)	0	0.0
<b>HB 16-1405</b>	<b>\$16,313,576</b>	<b>\$11,582,107</b>	<b>\$1,075,000</b>	<b>\$3,656,469</b>	<b>\$0</b>	<b>180.2</b>
<b>TOTAL</b>	<b>\$16,313,576</b>	<b>\$11,582,107</b>	<b>\$1,075,000</b>	<b>\$3,656,469</b>	<b>\$0</b>	<b>180.2</b>
<b>INCREASE/(DECREASE)</b>	<b>\$335,993</b>	<b>\$333,131</b>	<b>\$0</b>	<b>\$2,862</b>	<b>\$0</b>	<b>1.1</b>
Percentage Change	2.1%	3.0%	0.0%	0.1%	n/a	0.6%

### FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

**CSDB TEACHER SALARY ADJUSTMENT:** The appropriation includes an increase of \$229,685 General Fund for salary increases for teachers employed at the Colorado School for the Deaf and the Blind based on the Colorado Springs District 11 salary schedule, as required by Section 22-80-106.5, C.R.S.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes changes to reflect the out-year impact of funding decisions made through the FY 2015-16 appropriation including:

- An increase of \$106,290 total funds (including \$103,428 General Fund) to annualize the FY 2015-16 salary survey and merit pay; and
- A net decrease of \$454 total funds, and an increase of 1.1 FTE, to reflect the second year impact of FY 2015-16 initiatives providing resources for the implementation of the CSDB’s strategic plan and supporting teacher salary increases in FY 2015-16.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items for shift differential and vehicle lease payments.

**FUND SOURCE ADJUSTMENTS:** The appropriation includes an increase in General Fund which is offset by a decrease in reappropriated funds.

## RECENT LEGISLATION

### 2015 SESSION BILLS

**S.B. 15-056 (FREQUENCY OF STATEWIDE SOCIAL STUDIES TESTING):** Modifies requirements related to the Department of Education’s (DOE) administration of statewide standardized social studies assessments. Continues to require DOE to administer social studies assessments to students enrolled in a single specified elementary school grade, middle school grade, and high school grade but prohibits administration in grade twelve. Contingent on H.B. 15-1323 or S.B. 15-257 becoming law, requires DOE to administer the assessment to a representative sample of schools annually so long as it administers the assessment in each public school at least once every three years. Allows school districts and charter schools to request to have the assessment administered in years when they would otherwise not be part of the representative sample and requires DOE to administer the assessment in any such school in the year following the request. Contingent on H.B. 15-1323 or S.B. 15-257 becoming law, appropriates

\$935,180 cash funds from the State Education Fund to DOE for FY 2015-16. Because H.B. 15-1323 became law, the appropriation is effective for FY 2015-16.

**S.B. 15-111 (EDUCATOR LICENSURE CASH FUND CONTINUOUS APPROPRIATION):** Extends the continuous appropriation of the Educator Licensure Cash Fund to the Department of Education through FY 2017-18. Prior law continuously appropriated the Educator Licensure Cash Fund to the Department for FY 2011-12 through FY 2014-15; S.B. 15-111 extends the continuous appropriation for three additional fiscal years.

**S.B. 15-234 (LONG BILL):** General appropriations act for FY 2015-16. Also includes supplemental adjustments to FY 2014-15 appropriations for the Department of Education.

**S.B. 15-235 (INCREASING CAP ON APPROPRIATION FOR SCHOOL LUNCH PROTECTION PROGRAM):** Increases the statutory cap on appropriations to support the Child Nutrition School Lunch Protection Program from \$1.5 million per year to \$2.5 million per year, beginning in FY 2014-15. Makes the following appropriations to the Department of Education for the Child Nutrition School Lunch Protection Program: (1) \$141,471 General Fund for FY 2014-15; and (2) \$161,258 General Fund for FY 2015-16.

**S.B. 15-267 (SCHOOL FINANCE):** Amends the "Public School Finance Act of 1994" and other statutory provisions to provide funding for school districts for FY 2015-16, making the following changes:

- Increases the *statewide base per pupil funding* amount from \$6,121.00 to \$6,292.39 (2.8 percent) to account for the annual change in the Denver-Boulder-Greeley consumer price index in CY 2014.
- For FY 2015-16, increases the specified minimum total program funding amount that results after the application of the *negative factor* by \$25.0 million.
- Limits the dollar amount of the negative factor in FY 2016-17 to be less than or equal to the value of the negative factor for FY 2015-16.
- Repeals the "minimum state aid" requirement in the School Finance Act which had been suspended for FY 2010-11 through FY 2014-15 but was to be reinstated in FY 2015-16 under current law.
- Creates an "at-risk per pupil additional funding" distribution outside of the school finance formula and directs the Department to distribute funds to school districts based on the number of at-risk students in the school district.
- Increases the transfer of interest and income earned on the Public School (Permanent) Fund to the State Public School Fund by \$5.0 million per year beginning in FY 2015-16 and appropriates the additional \$5.0 million in FY 2015-16 to support the newly created at-risk per pupil additional funding distribution.

Makes the following appropriations to the Department of Education for FY 2015-16: (1) \$25.0 million General Fund for the state share of districts' total program funding; and (2) \$5.0 million cash funds from the State Public School Fund (originally from interest and income earned on the Permanent Fund) for at-risk per pupil additional funding.

**S.B. 15-290 (COLORADO STUDENT LEADERS INSTITUTE):** Creates the Colorado Student Leaders Institute, a competitive summer residential education program for high school students. Creates an executive governing board for the institute and sets the conditions for the board's composition and selection. Sets minimum requirements for curriculum, enrichment activities, and student participation and limits participation to no more than 100 students annually. Authorizes the institute to solicit gifts, grants, and donations, and deposits any such revenues in the Colorado Student Leaders Cash Fund (created in the bill), and continuously appropriates all revenues in the cash fund to the institute's executive board. For FY 2015-16, makes the following appropriations: \$218,825 cash funds from the State Education Fund to the Department of Education to be transferred to the Office of the Lieutenant Governor; and \$218,825 reappropriated funds and 1.0 FTE to the Office of the Lieutenant Governor.

**H.B. 15-1170 (INCREASING POSTSECONDARY AND WORKFORCE READINESS):** Creates the position of postsecondary and workforce readiness statewide coordinator within the Department of Labor and Employment to work with local education providers, businesses, industry, area vocational schools, community colleges, the Department of Education, the Department of Higher Education, and the career and technical education division within the community college system to raise the level of postsecondary and workforce readiness achieved by high school students. Beginning in FY 2016-17, modifies the statewide education accountability system by requiring the Department of Education to include the percentages of high school graduates who enroll in a career and technical education program, community college, or four-year institution of higher education as measures of postsecondary and workforce readiness. For FY 2015-16, makes the following appropriations: \$92,934 General Fund and 0.7 FTE to the Department of Education; \$118,969 General Fund and 1.0 FTE to the Department of Labor and Employment (CDLE); and \$20,000 reappropriated funds (from the appropriation to the CDLE) to the Office of the Governor for information technology services provided to the CDLE.

**H.B. 15-1270 (PATHWAYS IN TECHNOLOGY EARLY COLLEGE HIGH SCHOOLS):** Authorizes the creation of Pathways in Technology Early College High Schools (P-Tech schools). A P-Tech school is a public school that includes grades 9 through 14 and is designed to prepare students for careers in industry by enabling students to graduate with both a high school diploma and an associate degree. A P-Tech school is operated as a collaborative effort by a local education provider such as a school district, a community college, and one or more industry employers. A P-tech school, in contrast to other early colleges, focuses specifically on science, technology, engineering, and mathematics, and includes two additional years of high school (grades 13 and 14). A P-Tech school is funded through the annual School Finance Act, and a district with a P-Tech school may include the P-Tech school's students in grades 9-12 in the school district's pupil enrollment. Students in grades 13 and 14 are funded at the fixed per pupil amount established annually for students participating in the ASCENT program (Accelerating Students through Concurrent Enrollment). A student enrolled in grades 13 and 14 may also receive a stipend from the College Opportunity Fund for the postsecondary courses the student takes. For FY 2015-16, makes the following appropriations: \$7,232 General Fund and 0.1 FTE to the Department of Education; and \$7,232 General Fund and 0.1 FTE to the Department of Higher Education. The bill is expected to drive costs of \$4.1 million General Fund by FY 2021-22, due to impacts on school finance once the bill is fully implemented.

**H.B. 15-1274 (CREATION OF CAREER PATHWAYS FOR STUDENTS):** Requires the Colorado Workforce Development Council in the Department of Labor and Employment, in collaboration and consultation with partners including the Department of Higher Education and the community college system, the Department of Education, the Governor's Office of Economic Development and International Trade, and partner industries and local educational institutions, to design integrated career pathways within identified growth industries. For FY 2015-16, provides the following appropriations: \$485,043 General Fund and 2.5 FTE to the Department of Labor and Employment for the Workforce Development Council; \$86,960 General Fund to the Department of Higher Education, which is reappropriated to the community college system; and \$200,000 reappropriated funds to the Department of Higher Education, from the amount initially appropriated to the Department of Labor and Employment, for an on-line resource publicizing the new career pathways. For more information, see the "Recent Legislation" sections at the end of Part III for the Department of Higher Education and the Department of Labor and Employment.

**H.B. 15-1275 (CAREER AND TECH ED IN CONCURRENT ENROLLMENT):** Clarifies that career and technical course work related to apprenticeship programs and internship programs may be used for concurrent enrollment, and directs the Concurrent Enrollment Advisory Board to collaborate with other entities to promote cooperative agreements that include apprenticeship programs and internship programs in concurrent enrollment programs. For FY 2015-16, appropriates \$450,000 General Fund to the Department of Higher Education. For additional information, see the corresponding bill description at the end of Part III for the Department of Higher Education.

**H.B. 15-1321 (FLEXIBILITY & FUNDING FOR RURAL SCHOOL DISTRICTS):** Provides additional administrative flexibility for small rural school districts. Authorizes the Department of Education (DOE) to define rural school districts based on size and proximity to urban areas. Exempts rural districts that enroll fewer than 1,000 students from certain requirements related to accountability reporting and school-level financial transparency requirements. Allows rural school districts enrolling fewer than 6,500 students to provide notice of meetings to school board members via electronic mail rather than written mail as under current law. Defines small rural school district as a school district that DOE identifies as rural and that enrolls fewer than 1,000 students in kindergarten through twelfth grade. Allows small rural districts to raise additional local property tax revenues through mil levy overrides, increasing the limit from 20.0 percent of the district’s total program funding or \$200,000 (whichever is greater) to 30.0 percent of total program funding or \$200,000 (whichever is greater). Makes a one-time appropriation of \$10.0 million cash funds from the State Education Fund to the DOE for FY 2015-16 for distribution to small rural school districts and eligible charter schools (institute charter schools that have small rural districts as accounting districts) on a per-pupil basis for specific uses in alignment with authorized uses of State Education Fund money.

**H.B. 15-1323 (CHANGES TO ASSESSMENTS IN PUBLIC SCHOOLS):** Modifies the system of statewide standardized assessments in English language arts, mathematics, science, and social studies. Restricts the Department of Education (DOE) to administering the tests in English language arts and mathematics to students enrolled in grades three through nine and science tests one time each in elementary, middle, and high school. Eliminates social studies assessments. Requires DOE to continue to administer a curriculum-based college entrance exam to students in eleventh grade and to administer the writing portion of the exam when requested to do so by students. Requires the DOE to administer a tenth grade college entrance preparation exam. Requires DOE to request various waivers of federal law. Requires DOE make tests available in paper and pencil format when requested by a local education provider (LEP) and requires each LEP to adopt a written policy by which the LEP decides whether to request paper and pencil tests. Requires that LEPs adopt a policy allowing parents of students to opt out of participation in one or more state assessments without imposing negative consequences on the student or parent. Creates a pilot program through which LEPs may jointly or individually administer local assessments to prove the validity and reliability of the assessments and the comparability of the assessments with the existing statewide assessments. Based on results of the pilot program, requires DOE to recommend that the State Board of Education (State Board) either adopt one of the local assessments as the new statewide assessment or continue administering the statewide assessment. If the State Board adopts a new state assessment, requires the State Board to notify the General Assembly, as implementation of a new statewide assessment is conditional on the enactment of legislation approving the assessment. For FY 2015-16, reduces appropriations to the Department of Education by \$2,369,118 cash funds from the State Education Fund.

**H.B. 15-1367 (RETAIL MARIJUANA TAXES):** Refers a ballot issue to voters in November 2015, asking whether the State may retain and spend revenue collected from the Proposition AA excise and special sales taxes on retail marijuana in FY 2014-15. Creates a \$58.0 million Proposition AA Refund Account (Refund Account) in the General Fund. Contingent on voter approval of the ballot issue, the act makes several appropriations to the Department of Education for FY 2015-16, as detailed in the following table. Voters approved the issue in November 2015.

APPROPRIATIONS TO DEPARTMENT OF EDUCATION THAT ARE CONTINGENT ON VOTER APPROVAL		
DIVISION AND LINE ITEM	FUND SOURCE	DOLLAR AMOUNT
<u>Assistance to Public Schools</u>		
Appropriation to School Bullying and Prevention Cash Fund	CF - Proposition AA Refund Account	\$2,000,000
Appropriation to Student Re-engagement Grant Program Fund	CF - Proposition AA Refund Account	1,000,000
Student Re-engagement Grant Program	RF – Student Re-engagement Grant Program Fund	1,000,000
<b>TOTAL</b>		<b>\$4,000,000</b>

For additional information see the “Recent Legislation” section at the end of Part III of the Department of Revenue and Appendix K.

## 2016 SESSION BILLS

**S.B. 16-072 (INCREASE ANNUAL B.E.S.T. LEASE-PURCHASE PAYMENT):** Increases the statutory cap on annual lease-purchase payments made by the Building Excellent Schools Today (B.E.S.T.) Program. Raises the cap on total lease purchase payments from \$80.0 million (up to \$40.0 million state funds) allowed under current law to:

- \$90.0 million (up to \$45.0 million in state funds) in FY 2016-17;
- \$100.0 million (up to \$50.0 million in state funds) in FY 2017-18 and subsequent years.

Also adjusts eligibility criteria and the application process for charter schools. For FY 2016-17, appropriates \$5.0 million cash funds from the Public School Capital Construction Assistance Fund to the Department of Education to support additional B.E.S.T. lease payments.

**S.B. 16-104 (INCENTIVES TO BUILD NUMBER OF RURAL TEACHERS):** Creates several new programs in the Department of Higher Education to provide incentives for individuals to become teachers in rural school districts and to support the needs of professional educators in rural school districts. Provides an appropriation of \$441,095 General Fund and 0.3 FTE to the Department of Higher Education for the new programs and related administrative costs for FY 2016-17. Adjusts FY 2016-17 appropriations in the Department of Education for the State Share of Districts' Total Program Funding to increase funding from the State Public School Fund by \$441,095 cash funds and decrease funding from the General Fund by the same amount. For additional information, see the “Recent Legislation” section at the end of Part III for the Department of Higher Education.

**H.B. 16-1222 (SUPPLEMENTAL ONLINE EDUCATION AND BLENDED LEARNING RESOURCES):** Creates the Supplemental Online and Blended Learning Program, expanding and replacing the existing Supplemental On-line Education Services program. Requires the Department to designate a board of cooperative educational services (BOCES) to design and articulate a statewide plan for supplemental online and blended learning and to lead, manage, and administer the statewide program. Requires the designated BOCES to ensure that all schools in the state have access to supplemental online and blended learning resources, professional development for teachers, and consulting assistance. For FY 2016-17, appropriates \$480,000 cash funds from the State Public School Fund to the Department of Education to support the program.

**H.B. 16-1234 (STATE ASSESSMENT SELECTION AND LOCAL FLEXIBILITY):** Requires the Department of Education to investigate methods for and costs of creating or selecting new statewide assessments in mathematics, English language arts, science, and social studies. Specifies that the investigation must examine the methods and costs of allowing local education providers (schools, school districts, and BOCES) to create or select assessments for use in the statewide accountability system. Requires the Department to report the results of the investigation to the State Board of Education and the education committees of the General Assembly. For FY 2016-17, appropriates \$39,600 cash funds from the State Education Fund to the Department of Education.

**H.B. 16-1253 (CURRENT YEAR ADJUSTMENTS TO SCHOOL FINANCE):** Makes mid-year adjustments to school finance-related appropriations of state funds for FY 2015-16. Decreases *state* total program funding in FY 2015-16 by \$133.5 million total funds (including \$93.5 million General Fund and \$40.0 million cash funds from the State Public School Fund) to account for a \$133.5 million increase in *local* revenues available for school finance and maintain a constant level of total program funding. Maintaining a constant level of total program funding with lower-than-anticipated pupil counts and at-risk pupil counts reduced the negative factor in FY 2015-16 by \$24.5 million.

**H.B. 16-1405 (LONG BILL):** General appropriations act for FY 2016-17. Also includes supplemental adjustments to FY 2015-16 appropriations for the Department of Education.

**H.B. 16-1408 (CASH FUND ALLOCATIONS FOR HEALTH-RELATED PROGRAMS):** Establishes a new formula for the allocation of the annual payment received by the state as part of the Tobacco Master Settlement Agreement (Tobacco MSA). The new formula allocates all Tobacco MSA revenue by percentage shares, rather than the hybrid scheme of fixed dollar amounts and capped percentage shares in multiple tiers in current law. The formula eliminates dedicated funding transferred to the Early Literacy Fund in the Department of Education. The bill supports Early Literacy Program funding previously supported with Tobacco MSA money with cash funds from the Marijuana Tax Cash Fund. For FY 2016-17, makes the following appropriation adjustments for the Department of Education: (1) reduces the appropriation for the Early Literacy Competitive Grant Program by \$4,378,678 cash funds transferred from Tobacco MSA dollars; and (2) increases the appropriation from the Marijuana Tax Cash Fund for that program by the same amount.

**H.B. 16-1422 (SCHOOL FINANCE):** Amends the “Public School Finance Act of 1994” and other statutory provisions to provide funding for school districts for FY 2016-17, making the following changes:

- Increases the *statewide base per pupil funding* amount from \$6,292.39 to \$6,367.90 (1.2 percent) to account for the annual change in the Denver-Boulder-Greeley consumer price index in CY 2015;
- Maintains the negative factor at a constant dollar amount (\$830.7 million) from FY 2015-16 to FY 2016-17 and specifies that the negative factor cannot exceed that amount in FY 2018-19;
- Adjusts the size factor within the school finance formula by creating a new tier for districts with a funded pupil count between 3,500 and 5,000 pupils, increasing the size factor for school districts in that range;
- Authorizes the Commissioner of Education to withhold funding in the following year from school districts that are required to reimburse the state for (“buy out”) categorical funding but fail to do so by the end of the fiscal year in which they are required to do so;
- Requires school districts in which the district’s total program mill levy generates more revenue than the district’s total program and categorical buyout requirements to hold the mill levy constant and to deposit the excess revenues in a total program reserve fund required by the bill;
- Authorizes supplemental assistance from the Contingency Reserve Fund for districts that, because of a significant decline in their assessed values, must implement the full negative factor when the district received little or no state funding prior to the negative factor in the previous fiscal year. The assistance is limited to no more than 25.0 percent of the district’s reduction in state share due to the implementation of the negative factor and is only available to each district one time.

The bill also includes a variety of statutory provisions pertaining to charter schools. For FY 2016-17, appropriates \$124,664 cash funds from the State Education Fund to the Department of Education to cover cost increases associated with the bill’s changes to the size factor.

**H.B. 16-1429 (ALTERNATIVE EDUCATION CAMPUS CRITERIA AND PILOT PROGRAM):** Modifies the statutory criteria for designation (by the State Board of Education) as an alternative education campus (AEC) by:

- Lowering the threshold for AEC designation from 95 percent high-risk students (under current law) to 90 percent high-risk students;
- Substituting four absences in any one month, or ten absences in any given year, for the current high-risk criteria of failing to remain continuously enrolled and regularly attending school in the previous semester;

- Expanding high-risk criteria to include students who are wards of the courts, are in foster care, or have experienced the loss of a parent or sibling; and
- Redefining the meaning of behavioral health issues related to high-risk students in AECs.

Requires the Department to continue working with interested stakeholders and interested AECs to find and develop methods to measure qualitative aspects of AEC performance. For FY 2016-17, appropriates \$43,896 General Fund to the Department of Education.

# Details

## GOVERNOR – LIEUTENANT GOVERNOR – STATE PLANNING AND BUDGETING

### FY 2015-16 AND FY 2016-17 APPROPRIATIONS BY DIVISION AND BILL

GOVERNOR - LIEUTENANT GOVERNOR - STATE PLANNING AND BUDGETING						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 TOTAL APPROPRIATION:</b>	<b>\$272,311,563</b>	<b>\$41,871,028</b>	<b>\$42,239,163</b>	<b>\$181,708,763</b>	<b>\$6,492,609</b>	<b>1,088.7</b>
<b>BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION</b>						
Office of the Governor	\$22,881,781	\$6,124,354	\$12,205,245	\$684,171	\$3,868,011	67.1
Office of the Lieutenant Governor	649,395	429,386	1,184	218,825	0	6.0
Office of State Planning and Budgeting	2,333,786	787,132	0	1,546,654	0	19.5
Economic Development Programs	59,213,017	27,836,093	28,781,806	91,520	2,503,598	60.3
Office of Information Technology	187,233,584	6,694,063	1,250,928	179,167,593	121,000	935.8
<b>BREAKDOWN OF TOTAL APPROPRIATION BY BILL</b>						
SB 15-234	\$268,978,544	\$41,427,966	\$42,239,163	\$178,818,806	\$6,492,609	1,085.7
SB 15-014	1,068,560	0	0	1,068,560	0	0.0
SB 15-029	848	0	0	848	0	0.0
SB 15-185	9,800	0	0	9,800	0	0.0
SB 15-229	4,120	0	0	4,120	0	0.0
SB 15-239	59,280	0	0	59,280	0	0.0
SB 15-282	125,983	125,983	0	0	0	1.0
SB 15-290	218,825	0	0	218,825	0	1.0
HB 15-1004	4,120	0	0	4,120	0	0.0
HB 15-1026	52,942	0	0	52,942	0	0.0
HB 15-1170	20,000	0	0	20,000	0	0.0
HB 15-1219	20,000	20,000	0	0	0	0.0
HB 15-1313	4,120	0	0	4,120	0	0.0
HB 15-1366	94,251	94,251	0	0	0	1.0
HB 15-1367	21,803	0	0	21,803	0	0.0
HB 16-1239	1,628,367	202,828	0	1,425,539	0	0.0
<b>FY 2016-17 TOTAL APPROPRIATION:</b>	<b>\$307,252,612</b>	<b>\$35,996,004</b>	<b>\$43,978,954</b>	<b>\$220,765,787</b>	<b>\$6,511,867</b>	<b>1,090.0</b>
<b>BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION</b>						
Office of the Governor	\$21,074,282	\$4,703,539	\$11,898,892	\$563,706	\$3,908,145	65.7
Office of the Lieutenant Governor	659,036	439,027	1,184	218,825	0	6.0
Office of State Planning and Budgeting	2,216,262	638,174	0	1,578,088	0	20.5
Economic Development Programs	58,959,770	25,563,807	30,827,950	85,291	2,482,722	60.3
Office of Information Technology	224,343,262	4,651,457	1,250,928	218,319,877	121,000	937.5
<b>BREAKDOWN OF TOTAL APPROPRIATION BY BILL</b>						
HB 16-1405	\$306,849,429	\$35,996,004	\$43,978,954	\$220,362,604	\$6,511,867	1,090.0
SB 16-030	12,566	0	0	12,566	0	0.0
HB 16-1047	113,300	0	0	113,300	0	0.0
HB 16-1097	8,755	0	0	8,755	0	0.0
HB 16-1227	268,562	0	0	268,562	0	0.0

**GOVERNOR - LIEUTENANT GOVERNOR - STATE PLANNING AND BUDGETING**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>INCREASE/(DECREASE)</b>	\$34,941,049	(\$5,875,024)	\$1,739,791	\$39,057,024	\$19,258	1.3
Percentage Change	12.8%	(14.0%)	4.1%	21.5%	0.3%	0.1%

**INFORMATIONAL FUNDS:** The FY 2016-17 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department are annotated with the "(I)". For additional information, see Appendix J.

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2016-17 Appropriations containing an (I) notation	\$29,550,524	\$0	\$23,038,657	\$0	\$6,511,867

**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 22.3 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 56.5 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 2.7 percent of the Office's appropriations, are from other divisions within the Department and indirect cost recoveries for services. Federal funds reflect 18.5 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
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$22,881,781	\$6,124,354	\$12,205,245	\$684,171	\$3,868,011	67.1
<b>TOTAL</b>	<b>\$22,881,781</b>	<b>\$6,124,354</b>	<b>\$12,205,245</b>	<b>\$684,171</b>	<b>\$3,868,011</b>	<b>67.1</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$22,881,781	\$6,124,354	\$12,205,245	\$684,171	\$3,868,011	67.1
Governor's Mansion activity fund increase	20,000	0	20,000	0	0	0.0
Centrally appropriated line items	(1,716,081)	(1,483,440)	(154,414)	(101,336)	23,109	0.0
Annualize prior year budget actions	(92,289)	62,625	(171,939)	0	17,025	(1.4)
Base appropriation decreases	(19,129)	0	0	(19,129)	0	0.0
<b>HB 16-1405</b>	<b>\$21,074,282</b>	<b>\$4,703,539</b>	<b>\$11,898,892</b>	<b>\$563,706</b>	<b>\$3,908,145</b>	<b>65.7</b>
<b>TOTAL</b>	<b>\$21,074,282</b>	<b>\$4,703,539</b>	<b>\$11,898,892</b>	<b>\$563,706</b>	<b>\$3,908,145</b>	<b>65.7</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$1,807,499)</b>	<b>(\$1,420,815)</b>	<b>(\$306,353)</b>	<b>(\$120,465)</b>	<b>\$40,134</b>	<b>(1.4)</b>
Percentage Change	(7.9%)	(23.2%)	(2.5%)	(17.6%)	1.0%	(2.1%)

FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

**GOVERNOR’S MANSION ACTIVITY FUND INCREASE:** The appropriation includes an increase of \$20,000 cash funds spending authority from fees charged to individuals and groups hosting events at the Governor’s Mansion located at 400 Eighth Avenue in Denver.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes a decrease of \$1,716,081 total funds, including a decrease of \$1,483,440 General Fund, for 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; payment to risk management and property funds; Capitol complex leased space; and payments to OIT.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes a decrease of \$92,289 total funds, including an increase of \$62,625 General Fund, for adjustments related to prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 15-16 Salary survey	\$59,771	\$31,244	\$19,409	\$0	\$9,118	0.0
FY 15-16 Merit base pay	58,258	31,381	18,970	0	7,907	0.0
FY 15-16 School energy efficiency	(210,318)	0	(210,318)	0	0	(1.4)
<b>TOTAL</b>	<b>(\$92,289)</b>	<b>\$62,625</b>	<b>(\$171,939)</b>	<b>\$0</b>	<b>\$17,025</b>	<b>(1.4)</b>

**BASE APPROPRIATION DECREASES:** The appropriation includes a decrease of \$19,129 reappropriated funds based on an analysis of prior-year expenditures versus prior-year appropriations.

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 66.6 percent of the funding for the Office of the Lieutenant Governor is General Fund, 0.2 percent is cash funds from private donations, and 33.2 percent is reappropriated funds transferred to the Office from the Department of Education for the Colorado Student Leaders Institute pilot program.

OFFICE OF THE LIEUTENANT GOVERNOR						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2015-16 APPROPRIATION:						
SB 15-234	\$430,570	\$429,386	\$1,184	\$0	\$0	5.0
SB 15-290	218,825	0	0	218,825	0	1.0
<b>TOTAL</b>	<b>\$649,395</b>	<b>\$429,386</b>	<b>\$1,184</b>	<b>\$218,825</b>	<b>\$0</b>	<b>6.0</b>
FY 2016-17 APPROPRIATION:						
FY 2015-16 Appropriation	\$649,395	\$429,386	\$1,184	\$218,825	\$0	6.0
Annualize prior year budget actions	9,641	9,641	0	0	0	0.0
<b>HB 16-1405</b>	<b>\$659,036</b>	<b>\$439,027</b>	<b>\$1,184</b>	<b>\$218,825</b>	<b>\$0</b>	<b>6.0</b>
<b>TOTAL</b>	<b>\$659,036</b>	<b>\$439,027</b>	<b>\$1,184</b>	<b>\$218,825</b>	<b>\$0</b>	<b>6.0</b>

OFFIC OF THE LIEUTENANT GOVERNOR						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>INCREASE/(DECREASE)</b>	\$9,641	\$9,641	\$0	\$0	\$0	0.0
Percentage Change	1.5%	2.2%	0.0%	0.0%	n/a	0.0%

## FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation provides adjustments for the out-year impacts of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 15-16 Salary survey	\$4,810	\$4,810	\$0	\$0	\$0	0.0
FY 15-16 Merit base pay	4,831	4,831	0	0	0	0.0
<b>TOTAL</b>	<b>\$9,641</b>	<b>\$9,641</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

## 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, 71.2 percent, from statewide indirect cost recoveries and General Fund, 28.8 percent, for special projects.

OFFICE OF STATE PLANNING AND BUDGETING						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$2,133,786	\$587,132	\$0	\$1,546,654	\$0	19.5
HB 16-1239	200,000	200,000	0	0	0	0.0
<b>TOTAL</b>	<b>\$2,333,786</b>	<b>\$787,132</b>	<b>\$0</b>	<b>\$1,546,654</b>	<b>\$0</b>	<b>19.5</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$2,333,786	\$787,132	\$0	\$1,546,654	\$0	19.5
Pay for Success increase	50,000	50,000	0	0	0	1.0
Annualize prior year budget actions	(167,524)	(198,958)	0	31,434	0	0.0
<b>HB 16-1405</b>	<b>\$2,216,262</b>	<b>\$638,174</b>	<b>\$0</b>	<b>\$1,578,088</b>	<b>\$0</b>	<b>20.5</b>
<b>TOTAL</b>	<b>\$2,216,262</b>	<b>\$638,174</b>	<b>\$0</b>	<b>\$1,578,088</b>	<b>\$0</b>	<b>20.5</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$117,524)</b>	<b>(\$148,958)</b>	<b>\$0</b>	<b>\$31,434</b>	<b>\$0</b>	<b>1.0</b>
Percentage Change	(5.0%)	(18.9%)	n/a	2.0%	n/a	5.1%

## FY 2015-16 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 16-1239 modifies FY 2015-16 appropriations to:

- Add \$200,000 General Fund for the Office of State Planning and Budgeting, in conjunction with the Departments of Health Care Policy and Financing and Human Services, to contract for a study of the alignment and distribution of State money for behavioral health services. The bill also includes roll forward authority through FY 2016-17 for this money

FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

**PAY FOR SUCCESS INCREASE:** The appropriation includes \$50,000 General Fund and 1.0 FTE to administer a program that partners with service providers and private sector investors or philanthropists to fund and provide interventions to increase economic opportunity, support healthy futures, and promote child and youth development.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation provides adjustments for the out-year impacts of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 15-16 Salary survey	\$16,273	\$520	\$0	\$16,273	\$0	0.0
FY 15-16 Merit base pay	16,203	522	0	16,203	0	0.0
FY 15-16 DHS Behavioral health study	(200,000)	(200,000)	0	0	0	0.0
<b>TOTAL</b>	<b>(\$167,524)</b>	<b>(\$198,958)</b>	<b>\$0</b>	<b>\$31,434</b>	<b>\$0</b>	<b>0.0</b>

ECONOMIC DEVELOPMENT PROGRAMS

The Office of Economic Development and International Trade 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. Approximately 43.4 percent of the funding for the Office is General Fund, 52.3 percent is cash funds from limited gaming tax revenue and other sources, and 0.1 percent is reappropriated funds transferred from the Department of Regulatory Agencies to the Office for the CAPCO program, and 4.2 percent is federal funds from various sources, including the National Endowment for the Arts.

ECONOMIC DEVELOPMENT PROGRAMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$58,969,955	\$27,593,031	\$28,781,806	\$91,520	\$2,503,598	58.3
SB 15-282	125,983	125,983	0	0	0	1.0
HB 15-1219	20,000	20,000	0	0	0	0.0
HB 15-1366	94,251	94,251	0	0	0	1.0
HB 16-1239	2,828	2,828	0	0	0	0.0
<b>TOTAL</b>	<b>\$59,213,017</b>	<b>\$27,836,093</b>	<b>\$28,781,806</b>	<b>\$91,520</b>	<b>\$2,503,598</b>	<b>60.3</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$59,213,017	\$27,836,093	\$28,781,806	\$91,520	\$2,503,598	60.3
Film incentive rebate program	3,000,000	3,000,000	0	0	0	0.0
Advanced industries refinance	100,000	(1,927,497)	2,027,497	0	0	0.0
Annualize prior year budget actions	(2,928,884)	(2,955,866)	18,647	1,255	7,080	0.0
Annualize prior year legislation	(389,023)	(389,023)	0	0	0	0.0
Centrally appropriated line items	(27,856)	100	0	0	(27,956)	0.0
Base appropriation decreases	(7,484)	0	0	(7,484)	0	0.0
<b>HB 16-1405</b>	<b>\$58,959,770</b>	<b>\$25,563,807</b>	<b>\$30,827,950</b>	<b>\$85,291</b>	<b>\$2,482,722</b>	<b>60.3</b>
<b>TOTAL</b>	<b>\$58,959,770</b>	<b>\$25,563,807</b>	<b>\$30,827,950</b>	<b>\$85,291</b>	<b>\$2,482,722</b>	<b>60.3</b>

**ECONOMIC DEVELOPMENT PROGRAMS**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>INCREASE/(DECREASE)</b>	(\$253,247)	(\$2,272,286)	\$2,046,144	(\$6,229)	(\$20,876)	0.0
Percentage Change	(0.4%)	(8.2%)	7.1%	(6.8%)	(0.8%)	0.0%

**FY 2015-16 APPROPRIATION - MID-YEAR ADJUSTMENTS**

House Bill 16-1239 modifies FY 2015-16 appropriations to add \$2,828 General Fund for an adjustment to the Office’s share of expenses related to leasing fleet vehicles through the Department of Personnel.

**FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS**

**FILM INCENTIVE REBATE PROGRAM:** The appropriation includes \$3,000,000 General Fund for the Colorado Office of Film, Television, and Media’s 20.0 percent rebate for production related expenses incurred in Colorado.

**ADVANCED INDUSTRIES REFINANCE:** The appropriation includes a refinance of \$1,927,497 General Fund with \$2,027,497 cash funds for the Office of Economic Development and International Trade’s Advanced Industries program based on greater than anticipated revenues credited to the Advanced Industries Acceleration Cash Fund.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation provides adjustments for the out-year impacts of prior year budget actions.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 15-16 Salary survey	\$35,873	\$22,017	\$9,435	\$629	\$3,792	0.0
FY 15-16 Merit base pay	35,243	22,117	9,212	626	3,288	0.0
FY 15-16 Film incentives	(3,000,000)	(3,000,000)	0	0	0	0.0
<b>TOTAL</b>	<b>(\$2,928,884)</b>	<b>(\$2,955,866)</b>	<b>\$18,647</b>	<b>\$1,255</b>	<b>\$7,080</b>	<b>0.0</b>

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

**ANNUALIZE PRIOR YEAR LEGISLATION**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 13-1002 Small Business Development Centers Appropriations	(\$200,000)	(\$200,000)	\$0	\$0	\$0	0.0
HB 13-1003 Economic Gardening Pilot Project Office Econ Dev	(100,000)	(100,000)	0	0	0	0.0
SB 15-282 Rural Econ Development	(45,000)	(45,000)	0	0	0	0.0
HB 15-1219 EZ Tax Credit	(20,000)	(20,000)	0	0	0	0.0
HB 15-1366 Expand Job Growth Tax Credit For Higher Ed Project	(14,703)	(14,703)	0	0	0	0.0
HB 14-1311 Historic Preservation	(9,320)	(9,320)	0	0	0	0.0
<b>TOTAL</b>	<b>(\$389,023)</b>	<b>(\$389,023)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes a decrease of \$27,856 total funds, including an increase of \$100 General Fund, for adjustments to centrally appropriated line items for vehicle lease payments.

**BASE APPROPRIATION DECREASES:** The appropriation includes a decrease of \$7,484 reappropriated funds based on an analysis of prior-year expenditures versus prior-year appropriations.

## 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 the level of service consumed. OIT's FY 2016-17 budget consists of 2.1 percent General Fund, 0.6 percent cash funds from non-state agencies receiving services, 97.3 percent reappropriated funds transferred from agencies for services provided by OIT, and 0.1 percent federal funds from various sources.

OFFICE OF INFORMATION TECHNOLOGY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$184,562,452	\$6,694,063	\$1,250,928	\$176,496,461	\$121,000	935.8
SB 15-014	1,068,560	0	0	1,068,560	0	0.0
SB 15-029	848	0	0	848	0	0.0
SB 15-185	9,800	0	0	9,800	0	0.0
SB 15-229	4,120	0	0	4,120	0	0.0
SB 15-239	59,280	0	0	59,280	0	0.0
HB 15-1004	4,120	0	0	4,120	0	0.0
HB 15-1026	52,942	0	0	52,942	0	0.0
HB 15-1170	20,000	0	0	20,000	0	0.0
HB 15-1313	4,120	0	0	4,120	0	0.0
HB 15-1367	21,803	0	0	21,803	0	0.0
HB 16-1239	1,425,539	0	0	1,425,539	0	0.0
<b>TOTAL</b>	<b>\$187,233,584</b>	<b>\$6,694,063</b>	<b>\$1,250,928</b>	<b>\$179,167,593</b>	<b>\$121,000</b>	<b>935.8</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$187,233,584	\$6,694,063	\$1,250,928	\$179,167,593	\$121,000	935.8
Colorado Benefits Management System (CBMS) base adjustment and enhancements	22,428,801	0	0	22,428,801	0	0.0
Centrally appropriated line items	15,967,784	80,127	0	15,887,657	0	0.0
Voice services spending authority	1,583,149	0	0	1,583,149	0	0.0
Secure Colorado	1,000,000	0	0	1,000,000	0	0.0
Health services technical correction	972,775	0	0	972,775	0	0.0
End user configuration management tool	306,344	0	0	306,344	0	0.0
Niche Records Management System	141,721	0	0	141,721	0	1.0
Annualize prior year budget actions	(4,658,099)	(2,122,733)	0	(2,535,366)	0	0.7
Annualize prior year legislation	(1,035,980)	0	0	(1,035,980)	0	0.0
<b>HB 16-1405</b>	<b>\$223,940,079</b>	<b>\$4,651,457</b>	<b>\$1,250,928</b>	<b>\$217,916,694</b>	<b>\$121,000</b>	<b>937.5</b>
SB 16-030	12,566	0	0	12,566	0	0.0
HB 16-1047	113,300	0	0	113,300	0	0.0
HB 16-1097	8,755	0	0	8,755	0	0.0
HB 16-1227	268,562	0	0	268,562	0	0.0
<b>TOTAL</b>	<b>\$224,343,262</b>	<b>\$4,651,457</b>	<b>\$1,250,928</b>	<b>\$218,319,877</b>	<b>\$121,000</b>	<b>937.5</b>
<b>INCREASE/(DECREASE)</b>	<b>\$37,109,678</b>	<b>(\$2,042,606)</b>	<b>\$0</b>	<b>\$39,152,284</b>	<b>\$0</b>	<b>1.7</b>
Percentage Change	19.8%	(30.5%)	0.0%	21.9%	0.0%	0.2%

## FY 2015-16 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 16-1239 modifies FY 2015-16 appropriations to add \$1,425,539 reappropriated funds transferred from the Department of Health Care Policy and Financing to the Governor's Office of Information Technology to mail out proof of insurance tax information from the Colorado Benefits Management System (CBMS) for Medicaid and Child Health Plan Plus (CHP+) enrollees.

## FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

**COLORADO BENEFITS MANAGEMENT SYSTEM (CBMS) BASE ADJUSTMENT AND ENHANCEMENTS:** The appropriation includes an increase of \$22,428,801 reappropriated funds to support the base operating costs of CBMS and to provide an additional 117,276 vendor pool hours for CBMS enhancements. Money is first appropriated to the Departments of Health Care Policy and Financing and Human Services and is then transferred to the Governor's Office of Information Technology to arrange for service provision.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes an increase of \$15,967,784 total funds, including \$80,127 General Fund, for 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.

**VOICE SERVICES SPENDING AUTHORITY:** The appropriation includes an increase of \$1,583,149 reappropriated funds transferred from State agencies to the Governor's Office of Information Technology to align anticipated State agency expenditures for phone services over the Internet with Long Bill spending authority.

**SECURE COLORADO:** The appropriation includes an increase of \$1,000,000 reappropriated funds transferred from State agencies to the Governor's Office of Information Technology to obtain advanced information security event analytics capabilities.

**HEALTH SERVICES TECHNICAL CORRECTION:** The appropriation includes an increase of \$972,775 reappropriated funds spending authority for the Governor's Office of Information Technology for the Department of Health Care Policy and Financing's customer service technology costs. This corrects a technical error included in the FY 2015-16 Long Bill whereby appropriations made to the Department of Health Care Policy and Financing did not align with spending authority in the Governor's Office of Information Technology.

**END USER CONFIGURATION MANAGEMENT TOOL:** The appropriation includes an increase of \$306,344 reappropriated funds transferred from State agencies to the Governor's Office of Information Technology to deploy an end user configuration management tool. This tool will assist in tracking assets (e.g. computers and software) and compiling the status of assets.

**NICHE RECORDS MANAGEMENT SYSTEM:** The appropriation includes an increase of \$141,721 reappropriated funds transferred from the Department of Public Safety to the Governor's Office of Information Technology and 1.0 FTE to support and maintain the Niche Records Management System. The System is used by the Colorado State Patrol for records management of data associated with core policing activities.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation provides adjustments for the out-year impacts of prior year budget actions.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 15-16 Salary survey	\$743,395	\$0	\$0	\$743,395	\$0	0.0
FY 15-16 Merit base pay	683,941	0	0	683,941	0	0.0
FY 15-16 HCPF legislative system support	325,000	0	0	325,000	0	0.0
FY 15-16 HCPF DDD web stabilization	96,242	0	0	96,242	0	0.0
FY 15-16 CBMS client correspondence	67,891	0	0	67,891	0	0.0
FY 15-16 Systems infrastructure staff	20,374	0	0	20,374	0	0.7
FY 15-16 Elevation data acquisition	(2,122,733)	(2,122,733)	0	0	0	0.0
FY 15-16 Eliminate redundant applications	(1,985,000)	0	0	(1,985,000)	0	0.0
FY 15-16 Backup Colorado, Phase II	(1,002,015)	0	0	(1,002,015)	0	0.0
FY 15-16 IT Service management ecosystem	(300,000)	0	0	(300,000)	0	0.0
FY 15-16 CDPHE Network infrastructure	(240,000)	0	0	(240,000)	0	0.0
FY 15-16 IT infrastructure	(235,000)	0	0	(235,000)	0	0.0
FY 15-16 Enterprise wireless	(228,000)	0	0	(228,000)	0	0.0
FY 15-16 Data governance and analysis plan	(226,800)	0	0	(226,800)	0	0.0
FY 15-16 Active Directory consolidation	(128,376)	0	0	(128,376)	0	0.0
FY 15-16 Grants management application support	(127,018)	0	0	(127,018)	0	0.0
<b>TOTAL</b>	<b>(\$4,658,099)</b>	<b>(\$2,122,733)</b>	<b>\$0</b>	<b>(\$2,535,366)</b>	<b>\$0</b>	<b>0.7</b>

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

**ANNUALIZE PRIOR YEAR LEGISLATION**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 15-1367 Marijuana Project for DOLA	\$2,750	\$0	\$0	\$2,750	\$0	0.0
SB 15-014 Medical Marijuana	(884,500)	0	0	(884,500)	0	0.0
SB 15-239 Transfer of Vocational Rehab from DHS to CDLE	(59,280)	0	0	(59,280)	0	0.0
HB 15-1026 Reserved Parking License Plate	(52,942)	0	0	(52,942)	0	0.0
HB 15-1170 Increase Postsecondary and Workforce Readiness	(19,000)	0	0	(19,000)	0	0.0
SB 15-185 Police Data Collection and Community Policing	(9,800)	0	0	(9,800)	0	0.0
SB 15-229 ALS License Plate	(4,120)	0	0	(4,120)	0	0.0
HB 15-1004 Firefighter License Plate	(4,120)	0	0	(4,120)	0	0.0
HB 15-1313 RMNP License Plate	(4,120)	0	0	(4,120)	0	0.0
SB 15-029 Firefighter Pension Study	(848)	0	0	(848)	0	0.0
<b>TOTAL</b>	<b>(\$1,035,980)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$1,035,980)</b>	<b>\$0</b>	<b>0.0</b>

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

## RECENT LEGISLATION

### 2015 SESSION BILLS

**S.B. 15-014 (MEDICAL MARIJUANA):** Makes several changes to the regulation of medical marijuana in Colorado. As it relates to the Governor's Office of Information Technology, it transfers \$1,068,560 from the Department of Public Health and Environment's Medical Marijuana Program Cash Fund to the Office for FY 2015-16 to enhance the Medical Marijuana Registry Database. For more information on this bill, please see the "Recent Legislation" section in the Department of Public Health and Environment section of this document.

**S.B. 15-029 (VOLUNTEER FIREFIGHTER PENSION PLAN STUDY):** Requires the Office of the State Auditor (OSA) to coordinate a study concerning the structure and tax consequences of current volunteer firefighter pension plans (VFPPs) in Colorado. As it relates to the Governor's Office of Information Technology, it transfers \$848 General Fund to the Office for FY 2015-16 to support the Department of Local Affairs subject matter expert. For more information on this bill, please see the "Recent Legislation" section in the Department of Local Affairs section of this document.

**S.B. 15-185 (POLICE DATA COLLECTION AND COMMUNITY POLICING):** Creates the "Community Law Enforcement Action Reporting (CLEAR) Act." As it relates to the Governor's Office of Information Technology, it transfers \$9,800 General Fund to the Office for FY 2015-16 to support the Department of Corrections in updating its computer system to separate race from ethnicity for data tracking purposes. For more information on this bill, please see the "Recent Legislation" sections in the Departments of Public Safety and Corrections sections of this document.

**S.B. 15-229 (ALS MOTOR VEHICLES LICENSE PLATE):** Creates the Amyotrophic Lateral Sclerosis (ALS) license plate. The license plate will be available to any applicant who pays the standard license plate taxes and fees and a one-time additional special license plate fee of \$50 on January 1, 2016, or when the Rocky Mountain Chapter of the ALS Association has collected 3,000 signatures of individuals committing to purchase the plate, whichever is later. Appropriates \$5,304 cash funds to the Department of Revenue for FY 2015-16. Of this amount, \$4,120 is reappropriated to the Governor's Office of Information Technology.

**S.B. 15-234 (LONG BILL):** General appropriations act for FY 2015-16.

**S.B. 15-239 (TRANSFER VOCATIONAL REHAB FROM DHS TO CDLE):** Transfers the state's vocational rehabilitation programs from the Department of Human Services (DHS) to the Colorado Department of Labor and Employment (CDLE) beginning July 1, 2016. As it relates to the Governor's Office of Information Technology, it transfers \$59,280 General Fund to the Office for FY 2015-16 to support the IT needs associated with the personnel transfer. For more information on this bill, please see the "Recent Legislation" section in the Department of Human Services and Department of Labor and Employment sections of this document.

**S.B. 15-282 (JUMP-START PROG ECON DEV DISTRESSED COUNTIES):** Provides tax benefits to approved new businesses that locate inside a rural jump-start zone and establish a relationship with a State institution of higher education, junior college, or an area vocational school. A rural jump start zone is an area within a distressed county. The Colorado Economic Development Commission will be responsible for developing guidelines for the administration of the rural jump-start zone program and identifying eligible distressed countries. Appropriates \$125,983 and 1.0 FTE to the Office of Economic Development and International Trade for FY 2015-16 to manage the program and to modify the computer system that manages program data.

**S.B. 15-288 (COMPENSATION PAID TO ELECTED OFFICIALS):** Replaces the existing fixed dollar salaries listed in statute for certain state officials and state legislators with a new method for determining salaries that aligns them to certain judicial officers' salaries. The new method for determining these salaries will begin January 2019, and salary amounts will be adjusted every four years to maintain the alignment.

CHANGE IN SALARIES FOR SELECTED STATE OFFICIALS BEGINNING JANUARY 2019				
STATE OFFICIAL	CURRENT SALARY (ESTABLISHED JANUARY 1999)	BENCHMARKS FOR SALARIES BEGINNING JANUARY 2019		
		COLORADO JUDICIAL OFFICER	PERCENT OF JUDICIAL OFFICER SALARY	ESTIMATED SALARIES AS OF JANUARY 2019 <sup>1</sup>
Governor	\$90,000	Chief Justice, Colorado Supreme Court	66.0%	\$128,049
Lieutenant Governor	68,500	County Court Judges, Class B Counties	58.0%	97,040
Attorney General	80,000	Chief Judge, Colorado Court of Appeals	60.0%	111,916
State Legislators	30,000	County Court Judges, Class B Counties	25.0%	41,828
Secretary of State	68,500	County Court Judges, Class B Counties	58.0%	97,040
Treasurer	68,500	County Court Judges, Class B Counties	58.0%	97,040

<sup>1</sup> Estimates are based on judicial officer salaries established for FY 2015-16 through footnote 45 of the FY 2015-16 Long Bill (S.B. 15-234), increased by estimated inflation rates of 2.5 percent in FY 2016-17 and 2.3 percent each fiscal year thereafter.

Increases statutory salaries for county commissioners, sheriffs, treasurers, assessors, clerks, coroners, and surveyors by 30.0 percent, effective January 2016. Requires the Director of Research of the Legislative Council to periodically adjust the salaries of these elected county officials for inflation, and post the adjusted salary amounts on the General Assembly's web site.

**S.B. 15-290 (COLORADO STUDENT LEADERS INSTITUTE):** Creates the "Colorado Student Leaders Institute," a competitive summer residential education program for high school students. The institute will operate for four weeks each summer on the campus of an institution of higher education. Transfers \$218,825 from the Department of Education's State Education Fund to the Office of the Lieutenant Governor for FY 2015-16. The Office will use the funds to implement the program and hire 1.0 FTE for program administration. For more information on this bill, please see the "Recent Legislation" section in the Department of Education section of this document.

**H.B. 15-1004 (FIREFIGHTER MOTORCYCLE LICENSE PLATE):** Directs the Department of Revenue to issue firefighter license plates for motorcycles, passenger cars, trucks, or recreational motor vehicles that do not exceed 16,000 pounds empty weight. This adds motorcycles to the list of vehicles that may use a firefighter license plate. Transfers \$4,120 from the Department of Revenue's Colorado State Titling and Registration Account in the Highway Users Tax Fund to the Governor's Office of Information Technology to update the Colorado State Titling and Registration System (CSTARS).

**H.B. 15-1026 (RESERVED PARKING DISABLED MILITARY LICENSE PLATES):** Allows the Division of Motor Vehicles (DMV) within the Department of Revenue to create and issue a people with disabilities (PWD) version for each of the 36 other military special license plates. The DMV will also create a people with disabilities version of each of the 36 military motorcycle special license plates. In total, 72 new PWD military veterans license plates will be created. Appropriates \$58,134 cash funds to the Department of Revenue in FY 2015-16. Of this amount, \$52,942 is reappropriated to the Governor's Office of Information Technology to update the Colorado State Titling and Registration System (CSTARS).

**H.B. 15-1170 (INCREASING POSTSECONDARY AND WORKFORCE READINESS):** Creates the position of postsecondary and workforce readiness statewide coordinator within the Department of Labor and Employment to work with local education providers, businesses, industry, area vocational schools, community colleges, the Department of Education, the Department of Higher Education, and the career and technical education division within the community college system to raise the level of postsecondary and workforce readiness achieved by high school students. Beginning in FY 2016-17, modifies the statewide education accountability system by requiring the Department of Education to include the percentages of high school graduates who enroll in a career and technical education program, community college, or four-year institution of higher education as measures of postsecondary and workforce readiness. For FY 2015-16, makes the following appropriations: (1) \$92,934 General Fund and 0.7 FTE to the Department of Education; (2) \$118,969 General Fund to the Department of Labor and Employment (DOLE); and (3) \$20,000 reappropriated funds (from the appropriation to the DOLE) to the Office of the Governor for information technology services.

**H.B. 15-1219 (ENTERPRISE ZONE INVESTMENT TAX CREDIT FOR RENEWABLE ENERGY PROJECTS):** Allows a taxpayer who places a renewable energy project in an enterprise zone and receives certification to claim an Enterprise Zone Investment Tax Credit (ITC) for the project and an option to receive a refund of the credit. The amount of the refund is equal to 80 cents for every one dollar of ITC credit and is capped at \$750,000 per tax year and taxpayer. Renewable energy investments completed on or after January 1, 2015 may elect to receive a refund. A taxpayer can only receive a refund from one new renewable investment at a time. The taxpayer must exhaust the full amount of the refund from one project before electing to receive a refund from another renewable energy investment that generated ITC credits. Requires the Governor's Office of Economic Development and International Trade to annually post on its website the level of renewable energy investment and other information resulting from the refund. Appropriates \$20,000 General Fund to the Office for FY 2015-16 to modify the computer system that manages program data. Additionally, appropriates \$33,000 General Fund to the Department of Revenue in FY 2015-16. Of this amount, \$1,200 is reappropriated to the Department of Personnel.

**H.B. 15-1313 (ROCKY MOUNTAIN NATIONAL PARK LICENSE PLATE):** Creates the Rocky Mountain National Park License Plate. For FY 2015-16, it appropriates \$5,452 cash funds to the Department of Revenue and \$4,120 in reappropriated funds to the Governor's Office of Information Technology to update the Colorado State Titling and Registration System (CSTARS).

**H.B. 15-1366 (EXPAND JOB GROWTH TAX CREDIT FOR HIGHER EDUCATION PROJECTS):** Changes the job growth incentive tax credit for taxpayers who enter into a partnership with a state institution of higher education. In particular, this bill allows the credit to be refundable under certain conditions and relaxes the requirements to qualify for the credit. Firms must create at least five jobs with wages of at least 100.0 percent of the average wage within the county in which the new jobs are located, and retain those jobs for one year. For FY 2015-16, appropriates \$94,251 General Fund and 1.0 FTE to the Office of Economic Development and International Trade to administer the program and to modify the computer system that manages program data.

**H.B. 15-1367 (RETAIL MARIJUANA TAXES):** The act refers a ballot issue to voters on November 3, 2015, asking whether the State may retain and spend revenue collected from the Proposition AA excise and special sales taxes on retail marijuana in FY 2014-15. Further, it creates a Proposition AA Refund Account (Refund Account) in the General Fund. The Refund Account comprises \$58.0 million, the amount expected to be collected from Proposition AA taxes in FY 2014-15. Of this amount, \$27.7 million is a transfer from the Marijuana Tax Cash Fund (MTCF) pursuant to Senate Bill 15-249, and \$30.3 million is from the General Fund. If voters approve the ballot issue, the bill apportions the amount in the Refund Account for expenditure during FY 2015-16. If voters reject the ballot issue, the bill establishes mechanisms to refund money in the Account to taxpayers in FY 2015-16. Voters approved the issue in November 2015.

Independent of whether the voters approve the ballot issue, the act:

- lowers the retail marijuana excise and special sales tax rates to zero effective September 16, 2015, and raises them back to 15.0 percent and 10.0 percent, respectively, effective September 17, 2015;
- lowers the retail marijuana special sales tax rate from 10.0 percent to 8.0 percent beginning July 1, 2017;
- repeals current law requiring the Finance Committees of the General Assembly to review tax rates by April 1, 2016;
- transfers any marijuana excise tax revenue collected in excess of \$40.0 million during a single fiscal year to the Public School Fund rather than the MTCF;
- broadens purposes for which funds in the MTCF can be expended and requires the Marijuana Enforcement Division to report on its website how tax revenue is spent;
- requires that appropriations from the MTCF for jail-based behavioral health services be made through the Correctional Treatment Cash Fund;
- creates the Local Government Retail Marijuana Impact Grant Program (described below); and
- makes conforming adjustments to appropriations in the 2015 Long Bill, as detailed in the following table.

SECTION 22 APPROPRIATIONS NOT DEPENDENT ON OUTCOME OF BALLOT QUESTION			
DEPARTMENT/RECIPIENT	FUND SOURCE	DOLLAR AMOUNT	FTE
Department of Agriculture	Marijuana Tax Cash Fund	\$314,633	4.3
Department of Law	Reappropriated funds from Department of Local Affairs	1,890	0.0
Department of Law	Reappropriated funds from Department of Agriculture	24,703	0.1
Department of Local Affairs	Marijuana Tax Cash Fund	71,342	1.0
Department of Revenue	Marijuana Tax Cash Fund	25,440	0.0
<b>TOTAL</b>		<b>\$438,008</b>	<b>1.1</b>
<i>2015 Long Bill Conforming Adjustments</i>			
Department of Human Services	Marijuana Tax Cash Fund	(\$1,550,000)	0.0
Department of Human Services	Reappropriated funds from Correctional Treatment Cash Fund	1,550,000	0.0
Correctional Treatment Cash Fund	Marijuana Tax Cash Fund	1,550,000	0.0
Judicial Department	Correctional Treatment Cash Fund	1,550,000	0.0

The act requires that the General Fund be reimbursed between FY 2014-15 and FY 2019-20 for the \$30.3 million deposited in the Proposition AA Refund Account. The schedule and amount of the reimbursement depends on whether voters approve or reject the ballot issue.

CONTINGENCIES IN ACT RELATED TO THE OUTCOME OF THE BALLOT ISSUE			
IF APPROVED	AMOUNT	IF REJECTED	AMOUNT
Explicitly describes how the funds identified for the refund (\$58.0 million) would be spent:		Describes how the Proposition AA Refund will be made:	
\$40.0 million is transferred to the Public School Capital Construction Fund, known as the BEST Fund	\$40,000,000	\$25.0 million refunded via the six-tier sales tax refund mechanism	\$25,000,000
\$2.5 million to the Department of Public Health and Environment (CDPHE) for the marijuana education campaign	2,500,000	\$19.7 million refunded to marijuana cultivators who paid a retail marijuana excise tax in FY 2014-15	19,700,000
\$1.0 million to CDPHE for the dissemination of information from poison control centers	1,000,000	\$13.3 million refunded via a special sales tax rate reduction	13,300,000

**CONTINGENCIES IN ACT RELATED TO THE OUTCOME OF THE BALLOT ISSUE**

IF APPROVED	AMOUNT	IF REJECTED	AMOUNT
\$2.0 million to the School Bullying Prevention and Education Cash Fund administered by the Colorado Department of Education (CDE)	2,000,000	DOLA will not begin making grants through the Local Government Retail Marijuana Impact Grant Program until FY 2016-17	
\$2.0 million to CDE via the Student Re-Engagement Program Cash Fund for costs associated with the student re-engagement program	2,000,000	In FY 2015-16, \$6.06 million is retained in the General Fund from revenue that would have been transferred to the MTCF to repay \$30.3 million General Fund identified for the refund	<u>6,060,000</u>
\$1.0 million to the Department of Human Services (DHS) via the Youth Mentoring Services Cash Fund for costs associated with youth mentoring services	1,000,000		Total/ <sup>1</sup> \$64,060,000
\$1.0 million to DHS for the provision of grants through the Tony Grampas youth mentoring program	1,000,000		
\$0.5 million to the Department of Health Care Policy and Financing for grants to substance the substance abuse screening, brief intervention, and referral to treatment (SBIRT) program	500,000		
\$0.3 million to the Department of Agriculture for Future Farmers of American and 4-H programs at the state fair	300,000		
\$1.0 million to the Department of Local Affairs (DOLA) for grants through the Local Government Retail Marijuana Impact (LGRMI) Grant Program	1,000,000		
\$0.5 million to DHS for treatment and detoxification contracts	500,000		
\$0.2 million to the Department of Law (DOL) for Peace Officers Standards and Training (POST) Board	200,000		
\$6.0 retained in the General Fund to begin repayment of the \$30.3 million General Fund identified for the refund	6,000,000		
Appropriates \$82,132 and 1.0 FTE from the MTCF to DOLA for additional expenditures requires to make grants through the LGRMI Grant Program	82,132		
Of the \$82,132 to DOLA, \$21,803 is reappropriated to the Office of Information Technology	21,803		
Of the \$82,132 to DOLA, \$2,835 is reappropriated to the Office of Information Technology	<u>2,835</u>		
<b>Total/<sup>1</sup></b>	<b>\$58,106,770</b>		

<sup>1</sup> Does not total \$58.0 million due to inclusion of reappropriated funds and FY 2015-16 appropriations in totals.

The Local Government Retail Marijuana Impact Program is to be administered by the Division of Local Government in the Department of Local Affairs. Local governments eligible to receive grants from the program are those that:

- Permit the sale of retail marijuana but do not impose a tax, except sales taxes that apply uniformly to all products;
- Counties where no retail marijuana is sold in unincorporated areas, but where retail marijuana is sold in one of more municipalities within the county;
- Counties where no marijuana is sold, but where retail marijuana is sold in a contiguous county; and
- Municipalities where no retail marijuana is sold, but where retail marijuana is sold in another municipality or unincorporated area of the same county, or in any part of a contiguous county.

For more information about bills related to the topic of marijuana and the disposition of marijuana taxes made through the 2015 Long Bill, please refer to Appendix K – Marijuana.

2016 SESSION BILLS

**S.B. 16-030 (MOTOR VEHICLE WEIGHT VIOLATION SURCHARGES):** Under current law, individuals convicted of violating motor vehicle weight limits or the terms of overweight permits must pay a variable penalty and a surcharge, depending on the level of excess weight. The bill changes the variable surcharge rate to a flat 16 percent of the penalty for all violations. Appropriates \$12,566 cash funds to the Department of Revenue to implement this change and reappropriates this amount to the Governor’s Office of Information Technology for the provision of information technology services.

**H.B. 16-1047 (INTERSTATE MEDICAL LICENSURE COMPACT):** Enacts the Interstate Medical Licensure Compact and authorizes the Governor to enter into the Compact on behalf of Colorado. Under the Compact, physicians licensed in a member state may obtain an expedited license in other member states, allowing them to practice in Colorado or in another member state. The compact is governed by the Interstate Medical Licensure Commission (interstate commission). Appropriates \$331,019 cash funds to the Department of Regulatory Agencies for FY 2016-17 to implement the compact and reappropriates \$113,300 of this amount to the Governor’s Office of Information Technology for the provision of information technology services.

**H.B. 16-1097 (PUC PERMIT FOR MEDICAID TRANSPORTATION PROVIDERS):** Allows providers of non-emergency transportation to Medicaid clients to operate under a limited regulation permit from the Public Utilities Commission (PUC). For FY 2016-17, the bill is expected to increase state revenue from permit fees by \$7,450, of which \$5,725 is subject to the TABOR limit, and it makes the following appropriations:

H.B. 16-1097 APPROPRIATIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Health Care Policy and Financing						
Transfer to Regulatory Agencies	\$78,328	\$59,578	\$0	\$0	\$18,750	0.0
Medical Services Premiums	(215,271)	(\$69,405)	(2,549)	\$0	(143,317)	0.0
Public Safety						
Colorado Crime Information Center	2,636	0	2,636	0	0	0.0
Law						
Legal Services to State Agencies	23,753	0	0	23,753	0	0.1
Office of the Governor						
Office of Information Technology	8,755	0	0	8,755	0	0.0
<b>TOTAL</b>	<b>(\$101,799)</b>	<b>(\$9,827)</b>	<b>\$87</b>	<b>\$32,508</b>	<b>(\$124,567)</b>	<b>0.1</b>

**H.B. 16-1227 (EXEMPTIONS CHILD SUPPORT REQMNNTS CHILD CARE ASSIST):** Specifies that a teen parent is not required to submit an application for child support establishment as a condition of receiving child care assistance. However, the county can require the parent to submit an application for child support establishment in order to receive child care assistance once they no longer qualify as a teen parent. Specifies that a county cannot require an application for child support establishment as a condition of receiving child care assistance if the applicant submits a statement indicating that he or she has been the victim of domestic violence, a sexual offense, harassment, or stalking. Appropriates \$268,562 federal funds to the Department of Human Services to purchase information technology services and reappropriates this amount to the Governor’s Office of Information Technology for the service provision.

**H.B. 16-1239 (SUPPLEMENTAL BILL):** Supplemental appropriation to the Office of the Governor to modify appropriations for FY 2015-16.

**H.B. 16-1405 (LONG BILL):** General appropriations act for FY 2016-17.

# Details

## DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

### FY 2015-16 AND FY 2016-17 APPROPRIATIONS BY DIVISION AND BILL

DEPARTMENT OF HEALTH CARE POLICY AND FINANCING						
	TOTAL FUNDS	GENERAL FUND <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 TOTAL APPROPRIATION:</b>	<b>\$9,112,384,274</b>	<b>\$2,500,140,061</b>	<b>\$1,156,297,382</b>	<b>\$17,003,651</b>	<b>\$5,438,943,180</b>	<b>422.2</b>
<b>BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION</b>						
Executive Director's Office	\$277,807,596	\$61,494,693	\$31,343,500	\$3,668,890	\$181,300,513	388.0
Medical Services Premiums	6,877,424,675	1,838,677,887	819,317,292	9,145,518	4,210,283,978	0.0
Behavioral Health Community Programs	618,218,941	170,136,807	10,266,952	0	437,815,182	0.0
Office of Community Living	511,459,786	242,627,030	35,394,381	1,695,000	231,743,375	34.2
Indigent Care Program	495,078,971	12,158,464	208,254,868	0	274,665,639	0.0
Other Medical Services	222,071,212	123,027,864	49,767,175	2,491,722	46,784,451	0.0
Department of Human Services Medicaid-Funded Programs	110,323,093	52,017,316	1,953,214	2,521	56,350,042	0.0
<b>BREAKDOWN OF TOTAL APPROPRIATION BY BILL</b>						
SB 15-234	\$8,873,331,056	\$2,506,252,972	\$1,024,522,841	\$6,110,549	\$5,336,444,694	413.7
SB 15-011	362,649	179,347	0	0	183,302	0.8
SB 15-228	539,823	269,912	0	0	269,911	4.0
HB 15-1186	10,616,568	367,564	4,840,203	0	5,408,801	0.0
HB 15-1309	37,606	10,815	833	0	25,958	0.0
HB 15-1318	2,176,695	0	788,347	0	1,388,348	2.7
HB 15-1367	500,000	500,000	0	0	0	0.0
HB 15-1368	3,390,000	0	1,695,000	1,695,000	0	0.0
HB 16-1240	154,428,164	9,845,164	117,432,305	9,198,102	17,952,593	1.0
HB 16-1405	67,001,713	(17,285,713)	7,017,853	0	77,269,573	0.0
<b>FY 2016-17 TOTAL APPROPRIATION:</b>	<b>\$9,116,880,878</b>	<b>\$2,654,394,214</b>	<b>\$1,012,485,521</b>	<b>\$12,406,599</b>	<b>\$5,437,594,544</b>	<b>435.8</b>
<b>BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION</b>						
Executive Director's Office	\$273,643,063	\$63,612,420	\$31,970,000	\$3,828,984	\$174,231,659	400.3
Medical Services Premiums	6,818,264,595	1,942,439,768	705,708,120	5,240,893	4,164,875,814	0.0
Behavioral Health Community Programs	662,617,330	183,627,684	16,633,015	0	462,356,631	0.0
Office of Community Living	506,758,485	260,652,220	1,876,332	845,000	243,384,933	35.5
Indigent Care Program	505,068,224	12,248,677	202,679,964	0	290,139,583	0.0
Other Medical Services	241,059,813	139,398,685	51,751,948	2,491,722	47,417,458	0.0
Department of Human Services Medicaid-Funded Programs	109,469,368	52,414,760	1,866,142	0	55,188,466	0.0
<b>BREAKDOWN OF TOTAL APPROPRIATION BY BILL</b>						
HB 16-1405	\$9,059,846,783	\$2,660,581,107	\$985,068,901	\$12,406,599	\$5,401,790,176	432.0
SB 16-027	(29,917)	(9,084)	(409)	0	(20,424)	0.0
SB 16-038	60,416	0	30,208	0	30,208	1.0
SB 16-120	188,000	35,350	3,450	0	149,200	0.0
SB 16-192	277,573	0	138,787	0	138,786	1.8

**DEPARTMENT OF HEALTH CARE POLICY AND FINANCING**

	TOTAL FUNDS	GENERAL FUND <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 16-199	225,000	0	225,000	0	0	0.0
HB 16-1097	(136,943)	(9,827)	(2,549)	0	(124,567)	0.0
HB 16-1277	25,000	2,500	0	0	22,500	0.0
HB 16-1321	138,027	0	13,803	0	124,224	0.0
HB 16-1407	592,703	245,639	0	0	347,064	1.0
HB 16-1408	55,694,236	(6,451,471)	27,008,330	0	35,137,377	0.0
<b>INCREASE/(DECREASE)</b>	<b>\$4,496,604</b>	<b>\$154,254,153</b>	<b>(\$143,811,861)</b>	<b>(\$4,597,052)</b>	<b>(\$1,348,636)</b>	<b>13.6</b>
Percentage Change	0.0%	6.2%	(12.4%)	(27.0%)	(0.0%)	3.2%

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

**GENERAL FUND EXEMPT:** Amounts in the General Fund column include appropriations from both the General Fund and General Fund Exempt Account. The General Fund Exempt Account was created by Referendum C, passed by Colorado voters in November 2005. Referendum C allowed the State to retain for FY 2005-06 through FY 2009-10 all revenue collected in excess of the TABOR limit and for FY 2010-11 and subsequent fiscal years all revenues in excess of the TABOR limit but less than the excess state revenues cap. The retained revenue must be placed in the General Fund Exempt Account. The table below shows the amount appropriated from the General Fund Exempt Account for FY 2015-16 and FY 2016-17 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. For additional information on General Fund Exempt appropriations, see Appendix H.

GENERAL FUND SUMMARY	TOTAL GENERAL FUND	GENERAL FUND	GENERAL FUND EXEMPT
FY 2015-16	\$2,500,140,061	\$1,690,688,001	\$809,452,060
FY 2016-17	\$2,654,394,214	\$1,780,126,624	\$874,267,590

**INFORMATIONAL FUNDS:** The FY 2016-17 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 2016-17 Appropriations containing an (I) notation	\$249,004,204	\$0	\$5,859,623	\$0	\$243,144,581

**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
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$266,518,407	\$60,696,819	\$29,669,200	\$3,618,827	\$172,533,561	383.2
SB 15-011	112,102	56,052	0	0	56,050	0.8
SB 15-228	539,823	269,912	0	0	269,911	4.0
HB 15-1186	115,736	57,868	0	0	57,868	0.0
HB 15-1309	25,200	6,300	0	0	18,900	0.0
HB 16-1240	10,496,328	407,742	1,674,300	50,063	8,364,223	0.0
<b>TOTAL</b>	<b>\$277,807,596</b>	<b>\$61,494,693</b>	<b>\$31,343,500</b>	<b>\$3,668,890</b>	<b>\$181,300,513</b>	<b>388.0</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$277,807,596	\$61,494,693	\$31,343,500	\$3,668,890	\$181,300,513	388.0
CO Benefits Management System	10,341,806	3,345,421	1,301,573	38,970	5,655,842	0.0
HCBS settings final rule	669,623	334,812	0	0	334,811	1.0
Fed reg for managed care	665,066	332,533	0	0	332,533	4.0
Fed reg for assuring access	230,457	115,229	0	0	115,228	1.5
Centrally appropriated line items	143,674	(204,765)	257,249	32,011	59,179	0.0
Indirect cost assessment	59,489	(59,489)	46,187	60,710	12,081	0.0
Cervical cancer eligibility	38,771	0	19,386	0	19,385	0.0
Technical adjustments	0	0	0	0	0	0.0
Standard federal match	0	0	0	17,759	(17,759)	0.0
Annualize prior year legislation and budget actions	(16,533,507)	(1,998,727)	(317,752)	0	(14,217,028)	3.0
Provider enrollment fee	(1,061,183)	0	(1,061,183)	0	0	0.0
Transfers to other departments	(142,743)	(56,830)	0	10,644	(96,557)	0.0
Behavioral therapy benefit	(53,736)	(26,868)	0	0	(26,868)	0.0
Medicaid-Medicare grant true up	(46,881)	(6,656)	0	0	(40,225)	0.0
<b>HB 16-1405</b>	<b>\$272,118,432</b>	<b>\$63,269,353</b>	<b>\$31,588,960</b>	<b>\$3,828,984</b>	<b>\$173,431,135</b>	<b>397.5</b>
SB 16-120	188,000	35,350	3,450	0	149,200	0.0
SB 16-192	277,573	0	138,787	0	138,786	1.8
SB 16-199	225,000	0	225,000	0	0	0.0
HB 16-1097	78,328	59,578	0	0	18,750	0.0
HB 16-1277	25,000	2,500	0	0	22,500	0.0
HB 16-1321	138,027	0	13,803	0	124,224	0.0
HB 16-1407	592,703	245,639	0	0	347,064	1.0
<b>TOTAL</b>	<b>\$273,643,063</b>	<b>\$63,612,420</b>	<b>\$31,970,000</b>	<b>\$3,828,984</b>	<b>\$174,231,659</b>	<b>400.3</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$4,164,533)</b>	<b>\$2,117,727</b>	<b>\$626,500</b>	<b>\$160,094</b>	<b>(\$7,068,854)</b>	<b>12.3</b>
Percentage Change	(1.5%)	3.4%	2.0%	4.4%	(3.9%)	3.2%

**FY 2015-16 APPROPRIATION - MID-YEAR ADJUSTMENTS**

House Bill 16-1240 modifies FY 2015-16 appropriations to:

- Provide \$7.1 million federal funds to reimburse counties for eligibility determination services for Medicaid
- Add \$2.5 million total funds, including \$0.8 million General Fund, to mail out proof of insurance tax information from the Colorado Benefits Management System (CBMS) for Medicaid and Child Health Plan Plus (CHP+) enrollees and to adjust appropriations for CBMS based on up-to-date system usage statistics
- Provide \$1.2 million cash funds spending authority for a federally-required provider enrollment fee
- Make technical adjustments to true up appropriations to actual grant awards, adjust fund sources, and other miscellaneous changes

## FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

**CO BENEFITS MANAGEMENT SYSTEM (CBMS):** The appropriation includes an increase of \$10.3 million total funds, including \$3.3 million General Fund, to increase the base appropriation supporting CBMS and add an additional 117,276 vendor pool hours for CBMS enhancements. The money is reappropriated to the Governor's Office of Information Technology to arrange for service provision.

**HCBS SETTINGS FINAL RULE:** The appropriation includes an increase of \$669,623 total funds, including \$334,812 General Fund, and 1.0 FTE for work associated with the Centers for Medicare and Medicaid Services (CMS) final settings rule for services provided through the home- and community-based services waivers (HCBS). The final settings rules are designed to ensure individuals are actively involved in service and living choices.

**FED REG FOR MANAGED CARE:** The appropriation includes an increase of \$665,066 total funds, including \$332,533 General Fund, for 4.0 FTE and for contract actuarial and quality review services to implement a new federal regulation concerning managed care and program quality. Some of the provisions of the new federal rule driving the increased administrative costs include requirements for a state comprehensive quality strategy, actuarially sound capitation rates for managed care, detailed encounter data in health information systems, and standard medical loss ratios.

**FED REG FOR ASSURING ACCESS:** The appropriation provides \$230,457 total funds, including \$115,229 General Fund, for 1.5 FTE and for contract actuarial services to implement a new federal rule regarding the sufficiency of provider rates to assure access to services for Medicaid clients. Among other provisions, the new rule requires a regional analysis of access, a three-year review cycle for select provider rates, increased review of rates for services receiving access complaints, an assessment of access to care whenever a State Plan Amendment reduces or restructures rates, and remediation of any rate deficiencies identified through the procedures required by the rule.

**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; shift differential; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; vehicle lease payments; Capitol complex leased space; payments to the Governor's Office of Information Technology (OIT); and CORE operations.

**INDIRECT COST ASSESSMENT:** The appropriation includes a net increase in the Department's indirect cost assessment.

**CERVICAL CANCER ELIGIBILITY:** The appropriation provides an increase of \$38,771 total funds for administrative costs associated with expanding the age of women eligible for cervical cancer screenings through the Breast and Cervical Cancer Program from the current 40 to 64 years old to 21 to 64 years old. With the increase in screening a projected 54 more women are expected to be found eligible for Medicaid services and in need of treatment, and so there are increased costs in the Department of Health Care Policy and Financing. The state share of costs is cash funds from specialty license plates.

**TECHNICAL ADJUSTMENTS:** The appropriation includes miscellaneous transfers between line items and corrections to fund sources with no net change in the total appropriation.

**STANDARD FEDERAL MATCH:** The appropriation reflects the impact of the decrease in Colorado's "standard" federal medical assistance percentage (FMAP) from 50.79 percent in SFY 2015-16 to 50.20 percent in SFY 2016-17.

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

ANNUALIZE PRIOR YEAR LEGISLATION AND BUDGET ACTIONS						
	TOTAL	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 15-16 R9 Public health records	\$712,709	\$230,271	\$0	\$0	\$482,438	0.0
FY 07-08 S5 Revised PERM	588,501	147,125	102,988	0	338,388	0.0
FY 15-16 S12/BA12 Leased space	300,671	121,179	29,157	0	150,335	0.0
FY 15-16 R15 Primary care	109,808	54,904	0	0	54,904	0.0
FY 15-16 R10 Customer services	97,610	35,277	13,529	0	48,804	4.2
FY 15-16 BA13 Predictive analytics	11,259	1,126	0	0	10,133	0.1
SB 15-011 Spinal cord pilot	8,248	4,123	0	0	4,125	0.2
FY 15-16 BA8 Legacy systems	0	0	0	0	0	0.0
FY 15-16 R5 MMIS Reprocurement	(8,151,765)	(737,351)	(149,015)	0	(7,265,399)	0.0
FY 14-15 S7/BA7 MMIS Adjustment	(4,595,621)	(828,692)	(153,259)	0	(3,613,670)	0.0
FY 14-15 R5 Medicaid Health Information Exchange	(3,059,000)	(5,900)	0	0	(3,053,100)	0.0
HB 12-1281 Medicaid payment reform	(592,703)	(245,639)	0	0	(347,064)	(1.0)
FY 15-16 S9/BA9 CLAG & HCBS	(512,475)	(206,238)	(50,000)	0	(256,237)	0.0
FY 14-15 BA10 Enhanced FMAP	(500,000)	(246,212)	0	0	(253,788)	0.0
FY 14-15 BA12 Medicare-Medicaid enrollees	(217,685)	19,539	0	0	(237,224)	0.0
FY 15-16 R13 ACC Reprocurement	(150,000)	(75,000)	0	0	(75,000)	0.0
SB 14-159 Medical clean claims	(128,688)	(128,688)	0	0	0	0.0
HB 14-1360 Licensure of home care agencies	(110,000)	0	(110,000)	0	0	0.0
FY 15-16 R18 DDDWeb	(109,018)	(54,508)	0	0	(54,510)	0.0
FY 15-16 R7 Participant directed services	(99,291)	(24,645)	0	0	(74,646)	0.1
FY 15-16 Merit base pay	(34,597)	(15,094)	(1,907)	0	(17,596)	0.0
SB 11-177 Teen pregnancy	(31,061)	(15,530)	0	0	(15,531)	(0.6)
FY 15-16 Salary survey	(26,397)	(13,068)	755	0	(14,084)	0.0
HB 15-1309 Restoration by hygienists	(25,200)	(6,300)	0	0	(18,900)	0.0
SB 15-228 Provider rate review	(18,812)	(9,406)	0	0	(9,406)	0.0
<b>TOTAL</b>	<b>(\$16,533,507)</b>	<b>(\$1,998,727)</b>	<b>(\$317,752)</b>	<b>\$0</b>	<b>(\$14,217,028)</b>	<b>3.0</b>

**PROVIDER ENROLLMENT FEE:** The appropriation reduces funding by \$1.1 million cash funds from provider enrollment fees that pay for screening for fraud, waste, and abuse. Expenditures in FY 2015-16 were high due to a federal requirement that providers revalidate every five years.

**TRANSFERS TO OTHER DEPARTMENTS:** The appropriation reduces funding by \$142,743 total funds, including \$56,830 General Fund, for transfers to programs administered by other departments.

**BEHAVIORAL THERAPY BENEFIT:** The appropriation reduces funding by \$53,736 total funds, including \$26,868 General Fund, for administrative costs for a behavioral therapy benefit for children. Behavioral therapy is primarily used for children with autism to change maladaptive behaviors. The federal Centers for Medicare and Medicaid Services (CMS) recently denied a proposed expansion to Colorado's Children with Autism waiver that was authorized by H.B. 15-1186 and instead directed that behavioral therapy services must be provided for children, when medically necessary, pursuant to the federally mandatory Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) benefit.

**MEDICAID-MEDICARE GRANT TRUE UP:** The appropriation reduces funding by \$46,881 total funds, including a reduction of \$6,656 General Fund, to reflect changes in the amount, scope, and timing of a federal grant to coordinate care for people eligible for both Medicaid and Medicare.

**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 1,303,080 Medicaid clients in FY 2015-16. 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 <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$6,584,363,560	\$1,816,067,112	\$698,756,395	\$0	\$4,069,540,053	0.0
SB 15-011	250,547	123,295	0	0	127,252	0.0
HB 15-1186	10,205,160	164,846	4,840,203	0	5,200,111	0.0
HB 15-1309	11,217	4,515	690	0	6,012	0.0
HB 16-1240	213,234,125	34,093,714	110,294,265	9,145,518	59,700,628	0.0
HB 16-1405	69,360,066	(11,775,595)	5,425,739	0	75,709,922	0.0
<b>TOTAL</b>	<b>\$6,877,424,675</b>	<b>\$1,838,677,887</b>	<b>\$819,317,292</b>	<b>\$9,145,518</b>	<b>\$4,210,283,978</b>	<b>0.0</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$6,877,424,675	\$1,838,677,887	\$819,317,292	\$9,145,518	\$4,210,283,978	0.0
Medical Services Premiums	138,777,450	129,493,645	(108,375,575)	(3,904,625)	121,564,005	0.0
Annualize prior year legislation and budget actions	25,821,337	5,794,986	464,146	0	19,562,205	0.0
Behavioral therapy benefit	18,534,147	9,230,006	0	0	9,304,141	0.0
Cervical cancer eligibility	236,245	0	82,001	0	154,244	0.0
Standard federal match	0	16,899,407	2,103,578	0	(19,002,985)	0.0
ACA "Newly eligible" federal match	0	0	38,431,390	0	(38,431,390)	0.0
Restrict Hospital Provider Fee revenue	(146,693,573)	0	(73,149,728)	0	(73,543,845)	0.0
End of primary care rate bump	(145,075,634)	(49,519,402)	(1,642,057)	0	(93,914,175)	0.0
Medicaid-Medicare grant true up	(6,074,000)	0	0	0	(6,074,000)	0.0
Tobacco tax forecast	(135,100)	(1,606,801)	1,471,701	0	0	0.0
<b>HB 16-1405</b>	<b>\$6,762,815,547</b>	<b>\$1,948,969,728</b>	<b>\$678,702,748</b>	<b>\$5,240,893</b>	<b>\$4,129,902,178</b>	<b>0.0</b>
SB 16-027	(29,917)	(9,084)	(409)	0	(20,424)	0.0
HB 16-1097	(215,271)	(69,405)	(2,549)	0	(143,317)	0.0
HB 16-1408	55,694,236	(6,451,471)	27,008,330	0	35,137,377	0.0
<b>TOTAL</b>	<b>\$6,818,264,595</b>	<b>\$1,942,439,768</b>	<b>\$705,708,120</b>	<b>\$5,240,893</b>	<b>\$4,164,875,814</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$59,160,080)</b>	<b>\$103,761,881</b>	<b>(\$113,609,172)</b>	<b>(\$3,904,625)</b>	<b>(\$45,408,164)</b>	<b>0.0</b>
Percentage Change	(0.9%)	5.6%	(13.9%)	(42.7%)	(1.1%)	0.0%

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

## FY 2015-16 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 16-1240 and H.B. 16-1405 modify FY 2015-16 appropriations to:

- Add \$276.5 million, including \$26.1 million General Fund, to reflect more recent projections of Medicaid enrollment and utilization, with the most significant changes to the forecast being for the "newly eligible" populations that qualify under the Affordable Care Act for an enhanced federal match
- Increase funding by \$6.1 million federal funds to reflect the actual award for a demonstration grant program to coordinate care for people eligible for both Medicaid and Medicare

- Adjust fund sources, including a decrease of \$3.8 million General Fund, for the Old Age Pension State Medical program

FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

**MEDICAL SERVICES PREMIUMS:** The appropriation provides a net increase of \$138.8 million total funds, including an increase of \$129.5 million General Fund, to reflect a new forecast of enrollment, utilization, and per capita costs for medical services and long-term services and supports provided through Medicaid. The tables below show the projected year over year changes by detailed enrollment category. Note that these tables detail changes attributable to the forecast only and so they may not match other summary tables in this document that account for other legislation and policy changes beyond the forecast.

ENROLLMENT				
CATEGORY	FY 15-16	FY 16-17	DIFFERENCE	PERCENT
Adults 65+ to SSI	42,235	42,831	596	1.4%
Adults with Disabilities 60 to 64	10,541	11,058	517	4.9%
Individuals with Disabilities to 59	69,387	70,731	1,344	1.9%
Disabled Buy-In to 450% FPL	6,122	5,858	(264)	(4.3%)
Parents / Caretakers to 68% FPL	169,718	185,519	15,801	9.3%
Breast & Cervical Cancer to 250% FPL	293	154	(139)	(47.4%)
Children to 107% FPL	470,946	494,148	23,202	4.9%
SB 11-008 Children 107% to 147% FPL	59,725	64,623	4,898	8.2%
Foster Care to 26 years	19,796	19,806	10	0.1%
Pregnant Adults to 142% FPL	14,370	14,459	89	0.6%
SB 11-250 Pregnant 142% to 200% FPL	1,678	1,700	22	1.3%
Non-Citizens - Emergency Services	2,689	2,746	57	2.1%
Adults 65+ SSI to 135% FPL-Medicare premiums	<u>32,330</u>	<u>36,113</u>	<u>3,783</u>	11.7%
<b>Subtotal - Traditional Medicaid</b>	<b>899,830</b>	<b>949,746</b>	<b>49,916</b>	<b>5.5%</b>
<u>ACA "Newly Eligible"</u>				
Parents / Caretakers 69% to 138% FPL	85,399	90,649	5,250	6.1%
Adults w/out Dependent Children to 138% FPL	<u>317,851</u>	<u>345,496</u>	<u>27,645</u>	8.7%
<b>Subtotal - ACA "Newly Eligible"</b>	<b>403,250</b>	<b>436,145</b>	<b>32,895</b>	<b>8.2%</b>
<b>TOTAL</b>	<b>1,303,080</b>	<b>1,385,891</b>	<b>82,811</b>	<b>6.4%</b>

EXPENDITURES				
CATEGORY	FY 15-16	FY 16-17	DIFFERENCE	PERCENT
Adults 65+ to SSI	\$1,041,516,111	\$1,111,060,470	\$69,544,359	6.7%
Adults with Disabilities 60 to 64	203,649,655	214,949,498	11,299,843	5.5%
Individuals with Disabilities to 59	1,082,916,479	1,146,282,209	63,365,730	5.9%
Disabled Buy-In to 450% FPL	33,580,394	34,829,398	1,249,004	3.7%
Parents / Caretakers to 68% FPL	505,829,821	519,009,553	13,179,732	2.6%
Breast & Cervical Cancer to 250% FPL	3,743,934	1,936,016	(1,807,918)	(48.3%)
Children to 107% FPL	890,598,315	901,962,860	11,364,545	1.3%
SB 11-008 Children 107% to 147% FPL	95,109,855	100,716,518	5,606,663	5.9%
Foster Care to 26 years	87,513,714	90,232,097	2,718,383	3.1%
Pregnant Adults to 142% FPL	154,535,053	155,092,294	557,241	0.4%
SB 11-250 Pregnant 142% to 200% FPL	16,185,345	16,380,860	195,515	1.2%
Non-Citizens - Emergency Services	38,215,597	38,690,531	474,934	1.2%
Adults 65+ SSI to 135% FPL-Medicare premiums	<u>43,378,775</u>	<u>52,310,775</u>	<u>8,932,000</u>	20.6%
<b>Subtotal - Traditional Medicaid</b>	<b>\$4,196,773,048</b>	<b>\$4,383,453,079</b>	<b>\$186,680,031</b>	<b>4.4%</b>
<u>ACA "Newly Eligible"</u>				
Parents / Caretakers 69% to 138% FPL	217,180,511	227,317,845	10,137,334	4.7%
Adults w/out Dependent Children to 138% FPL	<u>1,256,638,190</u>	<u>1,347,295,324</u>	<u>90,657,134</u>	7.2%
<b>Subtotal - ACA "Newly Eligible"</b>	<b>\$1,473,818,701</b>	<b>\$1,574,613,169</b>	<b>\$100,794,468</b>	<b>6.8%</b>

EXPENDITURES				
CATEGORY	FY 15-16	FY 16-17	DIFFERENCE	PERCENT
<b>Services Subtotal</b>	<b>\$5,670,591,749</b>	<b>\$5,958,066,248</b>	<b>\$287,474,499</b>	<b>5.1%</b>
Booster Payments / Financing	<u>1,200,758,926</u>	<u>804,648,154</u>	<u>(396,110,772)</u>	(33.0%)
<b>TOTAL</b>	<b>\$6,871,350,675</b>	<b>\$6,762,714,402</b>	<b>(\$108,636,273)</b>	<b>(1.6%)</b>

PER CAPITA EXPENDITURES				
CATEGORY	FY 15-16	FY 16-17	DIFFERENCE	PERCENT
Adults 65+ to SSI	\$24,660.02	\$25,940.57	\$1,280.54	5.2%
Adults with Disabilities 60 to 64	\$19,319.77	\$19,438.37	\$118.60	0.6%
Individuals with Disabilities to 59	\$15,606.91	\$16,206.22	\$599.31	3.8%
Disabled Buy-In to 450% FPL	\$5,485.20	\$5,945.61	\$460.41	8.4%
Parents / Caretakers to 68% FPL	\$2,980.41	\$2,797.61	(\$182.80)	(6.1%)
Breast & Cervical Cancer to 250% FPL	\$12,777.93	\$12,571.53	(\$206.40)	(1.6%)
Children to 107% FPL	\$1,891.08	\$1,825.29	(\$65.79)	(3.5%)
SB 11-008 Children 107% to 147% FPL	\$1,592.46	\$1,558.52	(\$33.94)	(2.1%)
Foster Care to 26 years	\$4,420.78	\$4,555.80	\$135.02	3.1%
Pregnant Adults to 142% FPL	\$10,754.01	\$10,726.35	(\$27.66)	(0.3%)
SB 11-250 Pregnant 142% to 200% FPL	\$9,645.62	\$9,635.80	(\$9.82)	(0.1%)
Non-Citizens - Emergency Services	\$14,211.82	\$14,089.78	(\$122.05)	(0.9%)
Adults 65+ SSI to 135% FPL-Medicare premiums	\$1,341.75	\$1,448.53	\$106.78	8.0%
<u>ACA "Newly Eligible"</u>				
Parents / Caretakers 69% to 138% FPL	\$2,543.13	\$2,507.67	(\$35.46)	(1.4%)
Adults w/out Dependent Children to 138% FPL	\$3,953.54	\$3,899.60	(\$53.95)	(1.4%)
<b>TOTAL (without booster payments/financing)</b>	<b>\$4,351.68</b>	<b>\$4,299.09</b>	<b>(\$52.60)</b>	<b>(1.2%)</b>

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

ANNUALIZE PRIOR YEAR LEGISLATION AND BUDGET ACTIONS						
	TOTAL	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 15-16 R12 Rate increases	\$19,170,823	\$7,013,018	\$442,815	\$0	\$11,714,990	0.0
FY 15-16 R6 CHP+ Enrollment	12,281,696	1,410,508	45,663	0	10,825,525	0.0
SB 15-011 Spinal cord pilot	18,823	9,451	0	0	9,372	0.0
HB 15-1309 Restoration by hygienists	12,620	5,160	690	0	6,770	0.0
FY 14-15 BA12 Medicare-Medicaid enrollees	(4,358,400)	(2,122,680)	0	0	(2,235,720)	0.0
FY 15-16 R7 Participant directed services	(1,120,328)	(552,961)	0	0	(567,367)	0.0
SB 11-177 Teen pregnancy	(183,897)	32,490	(25,022)	0	(191,365)	0.0
<b>TOTAL</b>	<b>\$25,821,337</b>	<b>\$5,794,986</b>	<b>\$464,146</b>	<b>\$0</b>	<b>\$19,562,205</b>	<b>0.0</b>

**BEHAVIORAL THERAPY BENEFIT:** The appropriation includes an increase of \$18.5 million total funds, including \$9.2 million General Fund, for a behavioral therapy benefit for children. Behavioral therapy is primarily used for children with autism to change maladaptive behaviors. The federal Centers for Medicare and Medicaid Services (CMS) recently denied a proposed expansion to Colorado's Children with Autism waiver that was authorized by H.B. 15-1186 and instead directed that behavioral therapy services must be provided for children, when medically necessary, pursuant to the federally mandatory Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) benefit.

**CERVICAL CANCER ELIGIBILITY:** The appropriation includes an increase of \$236,245 total funds for expanding the age of women eligible for cervical cancer screenings through the Breast and Cervical Cancer Program from the current 40 to 64 years old to 21 to 64 years old. With the increase in screening a projected 54 more women are expected to be found eligible for Medicaid services and in need of treatment, and so there are increased costs in the

Department of Health Care Policy and Financing. The state share of costs is projected to be \$82,001 cash funds from specialty license plates.

**STANDARD FEDERAL MATCH:** The appropriation reflects the impact of the decrease in Colorado's "standard" federal medical assistance percentage (FMAP) from 50.79 percent in SFY 2015-16 to 50.20 percent in SFY 2016-17.

**ACA "NEWLY ELIGIBLE" FEDERAL MATCH:** The appropriation reflects the impact of the decrease in the match rate for services to adults defined as "newly eligible" pursuant to the federal Affordable Care Act (ACA). This match rate will decrease from 100.0 percent in SFY 2015-16 to 97.5 percent in SFY 2016-17.

**RESTRICT HOSPITAL PROVIDER FEE REVENUE:** The appropriation reduces funding by \$73.1 million cash funds from the Hospital Provider Fee and \$73.5 million matching federal funds to conform with the model approved by the Hospital Provider Fee Oversight and Advisory Board. The reduction in Hospital Provider Fee revenues results in a lower projected General Fund obligation for the TABOR refund.

**END OF PRIMARY CARE RATE BUMP:** The appropriation reduces funding by \$145.1 million total funds, including \$49.5 million General Fund, for the end of the primary care rate bump that raised Medicaid reimbursement for primary care services to the equivalent Medicare reimbursement. The bump was originally implemented for calendar year 2013 and 2014 with federal funds and then extended (with some modifications) through FY 2015-16 using state funds that were freed up by a short-term increase in the federal match rate for Medicaid. A portion of this reduction is restored in H.B. 16-1408. See the description of H.B. 16-1408 for more information.

**MEDICAID-MEDICARE GRANT TRUE UP:** The appropriation reduces funding by \$6.1 million federal funds to reflect changes in the amount, scope, and timing of a federal grant to coordinate care for people eligible for both Medicaid and Medicare.

**TOBACCO TAX FORECAST:** The appropriation includes a net decrease of \$135,100 total funds, including a reduction of \$1.6 million General Fund, to reflect changes in the projected revenue from the tobacco tax and the formula allocations of tobacco tax funds to programs administered by the Department.

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

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## BEHAVIORAL HEALTH COMMUNITY PROGRAMS

This division provides funding for Medicaid clients' mental health and substance use disorder care through the purchase of services from regional behavioral health organizations (BHOs). Each BHO receives a pre-determined monthly amount for each Medicaid client within its geographic region who is eligible for behavioral health services. This division also provides funding for Medicaid fee-for-service payments for behavioral health services provided to clients who are not enrolled in a BHO and for the provision of behavioral health services that are not covered by the BHO contract. Appropriations for FY 2016-17 reflect funding for a projected 1,347,086 Medicaid clients 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
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$654,139,950	\$190,886,935	\$9,111,432	\$0	\$454,141,583	0.0
HB 15-1186	295,672	144,850	0	0	150,822	0.0
HB 16-1240	(46,143,264)	(16,974,835)	(278,601)	0	(28,889,828)	0.0
HB 16-1405	9,926,583	(3,920,143)	1,434,121	0	12,412,605	0.0
<b>TOTAL</b>	<b>\$618,218,941</b>	<b>\$170,136,807</b>	<b>\$10,266,952</b>	<b>\$0</b>	<b>\$437,815,182</b>	<b>0.0</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$618,218,941	\$170,136,807	\$10,266,952	\$0	\$437,815,182	0.0
Enrollment/utilization trends	40,412,189	11,292,718	(588,979)	0	29,708,450	0.0
Annualize prior year legislation and budget actions	3,969,688	370,812	329	0	3,598,547	0.0
Cervical cancer eligibility	16,512	0	5,732	0	10,780	0.0
Standard federal match	0	1,827,347	120,966	0	(1,948,313)	0.0
ACA "Newly eligible" federal match	0	0	6,828,015	0	(6,828,015)	0.0
<b>HB 16-1405</b>	<b>\$662,617,330</b>	<b>\$183,627,684</b>	<b>\$16,633,015</b>	<b>\$0</b>	<b>\$462,356,631</b>	<b>0.0</b>
<b>TOTAL</b>	<b>\$662,617,330</b>	<b>\$183,627,684</b>	<b>\$16,633,015</b>	<b>\$0</b>	<b>\$462,356,631</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$44,398,389</b>	<b>\$13,490,877</b>	<b>\$6,366,063</b>	<b>\$0</b>	<b>\$24,541,449</b>	<b>0.0</b>
Percentage Change	7.2%	7.9%	62.0%	n/a	5.6%	n/a

**FY 2015-16 APPROPRIATION - MID-YEAR ADJUSTMENTS**

House Bill 16-1240 and H.B. 16-1405 reduce FY 2015-16 appropriations by \$36.2 million to reflect changes in the Department's caseload and expenditure forecast from February 2015 to February 2016. First, the most recent forecast reflects capitation expenditures that are \$15.7 million lower than initially projected, primarily due to reductions in per-capita expenditures for most eligibility categories. Second, the most recent forecast also includes an overall reduction of \$20.5 million due to bottom-line BHO payment adjustments related to two sets of rate reconciliations:

- *Reduction of \$33.7 million:* Due to the uncertainty of the cost of serving the Adults Without Dependent Children population, the Department placed a "risk corridor" on the associated capitation rates, thereby splitting between the Department and the BHOs the risk of not setting accurate rates. The Department has determined that rates were initially set higher than actual BHO costs. The Department expects to recoup \$18.9 million for payments made from January through June 2014, and another \$14.7 million for payments made from July 2014 through June 2015.
- *Increase of \$13.2 million:* The Department has identified an information systems issue that has caused some individuals in the Parents/Caretakers (69 percent to 138 percent of the federal poverty level) eligibility category to be paid at the higher Adults Without Dependent Children category rate. The Department plans to recoup these payments in FY 2016-17 (an estimated \$13.2 million).

**FY 2016-17 APPROPRIATION – OVERVIEW**

The following table is provided to frame the discussion of each incremental budget change that follows. This table compares the most recent caseload and expenditure estimates for FY 2015-16 and FY 2016-17. This table corresponds to the total appropriations that are reflected in the table above, and thus it includes the impacts of all adjustments and benefit changes that are reflected in the appropriations for FY 2016-17.

**FY 2016-17 MEDICAID BEHAVIORAL HEALTH COMMUNITY PROGRAMS BUDGET OVERVIEW**

DESCRIPTION	FY 2015-16 ESTIMATE		FY 2016-17 ESTIMATE		ANNUAL CHANGE	
	CASELOAD	FUNDING	CASELOAD	FUNDING	CASELOAD	FUNDING
<b>Capitation Payments</b>						
<u>Eligibility Categories</u>						
Adults age 65+ (to SSI)	42,235	\$8,159,736	42,831	\$8,289,655	596	\$129,919
Adults:						
Parents/ Caretakers (to 68% FPL) and Pregnant Adults (to 200% FPL)	185,766	60,186,123	201,678	68,322,042	15,912	8,135,919
Parents/ Caretakers (69% to 138% FPL)*	85,399	39,254,634	90,649	22,363,544	5,250	(16,891,090)
Adults without Dependent Children (to 138% FPL)*	317,851	218,790,234	345,496	247,583,714	27,645	28,793,480
Breast and Cervical Cancer Program (to 250% FPL)	293	96,993	154	51,509	(139)	(45,484)
Individuals With Disabilities to age 64 (to 450% FPL)	86,050	136,795,370	87,647	142,275,072	1,597	5,479,702
Children (to 147% FPL)	530,671	128,412,597	558,771	140,363,874	28,100	11,951,277
Individuals In/ Formerly In Foster Care (up to age 26)	19,796	39,797,355	19,806	41,746,583	10	1,949,228
Subtotal	1,268,061	631,493,042	1,347,032	670,995,993	78,971	39,502,951
<u>Adjustments:</u>						
Date of death retractions		(1,241,762)		(1,117,587)		124,175
Adults without dependent children risk corridor reconciliation <sup>1</sup>		(33,651,114)		0		33,651,114
Parents/Caretakers (69% to 138% FPL) rate reconciliation <sup>2</sup>		13,177,191		(13,177,191)		(26,354,382)
Children rate reconciliation <sup>3</sup>				(3,067,698)		(3,067,698)
<u>Budget Initiatives:</u>						
Cervical cancer eligibility expansion		n/a	54	16,512	54	16,512
<b>Total Capitation Payments</b>	<b>1,268,061</b>	<b>\$609,777,357</b>	<b>1,347,086</b>	<b>\$653,650,029</b>	<b>79,025</b>	<b>\$43,872,672</b>
<b>Fee-for-service Payments</b>						
Inpatient		\$1,163,938		\$1,236,425		\$72,487
Outpatient		7,203,225		7,651,820		448,595
Physician		74,421		79,056		4,635
<b>Total Fee-for-Service</b>		<b>\$8,441,584</b>		<b>\$8,967,301</b>		<b>\$525,717</b>
<b>GRAND TOTAL</b>	<b>1,268,061</b>	<b>\$618,218,941</b>	<b>1,347,086</b>	<b>\$662,617,330</b>	<b>79,025</b>	<b>\$44,398,389</b>
					<b>6.2%</b>	<b>7.2%</b>

\* These are new eligibility categories authorized by S.B. 13-200.

<sup>1</sup> Due to the uncertainty of the cost of serving this population, the Department placed a "risk corridor" on the associated capitation rates, thereby splitting the risk of not setting accurate rates between the Department and the behavioral health organizations (BHOs). The Department has determined that rates were initially set higher than actual BHO costs. The Department expects to recoup a total of \$33.7 million for payments made from January 2014 through June 2015.

<sup>2</sup> This recoupment is needed for payments made in FY 2015-16 for some individuals in the Parents/ Caretakers (69% to 138% FPL) category. These payments were incorrectly based on the higher Adults Without Dependent Children category rate.

<sup>3</sup> This recoupment is needed for payments made in FY 2015-16 for some children. These children were incorrectly categorized and paid based on the Individuals with Disabilities category rate.

**FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS**

**ENROLLMENT/UTILIZATION TRENDS:** The appropriation includes an increase of \$40.4 million total funds, including an increase of \$11.3 million General Fund, for projected caseload and expenditure changes in both the capitation and fee-for-service Medicaid behavioral health programs.

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

**ANNUALIZE PRIOR YEAR LEGISLATION AND BUDGET ACTIONS**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 15-16 CHP+ Enrollment	\$3,942,077	\$364,154	\$0	\$0	\$3,577,923	0.0
FY 15-16 Rate increases	27,611	6,658	329	0	20,624	0.0
<b>TOTAL</b>	<b>\$3,969,688</b>	<b>\$370,812</b>	<b>\$329</b>	<b>\$0</b>	<b>\$3,598,547</b>	<b>0.0</b>

**CERVICAL CANCER ELIGIBILITY:** The appropriation includes an increase of \$16,512 total funds, including \$5,732 cash funds from the Breast and Cervical Cancer Prevention and Treatment Fund, for expanding the age of women eligible for cervical cancer screenings through the Breast and Cervical Cancer Program from the current 40 to 64 years old to 21 to 64 years old. With the increase in screening, a projected 54 more women are expected to be found eligible for Medicaid services, including behavioral health services.

**STANDARD FEDERAL MATCH:** The appropriation reflects the impact of the decrease in Colorado's "standard" federal medical assistance percentage (FMAP) from 50.79 percent in SFY 2015-16 to 50.20 percent in SFY 2016-17.

**ACA "NEWLY ELIGIBLE" FEDERAL MATCH:** The appropriation reflects the impact of the decrease in the match rate for services to adults defined as "newly eligible" pursuant to the federal Affordable Care Act (ACA). This match rate will decrease from 100.0 percent in SFY 2015-16 to 97.5 percent in SFY 2016-17.

**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
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$519,375,817	\$249,867,197	\$32,911,034	\$0	\$236,597,586	30.5
HB 15-1318	2,176,695	0	788,347	0	1,388,348	2.7
HB 15-1368	3,390,000	0	1,695,000	1,695,000	0	0.0
HB 16-1240	(14,834,944)	(7,288,014)	0	0	(7,546,930)	1.0
HB 16-1405	1,352,218	47,847	0	0	1,304,371	0.0
<b>TOTAL</b>	<b>\$511,459,786</b>	<b>\$242,627,030</b>	<b>\$35,394,381</b>	<b>\$1,695,000</b>	<b>\$231,743,375</b>	<b>34.2</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$511,459,786	\$242,627,030	\$35,394,381	\$1,695,000	\$231,743,375	34.2
Office of Community Living	28,434,677	13,572,461	0	0	14,862,216	0.0
Standard federal match	0	3,229,331	0	0	(3,229,331)	0.0
Remove client cash funds	(31,301,682)	0	(31,301,682)	0	0	0.0
Annualize prior year legislation and budget actions	(1,894,712)	1,223,398	(2,246,575)	(850,000)	(21,535)	0.3
<b>HB 16-1405</b>	<b>\$506,698,069</b>	<b>\$260,652,220</b>	<b>\$1,846,124</b>	<b>\$845,000</b>	<b>\$243,354,725</b>	<b>34.5</b>

OFFICE OF COMMUNITY LIVING						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 16-038	60,416	0	30,208	0	30,208	1.0
<b>TOTAL</b>	<b>\$506,758,485</b>	<b>\$260,652,220</b>	<b>\$1,876,332</b>	<b>\$845,000</b>	<b>\$243,384,933</b>	<b>35.5</b>
<b>INCREASE/(DECREASE)</b>	(\$4,701,301)	\$18,025,190	(\$33,518,049)	(\$850,000)	\$11,641,558	1.3
Percentage Change	(0.9%)	7.4%	(94.7%)	(50.1%)	5.0%	3.8%

#### FY 2015-16 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 16-1240 and H.B. 16-1405 reduce FY 2015-16 appropriations by \$13.5 million to reflect changes in the Department's caseload and expenditure forecast for home- and community-based services for people with intellectual and developmental disabilities from February 2015 to February 2016.

#### FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

**OFFICE OF COMMUNITY LIVING:** The appropriation includes an increase of \$28.4 million total funds, including \$13.6 million General Fund, for home- and community-based services for people with intellectual and developmental disabilities

**STANDARD FEDERAL MATCH:** The appropriation reflects the impact of the decrease in Colorado's "standard" federal medical assistance percentage (FMAP) from 50.79 percent in SFY 2015-16 to 50.20 percent in SFY 2016-17.

**REMOVE CLIENT CASH FUNDS:** The appropriation includes a reduction of \$31.3 million cash funds appropriated for informational purposes to the Comprehensive Waiver and the Preventive Dental Hygiene program. Prior to changes imposed to rate structure for services in 2008 the Department was required to collect information on the amount of client cash funds based on the annual SSI payment and local funds based on 5.0 percent of the non-residential component of the service costs. Once the changes were enacted starting in FY 2007-08, the Department stopped collecting this cash fund information.

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

ANNUALIZE PRIOR YEAR LEGISLATION AND BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 15-16 Participant directed services	\$2,168,204	\$1,070,163	\$0	\$0	\$1,098,041	0.0
FY 15-16 Rate increases	267,636	127,588	16,366	0	123,682	0.0
Annualize salary survey and merit pay	51,839	25,647	0	0	26,192	0.0
H.B. 15-1318 (Consolidate Intellectual and Developmental Disability Waivers)	(1,940,404)	0	(670,954)	0	(1,269,450)	0.3
FY 15-16 Waiver management dollars	(1,586,987)	0	(1,586,987)	0	0	0.0
H.B. 15-1368 (Cross-system Response Pilot Intellectual and Developmental Disabilities)	(855,000)	0	(5,000)	(850,000)	0	0.0
<b>TOTAL</b>	<b>(\$1,894,712)</b>	<b>\$1,223,398</b>	<b>(\$2,246,575)</b>	<b>(\$850,000)</b>	<b>(\$21,535)</b>	<b>0.3</b>

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

## INDIGENT CARE PROGRAM

This division contains funding for the following programs:

### INDIGENT CARE PROGRAM

This program provides partial reimbursement to participating hospitals and clinics that serve uninsured or under-insured clients. To be eligible for this program, clients must have income or assets equal to or lower than 250 percent of the federal poverty level (FPL) and may not qualify for assistance through the Medicaid program.

### CHILDREN'S BASIC HEALTH PLAN

This program provides health insurance to otherwise uninsured children from families at or below 250 percent of the federal poverty guidelines. The program also provides health insurance to eligible adult women between 185 percent and 250 percent of the federal poverty guidelines.

Funding sources include the General Fund, 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 2015-16 APPROPRIATION:						
SB 15-234	\$529,831,660	\$12,158,464	\$211,881,900	\$0	\$305,791,296	0.0
HB 15-1309	1,189	0	143	0	1,046	0.0
HB 16-1240	(22,754,546)	0	(3,785,168)	0	(18,969,378)	0.0
HB 16-1405	(11,999,332)	0	157,993	0	(12,157,325)	0.0
<b>TOTAL</b>	<b>\$495,078,971</b>	<b>\$12,158,464</b>	<b>\$208,254,868</b>	<b>\$0</b>	<b>\$274,665,639</b>	<b>0.0</b>
FY 2016-17 APPROPRIATION:						
FY 2015-16 Appropriation	\$495,078,971	\$12,158,464	\$208,254,868	\$0	\$274,665,639	0.0
Children's Basic Health Plan	9,484,571	(25,277)	(607,127)	0	10,116,975	0.0
Tobacco tax forecast	503,355	0	503,355	0	0	0.0
Annualize prior year legislation and budget actions	1,327	0	160	0	1,167	0.0
Standard federal match	0	115,490	(5,471,292)	0	5,355,802	0.0
<b>HB 16-1405</b>	<b>\$505,068,224</b>	<b>\$12,248,677</b>	<b>\$202,679,964</b>	<b>\$0</b>	<b>\$290,139,583</b>	<b>0.0</b>
<b>TOTAL</b>	<b>\$505,068,224</b>	<b>\$12,248,677</b>	<b>\$202,679,964</b>	<b>\$0</b>	<b>\$290,139,583</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$9,989,253</b>	<b>\$90,213</b>	<b>(\$5,574,904)</b>	<b>\$0</b>	<b>\$15,473,944</b>	<b>0.0</b>
Percentage Change	2.0%	0.7%	(2.7%)	n/a	5.6%	n/a

### FY 2015-16 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 16-1240 and H.B. 16-1405 reduce FY 2015-16 appropriations by \$34.8 million, mostly federal funds, to reflect a more recent forecast of enrollment and utilization in the Children's Basic Health Plan.

### FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

**CHILDREN'S BASIC HEALTH PLAN:** The appropriation provides a net increase of \$9.5 million total funds, including a decrease of \$25,277 General Fund, to reflect a new forecast of enrollment, utilization, and per capita costs for children and pregnant women in the Children's Basic Health Plan.

**TOBACCO TAX FORECAST:** The appropriation includes an increase of \$503,355 cash funds to reflect changes in the projected revenue from the tobacco tax and the formula allocations of tobacco tax funds to programs administered by the Department.

**ANNUALIZE PRIOR YEAR LEGISLATION AND BUDGET ACTIONS:** The appropriation includes an adjustment to annualize H.B. 15-1309 (Restoration by Hygienists).

**STANDARD FEDERAL MATCH:** The appropriation reflects the impact of the decrease in Colorado's "standard" federal medical assistance percentage (FMAP) from 50.79 percent in SFY 2015-16 to 50.20 percent in SFY 2016-17.

## OTHER MEDICAL SERVICES

This division contains the funding for:

- The state's obligation under the Medicare Modernization Act for prescription drug benefits
- The Old Age Pension State-Only Medical Program
- Health training programs, including the Commission on Family Medicine and the University Teaching Hospitals
- Public School Health Services

Funding sources for these programs include the General Fund, cash funds for certified expenditures at school districts, the Old Age Pension Medical and Supplemental Medical Fund, reappropriated funds from Amendment 35 tobacco taxes, and matching federal funds.

OTHER MEDICAL SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$210,668,439	\$125,484,487	\$40,252,113	\$2,491,722	\$42,440,117	0.0
HB 15-1367	500,000	500,000	0	0	0	0.0
HB 16-1240	12,540,595	(1,318,801)	9,515,062	0	4,344,334	0.0
HB 16-1405	(1,637,822)	(1,637,822)	0	0	0	0.0
<b>TOTAL</b>	<b>\$222,071,212</b>	<b>\$123,027,864</b>	<b>\$49,767,175</b>	<b>\$2,491,722</b>	<b>\$46,784,451</b>	<b>0.0</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$222,071,212	\$123,027,864	\$49,767,175	\$2,491,722	\$46,784,451	0.0
Medicare Modernization Act	16,273,413	16,273,413	0	0	0	0.0
Public school health services	1,930,994	0	1,193,288	0	737,706	0.0
Standard federal match	534,194	597,408	41,485	0	(104,699)	0.0
SBIRT training grant	250,000	0	250,000	0	0	0.0
Technical adjustments	0	0	0	0	0	0.0
Annualize prior year legislation and budget actions	0	(500,000)	500,000	0	0	0.0
<b>HB 16-1405</b>	<b>\$241,059,813</b>	<b>\$139,398,685</b>	<b>\$51,751,948</b>	<b>\$2,491,722</b>	<b>\$47,417,458</b>	<b>0.0</b>
<b>TOTAL</b>	<b>\$241,059,813</b>	<b>\$139,398,685</b>	<b>\$51,751,948</b>	<b>\$2,491,722</b>	<b>\$47,417,458</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$18,988,601</b>	<b>\$16,370,821</b>	<b>\$1,984,773</b>	<b>\$0</b>	<b>\$633,007</b>	<b>0.0</b>
Percentage Change	8.6%	13.3%	4.0%	0.0%	1.4%	n/a

## FY 2015-16 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 16-1240 and H.B. 16-1405 modify FY 2015-16 appropriations to provide a net increase of \$10.9 million, including a decrease of \$3.0 million General Fund, to reflect more recent forecasts of expenditures for public school

health services, for the state's obligation under the federal Medicare Modernization Act to reimburse the federal government for a portion of prescription drug costs for people dually eligible for Medicare and Medicaid, and for the Old Age Pension State Medical Program.

FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

**MEDICARE MODERNIZATION ACT:** The appropriation provides an increase of \$16.3 million General Fund for reimbursements to the federal government for prescription drugs for people eligible for both Medicaid and Medicare.

**PUBLIC SCHOOL HEALTH SERVICES:** The appropriation provides an increase of \$1.9 million due to an increase in certified public expenditures by school districts and boards of cooperative education for public school health services.

**STANDARD FEDERAL MATCH:** The appropriation reflects the impact of the decrease in Colorado's "standard" federal medical assistance percentage (FMAP) from 50.79 percent in SFY 2015-16 to 50.20 percent in SFY 2016-17.

**SBIRT TRAINING GRANT:** The appropriation provides \$250,000 cash funds from the Marijuana Tax Cash Fund for grants to provide training for health professionals related to screening, brief intervention, and referral to treatment (SBIRT) for individuals at risk of substance abuse.

**TECHNICAL ADJUSTMENTS:** The appropriation includes miscellaneous transfers between line items and corrections to fund sources with no net change in the total appropriation.

**ANNUALIZE PRIOR YEAR LEGISLATION AND BUDGET ACTIONS:** The appropriation includes an adjustment to annualize H.B. 15-1367 (Retail Marijuana).

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 2015-16 APPROPRIATION:						
SB 15-234	\$108,433,223	\$51,091,958	\$1,940,767	\$0	\$55,400,498	0.0
HB 16-1240	1,889,870	925,358	12,447	2,521	949,544	0.0
<b>TOTAL</b>	<b>\$110,323,093</b>	<b>\$52,017,316</b>	<b>\$1,953,214</b>	<b>\$2,521</b>	<b>\$56,350,042</b>	<b>0.0</b>
FY 2016-17 APPROPRIATION:						
FY 2015-16 Appropriation	\$110,323,093	\$52,017,316	\$1,953,214	\$2,521	\$56,350,042	0.0
Standard federal match	0	619,763	0	0	(619,763)	0.0
CO Benefits Management System	(648,440)	(232,138)	(90,482)	(2,521)	(323,299)	0.0
Human Services programs	(159,208)	29,321	3,410	0	(191,939)	0.0
Annualize prior year legislation and budget actions	(46,077)	(19,502)	0	0	(26,575)	0.0
<b>HB 16-1405</b>	<b>\$109,469,368</b>	<b>\$52,414,760</b>	<b>\$1,866,142</b>	<b>\$0</b>	<b>\$55,188,466</b>	<b>0.0</b>
<b>TOTAL</b>	<b>\$109,469,368</b>	<b>\$52,414,760</b>	<b>\$1,866,142</b>	<b>\$0</b>	<b>\$55,188,466</b>	<b>0.0</b>

**DEPARTMENT OF HUMAN SERVICES MEDICAID-FUNDED PROGRAMS**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>INCREASE/(DECREASE)</b>	(\$853,725)	\$397,444	(\$87,072)	(\$2,521)	(\$1,161,576)	0.0
Percentage Change	(0.8%)	0.8%	(4.5%)	(100.0%)	(2.1%)	0.0%

**FY 2015-16 APPROPRIATION - MID-YEAR ADJUSTMENTS**

House Bill 16-1240 modifies FY 2015-16 appropriations for programs administered by the Department of Human Services. The table below summarizes the changes for each division within the Department of Human Services that is responsible for the administration of the program. See the description of the Department of Human Services, Part III, for more information.

**HUMAN SERVICES PROGRAMS CHANGES BY DIVISION**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
Executive Director's Office	\$713,260	\$356,630	\$0	\$0	\$356,630
Office of Information Technology Services	64,834	18,148	12,447	2,521	31,718
Office of Operations	506,020	249,012	0	0	257,008
Division of Child Welfare	0	1,112	0	0	(1,112)
Office of Early Childhood	0	0	0	0	0
Office of Self Sufficiency	0	0	0	0	0
Behavioral Health Services	693,980	344,795	0	0	349,185
Services for People with Disabilities	0	0	0	0	0
Adult Assistance Programs	0	0	0	0	0
Division of Youth Corrections	(88,224)	(44,339)	0	0	(43,885)
Other	0	0	0	0	0
<b>TOTAL</b>	<b>\$1,889,870</b>	<b>\$925,358</b>	<b>\$12,447</b>	<b>\$2,521</b>	<b>\$949,544</b>

**FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS**

**STANDARD FEDERAL MATCH:** The appropriation reflects the impact of the decrease in Colorado's "standard" federal medical assistance percentage (FMAP) from 50.79 percent in SFY 2015-16 to 50.20 percent in SFY 2016-17.

**CO BENEFITS MANAGEMENT SYSTEM:** The appropriation between line items supporting the Colorado Benefits Management System (CBMS), resulting in a decrease in funding for this division, but overall an increase in the base appropriation supporting CBMS, including an additional 117,276 vendor pool hours for CBMS enhancements. The money is reappropriated to the Governor's Office of Information Technology to arrange for service provision.

**HUMAN SERVICES PROGRAMS:** The table below summarizes the changes for each division within the Department of Human Services that is responsible for the administration of the program. See the Part III detail of appropriation by administration section for the Department of Human Services for more information.

**HUMAN SERVICES PROGRAMS CHANGES BY DIVISION**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
Executive Director's Office	(\$468,273)	(\$185,423)	\$0	\$0	(\$282,850)
Office of Information Technology Services	23,792	8,517	3,410	0	11,865
Office of Operations	9,054	7,495	0	0	1,559
Division of Child Welfare	0	(1,112)	0	0	1,112
Office of Early Childhood	634,670	314,669	0	0	320,001
Office of Self Sufficiency	(8,706)	0	0	0	(8,706)
Behavioral Health Services	0	4,094	0	0	(4,094)
Services for People with Disabilities	(220,318)	(59,630)	0	0	(160,688)
Adult Assistance Programs	0	0	0	0	0

**HUMAN SERVICES PROGRAMS CHANGES BY DIVISION**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
Division of Youth Corrections	(129,427)	(59,289)	0	0	(70,138)
<b>TOTAL</b>	<b>(\$159,208)</b>	<b>\$29,321</b>	<b>\$3,410</b>	<b>\$0</b>	<b>(\$191,939)</b>

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

**ANNUALIZE PRIOR YEAR LEGISLATION AND BUDGET ACTIONS**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 14-130 Personal care allowance nursing facility	\$169	\$84	\$0	\$0	\$85	0.0
FY 15-16 Leap year adjustment	(24,904)	(12,452)	0	0	(12,452)	0.0
FY 15-16 Merit base pay	(19,402)	(7,898)	0	0	(11,504)	0.0
FY 15-16 Prior year salary survey	(1,940)	764	0	0	(2,704)	0.0
<b>TOTAL</b>	<b>(\$46,077)</b>	<b>(\$19,502)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$26,575)</b>	<b>0</b>

**RECENT LEGISLATION**

**2015 SESSION BILLS**

**S.B. 15-011 (SPINAL CORD INJURY ALTERNATIVE MEDICINE PILOT PROGRAM):** Continues and changes the Medicaid Spinal Cord Injury Alternative Medicine Pilot Program. Provides \$362,649 total funds, including \$179,347 General Fund and \$183,302 federal funds, and 0.8 FTE to the Department of Health Care Policy and Financing for the program.

**S.B. 15-228 (MEDICAID PROVIDER RATE REVIEW):** Establishes an annual process for the Department of Health Care Policy and Financing to review Medicaid provider rates, creates an advisory committee, and requires reporting to the Joint Budget Committee. Provides \$539,823 total funds, including \$269,912 General Fund and \$269,911 federal funds, and 4.0 FTE to implement the rate review process.

**S.B. 15-234 (LONG BILL):** General appropriations act for FY 2015-16. Includes provisions modifying appropriations to the Department of Health Care Policy and Financing for FY 2013-14 and FY 2014-15.

**H.B. 15-1186 (SERVICES FOR CHILDREN WITH AUTISM):** For the Children with Autism waiver program the bill:

1. Expands eligibility to add children ages 6 to 8
2. Allows children who begin receiving services before age 8 to receive a full three years of services, and no more than three years
3. Allows General Fund support and thereby eliminates the current enrollment cap of 75 children
4. Eliminates the annual statutory \$25,000 per child expenditure cap on services and allows the cap to be adjusted through the budget process

Provides for an annual evaluation of the effectiveness of services for people with autism

To implement these changes, the bill provides \$10.6 million, including \$367,564 General Fund, to the Department of Health Care Policy and Financing in FY 2015-16. The table below summarizes the projected costs over the next three years. The source of cash funds is tobacco settlement moneys deposited in the Autism Treatment Cash Fund.

CHILDREN WITH AUTISM WAIVER EXPANSION			
	FY 15-16	FY 16-17	FY 17-18
Total	\$10,616,568	\$19,042,713	\$22,726,738
General Fund	367,564	8,830,589	10,567,929
Cash Funds	4,840,203	508,566	577,333
Federal Funds	5,408,801	9,703,558	11,581,476

**H.B. 15-1309 (PROTECTIVE RESTORATIONS BY DENTAL HYGIENISTS):** Allows dental hygienists to receive a permit from the Colorado Dental Board to perform interim therapeutic restorations. The Department must establish an advisory committee to develop standards for interim therapeutic restorations. The bill places various restrictions on dental hygienists performing interim therapeutic restorations, including prohibiting the use of local anesthesia and requiring that a dentist first provide the diagnosis, treatment plan, and instruction for the dental hygienist to perform the restoration. Appropriations include \$37,940 cash funds from the Division of Professions and Occupations Cash Funds to the Department of Regulatory Affairs for FY 2015-16, including \$30,514 for personal services and \$7,426 for the purchase of legal services from the Department of Law. The bill also appropriates \$37,606 to the Department of Health Care Policy and Financing for FY 2015-16, including \$10,815 General Fund and \$833 cash funds from various cash funds. This provision also anticipates that the Department of Health Care Policy and Financing will receive \$25,958 federal funds to implement the act.

**H.B. 15-1318 (CONSOLIDATE INTELLECTUAL AND DEVELOPMENTAL DISABILITY WAIVERS):** Requires the Department of Health Care Policy and Financing (Department) to consolidate the two existing home- and community-based waivers for adults with intellectual and developmental disabilities into a single waiver by July 1, 2016 or as soon as the Department receives approval from the Centers for Medicare and Medicaid. Requires the redesigned waiver to include flexible service definitions, provide access to services and supports when and where they are needed, offer services and supports based on the individual's needs and preferences, and incorporate the following principles (which are drawn from the Community Living Advisory Report):

- (a) Freedom of choice over living arrangements and social, community, and recreational opportunities;
- (b) Individual authority over supports and services;
- (c) Support to organize resources in ways that are meaningful to the individual receiving services;
- (d) Health and safety assurances;
- (e) Opportunity for community contribution; and
- (f) Responsible use of public dollars.

Requires the use of a needs assessment tool that aligns with the Community Living Advisory Group recommendations and one that is fully integrated with the assessment processes for other long-term services. The tool must ensure an individual's voice and needs are accounted for when determining what services the individual needs. The bill requires the payment system for services to be efficient, transparent, and equitable and to ensure the fair distribution of available resources. Requires the Department to submit to the JBC as part of the FY 2016-17 Governor's budget request a justification for the continued use of the Supports Intensity Scale (SIS) assessment. If the JBC concludes the justification is insufficient, the Department shall present a transition plan to a different assessment tool for the redesigned waiver.

Requires the Department to develop a plan by July 1, 2016 for the delivery of conflict-free case management services that comply with federal requirements related to person-centered planning. The Department is required to report back to the Joint Budget Committee during the FY 2016-17 budget process regarding plan development and any required statutory changes. The Department is required to get input from Community Centered Boards, Single Entry Points and other stakeholders on the development of the plan. Appropriates \$2,176,695 total funds, including \$788,347 cash funds and 2.7 FTE to the Department for FY 2015-16.

**H.B. 15-1368 (CROSS-SYSTEM RESPONSE PILOT INTELLECTUAL AND DEVELOPMENTAL DISABILITIES):** Establishes the Cross-system Response for Behavioral Health Crises Pilot Program (Pilot Program) to provide crisis intervention, stabilization, and follow-up services to individuals who:

- Have both an intellectual or developmental disability and a mental health or behavioral disorder;
- Require services not available through an existing Medicaid waiver; and
- Are not covered under the Colorado behavioral health care system.

Requires the Pilot Program to begin on or before March 1, 2016 and consist of multiple sites that represent different geographic areas of the state. The Pilot Program must provide access to intensive coordinated psychiatric, behavioral, and mental health services as an alternative to emergency department care or in-patient hospitalization; offer community-based, mobile supports to individuals with dual diagnoses and their families; offer follow-up supports to individuals with dual diagnoses, their families, and their caregivers to reduce the likelihood of future crises; provide education and training for families and service agencies; provide data about the cost in Colorado of providing such services throughout the state; and provide data to inform changes to existing regulatory or procedural barriers to the authorized use of public funds across systems, including the Medicaid state plan, home- and community-based service Medicaid waivers, and the capitated mental health system.

Requires the Department of Health Care Policy and Financing (Department) to conduct a cost-analysis study related to the services that would need to be added to eliminate service gaps and ensure that individuals with intellectual and developmental disabilities are fully included in the Colorado behavioral health system. Also, requires the Department to provide recommendations for eliminating the service gap. Authorizes the Departments of Human Services and Health Care Policy and Financing to examine the feasibility of allowing a Community Centered-Board to use a vacant Regional Center group home for the Pilot Program. Appropriates \$1,695,000 cash funds from the Intellectual and Developmental Disabilities Services Cash Fund to the Cross-system Response for Behavioral Health Crises Pilot Program Fund and reappropriates this money for the pilots in the Department of Health Care Policy and Financing for FY 2015-16.

## 2016 SESSION BILLS

**S.B. 16-027 (MEDICAID OPTION FOR PRESCRIBED DRUGS BY MAIL):** Authorizes the Department of Health Care Policy and Financing to allow all Medicaid recipients, rather than just those with a hardship or third party insurance, to receive maintenance medication through the mail, up to a three month supply, and details associated procedures with the new benefit. The bill is expected to reduce dispensing fees and cause some pharmacy costs to shift from one fiscal year to the next. For FY 2016-17 the bill reduces appropriations by \$29,917 total funds (\$9,084 General Fund, \$409 cash funds from the Hospital Provider Fee, and \$20,424 federal funds). The table below summarizes expected future year savings under the bill.

S.B. 16-027			
	FY 16-17	FY 17-18	FY 18-19
Dispensing Fee Savings	(\$658,026)	(\$2,069,622)	(\$2,169,792)
Cost Shift – Current Year Increase	628,108	930,634	1,034,203
Cost Shift – Next Year Savings	0	(628,108)	(930,634)
<b>TOTAL</b>	<b>(\$29,918)</b>	<b>(\$1,767,096)</b>	<b>(\$2,066,223)</b>

**S.B. 16-038 (TRANSPARENCY OF COMMUNITY-CENTERED BOARDS):** Requires a Community-Centered Board (CCB) that receives more than 75.0 percent of its annual funding from federal, state, or local governments, or any combination thereof, to be subject to the Colorado Local Government Audit Act. The Office of the State Auditor must conduct a performance audit of any CCB that exceeds the 75 percent government threshold to determine if the CCB is effectively and efficiently fulfilling its statutory obligations. Audits of CCBs are to occur in the five-year

period following the effective date of the bill and as requested by the Office of the State Auditor thereafter. This bill also requires each CCB to post information on its website related to the board of directors and their meetings, financial statements, annual budgets and other CCB business related information. Appropriates \$60,416 total funds, of which \$30,208 is cash funds from the Intellectual and Developmental Disability Services Cash Fund and \$30,208 is federal funds, and 1.0 FTE to the Department of Health Care Policy and Financing for FY 2016-17.

**S.B. 16-120 (REVIEW BY MEDICAID CLIENT FOR BILLING FRAUD):** Requires the Department of Health Care Policy and Financing to provide explanation of benefits statements to Medicaid clients and describes minimum standards for the frequency, distribution method, and content of the statements. For FY 2016-17 the bill appropriates \$188,000 total funds (\$35,350 General Fund, \$3,450 cash funds from the Hospital Provider Fee, and \$149,200 federal funds) for information technology system modifications and form development. Costs are expected to rise in future years to include personal services, mailing expenses, and vendor costs. These costs may be offset by increased cost recoveries, but potential savings were not estimated in the Legislative Council Staff Fiscal Note. The table below summarizes projected future costs.

S.B. 16-120			
	FY 16-17	FY 17-18	FY 18-19
Personal Services	\$0	\$24,268	\$24,268
FTE	0.0 FTE	0.5 FTE	0.5 FTE
Operating Expenses and Capital Outlay Costs	0	5,178	475
Information Technology System Modifications	138,000	0	0
Form Development Costs	50,000	0	0
EOB Statement Mailing Costs	0	524,700	524,700
Ongoing Vendor Costs	0	293,775	305,775
<b>TOTAL</b>	<b>\$188,000</b>	<b>\$847,921</b>	<b>\$855,218</b>
General Fund	35,350	266,569	266,467
Cash Funds	3,450	83,948	84,698
Federal Funds	149,200	497,404	504,053

**S.B. 16-192 (Assessment Tool Intellectual and Developmental Disabilities):** Requires the Department of Health Care Policy and Financing, by July 1, 2018, and pursuant to the ongoing stakeholder process relating to eligibility determination for long-term services and supports, to select a needs assessment tool for persons receiving long-term services and supports, including persons with intellectual and developmental disabilities. The Department must have stakeholder involvement in the needs assessment tool selection process. The selected needs assessment tool must include a reassessment process that can be completed within thirty days after the reassessment is requested. Once the tool is selected, the Department must report to the applicable House and Senate committees of reference and the Joint Budget Committee the needs assessment tool that was selected and the level of stakeholder involvement during the selection process. Appropriates \$277,573 total funds, of which \$138,787 is cash funds from the Intellectual and Developmental Disability Services Cash Fund and \$138,786 is federal funds, and 1.8 FTE to the Department of Health Care Policy and Financing for FY 2016-17.

**S.B. 16-199 (PROGRAM OF ALL-INCLUSIVE CARE FOR THE ELDERLY):** Establishes a Program of All-inclusive Care for the Elderly (PACE) ombudsman office in the long-term care ombudsman office to set forth statewide policies and procedures to identify, investigate, and seek resolution of referral of complaints made by or on behalf of a PACE participant. Appropriates \$225,000 cash funds for FY 2016-17 to the Department of Health Care Policy and Financing for general professional services related to the rate-setting process for Medicaid participants in the PACE program. Additionally, appropriates \$81,675 cash funds and 1.0 FTE for FY 2016-17 to the Department of Human Services for use by the state ombudsman program.

**H.B. 16-1097 (PUC PERMIT FOR MEDICAID TRANSPORTATION PROVIDERS):** Allows providers of non-emergency transportation services for Medicaid clients to operate under a limited regulation permit from the Public Utilities Commission (PUC), rather than a certificate of public convenience and necessity, and establishes parameters for the limited regulation permits. For FY 2016-17 the bill is expected to increase state revenue from permit fees by \$7,450, of which \$5,725 is subject to the TABOR limit, and it makes the following appropriations:

H.B. 16-1097						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Health Care Policy and Financing	(\$136,943)	(\$9,827)	(\$2,549)	\$0	(\$124,567)	0.0
Transfer to Regulatory Agencies	78,328	59,578	0	\$0	18,750	0.0
Medical Services Premiums	(215,271)	(\$69,405)	(2,549)	\$0	(143,317)	0.0
Public Safety						
Colorado Crime Information Center	2,636	0	2,636	0	0	0.0
Law						
Legal Services to State Agencies	23,753	0	0	23,753	0	0.1
Office of the Governor						
Office of Information Technology	8,755	0	0	8,755	0	0.0
<b>TOTAL</b>	<b>(\$101,799)</b>	<b>(\$9,827)</b>	<b>\$87</b>	<b>\$32,508</b>	<b>(\$124,567)</b>	<b>0.1</b>

**H.B. 16-1240 (SUPPLEMENTAL BILL):** Supplemental appropriation to the Department of Health Care Policy and Financing to modify appropriations for FY 2015-16. Includes provisions modifying appropriations to the Department for FY 2013-14 and FY 2014-15.

**H.B. 16-1277 (APPEAL PROCESS FOR CHANGES TO MEDICAID BENEFITS):** Makes changes to the Department of Health Care Policy and Financing's dispute resolution process, including requiring the Department to give Medicaid clients at least 10 days advance notice prior to suspending, terminating, or modifying a client's medical assistance benefits and extending the time for a client to appeal the action. For FY 2016-17 the bill appropriates \$25,000 total funds, including \$2,500 General Fund and \$22,500 federal funds, to the Department of Health Care Policy and Financing for associated changes to information technology systems.

**H.B. 16-1321 (MEDICAID BUY-IN CERTAIN MEDICAID WAIVERS):** Requires the Department of Health Care Policy and Financing to pursue federal authorization to extend the Medicaid buy-in program to people eligible for the Supported Living Services Medicaid waiver, the Brain Injury waiver, and the Spinal Cord Injury waiver pilot program. For FY 2016-17 the bill appropriates \$138,027 total funds, including \$13,803 cash funds from the Hospital Provider Fee and \$124,224 federal funds, to the Department of Health Care Policy and Financing for associated information technology changes.

**H.B. 16-1405 (LONG BILL):** General appropriations act for FY 2016-17. Includes provisions modifying appropriations to the Department of Health Care Policy and Financing for FY 2015-16.

**H.B. 16-1407 (EXTEND MEDICAID PAYMENT REFORM & INNOVATION PILOT):** Extends the Medicaid Payment Reform and Innovation Pilot Program (established through H.B. 12-1281) that allows contractors to work with providers and managed care entities to develop a payment reform project and submit a proposal to the Department. Removes statutory dates concerning the selection of and completion of payment reform projects, allowing projects that have been approved to continue beyond June 30, 2016, and allowing the Department to continue selecting new projects for the Pilot Program. Amends associated evaluation and reporting requirements. Appropriates \$245,639 General Fund to the Department of Health Care Policy and Financing for FY 2016-17, and states that the appropriation is based on the assumptions that the Department will require an additional 1.0 FTE and that the Department will receive \$347,064 federal funds to implement the act. This funding essentially reinstates full funding for the Department to evaluate proposals that are submitted, validate and certify provider rates, review managed care contracts, evaluate the payment reform projects that are approved, and prepare the required reports.

**H.B. 16-1408 (CASH FUND ALLOCATIONS FOR HEALTH-RELATED PROGRAMS):** Establishes a new formula for the allocation of the annual payment received by the state as part of the Tobacco Master Settlement Agreement (Tobacco MSA). The new formula allocates all Tobacco MSA revenue by percentage shares, rather than the hybrid scheme of fixed dollar amounts and capped percentage shares in multiple tiers. The bill creates a new Primary Care Provider Sustainability Fund in the Department of Health Care Policy and Financing to fund increased access to primary care office visits, immunization administration, health screening services, and newborn care, including neonatal critical care and transfers \$20.0 million from the Children's Basic Health Plan Trust to this new fund on July 1, 2016. For the Department of Health Care Policy and Financing for FY 2016-17 the bill increases funding by \$55,694,236 total funds, including a decrease of \$6,451,471 General Fund, an increase of \$6,451,471 cash funds from the Colorado Autism Treatment Fund, an increase of \$20,000,000 cash funds from the Primary Care Provider Sustainability Fund, an increase of \$556,859 cash funds from the Hospital Provider Fee, and an increase of \$35,137,377 federal funds. For more information about the bill, see the description under the Department of Public Health and Environment.

# Details

## DEPARTMENT OF HIGHER EDUCATION

### FY 2015-16 AND FY 2016-17 APPROPRIATIONS BY DIVISION AND BILL

DEPARTMENT OF HIGHER EDUCATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 TOTAL APPROPRIATION:</b>	<b>\$3,851,308,577</b>	<b>\$857,415,995</b>	<b>\$2,269,594,336</b>	<b>\$701,803,695</b>	<b>\$22,494,551</b>	<b>23,856.3</b>
<b>BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION</b>						
Department Administrative Office	\$4,510,951	\$0	\$2,774,216	\$1,081,157	\$655,578	0.0
Colorado Commission on Higher Education	29,334,171	8,299,371	12,409,000	3,335,255	5,290,545	92.4
Colorado Commission on Higher Education Financial Aid	174,082,678	174,082,678	0	0	0	0.0
College Opportunity Fund Program	648,178,010	648,178,010	0	0	0	0.0
Governing Boards	2,873,227,736	0	2,226,556,101	646,671,635	0	23,412.5
Local District College Grants Pursuant to Section 23-71-301, C.R.S.	16,250,619	15,589,215	661,404	0	0	0.0
Division of Occupational Education	56,382,347	9,971,721	0	30,836,648	15,573,978	32.0
Auraria Higher Education Center	19,879,000	0	0	19,879,000	0	188.0
History Colorado	29,463,065	1,295,000	27,193,615	0	974,450	131.4
<b>BREAKDOWN OF TOTAL APPROPRIATION BY BILL</b>						
SB 15-234	\$3,731,739,272	\$856,871,803	\$2,150,856,183	\$701,516,735	\$22,494,551	23,856.2
SB 15-186	(13,349)	0	(13,349)	0	0	0.0
HB 15-1270	7,232	7,232	0	0	0	0.1
HB 15-1274	373,920	86,960	0	286,960	0	0.0
HB 15-1275	450,000	450,000	0	0	0	0.0
HB 16-1241	0	0	0	0	0	0.0
HB 16-1405	118,751,502	0	118,751,502	0	0	0.0
<b>FY 2016-17 TOTAL APPROPRIATION:</b>	<b>\$4,076,057,002</b>	<b>\$871,034,716</b>	<b>\$2,467,212,460</b>	<b>\$715,297,309</b>	<b>\$22,512,517</b>	<b>24,491.4</b>
<b>BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION</b>						
Department Administrative Office	\$4,019,555	\$24,498	\$2,237,647	\$1,085,974	\$671,436	0.0
Colorado Commission on Higher Education	120,646,597	20,585,921	78,880,235	15,887,788	5,292,653	92.7
Colorado Commission on Higher Education Financial Aid	175,289,308	175,203,345	0	85,963	0	0.0
College Opportunity Fund Program	648,365,016	648,365,016	0	0	0	0.0
Governing Boards	3,002,116,592	0	2,355,194,951	646,921,641	0	24,044.7
Local District College Grants Pursuant to Section 23-71-301, C.R.S.	16,368,747	15,589,215	779,532	0	0	0.0
Division of Occupational Education	56,585,062	9,971,721	0	31,039,363	15,573,978	32.0
Auraria Higher Education Center	20,276,580	0	0	20,276,580	0	190.6
History Colorado	32,389,545	1,295,000	30,120,095	0	974,450	131.4
<b>BREAKDOWN OF TOTAL APPROPRIATION BY BILL</b>						
HB 16-1405	\$4,061,311,383	\$870,343,621	\$2,453,407,936	\$715,047,309	\$22,512,517	24,491.1
SB 16-104	441,095	441,095	0	0	0	0.3
SB 16-191	900,000	0	900,000	0	0	0.0
SB 16-196	500,000	250,000	0	250,000	0	0.0
HB 16-1352	2,000,000	0	2,000,000	0	0	0.0

**DEPARTMENT OF HIGHER EDUCATION**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 16-1408	2,972,504	0	2,972,504	0	0	0.0
HB 16-1453	7,932,020	0	7,932,020	0	0	0.0
<b>INCREASE/(DECREASE)</b>	\$224,748,425	\$13,618,721	\$197,618,124	\$13,493,614	\$17,966	635.1
Percentage Change	5.8%	1.6%	8.7%	1.9%	0.1%	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 2015-16 and FY 2016-17 for higher education pursuant to Sections 24-77-103.6 (2) (b) and 24-77-104.5 (1) (b) (III), Colorado Revised Statutes. For additional information on General Fund Exempt appropriations, see Appendix H.

GENERAL FUND SUMMARY	TOTAL GENERAL FUND	GENERAL FUND	GENERAL FUND EXEMPT
FY 2015-16	\$857,415,995	\$108,515,995	\$748,900,000
FY 2016-17	\$871,034,716	\$57,334,716	\$813,700,000

**INFORMATIONAL FUNDS:** The FY 2016-17 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 2016-17 Appropriations containing an (I) notation	\$422,693,278	\$0	\$400,130,169	\$50,592	\$22,512,517

**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.

<b>DEPARTMENT ADMINISTRATIVE OFFICE</b>						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$4,510,951	\$0	\$2,774,216	\$1,081,157	\$655,578	0.0
<b>TOTAL</b>	<b>\$4,510,951</b>	<b>\$0</b>	<b>\$2,774,216</b>	<b>\$1,081,157</b>	<b>\$655,578</b>	<b>0.0</b>

**DEPARTMENT ADMINISTRATIVE OFFICE**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$4,510,951	\$0	\$2,774,216	\$1,081,157	\$655,578	0.0
Restore funding for executive director	22,392	0	0	22,392	0	0.0
Centrally appropriated line items	(261,590)	28,492	(378,988)	24,833	64,073	0.0
Annualize prior year budget actions and legislation	(256,339)	0	(165,716)	(42,408)	(48,215)	0.0
Other	4,141	(3,994)	8,135	0	0	0.0
<b>HB 16-1405</b>	<b>\$4,019,555</b>	<b>\$24,498</b>	<b>\$2,237,647</b>	<b>\$1,085,974</b>	<b>\$671,436</b>	<b>0.0</b>
<b>TOTAL</b>	<b>\$4,019,555</b>	<b>\$24,498</b>	<b>\$2,237,647</b>	<b>\$1,085,974</b>	<b>\$671,436</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$491,396)</b>	<b>\$24,498</b>	<b>(\$536,569)</b>	<b>\$4,817</b>	<b>\$15,858</b>	<b>0.0</b>
Percentage Change	(10.9%)	n/a	(19.3%)	0.4%	2.4%	n/a

**FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS**

**RESTORE FUNDING FOR EXECUTIVE DIRECTOR:** The appropriation restores funding to provide full salary and benefits for the executive director of the Department of Higher Education. The Lieutenant Governor previously served in this position and, pursuant to H.B. 11-1155, his salary and benefits as Lieutenant Governor partially offset costs associated with the position in the Department. The Lieutenant Governor who assumes office for FY 2016-17 is not expected to also head this department.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; short-term disability; supplemental state contributions to the Public Employees Retirement Association (PERA) pension fund; workers compensation; administrative law judges; payment to risk management and property funds; payments to OIT; CORE operations 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, the Colorado Geological Survey at the Colorado School of Mines, and History Colorado but do not fund the higher education institutions.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS AND LEGISLATION:** The appropriation includes adjustments related to prior year budget actions and legislation. This includes annualizing FY 2015-16 salary survey and merit pay by moving amounts appropriated in the Department Administrative Office in FY 2015-16 to personal services and program line items in other divisions.

**OTHER:** The appropriation includes other minor adjustments.

**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
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$29,140,288	\$8,292,139	\$12,422,349	\$3,135,255	\$5,290,545	92.3
SB 15-186	(13,349)	0	(13,349)	0	0	0.0
HB 15-1270	7,232	7,232	0	0	0	0.1
HB 15-1274	200,000	0	0	200,000	0	0.0
<b>TOTAL</b>	<b>\$29,334,171</b>	<b>\$8,299,371</b>	<b>\$12,409,000</b>	<b>\$3,335,255</b>	<b>\$5,290,545</b>	<b>92.4</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$29,334,171	\$8,299,371	\$12,409,000	\$3,335,255	\$5,290,545	92.4
Tuition/Enrollment contingency	60,000,000	0	60,000,000	0	0	0.0
Move lease purchase payments to Department	29,900,350	12,125,175	5,650,000	12,125,175	0	0.0
Restore funding for executive director	79,226	0	0	79,226	0	0.0
Annualize prior year budget actions and legislation	18,481	2,335	8,126	5,912	2,108	0.0
WICHE dues	8,000	0	0	8,000	0	0.0
Indirect cost adjustment	0	(326,450)	(10,620)	337,070	0	0.0
Tobacco Master Settlement revenue adjustment	0	79,121	(79,121)	0	0	0.0
Other	(34,726)	(34,726)	2,850	(2,850)	0	0.0
<b>HB 16-1405</b>	<b>\$119,305,502</b>	<b>\$20,144,826</b>	<b>\$77,980,235</b>	<b>\$15,887,788</b>	<b>\$5,292,653</b>	<b>92.4</b>
SB 16-104	441,095	441,095	0	0	0	0.3
SB 16-191	900,000	0	900,000	0	0	0.0
<b>TOTAL</b>	<b>\$120,646,597</b>	<b>\$20,585,921</b>	<b>\$78,880,235</b>	<b>\$15,887,788</b>	<b>\$5,292,653</b>	<b>92.7</b>
<b>INCREASE/(DECREASE)</b>	<b>\$91,312,426</b>	<b>\$12,286,550</b>	<b>\$66,471,235</b>	<b>\$12,552,533</b>	<b>\$2,108</b>	<b>0.3</b>
Percentage Change	311.3%	148.0%	535.7%	376.4%	0.0%	0.3%

**FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS**

**TUITION/ENROLLMENT CONTINGENCY:** The appropriation includes an increase of \$60,000,000 cash funds to the Colorado Commission on Higher Education, which may transfer a portion of this spending authority to any governing board that does not have sufficient spending authority in its budget due to unanticipated changes in enrollment. This amount represents about 3.0 percent of the total tuition appropriations for the governing boards. Fiscal year 2016-17 appropriations will be adjusted through supplemental action during 2017 based on updated data; nonetheless, additional spending authority is likely to be needed to address forecast error and ensure the governing boards may spend revenue associated with any students they enroll. The tuition/enrollment contingency line item was used in FY 2010-11 and prior years to address this issue. As tuition is again appropriated in FY 2016-17, this line item is included in the Long Bill.

**MOVE LEASE PURCHASE PAYMENTS TO DEPARTMENT:** The appropriation moves an appropriation for payments for higher education Federal Mineral Lease (FML) certificates of participation (COPs) from the Treasurer's Office to the Department of Higher Education. The total payment due in FY 2016-17 is \$17,775,175 which originates as \$12,125,175 General Fund and \$5,650,000 cash funds (federal mineral lease revenue). The total figure appears larger due to a double-count: the General Fund is first deposited into the Higher Education FML Revenues Fund and then reappropriated from the cash fund to the department.

**RESTORE FUNDING FOR EXECUTIVE DIRECTOR:** The appropriation restores funding to provide full salary and benefits for the executive director of the Department of Higher Education. The Lieutenant Governor previously served in this position and, pursuant to H.B. 11-1155, his salary and benefits as Lieutenant Governor partially offset costs associated with the position in the Department. The Lieutenant Governor who assumes office for FY 2016-17 is not expected to also head this department.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS AND LEGISLATION:** The appropriation includes adjustments related to prior year budget actions and legislation. In this division, this includes a net increase of \$18,481 total funds, including:

- Annualization of FY 2015-16 salary survey and merit pay, reflecting moving associated funds to this division from the Department Administrative Office;
- A reduction of \$34,000 reappropriated funds to annualize a FY 2015-16 software purchase; and
- A reduction of \$16,349 cash funds to annualize S.B. 15-186 (Yoga Teacher Training).

**WICHE DUES:** The appropriation includes an increase of \$8,000 reappropriated funds (indirect cost recoveries) to pay for the increase in Western Interstate Commission for Higher Education (WICHE) dues.

**INDIRECT COST ADJUSTMENT:** The appropriation includes adjustments to offset General Fund.

**TOBACCO MASTER SETTLEMENT REVENUE ADJUSTMENT:** The appropriation includes a reduction based on the Legislative Council FY 2016-17 Tobacco Master Settlement revenue projection. In this division, the adjustment includes a reduction of \$79,121 cash funds and a General Fund increase of the same amount for the University of Colorado lease purchase of academic facilities at Fitzsimons (total FY 2016-17 payment due of \$14,255,211, including \$7,005,885 tobacco settlement cash funds).

**OTHER:** The appropriation includes other minor adjustments. This includes an annual adjustment to a lease-purchase amount among other minor changes.

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

## COLORADO COMMISSION ON HIGHER EDUCATION FINANCIAL AID

This division includes the state-funded financial aid programs, most of which are administered by the Colorado Commission on Higher Education. This division is supported by General Fund and, in some years, reappropriated funds from indirect cost recoveries.

COLORADO COMMISSION ON HIGHER EDUCATION FINANCIAL AID						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$173,632,678	\$173,632,678	\$0	\$0	\$0	0.0
HB 15-1275	450,000	450,000	0	0	0	0.0
<b>TOTAL</b>	<b>\$174,082,678</b>	<b>\$174,082,678</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$174,082,678	\$174,082,678	\$0	\$0	\$0	0.0
Fort Lewis Native American tuition waiver	1,206,630	1,206,630	0	0	0	0.0
Restore funding for executive director	0	101,618	0	(101,618)	0	0.0
Indirect cost adjustment	0	(187,581)	0	187,581	0	0.0
<b>HB 16-1405</b>	<b>\$175,289,308</b>	<b>\$175,203,345</b>	<b>\$0</b>	<b>\$85,963</b>	<b>\$0</b>	<b>0.0</b>
<b>TOTAL</b>	<b>\$175,289,308</b>	<b>\$175,203,345</b>	<b>\$0</b>	<b>\$85,963</b>	<b>\$0</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	\$1,206,630	\$1,120,667	\$0	\$85,963	\$0	0.0
Percentage Change	0.7%	0.6%	n/a	n/a	n/a	n/a

## FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

**FORT LEWIS NATIVE AMERICAN TUITION WAIVER:** The appropriation includes an increase of \$1,206,630 General Fund for the Fort Lewis College Native American tuition waiver, bringing the total to \$17,269,714 General Fund for the program. This requested 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.

**RESTORE FUNDING FOR EXECUTIVE DIRECTOR:** The appropriation restores funding to provide full salary and benefits for the executive director of the Department of Higher Education. Changes include a fund source adjustment in this division.

**INDIRECT COST ADJUSTMENT:** The appropriation includes adjustments to offset General Fund otherwise required.

### 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
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$648,091,050	\$648,091,050	\$0	\$0	\$0	0.0
HB 15-1274	86,960	86,960	0	0	0	0.0
HB 16-1241	0	0	0	0	0	0.0
HB 16-1405	0	0	0	0	0	0.0
<b>TOTAL</b>	<b>\$648,178,010</b>	<b>\$648,178,010</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$648,178,010	\$648,178,010	\$0	\$0	\$0	0.0
GFE adjustment	0	0	0	0	0	0.0
Operating support for colleges and universities	(62,994)	(62,994)	0	0	0	0.0
<b>HB 16-1405</b>	<b>\$648,115,016</b>	<b>\$648,115,016</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
SB 16-196	250,000	250,000	0	0	0	0.0
<b>TOTAL</b>	<b>\$648,365,016</b>	<b>\$648,365,016</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	\$187,006	\$187,006	\$0	\$0	\$0	0.0
Percentage Change	0.0%	0.0%	n/a	n/a	n/a	n/a

### FY 2015-16 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 16-1241 modifies FY 2015-16 appropriations to make a net zero technical adjustment to the allocation between two different types of fee-for-service contracts that are reappropriated to the University of Colorado.

FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

**GFE ADJUSTMENT:** The appropriation adjusts General Fund Exempt for FY 2016-17.

**OPERATING SUPPORT FOR COLLEGES AND UNIVERSITIES:** The appropriation adjusts support for public institutions of higher education to maintain flat total General Fund appropriations while also increasing and decreasing support for individual governing boards based on the funding formula established by H.B. 14-1319. For state institutions, funding is provided through fee-for-service contracts and stipends appropriated under the College Opportunity Fund program that are then reappropriated to the governing boards. The formula provides each state board with an amount for each undergraduate resident student eligible for the College Opportunity Fund (COF) program stipend (\$2,250 per student FTE), an amount per each certificate and degree awarded (with extra weight for Pell eligible students and certain types of degrees), and an amount to sustain each institution's role and mission. Funding for each governing board is calculated based on the actual number of COF stipends and certificates and degrees awarded in FY 2014-15. In addition to the changes for students attending public institutions, the appropriation includes a caseload reduction of \$63,000 for stipends for eligible students attending private institutions. Based on FY 2014-15 utilization, an estimated 1,283 students will receive the private COF stipend at a rate of \$1,125. This is a reduction of 56 FTE from the prior estimate.

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

**GOVERNING BOARDS**

This division includes cash funds for the state-operated higher education institutions from tuition, tobacco settlement money, and academic and academic facility fees. It also includes reappropriated funds for student stipend payments and fee-for-service contracts with the state governing boards. Amounts shown as reappropriated funds in this section are initially appropriated as General Fund in the College Opportunity Fund program section.

GOVERNING BOARDS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$2,754,389,274	\$0	\$2,107,804,599	\$646,584,675	\$0	23,412.5
HB 15-1274	86,960	0	0	86,960	0	0.0
HB 16-1241	0	0	0	0	0	0.0
HB 16-1405	118,751,502	0	118,751,502	0	0	0.0
<b>TOTAL</b>	<b>\$2,873,227,736</b>	<b>\$0</b>	<b>\$2,226,556,101</b>	<b>\$646,671,635</b>	<b>\$0</b>	<b>23,412.5</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$2,873,227,736	\$0	\$2,226,556,101	\$646,671,635	\$0	23,412.5
Tuition adjustment	107,826,440	0	107,826,440	0	0	0.0
Fee adjustment	9,006,558	0	9,006,558	0	0	0.0
Amendment 50 gaming revenue	1,049,136	0	1,049,136	0	0	0.0
Operating support for colleges and universities	6	0	0	6	0	0.0
FTE adjustment	0	0	0	0	0	632.2
Tobacco Master Settlement revenue adjustment	(147,808)	0	(147,808)	0	0	0.0
<b>HB 16-1405</b>	<b>\$2,990,962,068</b>	<b>\$0</b>	<b>\$2,344,290,427</b>	<b>\$646,671,641</b>	<b>\$0</b>	<b>24,044.7</b>
SB 16-196	250,000	0	0	250,000	0	0.0
HB 16-1408	2,972,504	0	2,972,504	0	0	0.0
HB 16-1453	7,932,020	0	7,932,020	0	0	0.0
<b>TOTAL</b>	<b>\$3,002,116,592</b>	<b>\$0</b>	<b>\$2,355,194,951</b>	<b>\$646,921,641</b>	<b>\$0</b>	<b>24,044.7</b>

GOVERNING BOARDS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>INCREASE/(DECREASE)</b>	\$128,888,856	\$0	\$128,638,850	\$250,006	\$0	632.2
Percentage Change	4.5%	n/a	5.8%	0.0%	n/a	2.7%

## FY 2015-16 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 16-1241 modifies FY 2015-16 appropriations to make a technical adjustment to the allocation between different fee-for-service contracts for the University of Colorado. The impact is cost-neutral.

House Bill 16-1405 adjusts higher education tuition and fee revenue estimates by a total of \$118,751,502, including an adjustment of \$4,381,327 for tuition and \$114,370,175 for fees. For FY 2015-16, both tuition and fees are shown for informational purposes only. Tuition adjustments are based on updated tuition rates and enrollment estimates. The fee adjustments primarily reflect a change to the type of fee shown. Amounts are modified to reflect all mandatory fees (fees that all students are required to pay, regardless of their course of study) instead of "academic" fees, which were the only type of fee included in the FY 2015-16 Long Bill.

FY 2015-16 REVISED TOTAL TUITION REVENUE ESTIMATE			
	FY 2015-16 LONG BILL	FY 2015-16 REVISED FORECAST	CHANGE
Adams State University	\$22,397,850	\$19,101,000	(\$3,296,850)
Colorado Mesa University	58,573,068	60,663,996	2,090,928
Metropolitan State University	105,664,087	99,427,740	(6,236,347)
Western State Colorado University	16,885,635	16,847,571	(38,064)
Colorado State University System	375,661,457	398,591,264	22,929,807
Fort Lewis College	40,387,403	38,946,415	(1,440,988)
University of Colorado System	895,559,699	882,917,778	(12,641,921)
Colorado School of Mines	117,815,815	124,096,781	6,280,966
University of Northern Colorado	81,918,145	81,290,546	(627,599)
Community College System	253,157,745	250,519,140	(2,638,605)
<b>TOTAL</b>	<b>\$1,968,020,904</b>	<b>\$1,972,402,231</b>	<b>\$4,381,327</b>

FY 2015-16 REVISED TOTAL FEE REVENUE ESTIMATE			
	FY 2015-16 LONG BILL	FY 2015-16 REVISED TO "MANDATORY" FEES	CHANGE
Adams State University	\$2,757,000	\$5,951,000	\$3,194,000
Colorado Mesa University	473,709	5,936,261	5,462,552
Metropolitan State University	9,468,223	15,897,257	6,429,034
Western State Colorado University	3,244,656	4,642,960	1,398,304
Colorado State University System	19,769,539	64,902,557	45,133,018
Fort Lewis College	1,200,000	6,131,454	4,931,454
University of Colorado System	55,861,518	74,210,330	18,348,812
Colorado School of Mines	4,673,962	12,834,849	8,160,887
University of Northern Colorado	5,782,633	15,788,388	10,005,755
Community College System	18,177,562	29,483,921	11,306,359
<b>TOTAL</b>	<b>\$121,408,802</b>	<b>\$235,778,977</b>	<b>\$114,370,175</b>

Revised FY 2015-16 tuition and fee amounts are based on the following enrollment and weighted tuition amounts per student FTE. These amounts are shown for informational purposes.

**FY 2015-16 STUDENT ENROLLMENT ESTIMATE (STUDENT FTE)**

	RESIDENTS	NON-RESIDENTS	TOTAL
Adams State University	1,748	611	2,359
Colorado Mesa University	6,547	1,127	7,674
Metropolitan State University	14,836	569	15,405
Western State Colorado University	1,501	553	2,054
Colorado State University System	20,847	7,265	28,112
Fort Lewis College	1,861	1,632	3,493
University of Colorado System	37,072	14,480	51,552
Colorado School of Mines	3,355	2,218	5,573
University of Northern Colorado	7,442	1,310	8,752
Community College System	46,971	3,119	50,090
<b>TOTAL</b>	<b>142,180</b>	<b>32,884</b>	<b>175,064</b>

**FY 2015-16 WEIGHTED AVERAGE TUITION AND FEE REVENUE PER STUDENT FTE**

	TUITION RESIDENTS	TUITION NON-RESIDENTS	MANDATORY FEES ALL STUDENTS
Adams State University	\$6,553	\$12,514	\$2,523
Colorado Mesa University	7,413	10,766	774
Metropolitan State University	6,064	16,619	1,032
Western State Colorado University	5,385	15,848	2,260
Colorado State University System	10,169	25,764	2,309
Fort Lewis College	5,686	17,380	1,755
University of Colorado System	11,481	31,582	1,440
Colorado School of Mines	15,287	32,827	2,303
University of Northern Colorado	7,794	17,378	1,804
Community College System	4,508	12,426	589

House Bill 16-1405 also includes an adjustment to the portion of General Fund designated as General Fund Exempt for FY 2015-16.

**FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS**

**TUITION ADJUSTMENT:** The appropriation includes tuition revenue anticipated to be received by the governing boards, based on enrollment estimates and tuition rates.

**FY 2016-17 TOTAL TUITION REVENUE ESTIMATE**

	FY 2015-16	FY 2016-17	CHANGE	PERCENT CHANGE
Adams State University	\$19,101,000	\$20,056,050	\$955,050	5.0%
Colorado Mesa University	60,663,996	66,827,458	6,163,462	10.2%
Metropolitan State University	99,427,740	105,524,167	6,096,427	6.1%
Western State Colorado University	16,847,571	17,874,830	1,027,259	6.1%
Colorado State University System	398,591,264	417,008,560	18,417,296	4.6%
Fort Lewis College	38,946,415	40,496,891	1,550,476	4.0%
University of Colorado System	882,917,778	931,319,730	48,401,952	5.5%
Colorado School of Mines	124,096,781	133,847,436	9,750,655	7.9%
University of Northern Colorado	81,290,546	88,590,203	7,299,657	9.0%
Community College System	250,519,140	258,683,346	8,164,206	3.3%
<b>TOTAL</b>	<b>\$1,972,402,231</b>	<b>\$2,080,228,671</b>	<b>\$107,826,440</b>	<b>5.5%</b>

Consistent with current law, the Long Bill provides tuition appropriations for all governing boards except the Colorado School of Mines for FY 2016-17. Tuition estimates are also included for the Colorado School of Mines, but for informational purposes only. Consistent with the provisions of Section 23-18-202 (3) (b), C.R.S., a Long Bill footnote is included for each governing board to specify the tuition increases from which the General Assembly

derived the total cash spending authority for the governing board. The table summarizes the maximum tuition increase identified in the footnote.

	ASSUMED MAXIMUM UNDERGRADUATE RESIDENT STUDENT TUITION RATE INCREASE REFLECTED IN <u>LONG BILL FOOTNOTE</u>
Adams State University	6.0%
Colorado Mesa University	8.0%
Metropolitan State University <sup>1</sup>	9.0%
Western State Colorado University	8.0%
Colorado State University System <sup>2</sup>	6.0%
Fort Lewis College	9.0%
University of Colorado System <sup>3</sup>	5.0%
Colorado School of Mines	n/a
University of Northern Colorado	9.0%
Community College System	6.5%

<sup>1</sup> The increase for MSU students in the "tuition window" (12-18 credit hours) will be 6 percent, while the tuition for other students may increase by up to 9 percent. Forty-four percent of MSU students take 12-18 credit hours and thus fall within the "window".

<sup>2</sup> CSU will close the "tuition window" for Colorado State University-Pueblo (CSU-P): currently, student tuition is the same for students taking between 12 and 18 credits per semester; CSU-P may change this to a linear structure in which student would pay the same amount per credit hour. This would affect over half of CSU-P's students, who would see increases of 14-28 percent.

<sup>3</sup> CU will apply additional increases to tuition for students at the UCD Business School and College of Engineering and Applied Science, resulting in a 12 percent increase for lower-level students and an 8 percent increase for upper-level students. In addition, tuition for the School of Nursing will increase 5.1 percent.

If a governing board anticipated a lower tuition rate increase than the maximum specified in the footnote, the governing board's revenue forecast was used. If the governing board's revenue forecast reflected a higher rate of growth than was specified in the footnote, the governing board's revenue estimate was adjusted down to an amount that would be consistent with the footnote assumptions.

FY 2016-17 tuition amounts are based on the following enrollment and weighted tuition amounts per student FTE. Tuition amounts, but not fees, are appropriated for all institutions other than the Colorado School of Mines, beginning in FY 2016-17.

FY 2016-17 TOTAL TUITION REVENUE ESTIMATE BY RESIDENT/NONRESIDENT			
	TUITION RESIDENTS	TUITION NON-RESIDENTS	TOTAL
Adams State University	\$12,027,750	\$8,028,300	\$20,056,050
Colorado Mesa University	53,461,966	13,365,492	66,827,458
Metropolitan State University	95,595,121	9,929,046	105,524,167
Western State Colorado University	8,657,545	9,217,285	17,874,830
Colorado State University System	220,676,301	196,332,259	417,008,560
Fort Lewis College	11,280,629	29,216,262	40,496,891
University of Colorado System	451,142,678	480,177,052	931,319,730
Colorado School of Mines	53,235,636	80,611,800	133,847,436
University of Northern Colorado	63,667,346	24,922,857	88,590,203
Community College System	217,989,081	40,694,265	258,683,346
<b>TOTAL</b>	<b>\$1,187,734,053</b>	<b>\$892,494,618</b>	<b>\$2,080,228,671</b>

**FY 2016-17 STUDENT ENROLLMENT ESTIMATE (STUDENT FTE)**

	RESIDENTS	NON-RESIDENTS	TOTAL	CHANGE FROM FY 15-16	% CHANGE
Adams State University	1,748	611	2,359	0	0.0%
Colorado Mesa University	6,677	1,149	7,826	152	2.0%
Metropolitan State University	14,467	553	15,020	(385)	(2.5%)
Western State Colorado University	1,528	566	2,094	40	1.9%
Colorado State University System	20,708	7,519	28,227	115	0.4%
Fort Lewis College	1,824	1,681	3,505	12	0.3%
University of Colorado System	37,698	14,939	52,637	1,085	2.1%
Colorado School of Mines	3,331	2,310	5,641	68	1.2%
University of Northern Colorado	7,494	1,339	8,833	81	0.9%
Community College System	45,404	3,098	48,502	(1,588)	(3.2%)
<b>TOTAL</b>	<b>140,879</b>	<b>33,765</b>	<b>174,644</b>	<b>(420)</b>	<b>(0.2%)</b>

**FY 2016-17 WEIGHTED AVERAGE TUITION REVENUE PER STUDENT FTE**

	TUITION RESIDENTS	TUITION NON-RESIDENTS	TUITION ALL STUDENTS
Adams State University	\$6,881	\$13,140	\$8,502
Colorado Mesa University	8,007	11,632	8,539
Metropolitan State University	6,608	17,955	7,026
Western State Colorado University	5,666	16,285	8,536
Colorado State University System	10,657	26,111	14,773
Fort Lewis College	6,185	17,380	11,554
University of Colorado System	11,967	32,143	17,693
Colorado School of Mines	15,982	34,897	23,728
University of Northern Colorado	8,496	18,613	10,029
Community College System	4,801	13,136	5,333

**FEE ADJUSTMENT:** The appropriation adjusts mandatory fee amounts for each governing board that are shown for informational purposes.

**FY 2015-16 FEE REVENUE ESTIMATE - MANDATORY FEES**

	FY 2015-16 ADJUSTED ESTIMATE	FY 2016-17 ESTIMATE	CHANGE	% CHANGE
Adams State University	\$5,951,000	\$6,569,160	\$618,160	10.4%
Colorado Mesa University	5,936,261	6,094,986	158,725	2.7%
Metropolitan State University	15,897,257	15,642,901	(254,356)	(1.6%)
Western State Colorado University	4,642,960	5,133,893	490,933	10.6%
Colorado State University System	64,902,557	67,958,136	3,055,579	4.7%
Fort Lewis College	6,131,454	6,133,000	1,546	0.0%
University of Colorado System	74,210,330	76,454,291	2,243,961	3.0%
Colorado School of Mines	12,834,849	13,132,026	297,177	2.3%
University of Northern Colorado	15,788,388	18,452,587	2,664,199	16.9%
Community College System	29,483,921	29,214,555	(269,366)	(0.9%)
<b>TOTAL</b>	<b>\$235,778,977</b>	<b>\$244,785,535</b>	<b>\$9,006,558</b>	<b>3.8%</b>

**FY 2016-17 ESTIMATED MANDATORY FEE REVENUE PER STUDENT FTE**

Adams State University	\$2,785
Colorado Mesa University	779
Metropolitan State University	1,041
Western State Colorado University	2,452
Colorado State University System	2,408
Fort Lewis College	1,750
University of Colorado System	1,452
Colorado School of Mines	2,328
University of Northern Colorado	2,089
Community College System	602

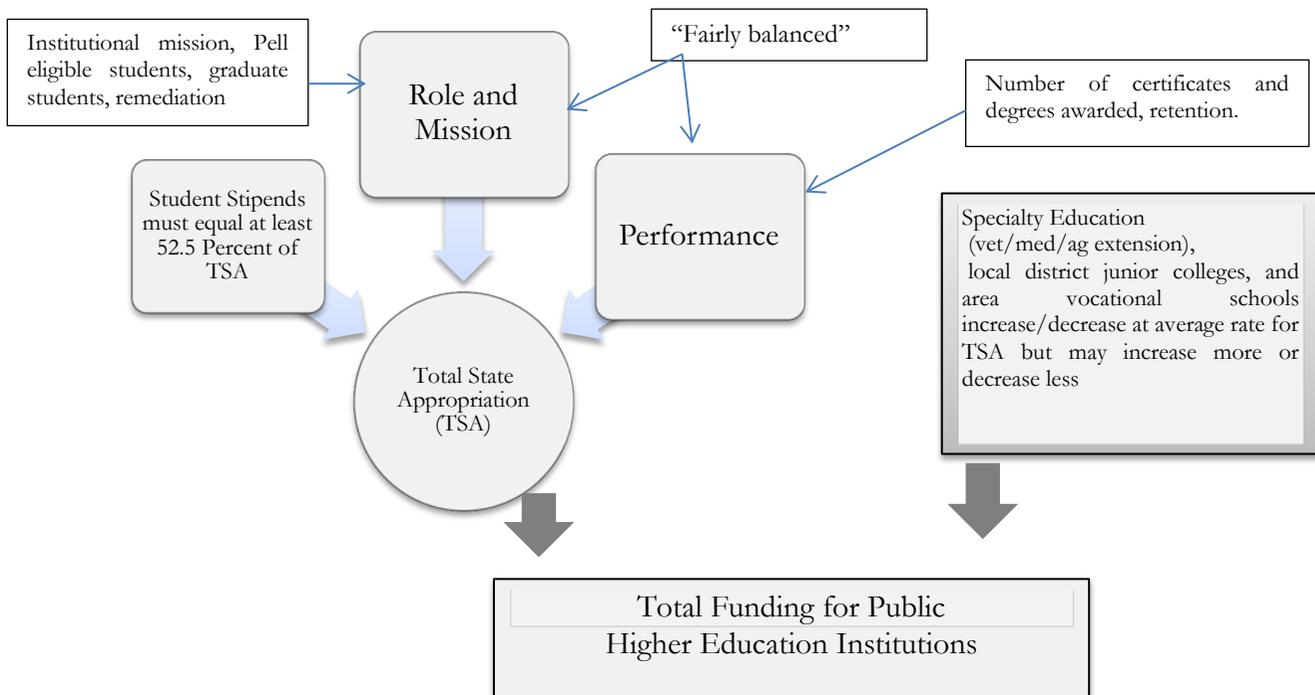
**AMENDMENT 50 GAMING REVENUE:** The appropriation reflects, for informational purposes, revenue anticipated to be received by public institutions with a two-year mission from gaming revenue pursuant to Amendment 50 to the Colorado Constitution, which was adopted by the voters in 2008. Amounts included in the Long Bill in this division are based on FY 2014-15 actual revenue.

AMENDMENT 50 LIMITED GAMING REVENUE			
	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	INCREASE IN FY 2016-17 LONG BILL
<b>State Institutions</b>			
Community College System	\$5,557,239	\$6,545,140	\$987,901
Adams State University	20,260	21,568	1,308
Colorado Mesa University	296,717	356,644	59,927
<b>TOTAL</b>	<b>\$5,874,216</b>	<b>\$6,923,352</b>	<b>\$1,049,136</b>

**OPERATING SUPPORT FOR COLLEGES AND UNIVERSITIES:** The appropriation adjusts support for public institutions of higher education to maintain flat total General Fund appropriations while also increasing and decreasing support for individual governing boards based on the funding formula established by H.B. 14-1319. The formula provides each state board with an amount for each undergraduate resident student eligible for the College Opportunity Fund (COF) program stipend (\$2,250 per student FTE), an amount per each certificate and degree awarded (with extra weight for Pell eligible students and certain types of degrees), and an amount to sustain each institution's role and mission. Funding for each governing board is calculated based on the actual number of COF stipends and certificates and degrees awarded in FY 2014-15. The FY 2016-17 funding formula changes include a reduced emphasis on funding for non-resident students. The table below summarizes the results of the FY 2016-17 funding formula for state-operated institutions.

STATE SUPPORT FOR GOVERNING BOARDS				
GOVERNING BOARD	FY 15-16 APPROPRIATION	FY 16-17 APPROPRIATION	PERCENT CHANGE FROM PRIOR YEAR	AMOUNT CHANGE FROM PRIOR YEAR
Adams State University	\$14,121,017	\$14,076,360	(0.3%)	(\$44,657)
Colorado Mesa University	24,465,356	24,280,729	(0.8%)	(184,627)
Metropolitan State University	50,153,399	51,415,001	2.5%	1,261,602
Western State Colorado University	11,643,992	11,534,927	(0.9%)	(109,065)
Colorado State University System	134,660,184	134,518,307	(0.1%)	(141,877)
Fort Lewis College	11,822,422	11,481,200	(2.9%)	(341,222)
University of Colorado System	184,615,667	186,432,686	1.0%	1,817,019
Colorado School of Mines	20,547,328	20,639,050	0.4%	91,722
University of Northern Colorado	41,092,729	39,038,234	(5.0%)	(2,054,495)
Community College System	153,549,541	153,255,147	(0.2%)	(294,394)
<b>TOTAL (state-operated boards)</b>	<b>\$646,671,635</b>	<b>\$646,671,641</b>	<b>0.0%</b>	<b>\$6</b>

The H.B. 14-1319 funding model is outlined in the diagram below. Each state-operated governing board receives an allocation that includes student stipends for resident undergraduate students, an allocation for role and mission, and an allocation for performance/outcomes based primarily on numbers and types of degrees awarded. In addition, the University of Colorado and Colorado State University receive allocations for their specialty education programs (such as the medical and veterinary schools), and local district colleges and area technical colleges also receive allocations. Specialty education programs, local district colleges and area technical colleges, increase and decrease at the same rate as overall funding for the model.



The funding formula for state-operated governing boards includes the following components, excluding amounts for "limited purpose" fee-for-service contracts that are allocated to individual governing boards based on separate statutory mandates.

	STUDENT STIPENDS	PELL ELIGIBLE STUDENTS	MISSION DIFFERENTIATION	WEIGHTED CREDIT HRS	COMPLETION/RETENTION (DEGREES AWARDED)	PRODUCTIVITY (DEGREES PER SFTE)	SPECIALTY EDUCATION	TOTAL
Adams	\$2,890,626	\$180,634	\$7,900,000	\$324,126	\$1,667,413	\$1,113,561	0	\$14,076,359
Mesa	\$13,706,155	\$587,108	\$4,800,000	\$787,262	\$3,479,637	\$920,567	0	\$24,280,728
Metro	\$32,248,782	\$1,474,350	\$5,100,000	\$2,065,193	\$9,519,353	\$1,007,324	0	\$51,415,001
Western	\$2,967,276	\$103,729	\$6,350,000	\$212,318	\$911,853	\$989,750	0	\$11,534,926
CSU	\$43,047,716	\$1,219,718	\$16,050,000	\$3,269,768	\$16,058,084	\$1,058,650	\$53,814,371	\$134,518,306
Fort Lewis	\$4,041,098	\$134,550	\$4,800,000	\$155,350	\$1,398,921	\$951,281	0	\$11,481,199
CU	\$62,352,540	\$2,049,428	\$24,450,000	\$5,769,654	\$28,149,829	\$1,064,314	\$62,596,921	\$186,432,685
Mines	\$6,194,533	\$149,374	\$8,900,000	\$776,526	\$3,527,776	\$1,090,841	0	\$20,639,050
UNC	\$15,440,878	\$572,610	\$14,330,000	\$1,186,442	\$6,421,087	\$1,087,217	0	\$39,038,234
Community Colleges	\$106,473,273	\$4,444,244	\$16,600,000	\$5,453,362	\$19,480,811	\$716,497	0	\$153,168,186
<b>TOTAL</b>	<b>\$289,362,876</b>	<b>\$10,915,742</b>	<b>\$109,280,000</b>	<b>\$20,000,001</b>	<b>\$90,614,764</b>	<b>\$10,000,000</b>	<b>\$116,411,292</b>	<b>\$646,584,675</b>
<b>Percentage of Total Funding Allocated in Category</b>								
Overall	44.8%	1.7%	16.9%	3.1%	14.0%	1.5%	18.0%	100.0%
Excluding Specialty Ed	54.6%	2.1%	20.6%	3.8%	17.1%	1.9%	n/a	100.0%

**FTE ADJUSTMENT:** The appropriation adjusts employee FTE shown in the Long Bill for each governing board to reflect the most recent estimates available (estimates for FY 2015-16). Governing board FTE are shown for informational purposes only.

GOVERNING BOARD EMPLOYEE FTE*				
	FY 2015-16	FY 2016-17	CHANGE	PERCENT
Adams State University	330.0	331.6	1.6	0.5%
Colorado Mesa University	695.3	705.8	10.5	1.5%
Metropolitan State University	1,362.6	1,453.2	90.6	6.6%
Western State Colorado University	241.4	248.1	6.7	2.8%
Colorado State University System	4,587.2	4,856.2	269.0	5.9%
Fort Lewis College	415.0	430.4	15.4	3.7%
University of Colorado System	7,825.2	7,982.3	157.1	2.0%
Colorado School of Mines	878.5	896.8	18.3	2.1%
University of Northern Colorado	1,141.9	1,136.5	(5.4)	(0.5%)
Community College System	5,935.4	6,003.8	68.4	1.2%
<b>TOTAL</b>	<b>23,412.5</b>	<b>24,044.7</b>	<b>632.2</b>	<b>2.7%</b>

\*Auraria Higher Education Center FTE are shown in a separate division.

**TOBACCO MASTER SETTLEMENT REVENUE ADJUSTMENT:** The appropriation includes a reduction based on the Legislative Council FY 2016-17 Tobacco Master Settlement revenue projection. In this division, the adjustment includes a reduction of \$147,808 cash funds for University of Colorado Health Sciences Center support (total FY 2016-17 allocation of \$12,352,869 tobacco settlement cash funds). Note that H.B. 16-1408 provides, separately, a significant increase in Tobacco MSA support for the Health Sciences Center.

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

## LOCAL DISTRICT COLLEGE GRANTS PURSUANT TO SECTION 23-71-301, C.R.S.

This section subsidizes the operations of the state's two local district colleges: Aims Community College and Colorado Mountain College. These two institutions have special property tax districts that support their operations and governing boards that are independent from state-operated governing board systems. Students from the special property tax districts pay discounted tuition rates. The source of cash funds is limited gaming money.

LOCAL DISTRICT COLLEGE GRANTS PURSUANT TO SECTION 23-71-301, C.R.S.						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2015-16 APPROPRIATION:						
SB 15-234	\$16,250,619	\$15,589,215	\$661,404	\$0	\$0	0.0
<b>TOTAL</b>	<b>\$16,250,619</b>	<b>\$15,589,215</b>	<b>\$661,404</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
FY 2016-17 APPROPRIATION:						
FY 2015-16 Appropriation	\$16,250,619	\$15,589,215	\$661,404	\$0	\$0	0.0
Amendment 50 gaming revenue	118,128	0	118,128	0	0	0.0
<b>HB 16-1405</b>	<b>\$16,368,747</b>	<b>\$15,589,215</b>	<b>\$779,532</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>TOTAL</b>	<b>\$16,368,747</b>	<b>\$15,589,215</b>	<b>\$779,532</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	\$118,128	\$0	\$118,128	\$0	\$0	0.0
Percentage Change	0.7%	0.0%	17.9%	n/a	n/a	n/a

FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

**AMENDMENT 50 GAMING REVENUE:** The appropriation reflects, for informational purposes, revenue anticipated to be received by public institutions with a two-year mission from gaming revenue pursuant to Amendment 50 to the Colorado Constitution, which was adopted by the voters in 2008. Amounts included in the Long Bill in this division are based on FY 2014-15 actual revenue.

AMENDMENT 50 LIMITED GAMING REVENUE			
	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	INCREASE IN FY 2016-17 LONG BILL
Local District Colleges			
Aims Community College	\$351,616	\$413,645	\$62,029
Colorado Mountain College	309,788	365,887	56,099
<b>TOTAL</b>	<b>\$661,404</b>	<b>\$779,532</b>	<b>\$118,128</b>

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, as well as indirect cost recoveries. The federal funds are from grants from the Carl D. Perkins Vocational and Technical Education Act, and miscellaneous smaller grants.

DIVISION OF OCCUPATIONAL EDUCATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2015-16 APPROPRIATION:						
SB 15-234	\$56,382,347	\$9,971,721	\$0	\$30,836,648	\$15,573,978	32.0
<b>TOTAL</b>	<b>\$56,382,347</b>	<b>\$9,971,721</b>	<b>\$0</b>	<b>\$30,836,648</b>	<b>\$15,573,978</b>	<b>32.0</b>
FY 2016-17 APPROPRIATION:						
FY 2015-16 Appropriation	\$56,382,347	\$9,971,721	\$0	\$30,836,648	\$15,573,978	32.0
Career and technical education increase	202,715	0	0	202,715	0	0.0
<b>HB 16-1405</b>	<b>\$56,585,062</b>	<b>\$9,971,721</b>	<b>\$0</b>	<b>\$31,039,363</b>	<b>\$15,573,978</b>	<b>32.0</b>
<b>TOTAL</b>	<b>\$56,585,062</b>	<b>\$9,971,721</b>	<b>\$0</b>	<b>\$31,039,363</b>	<b>\$15,573,978</b>	<b>32.0</b>
<b>INCREASE/(DECREASE)</b>	\$202,715	\$0	\$0	\$202,715	\$0	0.0
Percentage Change	0.4%	0.0%	n/a	0.7%	0.0%	0.0%

FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

**CAREER AND TECHNICAL EDUCATION INCREASE:** The appropriation increases funding for career and technical education by \$202,715 reappropriated funds, to \$25,436,648, based on money transferred from the Department of Education that originates as General Fund or State Education Funds.

## AURARIA HIGHER EDUCATION CENTER

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

AURARIA HIGHER EDUCATION CENTER						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2015-16 APPROPRIATION:						
SB 15-234	\$19,879,000	\$0	\$0	\$19,879,000	\$0	188.0
<b>TOTAL</b>	<b>\$19,879,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$19,879,000</b>	<b>\$0</b>	<b>188.0</b>
FY 2016-17 APPROPRIATION:						
FY 2015-16 Appropriation	\$19,879,000	\$0	\$0	\$19,879,000	\$0	188.0
Auraria Higher Education Center	397,580	0	0	397,580	0	0.0
FTE adjustment	0	0	0	0	0	2.6
<b>HB 16-1405</b>	<b>\$20,276,580</b>	<b>\$0</b>	<b>\$0</b>	<b>\$20,276,580</b>	<b>\$0</b>	<b>190.6</b>
<b>TOTAL</b>	<b>\$20,276,580</b>	<b>\$0</b>	<b>\$0</b>	<b>\$20,276,580</b>	<b>\$0</b>	<b>190.6</b>
<b>INCREASE/(DECREASE)</b>	\$397,580	\$0	\$0	\$397,580	\$0	2.6
Percentage Change	2.0%	n/a	n/a	2.0%	n/a	1.4%

### FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

**AURARIA HIGHER EDUCATION CENTER:** The appropriation increases spending authority for the Auraria Higher Education Center (AHEC) for funds 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.

**FTE ADJUSTMENT:** The appropriation adjusts employee FTE shown in the Long Bill for each governing board to reflect the most recent estimates available (estimates for FY 2015-16). Governing board 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. Cash Funds in this section are primarily from limited gaming funds deposited in the State Historical Fund. Additional sources include cash funds from museum fees, memberships, and other revenue-generating activities and, for informational purposes, support from the State of New Mexico for the Cumbres and Toltec Railroad.

**HISTORY COLORADO**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$29,463,065	\$1,295,000	\$27,193,615	\$0	\$974,450	131.4
HB 16-1241	0	0	0	0	0	0.0
<b>TOTAL</b>	<b>\$29,463,065</b>	<b>\$1,295,000</b>	<b>\$27,193,615</b>	<b>\$0</b>	<b>\$974,450</b>	<b>131.4</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$29,463,065	\$1,295,000	\$27,193,615	\$0	\$974,450	131.4
Cumbres and Toltec Railroad	1,421,000	1,092,500	328,500	0	0	0.0
History Colorado informational amounts	500,000	0	500,000	0	0	0.0
New Mexico Cumbres & Toltec RR support	426,500	0	426,500	0	0	0.0
Annualize prior year budget actions and legislation	(1,421,000)	(1,092,500)	(328,500)	0	0	0.0
Other	(20)	0	(20)	0	0	0.0
<b>HB 16-1405</b>	<b>\$30,389,545</b>	<b>\$1,295,000</b>	<b>\$28,120,095</b>	<b>\$0</b>	<b>\$974,450</b>	<b>131.4</b>
HB 16-1352	2,000,000	0	2,000,000	0	0	0.0
<b>TOTAL</b>	<b>\$32,389,545</b>	<b>\$1,295,000</b>	<b>\$30,120,095</b>	<b>\$0</b>	<b>\$974,450</b>	<b>131.4</b>
<b>INCREASE/(DECREASE)</b>	\$2,926,480	\$0	\$2,926,480	\$0	\$0	0.0
Percentage Change	9.9%	0.0%	10.8%	n/a	0.0%	0.0%

**FY 2015-16 APPROPRIATION - MID-YEAR ADJUSTMENTS**

House Bill 16-1241 adds footnotes to FY 2014-15 and FY 2015-16 appropriations for the Cumbres and Toltec Railroad Commission to specify assumptions and indicate that unexpended amounts may be rolled forward from FY 2014-15 to FY 2015-16 and from FY 2015-16 to FY 2016-17.

**FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS**

**CUMBRES AND TOLTEC RAILROAD:** The appropriation retains \$1,421,000 total funds to address deferred maintenance and capital costs for the Cumbres and Toltec Scenic Railroad, which is located on the border between Colorado and New Mexico and jointly owned by the two states. A total of \$1,421,000 total funds was appropriated in FY 2013-14, FY 2014-15, and FY 2015-16 but is eliminated (annualized) in FY 2016-17, based on legislative direction included in prior year Long Bill footnotes. This appropriation restores this funding to support capital needs identified by the railroad. The result is a net \$0 change/continuation funding for the railroad for FY 2016-17. The railroad has indicated that it is working to become financially self-sufficient and expects to substantially reduce reliance on state support by FY 2021-22.

**HISTORY COLORADO INFORMATIONAL AMOUNTS:** The appropriation includes an increase of \$400,000 cash funds for preservation grants (for a total of \$7,900,000 for preservation grants) and \$100,000 cash funds for distributions to gaming cities (for a total of \$5,000,000 for gaming cities), based on gaming revenue anticipated to be received by the State Historical Fund and statutory and constitutional distributions. Preservation grant and gaming city distribution amounts are continuously appropriated to History Colorado.

**NEW MEXICO CUMBRES & TOLTEC RR SUPPORT:** The appropriation increases the amount shown as the contribution from New Mexico for the Cumbres and Toltec Scenic Railroad by \$426,500 cash funds to a total of \$735,000, based on the most recent information available from New Mexico. This amount is shown for informational purposes only.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS AND LEGISLATION:** The appropriation includes adjustments related to prior year budget actions and legislation. For History Colorado, this reflects eliminating \$1,421,000 total funds in prior year support for the Cumbres and Toltec Railroad. (This amount is restored in a separate budget action, described above.)

**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.

## RECENT LEGISLATION

### 2015 SESSION BILLS

**S.B. 15-186 (YOGA TEACHER TRAINING PRIVATE OCCUPATIONAL SCHOOL):** The bill exempts yoga teacher training courses, programs, and schools from the provisions of the Private Occupational Education Act of 1981. Reduces fee revenue and appropriations for the Division of Private Occupational Schools by \$13,349 cash funds in FY 2015-16 and \$16,549 cash funds in FY 2016-17.

**S.B. 15-225 (STATE HISTORICAL SOCIETY GOVERNANCE):** Changes the way the board of directors for the Colorado State Historical Society is selected. Previously, the board was elected by members of the Historical Society. Effective July 1, 2015, the Governor appoints five members to the board with the consent of the Senate. Four additional members are then selected by the board, and submitted to the Governor for approval and appointment, again with the consent of the Senate. Members appointed to the board have the authority to act on behalf of the board prior to confirmation by the Senate.

**S.B. 15-234 (LONG BILL):** General appropriations act for FY 2015-16.

**S.B. 15-236 (REORGANIZE STATE HISTORICAL SOCIETY FUNDS):** Changes the structure of various History Colorado Funds. Creates two subaccounts in the State Historical Fund (SHF): the Preservation Grant Program Account, which receives 50.1 percent of limited gaming revenue to the SHF, and the Museum and Preservation Operations Account, which receives 49.9 percent of limited gaming revenue to the SHF. Divides existing SHF fund balances into these two subaccounts. Amounts in the subaccounts are subject to annual appropriation, except amounts for preservation grants, which are continuously appropriated. Also creates the Enterprise Services Cash Fund for other noncustodial revenue collected by History Colorado, such as admissions and membership fees. This fund is subject to annual appropriation and is not subject to statutory limits on uncommitted reserves.

**S.B. 15-237 (CALCULATION OF LIMITATIONS IN HIGHER ED FUNDING):** Makes technical clarifications to definitions used in higher education funding formulas pursuant to House Bill 14-1319 (Outcomes-based Funding for Higher Education). Also delays the implementation of higher education performance funding authorized in Senate Bill 11-052 to no earlier than FY 2017-18.

**S.B. 15-238 (GENERAL FUND EXEMPT INSTITUTIONS OF HIGHER ED USES):** Adds additional appropriation categories to the list of higher education appropriations that may be supported with General Fund Exempt. The General Fund Exempt Account consists of the revenues the state retains and spends under the authority of Referendum C of 2005. Based on existing statute, one-third of the Referendum C revenue that exceeds \$55.0 million must be appropriated for the benefit of students attending institutions of higher education.

**S.J.M. 15-001 (FORT LEWIS COLLEGE NATIVE AMERICAN TUITION WAIVER FEDERAL FUNDS):** Memorializes the U.S. Congress, requesting that it support federal legislation to provide federal tuition support for Native American students attending Fort Lewis College who are not Colorado residents.

**H.B. 15-1224 (STATE MONEYS RECEIVED BY LOCAL DISTRICT JUNIOR COLLEGES):** Requires that the State's two local district junior colleges, Colorado Mountain College and Aims Community College, receive separate appropriations in the Long Bill, rather than having their state support combined in a single line item.

**H.B. 15-1254 (HIGHER EDUCATION FUNDING APPROPRIATIONS CLEAN UP):** Clarifies a definition used in the description of higher education funding allocation formulas, modifying statutory language added in H.B. 14-1319 (Outcomes-based Funding for Higher Education).

**H.B. 15-1270 (PATHWAYS IN TECHNOLOGY EARLY COLLEGE HIGH SCHOOLS):** Authorizes the creation of Pathways in Technology Early College High Schools (P-Tech school). A P-Tech school is a public school that includes grades 9 through 14 and is designed to prepare students for careers in industry by enabling students to graduate with both a high school diploma and an associate degree. A P-Tech school is operated as a collaborative effort by a local education provider such as a school district, a community college, and one or more industry employers. A P-tech school, in contrast to other early colleges, focuses specifically on science, technology, engineering, and mathematics, and includes two additional years of high school (grades 13 and 14). A P-Tech school is funded through the annual School Finance Act, and a district with a P-Tech school may include the P-Tech school's students in grades 9-12 in the school district's pupil enrollment. Students in grades 13 and 14 are funded at the fixed per pupil amount established annually for students participating in the ASCENT program (Accelerating Students through Concurrent Enrollment). A student enrolled in grades 13 and 14 may also receive a stipend from the College Opportunity Fund for the postsecondary courses the student takes. For FY 2015-16, increases state appropriations to the Colorado Department of Education by \$7,232 General Fund and 0.1 FTE and increases appropriations to the Department of Higher Education by the same amount. The bill is expected to drive costs of \$4.1 million General Fund by FY 2021-22, due to impacts on school finance once the bill is fully implemented.

**H.B. 15-1274 (CREATION OF CAREER PATHWAYS FOR STUDENTS):** Requires the Colorado Workforce Development Council in the Department of Labor and Employment, in collaboration and consultation with partners including the Department of Higher Education and the community college system, the Department of Education, the Governor's Office of Economic Development and International Trade, and partner industries and local educational institutions, design integrated career pathways within identified growth industries. A career pathway is a series of connected education and training strategies and support services that enable students to secure industry-relevant skills and certification, where applicable, to obtain employment within an occupational area, and to advance to higher levels of future education and employment. At least one career pathway is to be ready for implementation by or before the 2016-17 academic year, and at least two additional career pathways must be ready for implementation at the beginning of each subsequent academic year. Following design and implementation of a new career pathway, the Departments of Higher Education and Labor and Employment must collaborate to promote information concerning the program and provide online student support services. For FY 2015-16 provides appropriations of \$485,043 General Fund and 2.5 FTE to the Department of Labor and Employment for the Workforce Development Council. Provides appropriations to the Department of Higher Education of: (1) \$86,960 General Fund, which is reappropriated to the community college system; and (2) \$200,000 reappropriated funds, from the amount initially appropriated to the Department of Labor and Employment, for an on-line resource publicizing the new career pathways. The bill's General Fund impact is expected to annualize to \$585,217 and 2.5 FTE in FY 2016-17.

**H.B. 15-1275 (CAREER AND TECH ED IN CONCURRENT ENROLLMENT):** Clarifies that career and technical course work related to apprenticeship programs and internship programs may be used for concurrent enrollment, and directs the Concurrent Enrollment Advisory Board to collaborate with other entities to promote cooperative agreements that include apprenticeship programs and internship programs in concurrent enrollment programs. Subject to available appropriations, directs the Colorado Commission on Higher Education (CCHE) to create a tuition assistance program for students enrolled in career and technical education certificate programs that do not meet minimum credit hour requirements for the federal Pell grant. Appropriates \$450,000 General Fund to the Department of Higher Education for this new tuition assistance program for FY 2015-16. This amount is expected to be ongoing.

## 2016 SESSION BILLS

**S.B. 16-073 (STATE AUDITOR AUDIT HISTORIC FUND DISTRIBUTION):** Requires the State Auditor to conduct postaudits and performance audits of the limited gaming funds that are transferred to the State Historical Fund for the preservation and restoration of the gaming cities of Central, Black Hawk, and Cripple Creek. The State Auditor must conduct three audits, no later than September 1, 2017, September 1, 2022, and September 1, 2027.

**S.B. 16-104 (INCENTIVES TO BUILD NUMBER OF RURAL TEACHERS):** Creates several new programs to provide incentives for individuals to become teachers in rural school districts, and to support the needs of professional educators in rural school districts: provides funding for a rural education coordinator (\$145,000); provides financial stipends for student teachers who agree to teach in rural areas (\$112,000), provides support for teacher cadet programs to support high school students interested in pursuing teaching careers in rural schools (\$50,000); provides funds for national board certification, concurrent enrollment certification, and other professional development for rural teachers (\$120,000); and provides support to the Department of Higher Education to oversee these programs. Provides an appropriation of \$441,095 General Fund and 0.3 FTE to the Department of Higher Education for the new programs and related administrative costs for FY 2016-17; and (2) adjusts FY 2016-17 appropriations in the Department of Education for the State Share of Districts' Total Program Funding to increase funding from the State Public School Fund by \$441,095 cash funds and decrease funding from the General Fund by the same amount.

**S.B. 16-121 (HIGHER EDUCATION REVENUE PLEDGED FOR BONDING):** Allows the governing board of a higher education institution or institutions to pledge up to 100 percent of tuition revenues, excluding any General Fund appropriations, when it issues bonds to pay the costs of a capital project. Institutions that participate in the Higher Education Revenue Bond Intercept Program (intercept program) are only allowed to pledge up to 10 percent of tuition revenues, which is the amount permitted in current law.

**S.B. 16-191 (MARIJUANA RESEARCH MARIJUANA TAX CASH FUND):** Authorizes the General Assembly to appropriate money from the Marijuana Tax Cash Fund (MTCF) to the Board of Governors of the Colorado State University System (CSU) to fund scientific and social science research at CSU-Pueblo concerning marijuana and other matters that impact the state and its regions. Appropriates \$900,000 cash funds from the MTCF to CSU-Pueblo for FY 2016-17 for this purpose. Continues ongoing study in the Department of Public Safety (DPS) of law enforcement's costs related to legalization of marijuana. Appropriates \$79,992 cash funds from the MTCF for this purpose for FY 2016-17. Also requires the Governor's Office of Marijuana Coordination facilitate data sharing and address data gaps related to the impact of marijuana legalization on public health, safety, or economic issues.

**S.B. 16-196 (INCLUSIVE HIGHER EDUCATION PILOT PROGRAM):** Creates an inclusive higher education pilot program aimed at establishing higher education programs for students with intellectual and developmental disabilities. The program will operate from FY 2016-17 through FY 2020-21 at three institutions: the University of Northern Colorado, the University of Colorado-Colorado Springs, and Arapahoe Community College. Appropriates

\$250,000 General Fund to the Department of Higher Education and reappropriates this amount, within the Department, to the participating governing boards for FY 2016-17. Transfers \$250,000 cash funds from the Intellectual and Development Disabilities Services (IDD) Cash Fund to the General Fund to support FY 2016-17 and FY 2017-18 General Fund appropriations for this program.

**S.B. 16-204 (HIGHER EDUCATION REVENUE BOND INTERCEPT PROGRAM):** Makes various changes to the higher education revenue bond intercept program. This program enables higher education institutions to issue debt under the State's credit rating. Changes include expanding legislative review and approval process for intercept debt so that the Capital Development Committee and the Joint Budget Committee must explicitly approve expansion of all intercept debt for all participating governing boards. Also caps the program based on General Fund appropriations to each governing board, and changes how the debt coverage ratio test that a governing board must pass to qualify for the program is calculated. Requires an annual report on the program from the Treasurer's Office, requires Treasurer pre-approval of new intercept debt, and authorizes the Treasurer to authorize refinance of existing intercept debt under certain circumstances.

SUMMARY PREVIOUS PROVISIONS FOR QUALIFYING FOR HIGHER EDUCATION REVENUE BOND INTERCEPT PROGRAM VERSUS S.B. 16-204 REQUIREMENTS FOR NEW BONDS ISSUED		
	PREVIOUS	S.B. 16-204
Coverage ratio (Funds Available for Debt Service/Debt Service)		
Intercept debt only	150%	n/a
All debt	n/a	150%
Credit Rating	In 3 highest categories/ A-rated	In 3 highest categories/ A-rated
Annual payments for all bonds issued under the intercept program as a percent of annual governing board General Fund appropriation (at time of issuance)	n/a	75%
Pre-certification by Treasurer for intercept debt increase	n/a	Yes
CDC/JBC approval for intercept debt increase	Some	All
Treasurer approval for refinance existing intercept debt	Some	All

**S.B. 16-209 (AUTHORIZE SCHOOL DISTRICT PROPERTY LEASE TO HIGHER ED INSTITUTION):** Authorizes a school district board of education to lease school district property to a state institution of higher education and to accept in-kind services (such as tuition reduction or scholarships for their students) from the institution as all or part of the lease payments. The bill clarifies that a school district may issue bonds to construct a building for lease to a state institution of higher education.

**H.B. 16-1083 (WESTERN STATE COLORADO ROLE AND MISSION):** Changes the admission standard for Western State Colorado University to "selective" from "moderately selective".

**H.B. 16-1229 (HIGHER ED FINANCIAL OBLIGATION REPAYMENT):** Effective FY 2015-16, transfers federal mineral lease (FML) revenues in the Higher Education Maintenance and Reserve Fund (reserve fund) into the Higher Education Federal Mineral Lease Revenues Fund (revenues fund). The revenues fund pays for lease purchase agreements (certificates of participation/COPs) to fund capital construction projects at state institutions of higher education. The bill then eliminates the reserve fund and directs all FML money previously deposited to the reserve fund to the revenues fund. The bill also prohibits the state from entering into any additional lease-purchase agreements to be funded from the revenues fund. Finally, the bill clarifies that annual appropriations for these higher education COP payments are made to the Department of Higher Education for transfer to the State Treasurer.

**H.B. 16-1241 (HIGHER EDUCATION SUPPLEMENTAL):** Makes supplemental adjustments to FY 2015-16 and FY 2014-15 appropriations to the Department of Higher Education.

**H.B. 16-1350 (HIGHER EDUCATION TRANSFERS FEE-FOR-SERVICE CONTRACT):** Makes a technical adjustment to the Department of Higher Education's authority to make certain year-end transfers. Expands the Department's authority to make year-end transfers between College Opportunity Fund Program student stipends and fee-for-service appropriations to include fee-for-service appropriations for specialty education programs such as the medical school at the University of Colorado Health Sciences Center.

**H.B. 16-1352 (HISTORY COLORADO CASH FUND):** Allows money in the State Museum Cash Fund to be appropriated for exhibit planning, development, and build-out at all State Historical Society facilities, instead of limiting use of these funds to development of the new state history museum. For FY 2016-17, appropriates \$2.0 million from the State Museum Cash Fund for exhibit planning, development, and build-out at state facilities. The State Historical Society has four years to spend the appropriation. Also requires that \$3.0 million, plus interest earned on that amount beginning on July 1, 2015, must be retained in the cash fund as a controlled maintenance reserve for the new museum. This amount is available for appropriation beginning in FY 2027-28.

**H.B. 16-1405 (LONG BILL):** General appropriations act for FY 2016-17. Also includes supplemental adjustments to FY 2015-16 appropriations for the Department of Higher Education.

**H.B. 16-1408 (CASH FUND ALLOCATIONS FOR HEALTH-RELATED PROGRAMS):** Establishes a new formula for the allocation of the annual payment received by the state as part of the Tobacco Master Settlement Agreement (Tobacco MSA). Increases annual allocations to most programs receiving funding under the current distribution, while eliminating dedicated funding for six purposes and replacing five of them with appropriations from the Marijuana Tax Cash Fund. Also modifies statute concerning higher education fee-for-service contracts paid to the University of Colorado for specialty education services, specifying that these contracts include care provided by faculty of the University of Colorado Health Sciences Center that are eligible for payment under the state's Medicaid provider reimbursement. Among other appropriations, appropriates an additional \$2,972,504 cash funds to the Department of Higher Education in FY 2016-17 for use by the University of Colorado Health Sciences. Of this amount, \$1,751,471 is designated for cancer research. For additional information see the recent legislation section at the end of the Department of Public Health and Environment.

**H.B. 16-1453 (COLORADO CYBERSECURITY INITIATIVE):** Creates the Colorado Cybersecurity Council in the Department of Public Safety (DPS). The council operates as a steering group to develop cybersecurity policy guidance for the Governor, establish related goals and initiatives, and coordinate with the General Assembly and the judicial branch regarding cybersecurity. Specifies that the University of Colorado at Colorado Springs (UCCS), in partnership with a nonprofit organization, may establish and expand higher education programs in cybersecurity and establish needed cyber education and training laboratories in specified subject areas. UCCS and the nonprofit organization also may establish a secure environment for research and development, initial operational testing and evaluation, and expedited contracting for production for industrial cyber products and techniques. Creates the Cybersecurity Cash Fund (Fund) in the state treasury. Subject to annual appropriation, the Regents of the University of Colorado may expend money from the Fund for the purposes of the bill. For FY 2016-17, the bill transfers \$7,932,020 from the General Fund to the Fund, to be reappropriated to the Department of Higher Education for use by the Regents of the University of Colorado. Also creates in the Fund a cybersecurity gifts, grants, and donations account for use by the Regents of the University of Colorado. Appropriates \$67,980 General Fund to the Department of Public Safety for FY 2016-17 for use by the Office of Prevention and Security.

# Details

## DEPARTMENT OF HUMAN SERVICES

### FY 2015-16 AND FY 2016-17 APPROPRIATIONS BY DIVISION AND BILL

DEPARTMENT OF HUMAN SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 TOTAL APPROPRIATION:</b>	<b>\$1,923,529,623</b>	<b>\$818,662,457</b>	<b>\$350,097,641</b>	<b>\$132,779,687</b>	<b>\$621,989,838</b>	<b>4,975.8</b>
<b>BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION</b>						
Executive Director's Office	\$92,387,040	\$55,061,520	\$3,597,713	\$19,638,349	\$14,089,458	135.4
Office of Information Technology Services	58,289,884	27,841,896	1,175,674	1,071,589	28,200,725	11.0
Office of Operations	44,569,467	26,212,610	3,524,663	10,108,654	4,723,540	441.6
County Administration	67,363,060	23,546,625	17,535,967	0	26,280,468	0.0
Division of Child Welfare	466,784,129	260,348,479	88,900,890	16,363,412	101,171,348	94.4
Office of Early Childhood	184,630,798	56,928,891	41,193,867	5,928,683	80,579,357	70.0
Office of Self Sufficiency	295,747,303	9,254,130	29,624,307	34,505	256,834,361	245.7
Behavioral Health Services	258,012,966	187,982,209	16,195,281	18,570,585	35,264,891	1,286.2
Services for People with Disabilities	159,902,064	10,194,903	39,601,546	57,713,341	52,392,274	1,663.3
Adult Assistance Programs	176,494,729	49,008,410	106,656,202	1,800	20,828,317	29.5
Division of Youth Corrections	119,348,183	112,282,784	2,091,531	3,348,769	1,625,099	998.7
<b>BREAKDOWN OF TOTAL APPROPRIATION BY BILL</b>						
SB 15-234	\$1,903,744,311	\$802,237,866	\$349,568,539	\$130,173,226	\$621,764,680	4,967.7
SB 15-012	868,895	315,509	0	0	553,386	0.0
SB 15-204	(270,372)	(270,372)	0	0	0	0.0
SB 15-240	2,000,000	2,000,000	0	0	0	0.0
SB 15-241	1,856,635	1,856,635	0	0	0	1.5
SB 15-242	6,408,147	5,714,028	606,415	0	87,704	1.0
HB 15-1131	14,404	14,404	0	0	0	0.3
HB 15-1248	37,138	37,138	0	0	0	0.4
HB 15-1367	3,500,000	2,500,000	(1,550,000)	2,550,000	0	0.0
HB 16-1242	5,370,465	4,257,249	1,472,687	56,461	(415,932)	4.9
HB 16-1405	0	0	0	0	0	0.0
<b>FY 2016-17 TOTAL APPROPRIATION:</b>	<b>\$1,902,561,730</b>	<b>\$831,637,907</b>	<b>\$388,657,140</b>	<b>\$127,872,227</b>	<b>\$554,394,456</b>	<b>4,793.4</b>
<b>BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION</b>						
Executive Director's Office	\$87,843,403	\$53,159,792	\$3,724,916	\$18,528,679	\$12,430,016	137.4
Office of Information Technology Services	72,266,991	40,959,156	1,667,556	1,036,482	28,603,797	11.0
Office of Operations	42,936,438	26,034,523	3,567,701	10,237,430	3,096,784	431.3
County Administration	67,913,060	24,096,625	17,535,967	0	26,280,468	0.0
Division of Child Welfare	473,369,686	260,769,713	94,530,084	16,340,342	101,729,547	94.8
Office of Early Childhood	201,749,810	61,160,972	49,722,480	6,563,353	84,303,005	78.3
Office of Self Sufficiency	259,311,254	9,973,344	30,332,822	25,779	218,979,309	248.7
Behavioral Health Services	265,785,330	189,816,707	22,063,002	18,683,329	35,222,292	1,293.6
Services for People with Disabilities	113,361,021	1,086,130	37,192,900	53,235,691	21,846,300	1,433.6
Adult Assistance Programs	198,049,657	51,448,742	126,231,727	1,800	20,367,388	30.5
Division of Youth Corrections	119,975,080	113,132,203	2,087,985	3,219,342	1,535,550	1,034.2

**DEPARTMENT OF HUMAN SERVICES**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>BREAKDOWN OF TOTAL APPROPRIATION BY BILL</b>						
HB 16-1405	\$1,886,419,116	\$828,943,472	\$375,832,301	\$128,067,449	\$553,575,894	4,786.2
SB 16-019	62,831	62,831	0	0	0	0.4
SB 16-190	550,000	0	0	0	550,000	0.0
SB 16-199	81,675	0	81,675	0	0	1.0
SB 16-202	6,000,000	0	6,000,000	0	0	1.0
HB 16-1112	100,000	100,000	0	0	0	0.0
HB 16-1227	268,562	0	0	0	268,562	0.0
HB 16-1290	1,151,628	1,151,628	0	0	0	1.0
HB 16-1328	4,900	4,900	0	0	0	0.0
HB 16-1398	900,000	900,000	0	0	0	0.0
HB 16-1408	6,743,164	0	6,743,164	0	0	0.0
HB 16-1410	107,076	475,076	0	(368,000)	0	1.8
HB 16-1414	172,778	0	0	172,778	0	2.0
<b>INCREASE/(DECREASE)</b>	<b>(\$20,967,893)</b>	<b>\$12,975,450</b>	<b>\$38,559,499</b>	<b>(\$4,907,460)</b>	<b>(\$67,595,382)</b>	<b>(182.4)</b>
Percentage Change	(1.1%)	1.6%	11.0%	(3.7%)	(10.9%)	(3.7%)

**INFORMATIONAL FUNDS:** The FY 2016-17 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 2016-17 Appropriations containing an (I) notation	\$499,522,618	\$0	\$255,647,755	\$1,340,200	\$242,534,663

**DETAIL OF APPROPRIATION  
BY ADMINISTRATIVE SECTION**

**EXECUTIVE DIRECTOR'S OFFICE**

This office is responsible for the management and administration of the Department, performing such functions as budgeting, human resources, and quality control, as well as program supervision, coordination, and evaluation. This section includes centrally appropriated line items, such as workers' compensation, legal services, administrative law judge services, and payments related to risk management. In addition, this office contains funding for specific functions including:

- The Juvenile Parole Board;
- The Developmental Disabilities Council;
- The Colorado Commission for the Deaf and Hard of Hearing;
- Compliance with the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA); and
- The 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
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$92,583,577	\$55,258,057	\$3,597,713	\$19,638,349	\$14,089,458	135.4
SB 15-204	(270,372)	(270,372)	0	0	0	0.0
HB 16-1242	73,835	73,835	0	0	0	0.0
<b>TOTAL</b>	<b>\$92,387,040</b>	<b>\$55,061,520</b>	<b>\$3,597,713</b>	<b>\$19,638,349</b>	<b>\$14,089,458</b>	<b>135.4</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$92,387,040	\$55,061,520	\$3,597,713	\$19,638,349	\$14,089,458	135.4
Youth corrections security staffing increase	438,110	438,110	0	0	0	0.0
Continuation of child care quality initiatives	121,681	0	0	0	121,681	0.0
Court-ordered competency evaluations and restoration treatment	40,950	40,950	0	0	0	0.0
Behavioral health crisis services staffing	32,321	32,321	0	0	0	0.0
Early childhood mental health specialists	10,144	0	0	0	10,144	0.0
Indirect cost assessment	0	(935,004)	391,513	32,450	511,041	0.0
Annualize prior year budget actions	(4,620,236)	(2,959,542)	(89,833)	(906,824)	(664,037)	0.0
Annualize prior year legislation	(242,450)	(242,450)	0	0	0	0.0
Centrally appropriated line items	(211,390)	1,889,927	(157,091)	(394,337)	(1,549,889)	0.0
Annualize SB 15-239	(178,259)	(102,450)	0	0	(75,809)	0.0
Base appropriation reduction	(112,186)	(68,490)	(17,386)	(13,737)	(12,573)	0.0
<b>HB 16-1405</b>	<b>\$87,665,725</b>	<b>\$53,154,892</b>	<b>\$3,724,916</b>	<b>\$18,355,901</b>	<b>\$12,430,016</b>	<b>135.4</b>
HB 16-1328	4,900	4,900	0	0	0	0.0
HB 16-1414	172,778	0	0	172,778	0	2.0
<b>TOTAL</b>	<b>\$87,843,403</b>	<b>\$53,159,792</b>	<b>\$3,724,916</b>	<b>\$18,528,679</b>	<b>\$12,430,016</b>	<b>137.4</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$4,543,637)</b>	<b>(\$1,901,728)</b>	<b>\$127,203</b>	<b>(\$1,109,670)</b>	<b>(\$1,659,442)</b>	<b>2.0</b>
Percentage Change	(4.9%)	(3.5%)	3.5%	(5.7%)	(11.8%)	1.5%

**FY 2015-16 APPROPRIATION - MID-YEAR ADJUSTMENTS**

House Bill 16-1242 modifies FY 2015-16 appropriations to:

- Add \$83,274 General Fund for centrally appropriated line items for the expansion of the number of employees overseeing the statewide behavioral health crisis system contracts and to hire psychologists to perform court-ordered competency evaluations; and
- Reduce \$9,439 General Fund related to a fine from U.S. Food and Nutrition Service for federal money used in error by the Department for modifications to the Colorado Benefits Management System.

**FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS**

**YOUTH CORRECTIONS SECURITY STAFFING INCREASE:** The appropriation includes an increase of \$438,110 General Fund for centrally appropriated costs associated with 36.3 FTE added to the Division of Youth Corrections to address ongoing safety issues at the ten State-owned and state-operated youth corrections facilities.

**CONTINUATION OF CHILD CARE QUALITY INITIATIVES:** The appropriation includes an increase of \$121,681 federal Child Care Development Funds for centrally appropriated costs associated with 7.3 FTE added to the Division of Early Care and Learning in the Office of Early Childhood to support ongoing sustainability of the Colorado Shines child care quality rating program and the associated technology systems that were initially funded through the Race to the Top Early Learning Challenge grant.

**COURT-ORDERED COMPETENCY EVALUATIONS AND RESTORATION TREATMENT:** The appropriation includes \$40,950 General Fund for centrally appropriated costs associated with 3.0 FTE added to Behavioral Health Services to expand the number of psychologists performing both inpatient and outpatient competency evaluations, and for the operation of a 30-bed competency evaluation and restoration program located in the Arapahoe County Detention Center.

**BEHAVIORAL HEALTH CRISIS SERVICES STAFFING:** The appropriation includes \$32,321 General Fund for centrally appropriated costs for 2.4 FTE added to Behavioral Health Services to enhance oversight of the statewide behavioral health crisis system.

**EARLY CHILDHOOD MENTAL HEALTH SPECIALISTS:** The appropriation includes an increase of \$10,144 federal Child Care Development Funds for centrally appropriated costs for 0.2 FTE added to expand the Early Childhood Mental Health Services program in the Division of Community and Family Support.

**INDIRECT COST ASSESSMENT:** The appropriation includes a net zero fund source adjustment to the Department's statewide indirect cost assessment.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes a number of changes to the out-year impact of funding decisions made through the FY 2015-16 appropriation, including:

- Annualization of the FY 2015-16 salary survey and merit pay; and
- Increase of \$9,439 General Fund to restore a one-time reduction related to the Department's failure to pay the penalty related to federal Supplemental Nutrition Assistance Program.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes a reduction of \$242,450 General Fund for the second-year impact of S.B. 15-204 (Office of the Child Protection Ombudsman).

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

**ANNUALIZE SB 15-239:** The appropriation includes a reduction of \$178,259 total funds, including \$102,450 General Fund, to transfer the Division of Vocational Rehabilitation Programs and Business Enterprise Program to the Department of Labor and Employment pursuant to S.B. 15-239 (Transfer Vocational Rehabilitation from DHS to CDLE).

**BASE APPROPRIATION REDUCTION:** The appropriation includes a decrease of \$112,186 total funds, including \$68,490 General Fund, to adjust the base-level appropriation for several programs based on an analysis of prior-year expenditures versus prior-year appropriations.

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

## OFFICE OF INFORMATION TECHNOLOGY SERVICES

The Office of Information Technology Services (OITS) is responsible for developing and maintaining the major centralized computer systems of the Department, including systems that link to all counties in the state. The OITS supports centralized databases and provides support and training to users, including county staff and private social service providers. It also helps to set policies and strategic directions for decentralized information technology systems that are operated by individual divisions within the Department. Major systems funded in this section of the budget include the Colorado Benefits Management System, the County Financial Management System, and the Colorado Trails information system. The primary source of cash funds is the Old Age Pension Fund. The primary source of reappropriated funds is Medicaid funds transferred from the Department of Health Care Policy and Financing. Major sources of federal funds include Title IV-E of the Social Security Act and the Temporary Assistance for Needy Families block grant.

OFFICE OF INFORMATION TECHNOLOGY SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$59,427,840	\$28,511,630	\$890,369	\$1,071,589	\$28,954,252	11.0
HB 15-1248	16,600	16,600	0	0	0	0.0
HB 16-1242	(1,154,556)	(686,334)	285,305	0	(753,527)	0.0
<b>TOTAL</b>	<b>\$58,289,884</b>	<b>\$27,841,896</b>	<b>\$1,175,674</b>	<b>\$1,071,589</b>	<b>\$28,200,725</b>	<b>11.0</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$58,289,884	\$27,841,896	\$1,175,674	\$1,071,589	\$28,200,725	11.0
Colorado Benefits Management System (CBMS) base adjustment and enhancements	13,485,143	12,276,308	437,882	0	770,953	0.0
Annualize prior year budget actions	2,443,993	2,441,111	346	0	2,536	0.0
Centrally appropriated line items	(1,395,698)	(801,370)	53,654	(35,107)	(612,875)	0.0
Mental health institutes electronic health record funding adjustment	(771,000)	(771,000)	0	0	0	0.0
Base appropriation reduction	(37,293)	(11,189)	0	0	(26,104)	0.0
Annualize prior year legislation	(16,600)	(16,600)	0	0	0	0.0
<b>HB 16-1405</b>	<b>\$71,998,429</b>	<b>\$40,959,156</b>	<b>\$1,667,556</b>	<b>\$1,036,482</b>	<b>\$28,335,235</b>	<b>11.0</b>
HB 16-1227	268,562	0	0	0	268,562	0.0
<b>TOTAL</b>	<b>\$72,266,991</b>	<b>\$40,959,156</b>	<b>\$1,667,556</b>	<b>\$1,036,482</b>	<b>\$28,603,797</b>	<b>11.0</b>
<b>INCREASE/(DECREASE)</b>	\$13,977,107	\$13,117,260	\$491,882	(\$35,107)	\$403,072	0.0
Percentage Change	24.0%	47.1%	41.8%	(3.3%)	1.4%	0.0%

### FY 2015-16 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 16-1242 modifies FY 2015-16 appropriations to:

- Reduce by \$1,154,556 total funds, including \$686,334 General Fund, the appropriations for the Colorado Benefits Management System (CBMS) based on updated system usage statistics of the system; and
- Allow the Departments of Health Care Policy and Financing and Human Services to transfer up to 5.0 percent of the total CBMS appropriation between line items and between agencies, as needed.

FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

**COLORADO BENEFITS MANAGEMENT SYSTEM (CBMS) BASE ADJUSTMENT AND ENHANCEMENTS:** The appropriation includes an increase of \$13,485,143 total funds, including \$12,276,308 General Fund, to increase the base appropriation supporting CBMS and add an additional 117,276 vendor pool hours for CBMS enhancements. The money is reappropriated to the Governor’s Office of Information Technology to arrange for service provision.

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

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 14-15 MHI electronic health record system	\$2,432,463	\$2,432,463	\$0	\$0	\$0	0.0
FY 15-16 Salary survey	5,869	4,402	176	0	1,291	0.0
FY 15-16 Merit pay	5,661	4,246	170	0	1,245	0.0
<b>TOTAL</b>	<b>\$2,443,993</b>	<b>\$2,441,111</b>	<b>\$346</b>	<b>\$0</b>	<b>\$2,536</b>	<b>0.0</b>

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items for payments to the Governor's Office of Information Technology (OIT).

**MENTAL HEALTH INSTITUTES ELECTRONIC HEALTH RECORD FUNDING ADJUSTMENT:** The appropriation includes a one-time shift of \$771,000 General Fund from the Department's Office of Information Technology Services to the Behavioral Health Services section. This shift temporarily reduces funding for the ongoing development and enhancement of a new electronic health record system at the mental health institutes to pay for contract nursing staff and overtime for the institutes' nursing staff to attend mandatory training for the new system.

**BASE APPROPRIATION REDUCTION:** The appropriation includes a decrease of \$37,293 total funds, including \$11,189 General Fund, to adjust the base-level appropriation for several programs based on an analysis of prior-year expenditures versus prior-year appropriations.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes a reduction of \$16,600 General Fund for the second-year impact of H.B. 15-1248 (Child Welfare Check Potential Foster Parents).

**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
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$44,435,292	\$26,212,610	\$3,524,663	\$9,974,479	\$4,723,540	441.6
HB 16-1242	134,175	0	0	134,175	0	0.0
<b>TOTAL</b>	<b>\$44,569,467</b>	<b>\$26,212,610</b>	<b>\$3,524,663</b>	<b>\$10,108,654</b>	<b>\$4,723,540</b>	<b>441.6</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$44,569,467	\$26,212,610	\$3,524,663	\$10,108,654	\$4,723,540	441.6
Annualize prior year budget actions	473,704	260,048	50,754	127,582	35,320	0.0
Technical adjustments	0	0	0	0	0	0.0
Annualize SB 15-239	(2,017,079)	(419,175)	0	0	(1,597,904)	(10.3)
Centrally appropriated line items	(133,004)	(62,310)	(7,716)	1,194	(64,172)	0.0
<b>HB 16-1405</b>	<b>\$42,893,088</b>	<b>\$25,991,173</b>	<b>\$3,567,701</b>	<b>\$10,237,430</b>	<b>\$3,096,784</b>	<b>431.3</b>
SB 16-019	37,206	37,206	0	0	0	0.0
HB 16-1410	6,144	6,144	0	0	0	0.0
<b>TOTAL</b>	<b>\$42,936,438</b>	<b>\$26,034,523</b>	<b>\$3,567,701</b>	<b>\$10,237,430</b>	<b>\$3,096,784</b>	<b>431.3</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$1,633,029)</b>	<b>(\$178,087)</b>	<b>\$43,038</b>	<b>\$128,776</b>	<b>(\$1,626,756)</b>	<b>(10.3)</b>
Percentage Change	(3.7%)	(0.7%)	1.2%	1.3%	(34.4%)	(2.3%)

#### FY 2015-16 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 16-1242 modifies FY 2015-16 appropriations to shift \$134,175 reappropriated funds (transferred from the Department of Corrections) from the Department's Behavioral Health Services section to the Office of Operations section.

#### FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the out-year impact of the annualization of FY 2015-16 salary survey and merit pay.

**TECHNICAL ADJUSTMENTS:** The appropriation includes a number of technical changes to Long Bill notations.

**ANNUALIZE SB 15-239:** The appropriation includes a reduction of \$2,017,079 total funds, including \$419,175 General Fund, to transfer the Division of Vocational Rehabilitation Programs and Business Enterprise Program to the Department of Labor and Employment pursuant to S.B. 15-239 (Transfer Vocational Rehabilitation from DHS to CDLE).

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items for the following: vehicle lease payments and Capitol complex leased space.

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

## COUNTY ADMINISTRATION

This section contains appropriations for 64 county departments of social services to administer the Supplemental Nutrition Assistance Program (food assistance) and Aid to the Needy Disabled. It also includes appropriations to assist counties with high human services program costs relative to their county property tax bases. Cash funds sources in this section include retained child support collections, fraud refunds, and state revenue intercepts. Federal funds are from the U.S. Department of Agriculture 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 2015-16 APPROPRIATION:						
SB 15-234	\$67,363,060	\$23,546,625	\$17,535,967	\$0	\$26,280,468	0.0
<b>TOTAL</b>	<b>\$67,363,060</b>	<b>\$23,546,625</b>	<b>\$17,535,967</b>	<b>\$0</b>	<b>\$26,280,468</b>	<b>0.0</b>
FY 2016-17 APPROPRIATION:						
FY 2015-16 Appropriation	\$67,363,060	\$23,546,625	\$17,535,967	\$0	\$26,280,468	0.0
No changes	0	0	0	0	0	0.0
<b>HB 16-1405</b>	<b>\$67,363,060</b>	<b>\$23,546,625</b>	<b>\$17,535,967</b>	<b>\$0</b>	<b>\$26,280,468</b>	<b>0.0</b>
SB 16-190	550,000	550,000	0	0	0	0.0
<b>TOTAL</b>	<b>\$67,913,060</b>	<b>\$24,096,625</b>	<b>\$17,535,967</b>	<b>\$0</b>	<b>\$26,280,468</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	\$550,000	\$550,000	\$0	\$0	\$0	0.0
Percentage Change	0.8%	2.3%	0.0%	n/a	0.0%	n/a

### FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

**NO CHANGES:** The appropriation does not contain changes from the FY 2015-16 appropriation.

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

## 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 2014-15, 31,597 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
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$455,498,809	\$250,757,278	\$88,294,475	\$15,363,412	\$101,083,644	91.5
SB 15-241	1,856,635	1,856,635	0	0	0	1.5
SB 15-242	6,408,147	5,714,028	606,415	0	87,704	1.0
HB 15-1248	20,538	20,538	0	0	0	0.4
HB 15-1367	3,000,000	2,000,000	0	1,000,000	0	0.0
HB 16-1242	0	0	0	0	0	0.0
HB 16-1405	0	0	0	0	0	0.0
<b>TOTAL</b>	<b>\$466,784,129</b>	<b>\$260,348,479</b>	<b>\$88,900,890</b>	<b>\$16,363,412</b>	<b>\$101,171,348</b>	<b>94.4</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$466,784,129	\$260,348,479	\$88,900,890	\$16,363,412	\$101,171,348	94.4
County child welfare staff - phase 2	6,064,149	5,428,510	606,415	0	29,224	0.0
Title IV-E Waiver cash funds	6,000,000	0	6,000,000	0	0	0.0
Technical adjustments	0	0	0	0	0	0.0
Office of Early Childhood reorganization	0	0	0	0	0	0.0
Annualize prior year legislation	(3,518,666)	(2,600,290)	(869,586)	0	(48,790)	0.1
Annualize prior year budget actions	(1,916,258)	(1,856,986)	(63,967)	(23,070)	27,765	0.3
Tobacco Master Settlement revenue adjustment	(43,668)	0	(43,668)	0	0	0.0
<b>HB 16-1405</b>	<b>\$473,369,686</b>	<b>\$261,319,713</b>	<b>\$94,530,084</b>	<b>\$16,340,342</b>	<b>\$101,179,547</b>	<b>94.8</b>
SB 16-190	0	(550,000)	0	0	550,000	0.0
HB 16-1408	0	0	0	0	0	0.0
<b>TOTAL</b>	<b>\$473,369,686</b>	<b>\$260,769,713</b>	<b>\$94,530,084</b>	<b>\$16,340,342</b>	<b>\$101,729,547</b>	<b>94.8</b>
<b>INCREASE/(DECREASE)</b>	<b>\$6,585,557</b>	<b>\$421,234</b>	<b>\$5,629,194</b>	<b>(\$23,070)</b>	<b>\$558,199</b>	<b>0.4</b>
Percentage Change	1.4%	0.2%	6.3%	(0.1%)	0.6%	0.4%

**FY 2015-16 APPROPRIATION - MID-YEAR ADJUSTMENTS**

House Bill 16-1242 and H.B. 16-1405 modify FY 2015-16 appropriations to provide roll forward authority so the Department is able to complete projects initiated in prior years.

**FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS**

**COUNTY CHILD WELFARE STAFF – PHASE 2:** The appropriation includes an increase of \$6,064,149 total funds, including \$5,428,510 General Fund, for the second phase of an increase in county level child welfare case aides, case workers, and supervisors.

**TITLE IV-E WAIVER CASH FUNDS:** The appropriation includes an increase of \$6,000,000 cash funds from the Title IV-E Waiver Demonstration Project Cash Fund for prevention and intervention services and continued expansion of Title IV-E Waiver interventions.

**TECHNICAL ADJUSTMENTS:** The appropriation includes a number of technical changes to Long Bill notations.

**OFFICE OF EARLY CHILDHOOD REORGANIZATION:** The appropriation includes a net zero reorganization of the Office of Early Childhood.

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

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 15-1248 Safe Placements	\$5,610	\$5,610	\$0	\$0	\$0	0.1
HB 15-1367 Retail Marijuana Taxes	0	(2,000,000)	2,000,000	0	0	0.0
HB 14-1368 Transition IDD youth	(2,829,586)	0	(2,829,586)	0	0	0.0
SB 15-242 Child Welfare Staff Funding Allocation	(687,000)	(598,210)	(40,000)	0	(48,790)	0.0
SB 15-241 Collaborative Management Program	(7,690)	(7,690)	0	0	0	0.0
<b>TOTAL</b>	<b>(\$3,518,666)</b>	<b>(\$2,600,290)</b>	<b>(\$869,586)</b>	<b>\$0</b>	<b>(\$48,790)</b>	<b>0.1</b>

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

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 15-16 Salary survey and merit pay	\$119,143	85,681	4,107	1,834	27,521	0.0
FY 15-16 Child welfare case management	\$1,436	\$1,192	\$0	\$0	\$244	0.3
FY 15-16 Child welfare hotline funding	(1,465,565)	(1,465,565)	0	0	0	0.0
FY 15-16 Leap year adjustment	(365,272)	(272,294)	(68,074)	(24,904)	0	0.0
FY 15-16 Child welfare public awareness campaign	(206,000)	(206,000)	0	0	0	0.0
<b>TOTAL</b>	<b>(\$1,916,258)</b>	<b>(\$1,856,986)</b>	<b>(\$63,967)</b>	<b>(\$23,070)</b>	<b>\$27,765</b>	<b>0.3</b>

**TOBACCO MASTER SETTLEMENT REVENUE ADJUSTMENT:** The appropriation includes a reduction based on the Legislative Council FY 2016-17 Tobacco Master Settlement revenue projection.

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

## OFFICE OF EARLY CHILDHOOD

The Office of Early Childhood (OEC) was created pursuant to H.B. 13-1117 to align child development programs that address early learning, child health, child mental health, and family support and parent education. 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. 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.

The Division of Community and Family Supports includes funding for various early childhood family support programs such as the Early Intervention Services, Early Childhood Mental Services, Nurse Home Visitor and Tony Grampsas Youth Services programs. 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
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$184,190,984	\$56,928,891	\$41,193,867	\$5,928,683	\$80,139,543	69.7
HB 16-1242	439,814	0	0	0	439,814	0.3
<b>TOTAL</b>	<b>\$184,630,798</b>	<b>\$56,928,891</b>	<b>\$41,193,867</b>	<b>\$5,928,683</b>	<b>\$80,579,357</b>	<b>70.0</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$184,630,798	\$56,928,891	\$41,193,867	\$5,928,683	\$80,579,357	70.0
Early intervention caseload growth	3,803,626	2,207,911	961,045	634,670	0	0.0
Annualize prior year legislation	2,000,000	2,000,000	0	0	0	0.0
Continuation of child care quality initiatives	1,431,255	0	0	0	1,431,255	7.3
Early childhood mental health specialists	1,263,622	0	0	0	1,263,622	0.2
Tobacco Master Settlement revenue adjustment	812,088	0	812,088	0	0	0.0
Annual child care licensing visits	673,524	0	0	0	673,524	0.8
Annualize prior year budget actions	391,733	24,170	12,316	0	355,247	0.0
Office of Early Childhood reorganization	0	0	0	0	0	0.0
<b>HB 16-1405</b>	<b>\$195,006,646</b>	<b>\$61,160,972</b>	<b>\$42,979,316</b>	<b>\$6,563,353</b>	<b>\$84,303,005</b>	<b>78.3</b>
HB 16-1408	6,743,164	0	6,743,164	0	0	0.0
<b>TOTAL</b>	<b>\$201,749,810</b>	<b>\$61,160,972</b>	<b>\$49,722,480</b>	<b>\$6,563,353</b>	<b>\$84,303,005</b>	<b>78.3</b>
<b>INCREASE/(DECREASE)</b>	\$17,119,012	\$4,232,081	\$8,528,613	\$634,670	\$3,723,648	8.3
Percentage Change	9.3%	7.4%	20.7%	10.7%	4.6%	11.9%

**FY 2015-16 APPROPRIATION - MID-YEAR ADJUSTMENTS**

House Bill 16-1242 modifies FY 2015-16 appropriations to add \$439,814 federal Child Care Development Funds and 0.3 FTE to expand the state’s Early Childhood Mental Health Specialists program;

**FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS**

**EARLY INTERVENTION CASELOAD GROWTH:** The appropriation includes an increase of \$3,803,626 total funds, including \$2,207,911 General Fund, for Early Intervention direct services and case management.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes an increase of \$2,000,000 General Fund for the third-year impact of H.B. 14-1317 (Colorado Child Care Assistance Program).

**CONTINUATION OF CHILD CARE QUALITY INITIATIVES:** The appropriation includes an increase of \$1,431,255 federal Child Care Development Funds and 7.3 FTE to support ongoing sustainability of the Colorado Shines child care quality rating program and the associated technology systems that were initially funded through the Race to the Top Early Learning Challenge grant.

**EARLY CHILDHOOD MENTAL HEALTH SPECIALISTS:** The appropriation includes an increase of \$1,263,622 federal Child Care Development Funds and 0.2 FTE to expand the Early Childhood Mental Health Services program in the Division of Community and Family Support.

**TOBACCO MASTER SETTLEMENT REVENUE ADJUSTMENT:** The appropriation includes an increase based on the Legislative Council FY 2016-17 Tobacco Master Settlement revenue projection.

**ANNUAL CHILD CARE LICENSING VISITS:** The appropriation includes an increase of \$673,524 federal Child Care Development Funds and 0.8 FTE to improve the caseload ratio of licensing specialists to child care facilities to 1:86 to allow for one unannounced inspection annually in order to comply with federal annual inspection requirements.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes a number of changes to the out-year impact of funding decisions made through the FY 2015-16 appropriation including:

- Annualization of the FY 2015-16 salary survey and merit pay; and
- An increase of \$300,000 federal funds for the Child Care Automated Tracking System.

**OFFICE OF EARLY CHILDHOOD REORGANIZATION:** The appropriation includes a net zero reorganization of the Office of Early Childhood.

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

## OFFICE OF SELF SUFFICIENCY

This section includes appropriations for various public assistance programs, including Colorado Works, the Low-income Energy Assistance Program (LEAP), child support enforcement, and disability determination programs, among others. The majority of funding for this Office comes from the federal Temporary Assistance for Needy Families Block Grant.

OFFICE OF SELF SUFFICIENCY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$294,015,181	\$8,075,394	\$29,624,307	\$34,505	\$256,280,975	245.7
SB 15-012	868,895	315,509	0	0	553,386	0.0
HB 16-1242	863,227	863,227	0	0	0	0.0
<b>TOTAL</b>	<b>\$295,747,303</b>	<b>\$9,254,130</b>	<b>\$29,624,307</b>	<b>\$34,505</b>	<b>\$256,834,361</b>	<b>245.7</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$295,747,303	\$9,254,130	\$29,624,307	\$34,505	\$256,834,361	245.7
SNAP oversight increase	367,857	183,929	0	0	183,928	3.0
Informational funds adjustment	(30,626,461)	0	0	0	(30,626,461)	0.0
Base appropriation reduction	(6,986,937)	(1,321)	798,498	(8,726)	(7,775,388)	0.0
Annualize prior year legislation	(257,321)	(516,364)	0	0	259,043	(1.0)
Annualize prior year budget actions	(84,815)	(98,658)	(89,983)	0	103,826	0.0
<b>HB 16-1405</b>	<b>\$258,159,626</b>	<b>\$8,821,716</b>	<b>\$30,332,822</b>	<b>\$25,779</b>	<b>\$218,979,309</b>	<b>247.7</b>
HB 16-1290	1,151,628	1,151,628	0	0	0	1.0
<b>TOTAL</b>	<b>\$259,311,254</b>	<b>\$9,973,344</b>	<b>\$30,332,822</b>	<b>\$25,779</b>	<b>\$218,979,309</b>	<b>248.7</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$36,436,049)</b>	<b>\$719,214</b>	<b>\$708,515</b>	<b>(\$8,726)</b>	<b>(\$37,855,052)</b>	<b>3.0</b>
Percentage Change	(12.3%)	7.8%	2.4%	(25.3%)	(14.7%)	1.2%

FY 2015-16 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 16-1242 modifies FY 2015-16 appropriations to:

- Add \$963,227 General Fund to repay the U.S. Food and Nutrition Service for the federal money used in error by the Department for Colorado Benefits Management System (CBMS) modifications; and
- Reduce by \$100,000 General Fund the appropriation supporting the Automated Child Support Enforcement System.

FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

**SNAP OVERSIGHT INCREASE:** The appropriation includes an increase of \$367,857 total funds, including \$183,929 General Fund, and 3.0 FTE to improve the State’s oversight of the federally-funded and county-administered Supplemental Nutrition Assistance Program (SNAP).

**INFORMATIONAL FUNDS ADJUSTMENT:** The appropriation includes a decrease of \$30,626,461 federal funds reflected for informational purposes only. The appropriation eliminates the Temporary Assistance for Needy Families (TANF) reserve line item that has been shown in prior fiscal years for informational purposes only and from which no expenditures are made in any fiscal year.

**BASE APPROPRIATION REDUCTION:** The appropriation includes a decrease of \$6,986,937 total funds, including \$1,321 General Fund, to adjust the base-level appropriation for several programs based on an analysis of prior-year expenditures versus prior-year appropriations.

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

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 15-012 (Colorado Works Pass-through Child Support Payment)	\$1,910,636	\$1,651,593	\$0	\$0	\$259,043	0.0
HB 14-1015 (Extend Transitional Jobs Program)	(1,204,730)	(1,204,730)	0	0		(1.0)
HB 16-1242 (Supplemental Bill)	(963,227)	(963,227)	0	0	0	0.0
<b>TOTAL</b>	<b>(\$257,321)</b>	<b>(\$516,364)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$259,043</b>	<b>(1.0)</b>

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

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 15-16 Salary survey	\$163,382	\$26,886	\$5,420	\$0	\$131,076	0.0
FY 15-16 Merit pay	151,803	24,456	4,597	0	122,750	0.0
FY 15-16 SNAP study	(300,000)	(150,000)	0	0	(150,000)	0.0
FY 15-16 one-time domestic violence investment	(100,000)	0	(100,000)	0	0	0.0
<b>TOTAL</b>	<b>(\$84,815)</b>	<b>(\$98,658)</b>	<b>(\$89,983)</b>	<b>\$0</b>	<b>\$103,826</b>	<b>0.0</b>

**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 disorder treatment and prevention services that are otherwise not available. This includes services for people with low income who are not eligible for Medicaid, as well as services for Medicaid-eligible clients if such services are not covered by the Medicaid program. Funding in this section also supports administration and operation of the State's two mental health institutes, which provide comprehensive psychiatric, psychological, rehabilitation, and therapeutic care for individuals with serious mental illness. The institutes serve three populations: (a) individuals with pending criminal charges who require evaluations of competency to stand trial and services to restore competency; (b) individuals who have been found to be not guilty by reason of insanity; and (c) adults and adolescents who are referred for admission by the community mental health centers, county departments of social services, or the Division of Youth Corrections.

Significant sources of cash funding include: the Marijuana Tax Cash Fund, patient revenues earned by the Institutes, and tobacco litigation settlement money that is credited to the Offender Mental Health Services Fund and the Alcohol and Drug Abuse Community Prevention and Treatment Fund. Significant sources of reappropriated funds include: Medicaid funds transferred from the Department of Health Care Policy and Financing, Correctional Treatment Cash Fund money transferred from the Judicial Department, and money transferred from the Department of Corrections. Finally, federal funds primarily include the Substance Abuse Prevention and Treatment Block Grant and the Mental Health Services Block Grant.

BEHAVIORAL HEALTH SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$254,178,268	\$183,638,257	\$18,265,045	\$17,010,075	\$35,264,891	1,281.1
HB 15-1367	500,000	500,000	(1,550,000)	1,550,000	0	0.0
HB 16-1242	3,334,698	3,843,952	(519,764)	10,510	0	5.1
<b>TOTAL</b>	<b>\$258,012,966</b>	<b>\$187,982,209</b>	<b>\$16,195,281</b>	<b>\$18,570,585</b>	<b>\$35,264,891</b>	<b>1,286.2</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$258,012,966	\$187,982,209	\$16,195,281	\$18,570,585	\$35,264,891	1,286.2
Court-ordered competency evaluations and restoration treatment	1,343,638	1,343,638	0	0	0	3.0
Mental health institutes electronic health record funding adjustment	771,000	771,000	0	0	0	0.0
Expand access to inpatient psychiatric care	500,000	500,000	0	0	0	0.0
Behavioral health crisis services staffing	129,144	129,144	0	0	0	2.4
Correctional Treatment Cash Fund allocation	50,000	0	0	50,000	0	0.0
DOC food service inflation	45,977	0	0	45,977	0	0.0
Technical adjustments	8,757	0	8,757	0	0	0.0
Mental Health Institute revenue adjustment	0	0	(368,000)	368,000	0	0.0
Marijuana Tax Cash Fund adjustment	0	(500,000)	500,000	0	0	0.0
Annualize prior year legislation	(500,000)	(500,000)	0	0	0	0.0
Annualize prior year budget actions	(364,719)	(403,841)	0	16,767	22,355	0.3
Gambling addiction program spending authority	(169,000)	0	(169,000)	0	0	0.0
Informational funds adjustment	(64,954)	0	0	0	(64,954)	(1.5)
Centrally appropriated line items	(58,788)	0	(58,788)	0	0	0.0
Tobacco Master Settlement revenue adjustment	(45,248)	0	(45,248)	0	0	0.0
<b>HB 16-1405</b>	<b>\$259,658,773</b>	<b>\$189,322,150</b>	<b>\$16,063,002</b>	<b>\$19,051,329</b>	<b>\$35,222,292</b>	<b>1,290.4</b>

**BEHAVIORAL HEALTH SERVICES**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 16-019	25,625	25,625	0	0	0	0.4
SB 16-202	6,000,000	0	6,000,000	0	0	1.0
HB 16-1410	100,932	468,932	0	(368,000)	0	1.8
<b>TOTAL</b>	<b>\$265,785,330</b>	<b>\$189,816,707</b>	<b>\$22,063,002</b>	<b>\$18,683,329</b>	<b>\$35,222,292</b>	<b>1,293.6</b>
<b>INCREASE/(DECREASE)</b>	<b>\$7,772,364</b>	<b>\$1,834,498</b>	<b>\$5,867,721</b>	<b>\$112,744</b>	<b>(\$42,599)</b>	<b>7.4</b>
Percentage Change	3.0%	1.0%	36.2%	0.6%	(0.1%)	0.6%

**FY 2015-16 APPROPRIATION - MID-YEAR ADJUSTMENTS**

House Bill 16-1242 modifies FY 2015-16 appropriations to add \$2,650,912 General Fund to address continued increases in the number of court orders for individuals to receive competency evaluations and competency restoration services. This funding supports an increase in the number of psychologists performing both inpatient and outpatient competency evaluations (resulting in an increase of 4.5 FTE in FY 2015-16), as well as the operation of a 30-bed competency evaluation and restoration program located in the Arapahoe County Detention Center. In addition, the bill modifies FY 2015-16 appropriations to:

- Make fund source adjustments to reflect updated mental health institute revenue estimates, including:
  - an increase of \$1,200,000 reappropriated funds transferred from the Department of Health Care Policy and Financing;
  - a decrease of \$955,315 reappropriated funds earned from behavioral health organizations;
  - a decrease of \$788,764 cash funds (primarily from the federal Medicare program); and
  - an increase of \$544,079 General Fund.
- Add \$656,050 General Fund for the Colorado Mental Health Institute at Pueblo for the purchase of medications for patients;
- Add \$169,000 reappropriated funds transferred from the Department of Local Affairs for the Department of Human Services to address recommendations in a recent performance audit concerning the Gambling Addiction Program;
- Change the appropriation format to clarify the funding source for the Gambling Addiction Program, resulting in an increase of \$269,000 cash funds and a decrease of \$269,000 reappropriated funds;
- Add \$52,771 General Fund to increase from one to four the number of employees overseeing the statewide behavioral health crisis system contracts (resulting in an increase of 0.6 FTE in FY 2015-16);
- Shift an appropriation of \$134,175 reappropriated funds (transferred from the Department of Corrections) from the Department's Behavioral Health Services section to the Office of Operations section; and
- Reduce by \$59,860 General Fund the appropriation for behavioral health crisis system contracts.

**FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS**

**COURT-ORDERED COMPETENCY EVALUATIONS AND RESTORATION TREATMENT:** The appropriation includes \$1,343,638 General Fund and 3.0 FTE to provide a full 12 months of ongoing funding to expand the number of psychologists performing both inpatient and outpatient competency evaluations, and for the operation of a 30-bed competency evaluation and restoration program located in the Arapahoe County Detention Center.

**MENTAL HEALTH INSTITUTES ELECTRONIC HEALTH RECORD FUNDING ADJUSTMENT:** The appropriation includes a one-time shift of \$771,000 General Fund from the Department's Office of Information Technology Services to the Behavioral Health Services section. This shift temporarily reduces funding for the ongoing development and enhancement of a new electronic health record system at the mental health institutes to pay for contract nursing staff and overtime for the institutes' nursing staff to attend mandatory training for the new system.

**EXPAND ACCESS TO INPATIENT PSYCHIATRIC CARE:** The appropriation includes \$500,000 General Fund to support an initiative on the Western Slope that will expand access to inpatient psychiatric care for individuals who are diagnosed with physical health conditions that are exacerbated by co-occurring mental health problems.

**BEHAVIORAL HEALTH CRISIS SERVICES STAFFING:** The appropriation includes \$129,144 General Fund and 2.4 FTE to provide a full 12 months of funding for three positions added in FY 2015-16 to enhance oversight of the statewide behavioral health crisis system.

**CORRECTIONAL TREATMENT CASH FUND ALLOCATION:** The appropriation reflects: (1) an increase of \$95,000 reappropriated funds (transferred from the Judicial Department) for the Short-term Intensive Residential Remediation and Treatment (STIRRT) program to cover the costs of modifying the program based on current research and best practices; and (2) a reduction of \$45,000 reappropriated funds for Jail-based Behavioral Health Services.

**DOC FOOD SERVICE INFLATION:** The appropriation includes \$45,977 reappropriated funds transferred from the Department of Corrections (DOC) to cover an increase in the cost of preparing meals for DOC facilities located on the campus of the Colorado Mental Health Institute at Pueblo.

**TECHNICAL ADJUSTMENTS:** The appropriation includes an increase of \$8,757 cash funds to adjust the spending authority for various programs based on available revenues.

**MENTAL HEALTH INSTITUTE REVENUE ADJUSTMENT:** The appropriation shifts \$368,000 from cash funds to reappropriated funds to more accurately reflect payments from the Judicial Department to the mental health institutes for inpatient competency evaluations.

**MARIJUANA TAX CASH FUND ADJUSTMENT:** The appropriation shifts \$500,000 from General Fund to cash funds to utilize marijuana tax revenues to support a portion of an existing line item appropriation that provides for behavioral health services for adolescents and adults in southern Colorado and the Arkansas Valley who have co-occurring substance use and mental health disorders.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes a reduction of \$500,000 General Fund for the second-year impact of H.B. 15-1367 (Retail Marijuana Taxes).

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

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 15-16 Salary survey	\$737,965	\$719,434	\$0	\$7,942	\$10,589	0.0
FY 15-16 erit pay	671,097	650,506	0	8,825	11,766	0.0
FY 15-16 One-time reduction	59,860	59,860	0	0	0	0.0
FY 14-15 MHI electronic health record system	50,762	50,762	0	0	0	0.3
FY 15-16 MHI equipment replacement	(1,659,403)	(1,659,403)	0	0	0	0.0
FY 15-16 Circle program business plan analysis	(225,000)	(225,000)	0	0	0	0.0
<b>TOTAL</b>	<b>(\$364,719)</b>	<b>(\$403,841)</b>	<b>\$0</b>	<b>\$16,767</b>	<b>\$22,355</b>	<b>0.3</b>

**GAMBLING ADDICTION PROGRAM SPENDING AUTHORITY:** The appropriation eliminates a one-time FY 2015-16 appropriation of \$169,000 cash funds from the Gambling Addiction Account within the Local Government Limited Gaming Impact Fund that allows the Department to spend down the fund balance and address issues identified in a recent performance audit.

**INFORMATIONAL FUNDS ADJUSTMENT:** The appropriation includes a decrease of \$64,954 federal funds (and an associated decrease of 1.5 FTE) reflected for informational purposes only.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to funding for benefits for employees of the Circle Program, including: state contributions for health, life, and dental benefits; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; and shift differential. The Circle Program is supported by the Marijuana Tax Cash Fund, and all funding for the Program (including employee benefits) appear in a single line item appropriation within this section of the budget.

**TOBACCO MASTER SETTLEMENT ADJUSTMENT:** The appropriation includes an adjustment based on the Legislative Council FY 2016-17 Tobacco Master Settlement revenue projection.

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

**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 the Veterans Community Living Centers.

**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. Senate Bill 15-239 transfers the Division of Vocational Rehabilitation to the Department of Labor and Employment on July 1, 2016.

## 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. These facilities are designated as enterprises, have continuous spending authority for direct costs, 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
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$157,991,010	\$8,283,849	\$39,601,546	\$57,713,341	\$52,392,274	1,663.8
SB 15-240	2,000,000	2,000,000	0	0	0	0.0
HB 16-1242	(88,946)	(88,946)	0	0	0	(0.5)
<b>TOTAL</b>	<b>\$159,902,064</b>	<b>\$10,194,903</b>	<b>\$39,601,546</b>	<b>\$57,713,341</b>	<b>\$52,392,274</b>	<b>1,663.3</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$159,902,064	\$10,194,903	\$39,601,546	\$57,713,341	\$52,392,274	1,663.3
Veterans Community Living Centers adjustment	6,650,000	0	(1,087,100)	0	7,737,100	0.0
Annualize prior year legislation	2,000,000	2,000,000	(169)	169	0	0.0
Annualize prior year budget actions	1,036,855	59,690	6,570	739,301	231,294	0.0
Annualize SB 15-239	(48,039,446)	(4,436,518)	(789,147)	(4,939,313)	(37,874,468)	(229.7)
SB 16-093 Transfer ILCs	(7,221,066)	(6,831,945)	(29,621)	0	(359,500)	0.0
Traumatic brain injury adjustment	(509,179)	0	(509,179)	0	0	0.0
Informational funds adjustment	(280,400)	0	0	0	(280,400)	0.0
Regional center adjustments	(277,807)	0	0	(277,807)	0	0.0
<b>HB 16-1405</b>	<b>\$113,261,021</b>	<b>\$986,130</b>	<b>\$37,192,900</b>	<b>\$53,235,691</b>	<b>\$21,846,300</b>	<b>1,433.6</b>
HB 16-1112	100,000	100,000	0	0	0	0.0
<b>TOTAL</b>	<b>\$113,361,021</b>	<b>\$1,086,130</b>	<b>\$37,192,900</b>	<b>\$53,235,691</b>	<b>\$21,846,300</b>	<b>1,433.6</b>

**SERVICES FOR PEOPLE WITH DISABILITIES**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>INCREASE/(DECREASE)</b>	(\$46,541,043)	(\$9,108,773)	(\$2,408,646)	(\$4,477,650)	(\$30,545,974)	(229.7)
Percentage Change	(29.1%)	(89.3%)	(6.1%)	(7.8%)	(58.3%)	(13.8%)

**FY 2015-16 APPROPRIATION - MID-YEAR ADJUSTMENTS**

House Bill 16-1242 modifies FY 2015-16 appropriations to reduce \$88,946 General Fund and 0.5 FTE to eliminate the General Fund money appropriated to the Grand Junction Regional Center for physician services for Regional Center waiver clients.

**FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS**

**VETERANS COMMUNITY LIVING CENTERS ADJUSTMENT:** The appropriation includes an increase of \$6,650,000 total funds appropriated for informational purposes to the Veterans Community Living Centers based on projected FY 2016-17 Veterans Community Living Center expenditures.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes an increase of \$2,000,000 General Fund for the second-year impact of S.B. 15-240 (Funding Formula for Independent Living Centers).

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the out-year impact of FY 2015-16 salary survey and merit pay increases.

**ANNUALIZE SB 15-239:** The appropriation includes a reduction of \$48,039,446 total funds, including \$4,436,518 General Fund, and 229.7 FTE to transfer the Division of Vocational Rehabilitation Programs and Business Enterprise Program to the Department of Labor and Employment pursuant to S.B. 15-239 (Transfer Vocational Rehabilitation from DHS to CDLE).

**SB 16-093 TRANSFER ILCS:** The appropriation includes a reduction of \$7,221,066 total funds, including \$6,831,945 General Fund, to transfer the funds appropriated for Independent Living Centers (ILCs) to the Department of Labor and Employment on July 1, 2016 pursuant to S.B. 16-093 (Transfer Independent Living Services).

**TRAUMATIC BRAIN INJURY ADJUSTMENT:** The appropriation includes a reduction of \$509,179 cash funds from the Traumatic Brain Injury Cash Fund based on historical revenue and expenditures.

**INFORMATIONAL FUNDS ADJUSTMENT:** The appropriation includes a decrease of \$280,400 federal funds reflected for informational purposes only.

**REGIONAL CENTER ADJUSTMENTS:** The appropriation includes a reduction of \$277,807 reappropriated funds based on the direct costs and depreciation amounts for each regional center calculated using the most recent census and cost-per-day data provided by the Department in January 2016.

**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. Cash Funds are primarily from the Old Age Pension Fund and from local funds.

ADULT ASSISTANCE PROGRAMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$174,016,925	\$48,237,752	\$104,949,056	\$1,800	\$20,828,317	29.5
HB 16-1242	2,477,804	770,658	1,707,146	0	0	0.0
<b>TOTAL</b>	<b>\$176,494,729</b>	<b>\$49,008,410</b>	<b>\$106,656,202</b>	<b>\$1,800</b>	<b>\$20,828,317</b>	<b>29.5</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$176,494,729	\$49,008,410	\$106,656,202	\$1,800	\$20,828,317	29.5
Old Age Pension technical correction	18,936,099	0	18,936,099	0	0	0.0
Annualize prior year legislation	2,628,069	2,065,077	562,992	0	0	0.0
County adult protective services training	65,000	65,000	0	0	0	0.0
Base appropriation reduction	(961,562)	(485,752)	(7,873)	0	(467,937)	0.0
Annualize prior year budget actions	(94,353)	(103,993)	2,632	0	7,008	0.0
<b>HB 16-1405</b>	<b>\$197,067,982</b>	<b>\$50,548,742</b>	<b>\$126,150,052</b>	<b>\$1,800</b>	<b>\$20,367,388</b>	<b>29.5</b>
SB 16-199	81,675	0	81,675	0	0	1.0
HB 16-1398	900,000	900,000	0	0	0	0.0
<b>TOTAL</b>	<b>\$198,049,657</b>	<b>\$51,448,742</b>	<b>\$126,231,727</b>	<b>\$1,800</b>	<b>\$20,367,388</b>	<b>30.5</b>
<b>INCREASE/(DECREASE)</b>	<b>\$21,554,928</b>	<b>\$2,440,332</b>	<b>\$19,575,525</b>	<b>\$0</b>	<b>(\$460,929)</b>	<b>1.0</b>
Percentage Change	12.2%	5.0%	18.4%	0.0%	(2.2%)	3.4%

### FY 2015-16 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 16-1242 modifies FY 2015-16 appropriations to:

- Add \$1,519,482 cash funds from the Older Coloradans Cash Fund for community-based services to persons sixty years of age or older to assist such persons to live in their own homes and communities for as long as possible. Pursuant to statute, money appropriated for the Senior Citizen and Disabled Veteran Property Tax Exemption program in the Department of Treasury in excess of the amount local governments submitted as claims for reimbursement are deposited in the Older Coloradans Cash Fund. An excess appropriation of \$1,519,482 General Fund occurred in FY 2014-15 and a deposit of a like amount was made into the Older Coloradans Cash Fund, pursuant to this statutory provision;
- Add \$938,322 total funds, including \$750,658 General Fund, for counties to hire additional caseworkers and supervisors to respond to cases of abuse or exploitation of at-risk adults with intellectual and developmental disabilities; and
- Add \$20,000 General Fund for the Department to contract with an entity to train adult protective service workers, law enforcement agencies, Community Centered Boards (and providers), and other agencies on reporting instances of potential mistreatment of at-risk adults with intellectual and developmental disabilities.

FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

**OLD AGE PENSION TECHNICAL CORRECTION:** The appropriation includes an increase of \$18,936,099 cash funds to align appropriations from the Old Age Pension (OAP) Fund with actual expenditures. 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 to the Department in the State Constitution.

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

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 16-1242 (Supplemental Bill)	\$2,874,966	\$2,311,974	\$562,992	\$0	\$0	0.0
SB 14-012 (Aid To The Needy Disabled Program)	(246,897)	(246,897)	0	0	0	0.0
<b>TOTAL</b>	<b>\$2,628,069</b>	<b>\$2,065,077</b>	<b>\$562,992</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**COUNTY ADULT PROTECTIVE SERVICES TRAINING:** The appropriation includes \$65,000 General Fund for training opportunities for county adult protective services workers regarding the implementation of protections against abuse of individuals with intellectual and developmental disabilities.

**BASE APPROPRIATION REDUCTION:** The appropriation includes a decrease of \$961,562 total funds, including \$485,752 General Fund, to adjust the base-level appropriation for several programs based on an analysis of prior-year expenditures versus prior-year appropriations.

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

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 15-16 Salary survey	\$18,085	\$12,837	\$1,575	\$0	\$3,673	0.0
FY 15-16 Merit pay	12,562	8,170	1,057	0	3,335	0.0
FY 15-16 Respite Care Task Force one-time study	(125,000)	(125,000)	0	0	0	0.0
<b>TOTAL</b>	<b>(\$94,353)</b>	<b>(\$103,993)</b>	<b>\$2,632</b>	<b>\$0</b>	<b>\$7,008</b>	<b>0.0</b>

**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. 91-094 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 includes 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
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$120,043,365	\$112,787,523	\$2,091,531	\$3,436,993	\$1,727,318	998.4
HB 15-1131	14,404	14,404	0	0	0	0.3
HB 16-1242	(709,586)	(519,143)	0	(88,224)	(102,219)	0.0
<b>TOTAL</b>	<b>\$119,348,183</b>	<b>\$112,282,784</b>	<b>\$2,091,531</b>	<b>\$3,348,769</b>	<b>\$1,625,099</b>	<b>998.7</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$119,348,183	\$112,282,784	\$2,091,531	\$3,348,769	\$1,625,099	998.7
Youth corrections security staffing increase	1,747,016	1,747,016	0	0	0	36.3
Annualize prior year budget actions	985,171	985,171	0	0	0	0.0
Youth corrections special education needs assessment	125,000	125,000	0	0	0	0.0
Annualize prior year legislation	1,284	1,284	0	0	0	0.0
Technical adjustments	0	0	0	0	0	0.0
Youth corrections caseload adjustment	(2,226,338)	(2,007,362)	0	(129,427)	(89,549)	0.0
Base appropriation reduction	(5,236)	(1,690)	(3,546)	0	0	(0.8)
<b>HB 16-1405</b>	<b>\$119,975,080</b>	<b>\$113,132,203</b>	<b>\$2,087,985</b>	<b>\$3,219,342</b>	<b>\$1,535,550</b>	<b>1,034.2</b>
<b>TOTAL</b>	<b>\$119,975,080</b>	<b>\$113,132,203</b>	<b>\$2,087,985</b>	<b>\$3,219,342</b>	<b>\$1,535,550</b>	<b>1,034.2</b>
<b>INCREASE/(DECREASE)</b>	\$626,897	\$849,419	(\$3,546)	(\$129,427)	(\$89,549)	35.5
Percentage Change	0.5%	0.8%	(0.2%)	(3.9%)	(5.5%)	3.6%

#### FY 2015-16 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 16-1242 modifies FY 2015-16 appropriations to decrease \$709,586 total funds, including \$519,143 General Fund, to the appropriation for committed youth based on a decrease in the forecasted caseload from an average daily population of 734.6 to 711.9.

#### FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

**YOUTH CORRECTIONS SECURITY STAFFING INCREASE:** The appropriation includes an increase of \$1,747,016 General Fund and 36.3 FTE to add security officers to address ongoing safety issues at the ten State-owned and state-operated youth corrections facilities.

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

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 15-16 Salary survey	\$533,966	\$533,966	0	0	0	0.0
FY 15-16 Merit pay	451,205	451,205	0	0	0	0.0
<b>TOTAL</b>	<b>\$985,171</b>	<b>\$985,171</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**YOUTH CORRECTIONS SPECIAL EDUCATION NEEDS ASSESSMENT:** The appropriation includes an increase of \$125,000 General Fund to conduct a needs assessment of special education services for youth committed to Division of Youth Corrections facilities.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes an increase of \$1,284 General Fund for the second-year impact of H.B. 15-1131 (Release Critical Incident Information Juvenile).

**TECHNICAL ADJUSTMENTS:** The appropriation includes a transfer of General Fund appropriations between three line items in the Community Programs section of the Division of Youth Corrections. The transfers, which sum to zero, move General Fund between the Personal Services, Purchase of Contract Placements, and Parole Program Services line items to align appropriations with expenditure patterns.

**YOUTH CORRECTIONS CASELOAD ADJUSTMENT:** The appropriation includes a decrease of \$2,226,338 total funds, including \$2,007,362 General Fund, as a result of a forecasted decrease in the average daily population of committed youth from 711.9 for FY 2015-16 to a projection of 678.6 for FY 2016-17.

**BASE APPROPRIATION REDUCTION:** The appropriation includes a decrease of \$5,236 total funds, including \$1,690 General Fund, to adjust the base-level appropriation for several programs based on an analysis of prior-year expenditures versus prior-year appropriations.

## RECENT LEGISLATION

### 2015 SESSION BILLS

**S.B. 15-012 (COLORADO WORKS PASS-THROUGH CHILD SUPPORT PAYMENT):** Allows the State and counties to disregard child support income a Temporary Assistance for Needy Families (TANF) recipient may be eligible to receive and pass-through such income to the TANF recipient. Under the bill, any child support income a TANF recipient receives will not be considered income when calculating the basic cash assistance grant an individual may receive. Appropriates \$868,895 total funds, including \$315,509 General Fund to the Department of Human Services for FY 2015-16 for information technology enhancements, contract staff to oversee the project, and training for counties concerning changes under the bill.

**S.B. 15-167 (MODIFY FY 2014-15 APPROPRIATIONS FROM MARIJUANA REVENUE):** Aligns FY 2014-15 appropriations from the Marijuana Tax Cash Fund with actual marijuana tax revenue collected in FY 2013-14. With respect to the Department of Human Services, the bill reduces the cash funds appropriation for Jail-based Behavioral Health Services by \$452,787 (from \$2,000,000 to \$1,547,213). In addition, the bill clarifies that a FY 2014-15 appropriation of \$1,500,000 cash funds from the Marijuana Tax Cash Fund for the provision of substance use disorder treatment services for adolescents and pregnant women may be used for substance use disorder prevention services and intensive wrap around services, and the bill authorizes the Department to spend any funds that remain available in FY 2015-16. For additional information, see the "Recent Legislation" section at the end of the Department of Revenue.

**S.B. 15-204 (OFFICE OF THE CHILD PROTECTION OMBUDSMAN):** Establishes the Office of the Child Protection Ombudsman (the Office) in the Judicial Department as an independent agency, and requires the Office to sign an administrative memorandum of understanding with the Judicial Department with an effective date of no later than January 1, 2016. Modifies the powers and duties of the existing Child Protection Ombudsman Program in the Department of Human Services. Repeals the provision requiring the Executive Director of the Department of Human Services to award a contract for the operation of the Ombudsman Program, and authorizes the Executive Director to extend the existing contract through December 31, 2015. Reduces the General Fund appropriation to the Department of Human Services for FY 2015-16 for the Child Protection Ombudsman by \$270,372 (from \$512,822 to \$242,450). For additional information, see the "Recent Legislation" section at the end of the Judicial Department.

**S.B. 15-234 (LONG BILL):** General appropriations act for FY 2015-16.

**S.B. 15-239 (TRANSFER VOCATIONAL REHAB FROM DHS TO CDLE):** Transfers the Vocational Rehabilitation Programs, including the Business Enterprise Program through which persons who are blind operate vending facilities in state buildings, from the Department of Human Services (DHS) to the Department of Labor and Employment (CDLE) as of July 1, 2016. CDLE and DHS must develop a transition plan by December 1, 2015, detailing additional steps, including any additional statutory changes, necessary to effectuate the transition of vocational rehabilitation programs from DHS to CDLE. Further, starting in September 2015, CDLE must provide quarterly status updates to the Joint Budget Committee. For additional information, see the "Recent Legislation" section at the end of the Department of Labor and Employment.

**S.B. 15-240 (FUNDING FORMULA INDEPENDENT LIVING CENTERS):** Requires the Department of Human Services to promulgate a rule on or before July 1, 2016, that establishes a funding formula of state money for Independent Living Centers. The rule must, at a minimum, include a base amount of not less than \$600,000 per Center and other factors as agreed upon by the Centers. Other factors may include a per capita adjustment, a per county adjustment, or other adjustments agreed to by the Centers. The Department of Human Services is required to report on the status of the rule to the appropriate committees of reference by March 1, 2016. Appropriates \$2,000,000 General Fund to the Department for Independent Living Centers for FY 2015-16.

**S.B. 15-241 (COLLABORATIVE MANAGEMENT PROGRAM):** Clarifies the responsibilities of the Department and participating counties and the requirements for a county's receipt of incentive funds. Requires the Department to contract for an annual external evaluation of the program. Appropriates \$1,856,635 General Fund and 1.5 FTE to the Department, adding to the existing \$3.0 million cash fund spending authority.

**S.B. 15-242 (CHILD WELFARE STAFF FUNDING ALLOCATION):** Directs the Child Welfare Allocations Committee to develop a formula to allocate funding to counties in addition to the Child Welfare Block Grant, for the specific purpose of hiring new child welfare staff at the county level. Counties receiving an allocation must continue to fund any child welfare staff existing as of January 1, 2015 through the county's Child Welfare Block Grant. Counties receiving an allocation will provide a 10.0 percent match to state and federal money; except that a county that qualify under tier 1 or tier 2 of the County Tax Base Relief fund shall be funded at 100.0 percent of state and federal funds provided. Requires the Department of Human Services to contract for an external study concerning child welfare caseload by county. Appropriates \$6.4 million total funds, including \$5.7 million General Fund and 1.0 FTE to the Department for use as follows: \$6.0 million total funds for allocation to counties through the funding formula; \$90,468 total funds for training; and \$195,050 total funds for the contracted caseload study.

**H.B. 15-1131 (RELEASE CRITICAL INCIDENT INFORMATION JUVENILE):** The bill requires the Department of Human Services, the Division of Youth Corrections (DYC), and any other agency with relevant information to release, upon request, certain information about incidents occurring in DYC facilities. Requests may concern information about specific incidents or aggregate information about multiple events over a given period of time. Appropriates \$14,404 General Fund and 0.3 FTE for FY 2015-16 to the Department for responding to requests for information.

**H.B. 15-1248 (CHILD WELFARE CHECK POTENTIAL FOSTER PARENTS):** Allows a designated person at each child placement agency, in accordance with certain conditions outlined in the bill, to access records and reports of child abuse or neglect for the purpose of screening current or prospective foster parents, any adult residing in the home of a current or prospective foster parent, and specialized group facilities. Appropriates \$37,138 General Fund and 0.4 FTE to the Department for Trails and for monitoring its usage.

**H.B. 15-1269 (TRANSFER PERSONS TO AND FROM CORRECTIONAL FACILITY):** Repeals the authority of the Department of Human Services (DHS) to transfer a dangerous person receiving care at one of the mental health institutes to the Department of Corrections (DOC), unless that person is serving a sentence to the DOC. Clarifies that mentally ill inmates may only be transferred from the DOC to the DHS when the transfer is done in

accordance with a policy that provides for due process and in situations where the inmate cannot be safely confined in a DOC facility. Authorizes the DHS to return an inmate to the DOC if that person cannot be safely confined in the DHS facility. The act does not include any appropriations. In June 2014, the DHS returned all five patients that had previously been transferred to the DOC back to the Colorado Mental Health Institute at Pueblo (CMHIP). The costs of implementing this change were covered by General Fund appropriations that were included in S.B. 15-149 (\$2,413,428 for FY 2014-15) and S.B. 15-234 (\$2,611,755 for FY 2015-16). These appropriations were based on the assumption that the DHS would require an additional 30.6 FTE for FY 2014-15 and 36.7 FTE for FY 2015-16.

**H.B. 15-1367 (RETAIL MARIJUANA TAXES):** Refers a ballot issue to voters in November 2015, asking whether the State may retain and spend revenue collected from the Proposition AA excise and special sales taxes on retail marijuana in FY 2014-15. Creates a \$58.0 million Proposition AA Refund Account in the General Fund. Contingent on voter approval of the ballot issue, the act makes several appropriations to the Department of Human Services for FY 2015-16, as detailed in the following table.

APPROPRIATIONS TO DEPARTMENT OF HUMAN SERVICES THAT ARE CONTINGENT ON VOTER APPROVAL		
DIVISION AND LINE ITEM	FUND SOURCE	DOLLAR AMOUNT
Division of Child Welfare		
Appropriation to Youth Mentoring Services Cash Fund	CF - Proposition AA Refund Account	\$1,000,000
Colorado Youth Mentoring Program	RF - Youth Mentoring Services Cash Fund	1,000,000
Colorado Youth Mentoring Program - grants to statewide membership organizations	CF - Proposition AA Refund Account	1,000,000
Behavioral Health Services		
Treatment and Detoxification Contracts	CF - Proposition AA Refund Account	500,000
<b>TOTAL</b>		<b>\$3,500,000</b>

Independent of whether the voters approve the ballot issue, the act broadens purposes for which funds in the Marijuana Tax Cash Fund (MTCF) may be expended and requires that appropriations from the MTCF for jail-based behavioral health services be made through the Correctional Treatment Cash Fund. The act includes a corresponding change to FY 2015-16 appropriations, replacing a \$1,550,000 cash funds appropriation from the MTCF for jail-based behavioral health services with an appropriation of \$1,550,000 reappropriated funds transferred from the Judicial Department. For additional information, see the "Recent Legislation" section at the end of the Department of Revenue and Appendix K.

## 2016 SESSION BILLS

**S.B. 16-019 (VIDEOTAPE MENTAL CONDITION EVALUATIONS):** Requires audio-visual recording of court-ordered mental condition examinations for individuals charged with class 1 or 2 felonies and felony sex offenses. Appropriates \$62,831 General Fund to the Department of Human Services for FY 2016-17, and states the assumption that the Department will require an additional 0.4 FTE.

**S.B. 16-178 (GRAND JUNCTION REGIONAL CENTER CAMPUS):** Requires the Department of Human Services to vacate the Grand Junction Regional Center campus and list the campus for sale no later than July 1, 2018 if the Department can transition each person receiving services at the Grand Junction Regional Center campus to non-regional center campus residences before that date. Requires the Department no later than December 10, 2016 to:

- Submit to the Capital Development Committee a plan for the disposition of the Grand Junction Regional Center campus, including a plan to spend the proceeds of the sale; and

- Make any associated capital construction budget requests for capital construction, capital renewal, or controlled maintenance needs related to transitioning of persons receiving services at the Grand Junction Regional Center campus, based on each individual's choice for non-campus residence.

In order to formulate the plan and the budget requests, the Department must create an advisory group comprised of direct care staff currently working on the campus, families of persons receiving services at the campus, and other stakeholders.

**S.B. 16-190 (IMPROVE COUNTY ADMIN PUBLIC ASSISTANCE PROGRAMS):** Establishes performance standards for administering the Supplemental Nutrition Assistance Program (SNAP), establishes a process for distributing monetary bonuses or sanctions associated with SNAP to county departments of social services, outlines the parameters of a data collection and analysis project to capture information regarding costs and performance associated with administering public assistance programs, and requires the Colorado Department of Human Services and counties to design a continuous quality improvement program to improve the administration of public assistance programs. Appropriates \$550,000 General Fund to the Department for FY 2016-17 for data collection and analysis, as well as the design of a continuous quality improvement program to improve the administration of public assistance programs. The bill also includes a decrease of \$550,000 General Fund and an increase of \$550,000 federal funds from county Temporary Assistance for Needy Families (TANF) reserve funds for child welfare services.

**S.B. 16-195 (VETERANS CENTERS ANNUAL APPROPRIATION FROM CENTRAL FUND):** Beginning July 1, 2017, grants the Department of Human Services continuous spending authority from the Central Fund for Veterans Community Living Centers for the direct costs of the operation and administration of the Veterans Community Living Centers, and for capital construction in connection with the centers. Requires expenditures for indirect costs from the Central Fund to be subject to annual appropriation. In any fiscal year, the Department may not spend more than 5.0 percent of total expenditures on indirect costs. Requires the Department, as part of the annual budget request, to provide the Joint Budget Committee with a detailed report of the anticipated direct and indirect costs for the operation and administration of each center for the upcoming fiscal year, including amounts for personal services, operating expenses, indirect costs, centrally appropriated costs, and the number of full time equivalent employees (FTE).

**S.B. 16-199 (PROGRAM OF ALL-INCLUSIVE CARE FOR THE ELDERLY):** Establishes a Program of All-Inclusive Care for the Elderly (PACE) ombudsman office in the long-term care ombudsman office to set forth statewide policies and procedures to identify, investigate, and seek resolution of referral of complaints made by or on behalf of a PACE participant. Appropriates \$225,000 cash funds for FY 2016-17 to the Department of Health Care Policy and Financing for general professional services related to the rate-setting process for Medicaid participants in the PACE program. Additionally, appropriates \$81,675 cash funds and 1.0 FTE for FY 2016-17 to the Department of Human Services for use by the state ombudsman program.

**S.B. 16-202 (INCREASING ACCESS TO EFFECTIVE SUD SERVICES):** Requires each of the State's designated regional managed service organizations (MSOs) to assess the sufficiency of substance use disorder services in its geographic region. Requires each MSO to prepare a community action plan to address the most critical service gaps and submit the plan to the Department of Human Services (DHS) and the Department of Health Care Policy and Financing by March 1, 2017. Provides for an annual appropriation from the Marijuana Tax Cash Fund (MTCF) for the initial community assessments and for the ongoing implementation of resulting community action plans. Requires the DHS to disburse to each MSO an annual allocation from the MTCF on July 1 each fiscal year, except that for FY 2016-17 forty percent of the allocation is disbursed upon receipt of an MSO's community action plan. Requires the DHS to contract for an evaluation of the effectiveness of intensive residential treatment of substance

use disorder services provided through MSOs. Appropriates \$6,000,000 cash funds from the MTCF to the DHS for FY 2016-17, and states the assumption that the DHS will require an additional 1.0 FTE.

**H.B. 16-1112 (TRAINING VETS TO TRAIN SERVICE DOGS PILOT PROGRAM):** Creates the Training Veterans to Train Their Own Service Dogs Pilot Program in the Department of Human Services to identify and train veterans to foster, train, and ultimately utilize dogs as their own service or companion animals. The Program will be operated by two nonprofit entities. Creates the Training Veterans to Train Their Own Service Dogs Pilot Program Cash Fund, which consists of General Fund appropriated or transferred to the Fund and any gifts, grants, or private donations obtained by the Department. Money in the Fund is continuously appropriated to the Department. Appropriates \$100,000 General Fund to this new cash fund for FY 2016-17.

**H.B. 16-1227 (EXEMPTIONS CHILD SUPPORT REQUIREMENTS CHILD CARE ASSISTANCE PROGRAM (CCCAP)):** Exempts an applicant who is a teen parent, as defined by rule of the state board, from child support cooperation requirements as a condition of receiving child care assistance. Exempts an applicant who is a victim of domestic violence, a sexual offense, harassment, or stalking from child support cooperation requirements or from establishing good cause for not cooperating as a condition of receiving child care assistance. Sets forth the requirements that a victim of domestic violence, a sexual offense, harassment, or stalking must establish to qualify for this exception. Requires the state board to revise its rules on CCCAP to implement the exceptions from child support cooperation for teen parents and victims of domestic violence, sexual offense, harassment, or stalking. Appropriates \$268,562 federal Child Care Development Funds to the Department for FY 2016-17.

**H.B. 16-1242 (SUPPLEMENTAL BILL):** Supplemental appropriation to the Department of Human Services to modify appropriations for FY 2015-16.

**H.B. 16-1290 (EXTEND TRANSITIONAL JOBS PROGRAM):** Extends the Transitional Jobs Program (known as ReHire Colorado) through June 30, 2019, except that the Department shall offer no new transitional jobs after December 31, 2018. Appropriates \$1,151,628 General Fund for FY 2016-17 and 1.0 FTE to the Department to continue the program.

**H.B. 16-1328 (USE OF RESTRAINT AND SECLUSION ON INDIVIDUALS):** Directs the Department on the use of seclusion in youth corrections facilities. Requires the Department to maintain prescribed documentation each time a youth is placed in seclusion as a result of an emergency. Appropriates \$4,900 General Fund to the Department for FY 2016-17 for the purchase of legal services from the Department of Law.

**H.B. 16-1398 (IMPLEMENT RESPITE CARE TASK FORCE RECOMMENDATIONS):** Requires the Department to use a competitive request-for-proposal (RFP) process to select a contractor to implement the recommendations of the Respite Care Task Force. Appropriates \$900,000 General Fund for FY 2016-17 to implement the Task Force recommendations. Any money from this appropriation that is not expended prior to July 1, 2017 is further appropriated to the Department for the same purpose.

**H.B. 16-1405 (LONG BILL):** General appropriations act for FY 2016-17. Includes provisions modifying appropriations to the Department of Human Services for FY 2014-15 and FY 2015-16.

**H.B. 16-1408 (CASH FUND ALLOCATIONS FOR HEALTH-RELATED PROGRAMS):** Establishes a new formula for the allocation of the annual payment received by the state as part of the Tobacco Master Settlement Agreement (Tobacco MSA). The new formula allocates all Tobacco MSA revenue by percentage shares, rather than the hybrid structure of fixed dollar amounts and capped percentage shares in multiple tiers. The formula increases annual allocations to most programs receiving funding under the current distribution, while eliminating dedicated funding for the three purposes in this department:

- Offender Mental Health Services Program in the Department of Human Services;
- Alcohol and Drug Abuse Prevention Program in the Department of Human Services; and
- Children's' Mental Health Treatment Program in the Department of Human Services.

For all of these purposes listed, the bill makes FY 2016-17 appropriations from the Marijuana Tax Cash Fund in the amounts that the programs are expected to receive under the current law allocation formula. Makes the following appropriation changes in this department related to funds from the Tobacco Master Settlement revenues and Marijuana Tax Cash Fund dollars.

SUMMARY OF TOBACCO MASTER SETTLEMENT AGREEMENT DISTRIBUTION FORMULA APPROPRIATION CHANGES				
SECTION	PROGRAM	GENERAL FUND	TOBACCO MASTER SETTLEMENT CASH FUNDS	MARIJUANA TAX CASH FUND
28	Mental Health Services for Juvenile and Adult Offenders	\$0	(\$3,025,192)	\$3,025,192
28	Mental Health Services for Youth (H.B. 99-1116)	0	(300,000)	300,000
28	Community Prevention Treatment - Alcohol and Drug Abuse	0	(756,298)	756,298
30	Tony Grampsas Youth Services	0	(2,626,328)	2,626,328
33	Nurse Home Visitor Program	0	6,743,164	0
<b>TOTAL</b>		<b>\$0</b>	<b>\$35,346</b>	<b>\$6,707,818</b>

For additional information, see the "Recent Legislation" section at the end of the Department of Public Health and Environment.

**H.B. 16-1410 (COMPETENCY EVALUATION LOCATION):** Limits the court's discretion to order that a competency evaluation be conducted at the Colorado Mental Health Institute at Pueblo (CMHIP) by specifying that the evaluation must be done on an outpatient basis or at the place where the defendant is in custody unless: (a) the court makes certain specified findings; (b) the court receives a recommendation from the CMHIP court services evaluator that conducting the evaluation at CMHIP is appropriate; or (c) the court receives written approval from the Department of Human Services (DHS). Prohibits the court from considering the need for the defendant to receive a competency evaluation when setting bond. Directs a county sheriff, if a defendant needs to return to the county jail after CMHIP has completed a competency evaluation, to make all reasonable efforts to take custody of the defendant as soon as practicable. Appropriates \$107,076 General Fund to the DHS for FY 2016-17 for CMHIP to hire two secure transport staff (1.8 FTE for FY 2016-17) to facilitate the transportation of defendants between jails, CMHIP, and the restoration program located in the Arapahoe County Detention Center.

Repeals a provision that requires CMHIP to bill the court for the cost of defendants for whom the court has ordered an inpatient competency evaluation. Shifts a \$368,000 General Fund appropriation to the Judicial Department for FY 2016-17 to the DHS, and eliminates an appropriation of \$368,000 reappropriated funds for FY 2016-17 that authorizes DHS to receive and spend money received from the Judicial Department.

**H.B. 16-1414 (FUNDING FOR TELECOM RELAY SERVICES):** Expands the application of monthly surcharge for telecom relay services to mobile wireless and Voice-over-Internet Protocol subscribers. Appropriates \$172,778 cash funds from the renamed Colorado Telephone Users with Disabilities Fund to the Department of Regulatory Agencies for FY 2016-17. Reappropriates \$172,778 to the Department of Human Services and 2.0 FTE for the Commission for the Deaf and Hard of Hearing to provide deaf-blind services. For additional information, see the "Recent Legislation" section at the end of the Department of Regulatory Agencies.

# Details

## JUDICIAL DEPARTMENT

### FY 2015-16 AND FY 2016-17 APPROPRIATIONS BY DIVISION AND BILL

JUDICIAL DEPARTMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 TOTAL APPROPRIATION:</b>	<b>\$673,771,294</b>	<b>\$478,617,095</b>	<b>\$156,643,072</b>	<b>\$34,086,127</b>	<b>\$4,425,000</b>	<b>4,592.3</b>
<b>BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION</b>						
Supreme Court and Court of Appeals	\$24,821,396	\$13,305,395	\$11,443,332	\$72,669	\$0	215.3
Courts Administration	193,284,591	97,743,614	84,722,087	10,818,890	0	426.8
Trial Courts	167,690,328	134,352,302	30,163,026	1,550,000	1,625,000	1,874.2
Probation and Related Services	144,138,492	89,586,187	30,117,127	21,635,178	2,800,000	1,245.2
Office of the State Public Defender	86,819,239	86,669,239	150,000	0	0	785.3
Office of the Alternate Defense Counsel	31,576,293	31,536,293	40,000	0	0	10.9
Office of the Child's Representative	23,892,942	23,883,552	0	9,390	0	28.9
Office of the Respondent Parents' Counsel	957,993	950,493	7,500	0	0	2.7
Office of the Child Protection Ombudsman	242,312	242,312	0	0	0	2.0
Independent Ethics Commission	347,708	347,708	0	0	0	1.0
<b>BREAKDOWN OF TOTAL APPROPRIATION BY BILL</b>						
SB 15-234	\$670,009,402	\$477,393,699	\$155,800,052	\$32,390,651	\$4,425,000	4,573.3
SB 15-204	351,086	351,086	0	0	0	2.2
HB 15-1034	340,651	333,631	7,020	0	0	3.2
HB 15-1043	1,272,133	1,272,133	0	0	0	14.2
HB 15-1149	(618,145)	(603,145)	(15,000)	0	0	(1.1)
HB 15-1153	27,580	27,580	0	0	0	0.5
HB 15-1367	3,100,000	0	1,550,000	1,550,000	0	0.0
HB 16-1243	(240,384)	313,140	(699,000)	145,476	0	0.0
HB 16-1405	(471,029)	(471,029)	0	0	0	0.0
<b>FY 2016-17 TOTAL APPROPRIATION:</b>	<b>\$689,991,264</b>	<b>\$486,328,896</b>	<b>\$164,992,153</b>	<b>\$34,245,215</b>	<b>\$4,425,000</b>	<b>4,615.1</b>
<b>BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION</b>						
Supreme Court and Court of Appeals	\$25,763,271	\$14,171,683	\$11,518,691	\$72,897	\$0	215.5
Courts Administration	195,248,869	91,194,432	93,076,687	10,977,750	0	431.3
Trial Courts	167,675,203	134,024,678	30,475,525	1,550,000	1,625,000	1,877.1
Probation and Related Services	145,631,754	91,495,326	29,701,250	21,635,178	2,800,000	1,248.7
Office of the State Public Defender	86,426,501	86,276,501	150,000	0	0	785.9
Office of the Alternate Defense Counsel	31,403,173	31,363,173	40,000	0	0	12.0
Office of the Child's Representative	23,989,466	23,980,076	0	9,390	0	29.1
Office of the Respondent Parents' Counsel	12,879,472	12,849,472	30,000	0	0	10.0
Office of the Child Protection Ombudsman	614,458	614,458	0	0	0	4.5
Independent Ethics Commission	359,097	359,097	0	0	0	1.0

JUDICIAL DEPARTMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>BREAKDOWN OF TOTAL APPROPRIATION BY BILL</b>						
HB 16-1405	\$690,115,303	\$486,631,108	\$164,813,980	\$34,245,215	\$4,425,000	4,610.7
SB 16-102	65,788	65,788	0	0	0	0.9
SB 16-116	178,173	0	178,173	0	0	3.5
HB 16-1410	(368,000)	(368,000)	0	0	0	0.0
<b>INCREASE/(DECREASE)</b>	\$16,219,970	\$7,711,801	\$8,349,081	\$159,088	\$0	22.8
Percentage Change	2.4%	1.6%	5.3%	0.5%	0.0%	0.5%

**INFORMATIONAL FUNDS:** The FY 2016-17 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 2016-17 Appropriations containing an (I) notation	\$45,956,081	\$0	\$41,221,691	\$309,390	\$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 State's court of last resort, and its decisions are binding on all other State courts. While requests to review decisions of the Colorado Court of Appeals constitute the majority of the Supreme Court's filings, the Court also has direct appellate jurisdiction over other types of cases, such as those cases in which a statute has been held to be unconstitutional. The Supreme Court also oversees the regulation of attorneys and the practice of law. The Supreme Court is composed of seven Justices who serve renewable ten year terms. The Chief Justice, selected by the Justices of the Court, is the executive head of the Judicial Department. In FY 2014-15, 1,549 cases were filed with the Supreme Court.

Created by statute, the *Court of Appeals* is generally the first court to hear appeals of judgments and orders in criminal, juvenile, civil, domestic relations, and probate matters. The Court of Appeals also has initial jurisdiction to review actions and decisions of several state agencies, boards, and commissions. Its determination of an appeal is final unless the Colorado Supreme Court agrees to review the matter. The Court of Appeals is currently composed of 22 judges who serve renewable eight year terms. In FY 2014-15, 2,413 cases were filed with the Court of Appeals.

Cash fund sources primarily include annual attorney registration fees and law examination application fees, appellate court filing fees, and court docket fees that are credited to the Judicial Stabilization Cash Fund. Reappropriated funds are funds transferred from the Department of Law.

**SUPREME COURT AND COURT OF APPEALS**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$24,811,848	\$13,305,395	\$11,443,332	\$63,121	\$0	215.3
HB 16-1243	9,548	0	0	9,548	0	0.0
<b>TOTAL</b>	<b>\$24,821,396</b>	<b>\$13,305,395</b>	<b>\$11,443,332</b>	<b>\$72,669</b>	<b>\$0</b>	<b>215.3</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$24,821,396	\$13,305,395	\$11,443,332	\$72,669	\$0	215.3
Annualize prior year budget actions	866,288	866,288	0	0	0	0.2
Indirect cost assessment	75,359	0	75,359	0	0	0.0
Other	228	0	0	228	0	0.0
<b>HB 16-1405</b>	<b>\$25,763,271</b>	<b>\$14,171,683</b>	<b>\$11,518,691</b>	<b>\$72,897</b>	<b>\$0</b>	<b>215.5</b>
<b>TOTAL</b>	<b>\$25,763,271</b>	<b>\$14,171,683</b>	<b>\$11,518,691</b>	<b>\$72,897</b>	<b>\$0</b>	<b>215.5</b>
<b>INCREASE/(DECREASE)</b>	\$941,875	\$866,288	\$75,359	\$228	\$0	0.2
Percentage Change	3.8%	6.5%	0.7%	0.3%	n/a	0.1%

**FY 2015-16 APPROPRIATION - MID-YEAR ADJUSTMENTS**

House Bill 16-1243 modifies FY 2015-16 appropriations to reflect an increase in the Department of Law's share of Law Library expenses.

**FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS**

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

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 15-16 Salary survey	\$715,774	\$715,774	\$0	\$0	\$0	0.0
FY 15-16 Merit pay	133,749	133,749	0	0	0	0.0
FY 15-16 Appellate court FTE	16,765	16,765	0	0	0	0.2
<b>TOTAL</b>	<b>\$866,288</b>	<b>\$866,288</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.2</b>

**INDIRECT COST ASSESSMENT:** The appropriation includes a net increase in the division's indirect cost assessment.

**OTHER:** The appropriation includes other minor adjustments.

**COURT'S 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
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$194,805,104	\$98,718,075	\$85,404,067	\$10,682,962	\$0	425.3
SB 15-204	143,812	143,812	0	0	0	0.2
HB 15-1034	94,170	87,150	7,020	0	0	0.0
HB 15-1043	231,126	231,126	0	0	0	0.0
HB 15-1149	64,211	64,211	0	0	0	0.8
HB 15-1153	27,580	27,580	0	0	0	0.5
HB 16-1243	(2,246,912)	(1,693,840)	(689,000)	135,928	0	0.0
HB 16-1405	165,500	165,500	0	0	0	0.0
<b>TOTAL</b>	<b>\$193,284,591</b>	<b>\$97,743,614</b>	<b>\$84,722,087</b>	<b>\$10,818,890</b>	<b>\$0</b>	<b>426.8</b>
<b>FY 2016-17 APPROPRIATION:</b>						
HB 16-1405	\$195,225,354	\$91,189,729	\$93,057,875	\$10,977,750	\$0	431.3
SB 16-102	4,703	4,703	0	0	0	0.0
SB 16-116	18,812	0	18,812	0	0	0.0
<b>TOTAL</b>	<b>\$195,248,869</b>	<b>\$91,194,432</b>	<b>\$93,076,687</b>	<b>\$10,977,750</b>	<b>\$0</b>	<b>431.3</b>
<b>INCREASE/(DECREASE)</b>	\$1,964,278	(\$6,549,182)	\$8,354,600	\$158,860	\$0	4.5
Percentage Change	1.0%	(6.7%)	9.9%	1.5%	n/a	1.1%

**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, and drug offender surcharges that are credited to the Correctional Treatment Cash Fund. Reappropriated funds are primarily from departmental indirect cost recoveries.

**ADMINISTRATION AND TECHNOLOGY**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$33,671,035	\$16,822,163	\$14,649,439	\$2,199,433	\$0	233.4
SB 15-204	10,000	10,000	0	0	0	0.2
HB 15-1149	64,211	64,211	0	0	0	0.8
HB 15-1153	27,580	27,580	0	0	0	0.5
HB 16-1243	0	(133,000)	0	133,000	0	0.0
<b>TOTAL</b>	<b>\$33,772,826</b>	<b>\$16,790,954</b>	<b>\$14,649,439</b>	<b>\$2,332,433</b>	<b>\$0</b>	<b>234.9</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$33,772,826	\$16,790,954	\$14,649,439	\$2,332,433	\$0	234.9
Information technology and security	7,884,957	637,067	7,247,890	0	0	5.5
Annualize prior year budget actions	621,817	621,817	0	0	0	0.3
Indirect cost assessment	74,053	54,570	73,964	(54,481)	0	0.0
Annualize prior year legislation	(103,195)	(103,195)	0	0	0	(1.4)
<b>HB 16-1405</b>	<b>\$42,250,458</b>	<b>\$18,001,213</b>	<b>\$21,971,293</b>	<b>\$2,277,952</b>	<b>\$0</b>	<b>239.3</b>
<b>TOTAL</b>	<b>\$42,250,458</b>	<b>\$18,001,213</b>	<b>\$21,971,293</b>	<b>\$2,277,952</b>	<b>\$0</b>	<b>239.3</b>
<b>INCREASE/(DECREASE)</b>	\$8,477,632	\$1,210,259	\$7,321,854	(\$54,481)	\$0	4.4
Percentage Change	25.1%	7.2%	50.0%	(2.3%)	n/a	1.9%

FY 2015-16 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 16-1243 modifies FY 2015-16 appropriations to reflect an increase in federal grant funding available to cover indirect costs (\$133,000 reappropriated funds) and a corresponding \$133,000 decrease in General Fund appropriations for department administrative expenses.

FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

**INFORMATION TECHNOLOGY AND SECURITY:** The appropriation includes an increase of \$7,884,957 total funds (including \$637,067 General Fund and \$7,247,890 cash funds from the Judicial Department Information Technology Cash Fund), for four purposes:

- \$4,063,026 cash funds to develop a disaster recovery site;
- \$3,184,864 cash funds to replace two iSeries servers;
- \$434,945 (primarily General Fund) to expand the information security team by adding two application security specialists, a systems security engineer, and an information security analyst (3.7 FTE for FY 2016-17); and
- \$202,122 (primarily General Fund) to add two information technology analyst supervisors (1.8 FTE for FY 2016-17).

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

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 15-16 Salary survey	\$415,364	\$415,364	\$0	\$0	\$0	0.0
FY 15-16 Merit pay	180,070	180,070	0	0	0	0.0
FY 15-16 Regional trainers	18,421	18,421	0	0	0	0.2
FY 15-16 Recruitment and retention	7,962	7,962	0	0	0	0.1
<b>TOTAL</b>	<b>\$621,817</b>	<b>\$621,817</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.3</b>

**INDIRECT COST ASSESSMENT:** The appropriation includes a net increase of \$74,053 in this division's indirect cost assessment (including \$73,964 cash funds and \$89 reappropriated funds). However, there is an overall decrease of \$54,570 in the Department's total indirect cost assessments, which requires a fund source adjustment reducing the amount of department indirect cost recoveries (reappropriated funds) that are applied to offset the need for General Fund in the Courts Administration section.

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

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 15-204 Office of the Child Protection Ombudsman	\$10,000	\$10,000	\$0	\$0	\$0	0.1
SB 14-203 and HB 15-1149 Office of Respondent Parents' Counsel	(85,615)	(85,615)	0	0	0	(1.0)
HB 15-1153 Child and Family Investigator Oversight	(27,580)	(27,580)	0	0	0	(0.5)
<b>TOTAL</b>	<b>(\$103,195)</b>	<b>(\$103,195)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(1.4)</b>

## 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. Significant sources of cash funds include the following: payments and fees that are credited to the Offender Services Fund and the Alcohol and Drug Driving Safety Program Fund; fees and cost recoveries that are credited to the Judicial Department Information Technology Cash Fund; and time payment and late penalty fees credited to the Judicial Collection Enhancement Fund.

CENTRAL APPROPRIATIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$68,827,754	\$63,939,161	\$4,888,593	\$0	\$0	0.0
HB 16-1243	57,649	57,649	0	0	0	0.0
<b>TOTAL</b>	<b>\$68,885,403</b>	<b>\$63,996,810</b>	<b>\$4,888,593</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$68,885,403	\$63,996,810	\$4,888,593	\$0	\$0	0.0
Centrally appropriated line items	1,924,479	2,132,698	(208,219)	0	0	0.0
Information technology and security	54,029	54,029	0	0	0	0.0
Annualize prior year budget actions	(11,267,837)	(10,756,258)	(511,579)	0	0	0.0
Courthouse capital and infrastructure maintenance	(119,878)	(119,878)	0	0	0	0.0
Eliminate one-time funding	(57,006)	(57,006)	0	0	0	0.0
<b>HB 16-1405</b>	<b>\$59,419,190</b>	<b>\$55,250,395</b>	<b>\$4,168,795</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>TOTAL</b>	<b>\$59,419,190</b>	<b>\$55,250,395</b>	<b>\$4,168,795</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$9,466,213)</b>	<b>(\$8,746,415)</b>	<b>(\$719,798)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	(13.7%)	(13.7%)	(14.7%)	n/a	n/a	n/a

## FY 2015-16 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 16-1243 modifies FY 2015-16 appropriations to:

- Add \$57,006 General Fund to cover legal services expenditures; and
- Add \$643 General Fund to adjust the spending authority to correspond to vehicle lease billings.

## FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

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

**INFORMATION TECHNOLOGY AND SECURITY:** The appropriation includes an increase of \$54,029 General Fund for the supplemental PERA contributions associated with expanding the information security team and adding two information technology analyst supervisors.

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

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 15-16 Salary survey	(\$8,711,251)	(\$8,395,379)	(\$315,872)	\$0	\$0	0.0
FY 15-16 Merit pay	(2,556,586)	(2,360,879)	(195,707)	0	0	0.0
<b>TOTAL</b>	<b>(\$11,267,837)</b>	<b>(\$10,756,258)</b>	<b>(\$511,579)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**COURTHOUSE CAPITAL AND INFRASTRUCTURE MAINTENANCE:** The appropriation includes a decrease of \$119,878 General Fund to eliminate funding for a phone system lease purchase agreement that will be paid off in FY 2015-16.

**ELIMINATE ONE-TIME FUNDING:** The appropriation eliminates one-time funding to purchase legal services from the Department of Law.

**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 Fund; the Crime Victim Compensation Fund; time payment and late penalty fees credited to the Judicial Collection Enhancement Fund; fines credited to the Fines Collection Cash Fund; docket fees credited to the Judicial Stabilization Cash Fund and the State Commission on Judicial Performance Cash Fund; fees and cost recoveries that are credited to the Judicial Department Information Technology Cash Fund; various fees and cost recovery charges paid by court system users; surcharges credited to the Court Security Cash Fund and the Family-Friendly Court Program Cash Fund; and fees for divorce proceedings credited to the Family Violence Justice Fund. Reappropriated funds include: General Fund that is appropriated to the Underfunded Courthouse Facility Cash Fund; local victim assistance funds transferred from the Trial Courts section; and federal child support enforcement funds that are transferred from the Department of Human Services.

**CENTRALLY ADMINISTERED PROGRAMS**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$63,250,699	\$12,956,751	\$47,336,411	\$2,957,537	\$0	189.9
SB 15-204	133,812	133,812	0	0	0	0.0
HB 15-1034	94,170	87,150	7,020	0	0	0.0
HB 15-1043	231,126	231,126	0	0	0	0.0
HB 16-1243	(2,304,561)	(1,618,489)	(689,000)	2,928	0	0.0
HB 16-1405	165,500	165,500	0	0	0	0.0
<b>TOTAL</b>	<b>\$61,570,746</b>	<b>\$11,955,850</b>	<b>\$46,654,431</b>	<b>\$2,960,465</b>	<b>\$0</b>	<b>189.9</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$61,570,746	\$11,955,850	\$46,654,431	\$2,960,465	\$0	189.9
Courthouse capital and infrastructure maintenance	4,692,351	2,376,000	2,316,351	0	0	0.0
Cash funds spending authority	600,000	0	600,000	0	0	0.0
Information technology and security	28,218	20,838	7,380	0	0	0.0
Inflation adjustments	1,269	1,269	0	0	0	0.0
Annualize prior year budget actions	(1,776,627)	(604,773)	(1,171,854)	0	0	0.1
Annualize prior year legislation	(624,608)	(617,588)	(7,020)	0	0	0.0
Other	(30,000)	0	(30,000)	0	0	0.0
<b>HB 16-1405</b>	<b>\$64,461,349</b>	<b>\$13,131,596</b>	<b>\$48,369,288</b>	<b>\$2,960,465</b>	<b>\$0</b>	<b>190.0</b>
SB 16-102	4,703	4,703	0	0	0	0.0

**CENTRALLY ADMINISTERED PROGRAMS**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 16-116	18,812	0	18,812	0	0	0.0
<b>TOTAL</b>	<b>\$64,484,864</b>	<b>\$13,136,299</b>	<b>\$48,388,100</b>	<b>\$2,960,465</b>	<b>\$0</b>	<b>190.0</b>
<b>INCREASE/(DECREASE)</b>	\$2,914,118	\$1,180,449	\$1,733,669	\$0	\$0	0.1
Percentage Change	4.7%	9.9%	3.7%	0.0%	n/a	0.1%

**FY 2015-16 APPROPRIATION - MID-YEAR ADJUSTMENTS**

House Bill 16-1243 and H.B. 16-1405 modifies FY 2015-16 appropriations to:

- Add \$165,500 General Fund to cover unanticipated facility build-out and furnishing costs related to the creation of the Office of the Child Protection Ombudsman;
- Add \$4,439 total funds (including \$1,511 General Fund and \$2,928 reappropriated funds) to reflect updated contractual expenses related to child support enforcement services provided to the Department of Human Services; and
- Decrease funding by \$2,309,000 total funds (including \$1,620,000 General Fund and \$689,000 cash funds from the Judicial Information Technology Fund) to reflect the early completion, delay, or cancellation of local courthouse facility projects.

**FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS**

**COURTHOUSE CAPITAL AND INFRASTRUCTURE MAINTENANCE:** The appropriation includes an increase of \$4,692,351 total funds (including \$2,376,000 General Fund and \$2,316,351 cash funds from the IT Cash Fund) for furnishings, phone systems, docketing systems, and courtroom information technology infrastructure and audio visual equipment for new, expanded, and remodeled courthouse and probation facilities.

**CASH FUNDS SPENDING AUTHORITY:** The appropriation increases cash funds spending authority by \$600,000 to allow the Department to access the full amount available in the Underfunded Courthouse Facility Cash Fund.

**INFORMATION TECHNOLOGY AND SECURITY:** The appropriation includes an increase of \$28,218 total funds (including \$20,838 General Fund and \$7,380 cash funds from the Judicial Department Information Technology Cash Fund) for capital outlay expenses associated with expanding the information security team and adding two information technology analyst supervisors.

**INFLATION ADJUSTMENTS:** The appropriation includes an increase of \$1,269 for the annual adjustment to compensation for exonerated persons.

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

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 15-16 Salary survey	\$157,810	\$51,847	\$105,963	\$0	\$0	0.0
FY 15-16 Senior judge program	136,366	136,366	0	0	0	0.0
FY 15-16 Merit pay	96,369	22,546	73,823	0	0	0.0
FY 15-16 Problem-solving courts FTE	2,293	5,675	(3,382)	0	0	0.0
FY 15-16 Language access administration	2,064	3,294	(1,230)	0	0	0.1
FY 15-16 Restorative justice coordinator	1,032	0	1,032	0	0	0.0
FY 15-16 Courthouse capital and infrastructure maintenance	(1,998,550)	(696,000)	(1,302,550)	0	0	0.0
FY 15-16 Probation supervisors and staff	(117,575)	(86,825)	(30,750)	0	0	0.0
FY 15-16 Self-represented litigant coordinators and family court facilitators	(28,218)	(20,838)	(7,380)	0	0	0.0
FY 15-16 Regional trainers	(14,109)	(10,419)	(3,690)	0	0	0.0
FY 15-16 Appellate court FTE	(9,406)	(6,946)	(2,460)	0	0	0.0
FY 15-16 Recruitment and retention	(4,703)	(3,473)	(1,230)	0	0	0.0
<b>TOTAL</b>	<b>(\$1,776,627)</b>	<b>(\$604,773)</b>	<b>(\$1,171,854)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.1</b>

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

**ANNUALIZE PRIOR YEAR LEGISLATION**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 15-204 Office of the Child Protection Ombudsman	(\$299,312)	(\$299,312)	\$0	\$0	\$0	0.0
HB 15-1043 Felony Offense for Repeat DUI Offenders	(231,126)	(231,126)	0	0	0	0.0
HB 15-1034 Add One Judge	(94,170)	(87,150)	(7,020)	0	0	0.0
<b>TOTAL</b>	<b>(\$624,608)</b>	<b>(\$617,588)</b>	<b>(\$7,020)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**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.

**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 other tenants; and parking fees paid by state employees and the public for use of the Carr Center parking garage.

**RALPH L. CARR COLORADO JUDICIAL CENTER**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$29,055,616	\$5,000,000	\$18,529,624	\$5,525,992	\$0	2.0
<b>TOTAL</b>	<b>\$29,055,616</b>	<b>\$5,000,000</b>	<b>\$18,529,624</b>	<b>\$5,525,992</b>	<b>\$0</b>	<b>2.0</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$29,055,616	\$5,000,000	\$18,529,624	\$5,525,992	\$0	2.0
Inflation adjustments	33,701	0	33,701	0	0	0.0
Annualize prior year budget actions	5,040	0	5,040	0	0	0.0
Fund source adjustment	0	(193,475)	(19,866)	213,341	0	0.0
<b>HB 16-1405</b>	<b>\$29,094,357</b>	<b>\$4,806,525</b>	<b>\$18,548,499</b>	<b>\$5,739,333</b>	<b>\$0</b>	<b>2.0</b>
<b>TOTAL</b>	<b>\$29,094,357</b>	<b>\$4,806,525</b>	<b>\$18,548,499</b>	<b>\$5,739,333</b>	<b>\$0</b>	<b>2.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$38,741</b>	<b>(\$193,475)</b>	<b>\$18,875</b>	<b>\$213,341</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	0.1%	(3.9%)	0.1%	3.9%	n/a	0.0%

**FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS**

**INFLATION ADJUSTMENTS:** The appropriation includes an increase of \$33,701 cash funds for the annual adjustment to the debt service payment per the amortization schedule.

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

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 15-16 Merit pay	\$2,535	\$0	\$2,535	\$0	\$0	0.0
FY 15-16 Salary survey	2,505	0	2,505	0	0	0.0
<b>TOTAL</b>	<b>\$5,040</b>	<b>\$0</b>	<b>\$5,040</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**FUND SOURCE ADJUSTMENT:** The appropriation includes an increase of \$213,341 reappropriated funds, offset by a \$193,475 decrease in General Fund and a \$19,866 decrease in cash funds appropriations from the Justice Center Cash Fund for the debt service payments and operational costs for the Ralph L. Carr Colorado Judicial Center. Primarily, this fund source change is due to an increase in the Department of Law's share of facility expenses.

**TRIAL COURTS**

This Long Bill section provides funding for operation of the State trial courts, which include district courts in 22 judicial districts, water courts, and county courts (excluding the Denver county court).

*District courts* hear civil cases involving any dollar amount, as well as domestic relations, felony criminal, juvenile, probate, and mental health cases. In addition, district courts handle appeals from municipal and county courts, and review decisions of administrative boards and agencies. Within the district court system, the General Assembly established seven water divisions in the State based on the drainage patterns of major rivers in Colorado. Each water division is staffed by a division engineer, a district court judge who is designated as the water judge by the Colorado Supreme Court, a water referee appointed by the water judge, and a water clerk assigned by the district court. Water judges have exclusive jurisdiction over cases involving the determination of water rights and the use and administration of water. The General Assembly establishes judicial districts and the number of judges for each

district in statute; these judges serve renewable six year terms.<sup>1</sup> There are currently a total of 181 district court judges, and a total of 225,438 cases were filed in district courts in FY 2014-15.

*County courts* have limited jurisdiction, handling civil actions involving no more than \$15,000, misdemeanor cases, civil and criminal traffic infractions, and felony complaints. County courts also issue search warrants and protection orders in cases involving domestic violence. In addition, county courts handle appeals from municipal courts. The General Assembly establishes the number of judges for each county in statute; these judges serve renewable four year terms. There are currently a total of 111 county court judges (although some of these judges are part-time), and a total of 425,947 cases were filed in county courts in FY 2014-15.

Significant cash fund sources include court docket fees that are credited to the Judicial Stabilization Cash Fund, various fees and cost recovery charges paid by court system users, and grants. Reappropriated funds include funds transferred from other state agencies.

TRIAL COURTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$161,032,206	\$127,684,180	\$30,173,026	\$1,550,000	\$1,625,000	1,859.9
HB 15-1034	246,481	246,481	0	0	0	3.2
HB 15-1043	700,394	700,394	0	0	0	8.8
HB 15-1149	5,096,221	5,096,221	0	0	0	2.3
HB 15-1153	143,919	143,919	0	0	0	0.0
HB 16-1243	471,107	481,107	(10,000)	0	0	0.0
<b>TOTAL</b>	<b>\$167,690,328</b>	<b>\$134,352,302</b>	<b>\$30,163,026</b>	<b>\$1,550,000</b>	<b>\$1,625,000</b>	<b>1,874.2</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$167,690,328	\$134,352,302	\$30,163,026	\$1,550,000	\$1,625,000	1,874.2
Annualize prior year budget actions	7,741,734	7,658,596	83,138	0	0	0.5
Discovery sharing system	2,862,634	2,792,634	70,000	0	0	0.0
Annualize prior year legislation	(10,335,854)	(10,335,854)	0	0	0	(1.1)
Mandated costs	(75,000)	(75,000)	0	0	0	0.0
<b>HB 16-1405</b>	<b>\$167,883,842</b>	<b>\$134,392,678</b>	<b>\$30,316,164</b>	<b>\$1,550,000</b>	<b>\$1,625,000</b>	<b>1,873.6</b>
SB 16-116	159,361	0	159,361	0	0	3.5
HB 16-1410	(368,000)	(368,000)	0	0	0	0.0
<b>TOTAL</b>	<b>\$167,675,203</b>	<b>\$134,024,678</b>	<b>\$30,475,525</b>	<b>\$1,550,000</b>	<b>\$1,625,000</b>	<b>1,877.1</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$15,125)</b>	<b>(\$327,624)</b>	<b>\$312,499</b>	<b>\$0</b>	<b>\$0</b>	<b>2.9</b>
Percentage Change	(0.0%)	(0.2%)	1.0%	0.0%	0.0%	0.2%

## FY 2015-16 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 16-1243 modifies FY 2015-16 appropriations to:

- Add \$746,107 General Fund to reflect updated caseload and expenditure projections for court-appointed counsel;
- Add \$60,000 General Fund to correct an error and reinstate funding for training judicial officers and other key personnel who are involved in domestic relations cases;
- Eliminate \$325,000 General Fund that will not be needed by the 18<sup>th</sup> judicial district for mandated costs incurred related to the *James Holmes* case; and
- Eliminate an unnecessary \$10,000 cash funds appropriation from the Water Adjudication Cash Fund.

<sup>1</sup> See Article VI, Sections 9 through 12 of the Colorado Constitution; and Section 13-5-101 et seq., C.R.S.

## FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

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

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 15-16 Salary survey	\$6,330,692	\$6,265,682	\$65,010	\$0	\$0	0.0
FY 15-16 Merit pay	1,371,539	1,353,411	18,128	0	0	0.0
FY 15-16 Self-represented litigant coordinators and family court facilitators	39,503	39,503	0	0	0	0.5
<b>TOTAL</b>	<b>\$7,741,734</b>	<b>\$7,658,596</b>	<b>\$83,138</b>	<b>\$0</b>	<b>\$0</b>	<b>0.5</b>

**DISCOVERY SHARING SYSTEM:** The appropriation includes an increase of \$2,862,634 total funds (including \$2,792,634 General Fund and \$70,000 cash funds from the Statewide Discovery Sharing System Surcharge Fund) for the Colorado District Attorneys' Council to continue the development and implementation of a statewide system that will enable the sharing and transfer of information electronically between law enforcement agencies, district attorneys' offices, and the defense.

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

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 15-1153 Child and Family Investigator Oversight	\$143,919	\$143,919	\$0	\$0	\$0	0.0
HB 15-1043 Felony Offense for Repeat DUI Offenders	127,342	127,342	0	0	0	1.6
HB 15-1034 Add One Judge	28,195	28,195	0	0	0	0.3
SB 14-203 and HB 15-1149 Office of Respondent Parents' Counsel	(10,635,310)	(10,635,310)	0	0	0	(3.0)
<b>TOTAL</b>	<b>(\$10,335,854)</b>	<b>(\$10,335,854)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(1.1)</b>

**MANDATED COSTS:** The appropriation eliminates a \$75,000 General Fund appropriation that was available to reimburse the District Attorney in the 18<sup>th</sup> judicial district for costs incurred in the *Holmes* case.

**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, 2015, a total of 73,919 individuals who were sentenced to probation were under supervision, including 69,941 adults and 3,978 juveniles. Managed by the Chief Probation Officer in each judicial district, approximately 1,250 employees prepare assessments and provide pre-sentence investigation services to the courts, supervise adult and juvenile offenders sentenced to community programs, and provide notification and support services to victims. The Chief Probation

Officer is supervised by the Chief Judge in each district. Investigation and supervision services are provided based on priorities established by the Chief Justice and each offender's risk of re-offending.

Cash fund sources include: payments and fees that are credited to the Offender Services Fund, the Correctional Treatment Cash Fund, the Alcohol and Drug Driving Safety Program Fund, the Sex Offender Surcharge Fund, the Interstate Compact Probation Transfer Cash Fund, and the Offender Identification Fund; the Marijuana Tax Cash Fund; and various fees, cost recoveries, and grants. Sources of reappropriated funds include: General Fund that is appropriated to the Correctional Treatment Cash Fund; Victims and Witnesses Assistance and Law Enforcement Board grants that are transferred from the Courts Administration section; and transfers from other state agencies.

PROBATION AND RELATED SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$140,886,231	\$89,433,926	\$28,567,127	\$20,085,178	\$2,800,000	1,242.9
HB 15-1043	152,261	152,261	0	0	0	2.3
HB 15-1367	3,100,000	0	1,550,000	1,550,000	0	0.0
<b>TOTAL</b>	<b>\$144,138,492</b>	<b>\$89,586,187</b>	<b>\$30,117,127</b>	<b>\$21,635,178</b>	<b>\$2,800,000</b>	<b>1,245.2</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$144,138,492	\$89,586,187	\$30,117,127	\$21,635,178	\$2,800,000	1,245.2
Annualize prior year budget actions	2,057,265	1,813,650	243,615	0	0	2.1
Correctional Treatment Cash Fund allocation	44,490	0	44,490	0	0	0.0
Annualize prior year legislation	34,404	34,404	0	0	0	0.5
Cash funds spending authority	(500,000)	0	(500,000)	0	0	0.0
Indirect cost assessment	(203,982)	0	(203,982)	0	0	0.0
<b>HB 16-1405</b>	<b>\$145,570,669</b>	<b>\$91,434,241</b>	<b>\$29,701,250</b>	<b>\$21,635,178</b>	<b>\$2,800,000</b>	<b>1,247.8</b>
SB 16-102	61,085	61,085	0	0	0	0.9
<b>TOTAL</b>	<b>\$145,631,754</b>	<b>\$91,495,326</b>	<b>\$29,701,250</b>	<b>\$21,635,178</b>	<b>\$2,800,000</b>	<b>1,248.7</b>
<b>INCREASE/(DECREASE)</b>	<b>\$1,493,262</b>	<b>\$1,909,139</b>	<b>(\$415,877)</b>	<b>\$0</b>	<b>\$0</b>	<b>3.5</b>
Percentage Change	1.0%	2.1%	(1.4%)	0.0%	0.0%	0.3%

#### FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

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

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 15-16 Salary survey	\$1,089,105	\$946,713	\$142,392	\$0	\$0	0.0
FY 15-16 Merit pay	772,325	671,102	101,223	0	0	0.0
FY 15-16 Probation supervisors and staff	195,835	195,835	0	0	0	2.1
<b>TOTAL</b>	<b>\$2,057,265</b>	<b>\$1,813,650</b>	<b>\$243,615</b>	<b>\$0</b>	<b>\$0</b>	<b>2.1</b>

**CORRECTIONAL TREATMENT CASH FUND ALLOCATION:** The appropriation reflects an increase of \$44,490 cash funds to provide the necessary spending authority for the Judicial Department to transfer additional money allocated from the Correctional Treatment Cash Fund to the Department of Human Services.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments for the second-year impact of H.B. 15-1043 (Felony Offense for Repeat DUI Offenders).

**CASH FUNDS SPENDING AUTHORITY:** The appropriation reduces cash funds spending authority by \$500,000, including: (a) an increase of \$1,500,000 from the Offender Services Fund to provide treatment and other support services for offenders on probation; and (b) a decrease of \$2,000,000 from the Alcohol and Drug Driving Safety Program Fund to more accurately reflect available revenues and likely expenditures.

**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.

## OFFICE OF THE STATE PUBLIC DEFENDER

The Office of the State Public Defender (OSPD) is an independent agency that provides legal representation for indigent defendants who are facing the possibility of incarceration. The OSPD provides representation through employees who are located around the state. The OSPD is comprised of a central administrative office, an appellate office, and 21 regional trial offices. The OSPD provided legal representation in 159,814 cases in FY 2014-15. 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
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$86,639,883	\$86,489,883	\$150,000	\$0	\$0	782.2
HB 15-1043	188,352	188,352	0	0	0	3.1
HB 16-1243	(8,996)	(8,996)	0	0	0	0.0
<b>TOTAL</b>	<b>\$86,819,239</b>	<b>\$86,669,239</b>	<b>\$150,000</b>	<b>\$0</b>	<b>\$0</b>	<b>785.3</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$86,819,239	\$86,669,239	\$150,000	\$0	\$0	785.3
Centrally appropriated line items	397,937	397,937	0	0	0	0.0
Annualize prior year legislation	15,831	15,831	0	0	0	0.6
Discovery sharing system	(806,506)	(806,506)	0	0	0	0.0
<b>HB 16-1405</b>	<b>\$86,426,501</b>	<b>\$86,276,501</b>	<b>\$150,000</b>	<b>\$0</b>	<b>\$0</b>	<b>785.9</b>
<b>TOTAL</b>	<b>\$86,426,501</b>	<b>\$86,276,501</b>	<b>\$150,000</b>	<b>\$0</b>	<b>\$0</b>	<b>785.9</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$392,738)</b>	<b>(\$392,738)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.6</b>
Percentage Change	(0.5%)	(0.5%)	0.0%	n/a	n/a	0.1%

### FY 2015-16 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 16-1243 modifies FY 2015-16 appropriations to adjust the spending authority to correspond to vehicle lease billings.

### FY 2016-17 APPROPRIATION – H.B. 16-1405 (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; and vehicle lease payments.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments for the second-year impact of H.B. 15-1043 (Felony Offense for Repeat DUI Offenders).

**DISCOVERY SHARING SYSTEM:** The appropriation includes a decrease of \$806,506 General Fund to reflect the anticipated reduction in reimbursements to district attorneys for duplicating discoverable materials as the statewide discovery sharing system is implemented.

## OFFICE OF THE ALTERNATE DEFENSE COUNSEL

The Office of Alternate Defense Counsel (OADC) is an independent agency that provides legal representation for indigent defendants in criminal and juvenile delinquency cases in which the Office of the State Public Defender is precluded from doing so because of an ethical conflict of interest. The OADC provides legal representation by contracting with licensed attorneys and investigators. The OADC paid for legal representation in 16,680 cases in FY 2014-15. Cash funds are from training fees.

OFFICE OF THE ALTERNATE DEFENSE COUNSEL						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$30,062,991	\$30,022,991	\$40,000	\$0	\$0	10.9
HB 16-1243	1,513,302	1,513,302	0	0	0	0.0
<b>TOTAL</b>	<b>\$31,576,293</b>	<b>\$31,536,293</b>	<b>\$40,000</b>	<b>\$0</b>	<b>\$0</b>	<b>10.9</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$31,576,293	\$31,536,293	\$40,000	\$0	\$0	10.9
Social worker coordinator	71,396	71,396	0	0	0	1.0
Centrally appropriated line items	12,871	12,871	0	0	0	0.0
Discovery sharing system	(216,815)	(216,815)	0	0	0	0.0
Annualize prior year budget actions	(40,572)	(40,572)	0	0	0	0.1
<b>HB 16-1405</b>	<b>\$31,403,173</b>	<b>\$31,363,173</b>	<b>\$40,000</b>	<b>\$0</b>	<b>\$0</b>	<b>12.0</b>
<b>TOTAL</b>	<b>\$31,403,173</b>	<b>\$31,363,173</b>	<b>\$40,000</b>	<b>\$0</b>	<b>\$0</b>	<b>12.0</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$173,120)</b>	<b>(\$173,120)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>1.1</b>
Percentage Change	(0.5%)	(0.5%)	0.0%	n/a	n/a	10.1%

### FY 2015-16 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 16-1243 modifies FY 2015-16 appropriations to add \$1,513,302 General Fund to reflect updated caseload and expenditure projections for court-appointed counsel.

### FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

**SOCIAL WORKER COORDINATOR:** The appropriation includes \$71,396 General Fund to add 1.0 FTE licensed clinical social worker to supervise and coordinate the use of contract social workers and social work interns who work with contract attorneys on juvenile cases and certain high-needs adult cases.

**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; and supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund.

**DISCOVERY SHARING SYSTEM:** The appropriation includes a decrease of \$216,815 General Fund to reflect the anticipated reduction in reimbursements to district attorneys for duplicating discoverable materials as the statewide discovery sharing system is implemented.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the out-year impacts of prior year budget actions (FY 2015-16 OADC staff support).

## OFFICE OF THE CHILD'S REPRESENTATIVE

The Office of the Child's Representative (OCR) is an independent agency that is responsible for ensuring the provision of uniform, high-quality legal representation and non-legal advocacy to children involved in judicial proceedings. Generally, this includes representing children involved in the court system due to abuse or neglect, delinquency, truancy, high conflict divorce, alcohol or drug abuse, mental health issues, and probate matters. In most judicial districts, OCR provides legal representation by contracting with private attorneys or multi-disciplinary law offices. However, in El Paso County, the OCR employs attorneys and other staff to provide legal representation through a centralized office rather than through contracted services. The OCR paid for legal representation in 14,653 cases in FY 2014-15. Reappropriated funds are from federal funds transferred from the Department of Human Services.

OFFICE OF THE CHILD'S REPRESENTATIVE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$24,686,861	\$24,677,471	\$0	\$9,390	\$0	28.9
HB 15-1153	(143,919)	(143,919)	0	0	0	0.0
HB 16-1405	(650,000)	(650,000)	0	0	0	0.0
<b>TOTAL</b>	<b>\$23,892,942</b>	<b>\$23,883,552</b>	<b>\$0</b>	<b>\$9,390</b>	<b>\$0</b>	<b>28.9</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$23,892,942	\$23,883,552	\$0	\$9,390	\$0	28.9
Court-appointed counsel caseload	220,149	220,149	0	0	0	0.0
Information systems manager	29,021	29,021	0	0	0	0.2
Annualize prior year budget actions	3,410	3,410	0	0	0	0.0
Annualize prior year legislation	(143,919)	(143,919)	0	0	0	0.0
Discovery sharing system	(7,399)	(7,399)	0	0	0	0.0
Centrally appropriated line items	(4,738)	(4,738)	0	0	0	0.0
<b>HB 16-1405</b>	<b>\$23,989,466</b>	<b>\$23,980,076</b>	<b>\$0</b>	<b>\$9,390</b>	<b>\$0</b>	<b>29.1</b>
<b>TOTAL</b>	<b>\$23,989,466</b>	<b>\$23,980,076</b>	<b>\$0</b>	<b>\$9,390</b>	<b>\$0</b>	<b>29.1</b>
<b>INCREASE/(DECREASE)</b>	<b>\$96,524</b>	<b>\$96,524</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.2</b>
Percentage Change	0.4%	0.4%	n/a	0.0%	n/a	0.7%

## FY 2015-16 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 16-1405 modifies FY 2015-16 appropriations to decrease funding by \$650,000 General Fund to reflect updated caseload and expenditure projections for court-appointed counsel.

FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

**COURT-APPOINTED COUNSEL CASELOAD:** The appropriation includes an increase of \$220,149 General Fund to reflect projected caseload and expenditure increases for court-appointed counsel.

**INFORMATION SYSTEMS MANAGER:** The appropriation includes \$29,021 General Fund to reclassify an existing Program Administrator position to an Information Systems Manager position and to increase the position from 0.6 FTE to 0.8 FTE.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the out-year impacts of prior year budget actions (FY 2015-16 OCR FTE increase).

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments for the second-year impact of H.B. 15-1153 (Child and Family Investigator Oversight).

**DISCOVERY SHARING SYSTEM:** The appropriation includes a decrease of \$7,399 General Fund to reflect the anticipated reduction in reimbursements to district attorneys for duplicating discoverable materials as the statewide discovery sharing system is implemented.

**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; and supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund.

OFFICE OF THE RESPONDENT PARENTS' COUNSEL

The Office of the Respondent Parents' Counsel (ORPC) is a new independent agency charged with ensuring the provision and availability of high-quality legal representation for indigent respondent parents involved in dependency and neglect proceedings. Effective July 1, 2016, all existing and new state paid court appointments for respondent parents' counsel will be transferred from the State Court Administrator's Office to the ORPC. The ORPC will provide legal representation by contracting with licensed attorneys. Cash funds from training fees.

OFFICE OF THE RESPONDENT PARENTS' COUNSEL						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2015-16 APPROPRIATION:						
SB 15-234	\$6,736,570	\$6,714,070	\$22,500	\$0	\$0	6.9
HB 15-1149	(5,778,577)	(5,763,577)	(15,000)	0	0	(4.2)
<b>TOTAL</b>	<b>\$957,993</b>	<b>\$950,493</b>	<b>\$7,500</b>	<b>\$0</b>	<b>\$0</b>	<b>2.7</b>
FY 2016-17 APPROPRIATION:						
FY 2015-16 Appropriation	\$957,993	\$950,493	\$7,500	\$0	\$0	2.7
Annualize prior year legislation	11,921,479	11,898,979	22,500	0	0	7.3
<b>HB 16-1405</b>	<b>\$12,879,472</b>	<b>\$12,849,472</b>	<b>\$30,000</b>	<b>\$0</b>	<b>\$0</b>	<b>10.0</b>
<b>TOTAL</b>	<b>\$12,879,472</b>	<b>\$12,849,472</b>	<b>\$30,000</b>	<b>\$0</b>	<b>\$0</b>	<b>10.0</b>
<b>INCREASE/(DECREASE)</b>	\$11,921,479	\$11,898,979	\$22,500	\$0	\$0	7.3
Percentage Change	1,244.4%	1,251.9%	300.0%	n/a	n/a	270.4%

## FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments for the second- and third-year impacts of S.B. 14-203 and H.B. 15-1149 (Office of Respondent Parents' Counsel).

### OFFICE OF THE CHILD PROTECTION OMBUDSMAN

Effective January 1, 2016, the Child Protection Ombudsman Program within the Department of Human Services became an independent agency within the Judicial Branch. This Office serves as a resource for persons involved in the child welfare system, reviews and investigates complaints concerning child protection services, makes recommendations about system improvements, and educates the public concerning child maltreatment.

OFFICE OF THE CHILD PROTECTION OMBUDSMAN						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2015-16 APPROPRIATION:						
SB 15-204	\$207,274	\$207,274	\$0	\$0	\$0	2.0
HB 16-1243	21,567	21,567	0	0	0	0.0
HB 16-1405	13,471	13,471	0	0	0	0.0
<b>TOTAL</b>	<b>\$242,312</b>	<b>\$242,312</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>2.0</b>
FY 2016-17 APPROPRIATION:						
FY 2015-16 Appropriation	\$242,312	\$242,312	\$0	\$0	\$0	2.0
Annualize prior year legislation	372,146	372,146	0	0	0	2.5
<b>HB 16-1405</b>	<b>\$614,458</b>	<b>\$614,458</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>4.5</b>
<b>TOTAL</b>	<b>\$614,458</b>	<b>\$614,458</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>4.5</b>
<b>INCREASE/(DECREASE)</b>	\$372,146	\$372,146	\$0	\$0	\$0	2.5
Percentage Change	153.6%	153.6%	n/a	n/a	n/a	125.0%

### FY 2015-16 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 16-1243 and H.B. 16-1405 modify FY 2015-16 appropriations to add a total of \$35,038, including \$27,838 for legal services expenses and \$7,200 for board expenses.

## FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments for the second-year impact of S.B. 15-204 (Office of the Child Protection Ombudsman).

### 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
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$347,708	\$347,708	\$0	\$0	\$0	1.0
<b>TOTAL</b>	<b>\$347,708</b>	<b>\$347,708</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>1.0</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$347,708	\$347,708	\$0	\$0	\$0	1.0
Centrally appropriated line items	11,389	11,389	0	0	0	0.0
<b>HB 16-1405</b>	<b>\$359,097</b>	<b>\$359,097</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>1.0</b>
<b>TOTAL</b>	<b>\$359,097</b>	<b>\$359,097</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>1.0</b>
<b>INCREASE/(DECREASE)</b>	\$11,389	\$11,389	\$0	\$0	\$0	0.0
Percentage Change	3.3%	3.3%	n/a	n/a	n/a	0.0%

### FY 2016-17 APPROPRIATION – H.B. 16-1405 (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; and legal services.

## RECENT LEGISLATION

### 2015 SESSION BILLS

**S.B. 15-204 (OFFICE OF THE CHILD PROTECTION OMBUDSMAN):** Establishes the Office of the Child Protection Ombudsman (the Office) in the Judicial Department as an independent agency. Establishes the Child Protection Ombudsman Board to oversee the Office's personnel decisions, operating policies and procedures, and budget. By November 1, 2015, requires the Office to sign an administrative memorandum of understanding with the Judicial Department with an effective date of no later than January 1, 2016. Requires the Child Protection Ombudsman to make funding recommendations to the Joint Budget Committee for the operation of the Office. Modifies the powers and duties of the existing Child Protection Ombudsman Program in the Department of Human Services, and renames the Program the Office of the Child Protection Ombudsman. Repeals the provision requiring the Executive Director of the Department of Human Services to award a contract for the operation of the Ombudsman Program, and authorizes the Executive Director to extend the existing contract through December 31, 2015. Reduces the General Fund appropriation to the Department of Human Services for FY 2015-16 for the Child Protection Ombudsman by \$270,372 (from \$512,822 to \$242,450). Appropriates \$351,086 General Fund to the Judicial Department for FY 2015-16 for the Office of the Child Protection Ombudsman and the Department's related capital outlay and administrative expenses, and states that the appropriation is based on the assumption that the Department will require an additional 2.2 FTE.

**S.B. 15-234 (LONG BILL):** General appropriations act for FY 2015-16. Includes a provision modifying FY 2014-15 appropriations included in S.B. 15-150.

**S.B. 15-288 (COMPENSATION PAID TO ELECTED OFFICIALS):** Effective January 2019, replaces the existing fixed dollar salaries listed in statute for certain state officials and state legislators with a new method for determining salaries that aligns them to certain judicial officers' salaries. For additional information, see the "Recent Legislation" section at the end of the Governor – Lieutenant Governor – State Planning and Budgeting.

**H.B. 15-1034 (ADD ONE JUDGE):** Adds one district court judge to the 12<sup>th</sup> judicial district (Alamosa, Conejos, Costilla, Mineral, Rio Grande, and Saguache counties). Appropriates a total of \$340,651 (including \$333,631 General Fund and \$7,020 cash funds from the Judicial Department Information Technology Cash Fund) to the Judicial Department for FY 2015-16 for the trial courts, including funding for capital outlay expenses. States that the appropriation is based on the assumption that the Department will require an additional 3.2 FTE.

**H.B. 15-1043 (FELONY OFFENSE FOR REPEAT DUI OFFENDERS):** Increases the penalty for driving under the influence of alcohol or drugs (DUI), DUI per se, and driving while ability impaired (DWAI) from a misdemeanor to a class 4 felony after three or more prior convictions of a DUI, DUI per se, DWAI, vehicular homicide, vehicular assault, or any combination thereof. If the court sentences the defendant to the Department of Corrections (DOC) for a felony offense, the act requires the court to determine that incarceration is the most suitable option and to consider whether all other reasonable and appropriate sanctions and responses to the violation that are available to the court have been exhausted, do not appear likely to be successful if tried, or present an unacceptable risk to public safety. Reduces the penalty for aggravated driving with a revoked license from a class 6 felony to a class 1 misdemeanor, but requires the court to sentence the offender to a minimum term of 60 days in county jail. If a driver has had his or her driving privileges revoked for certain DUI-related offenses, requires that he or she hold an interlock-restricted license for at least two years and up to a maximum of five years following reinstatement; under current law the requirement is one year.

Appropriates a total of \$27,874,480 General Fund to DOC to cover the costs of housing additional offenders for the first five fiscal years of implementing the act. Appropriates a total of \$1,272,133 General Fund to the Judicial Department for FY 2015-16 to cover additional trial court costs, the costs of supervising additional offenders sentenced to probation, and the costs of providing legal representation to additional offenders. States that the appropriation is based on the assumption that the Department will require an additional 14.2 FTE. All of these amounts are detailed in the following table.

H.B. 15-1043: GENERAL FUND APPROPRIATIONS		
PURPOSE AND FISCAL YEAR	DOLLAR AMOUNT	FTE
Appropriations to Judicial Department for FY 2015-16		
Trial court programs	\$700,394	8.8
Probation programs	152,261	2.3
Capital outlay for courts and probation	231,126	
Office of the State Public Defender	188,352	3.1
<b>Subtotal: Judicial</b>	<b>\$1,272,133</b>	<b>14.2</b>
<u>Statutory Appropriations to the Department of Corrections</u>		
FY 2016-17	\$2,581,944	
FY 2017-18	6,497,158	
FY 2018-19	9,397,689	
FY 2019-20	9,397,689	
<b>Subtotal: Corrections</b>	<b>\$27,874,480</b>	
<b>TOTAL</b>	<b>\$29,146,613</b>	<b>14.2</b>

**H.B. 15-1149 (OFFICE OF THE RESPONDENT PARENTS' COUNSEL):** Senate Bill 14-203 established the Office of Respondent Parents' Counsel (ORPC), a new independent agency within the Judicial Branch charged with ensuring the provision and availability of high-quality legal representation for respondent parents involved in dependency and neglect proceedings. The act required that all existing and new state paid court appointments for respondent parents' counsel be transferred from the State Court Administrator's Office (SCAO) to the ORPC by January 1, 2016. The act also directed a pre-existing work group to make recommendations concerning an operational structure for the new office. House Bill 15-1149 implements the work group's recommendations by: (a) establishing a nine-member governing commission to oversee the operations of the ORPC; (b) establishing minimum

qualifications for the Director of the ORPC; and (c) delaying by six months the transfer of all existing appointments to the ORPC. House Bill 15-1149 adjusts FY 2015-16 appropriations to reflect the six month delay, reducing total appropriations by \$618,145 (including \$603,145 General Fund and \$15,000 cash funds from training fees) and decreasing by 1.1 the associated FTE.

**H.B. 15-1153 (CHILD AND FAMILY INVESTIGATOR OVERSIGHT):** The court may appoint an individual to serve as a child and family investigator (CFI) to investigate, report, and make recommendations to the court on issues that affect the best interests of children involved in a domestic relations case. The oversight of court-appointed CFIs is currently shared by two judicial agencies:

- the Office of the Child's Representative (OCR) oversees state-paid CFIs who are attorneys; and
- the State Court Administrator's Office (SCAO) oversees state-paid CFIs who are not attorneys, as well as all privately-paid CFIs (both attorneys and non-attorneys).

House Bill 15-1153 consolidates oversight of all court-appointed CFIs under the SCAO, effective January 1, 2016. Adjusts FY 2015-16 appropriations, shifting \$143,919 General Fund from the Office of the Child's Representative to the SCAO, and appropriating an additional \$27,580 General Fund to the SCAO to cover transition costs.

**H.B. 15-1367 (RETAIL MARIJUANA TAXES):** Refers a ballot issue to voters in November 2015, asking whether the State may retain and spend revenue collected from the Proposition AA excise and special sales taxes on retail marijuana in FY 2014-15. Independent of whether the voters approve the ballot issue, the act broadens purposes for which funds in the Marijuana Tax Cash Fund (MTCF) may be expended and requires that appropriations from the MTCF for jail-based behavioral health services be made through the Correctional Treatment Cash Fund. The act includes corresponding changes to FY 2015-16 Judicial Department appropriations, adding an appropriation of \$1,550,000 cash funds from the MTCF to the Correctional Treatment Cash Fund, as well as an appropriation of \$1,550,000 reappropriated funds from the Correctional Treatment Cash Fund to allow the Judicial Department to transfer these funds to the Department of Human Services for jail-based behavioral health services. For additional information, see the "Recent Legislation" section at the end of the Department of Revenue.

## 2016 SESSION BILLS

**S.B. 16-102 (REPEAL CERTAIN MANDATORY MINIMUM SENTENCES):** Removes the mandatory term of incarceration requirement for persons convicted of certain types of second degree assault or violations of bail bond conditions. Appropriates \$65,788 General Fund to the Judicial Department for FY 2016-17, and states that the appropriation is based on the assumption that the Department will require an additional 0.9 FTE. For additional information, see the "Recent Legislation" section at the end of the Department of Corrections.

**S.B. 16-116 (ALTERNATIVE PROCESS FOR SEALING CRIMINAL RECORDS):** Provides a simplified process for sealing criminal justice records. Requires defendants to pay a \$65 fee to seal their records and credits the fee revenue to the Judicial Stabilization Cash Fund. Appropriates \$178,173 cash funds from the Judicial Stabilization Cash Fund to the Judicial Department for FY 2016-17, and states that the appropriation is based on the assumption that the Department will require an additional 3.5 FTE.

**H.B. 16-1243 (SUPPLEMENTAL BILL):** Supplemental appropriation to the Judicial Department to modify FY 2015-16 appropriations included in the FY 2015-16 Long Bill (S.B. 15-234) and in S.B. 15-204 (Office of the Child Protection Ombudsman).

**H.B. 16-1405 (LONG BILL):** General appropriations act for FY 2016-17. Includes provisions modifying FY 2015-16 appropriations included in the FY 2015-16 Long Bill (S.B. 15-234) and in S.B. 15-204 (Office of the Child Protection Ombudsman).

**H.B. 16-1410 (LOCATION FOR COMPETENCY EVALUATIONS):** Limits the court's discretion to order that a competency evaluation be conducted at the Colorado Mental Health Institute at Pueblo (CMHIP). Repeals a provision that requires CMHIP to bill the court for the cost of defendants for whom the court has ordered an inpatient competency evaluation. Reduces by \$368,000 the General Fund appropriation to the Judicial Department for FY 2016-17. For additional information, see the "Recent Legislation" section at the end of the Department of Human Services.

# Details

## DEPARTMENT OF LABOR AND EMPLOYMENT

### FY 2015-16 AND FY 2016-17 APPROPRIATIONS BY DIVISION AND BILL

DEPARTMENT OF LABOR AND EMPLOYMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 TOTAL APPROPRIATION:</b>	<b>\$187,521,105</b>	<b>\$8,008,584</b>	<b>\$74,251,770</b>	<b>\$4,439,547</b>	<b>\$100,821,204</b>	<b>1,030.3</b>
<b>BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION</b>						
Executive Director's Office	\$43,681,786	\$2,412,771	\$19,722,917	\$641,630	\$20,904,468	99.9
Division of Unemployment Insurance	45,884,681	0	16,907,219	0	28,977,462	479.1
Division of Employment and Training	69,453,270	5,024,512	10,420,306	3,778,599	50,229,853	246.5
Division of Labor Standards & Statistics	1,840,778	571,301	1,269,477	0	0	25.8
Division of Oil and Public Safety	5,781,515	0	5,052,776	19,318	709,421	68.0
Division of Workers' Compensation	20,879,075	0	20,879,075	0	0	111.0
Division of Vocational Rehabilitation and Independent Living Centers	0	0	0	0	0	0.0
<b>BREAKDOWN OF TOTAL APPROPRIATION BY BILL</b>						
SB 15-234	\$178,911,115	\$2,698,594	\$74,251,770	\$1,139,547	\$100,821,204	1,023.5
SB 15-239	665,330	665,330	0	0	0	0.0
HB 15-1030	157,950	157,950	0	0	0	0.3
HB 15-1170	118,969	118,969	0	0	0	1.0
HB 15-1230	582,698	582,698	0	0	0	1.0
HB 15-1274	485,043	485,043	0	0	0	2.5
HB 15-1276	6,600,000	3,300,000	0	3,300,000	0	2.0
<b>FY 2016-17 TOTAL APPROPRIATION:</b>	<b>\$244,151,762</b>	<b>\$20,786,362</b>	<b>\$71,493,888</b>	<b>\$9,401,877</b>	<b>\$142,469,635</b>	<b>1,279.8</b>
<b>BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION</b>						
Executive Director's Office	\$48,878,834	\$3,910,424	\$20,188,635	\$657,216	\$24,122,559	110.2
Division of Unemployment Insurance	41,510,537	36,750	12,012,131	0	29,461,656	484.1
Division of Employment and Training	69,740,737	5,027,581	11,007,948	3,786,030	49,919,178	247.0
Division of Labor Standards & Statistics	1,876,358	588,160	1,288,198	0	0	25.8
Division of Oil and Public Safety	5,879,147	0	5,150,408	19,318	709,421	68.0
Division of Workers' Compensation	21,027,800	0	21,027,800	0	0	111.0
Division of Vocational Rehabilitation and Independent Living Services	55,238,349	11,223,447	818,768	4,939,313	38,256,821	233.7
<b>BREAKDOWN OF TOTAL APPROPRIATION BY BILL</b>						
HB 16-1405	\$243,615,012	\$20,749,612	\$70,993,888	\$9,401,877	\$142,469,635	1,279.1
SB 16-179	36,750	36,750	0	0	0	0.5
HB 16-1267	500,000	0	500,000	0	0	0.2
<b>INCREASE/(DECREASE)</b>	<b>\$56,630,657</b>	<b>\$12,777,778</b>	<b>(\$2,757,882)</b>	<b>\$4,962,330</b>	<b>\$41,648,431</b>	<b>249.5</b>
Percentage Change	30.2%	159.6%	(3.7%)	111.8%	41.3%	24.2%

**INFORMATIONAL FUNDS:** The FY 2016-17 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 2016-17 Appropriations containing an (I) notation	\$111,666,283	\$0	\$8,175,010	\$0	\$103,491,273

## DETAIL OF APPROPRIATION BY ADMINISTRATIVE SECTION

### EXECUTIVE DIRECTOR'S OFFICE

The Office provides funding for common services to all divisions including legal services from the Department of Law and information technology services from the Governor's Office of Information Technology. Additionally, this office provides support services to all divisions including budgeting, accounting and human resources services.

Funding for the Office is 8.0 percent General Fund, 41.3 percent cash funds, 1.3 percent reappropriated funds, and 49.4 percent federal funds. The Employment Support Fund and Workers' Compensation Cash Fund are the largest sources of cash funds. Reappropriated funds are from indirect cost recoveries.

EXECUTIVE DIRECTOR'S OFFICE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$42,996,456	\$1,727,441	\$19,722,917	\$641,630	\$20,904,468	99.9
SB 15-239	665,330	665,330	0	0	0	0.0
HB 15-1170	20,000	20,000	0	0	0	0.0
<b>TOTAL</b>	<b>\$43,681,786</b>	<b>\$2,412,771</b>	<b>\$19,722,917</b>	<b>\$641,630</b>	<b>\$20,904,468</b>	<b>99.9</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$43,681,786	\$2,412,771	\$19,722,917	\$641,630	\$20,904,468	99.9
Centrally appropriated line items	4,588,437	1,618,753	1,018,683	19,817	1,931,184	0.0
Annualize SB 15-239 (Transfer Voc. Rehab.)	2,498,026	531,137	4,424	0	1,962,465	10.3
SB 16-093 (Transfer Independent Living Services)	51,201	51,201	0	0	0	0.0
Annualize prior year budget actions and legislation	(1,940,616)	(703,438)	(557,389)	(4,231)	(675,558)	0.0
<b>HB 16-1405</b>	<b>\$48,878,834</b>	<b>\$3,910,424</b>	<b>\$20,188,635</b>	<b>\$657,216</b>	<b>\$24,122,559</b>	<b>110.2</b>
<b>TOTAL</b>	<b>\$48,878,834</b>	<b>\$3,910,424</b>	<b>\$20,188,635</b>	<b>\$657,216</b>	<b>\$24,122,559</b>	<b>110.2</b>
<b>INCREASE/(DECREASE)</b>	<b>\$5,197,048</b>	<b>\$1,497,653</b>	<b>\$465,718</b>	<b>\$15,586</b>	<b>\$3,218,091</b>	<b>10.3</b>
Percentage Change	11.9%	62.1%	2.4%	2.4%	15.4%	10.3%

### FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

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

**ANNUALIZE SB 15-239 (TRANSFER VOC. REHAB.):** The appropriation includes an increase of \$2,498,026 total funds, including \$531,137 General Fund, and 10.3 FTE for the transfer of the Vocational Rehabilitation Programs and Business Enterprise Program from the Department of Human Services pursuant to S.B. 15-239 (Transfer Vocational Rehabilitation from DHS to CDLE).

**SB 16-093 (TRANSFER INDEPENDENT LIVING SERVICES):** The appropriation includes an increase of \$51,201 General Fund for the transfer of independent living services provided by Independent Living Centers from the Department of Human Services pursuant to S.B. 16-093 (Transfer Independent Living Services).

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

ANNUALIZE PRIOR YEAR BUDGET ACTIONS AND LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 15-239 Transfer of DVR	(\$665,330)	(\$665,330)	\$0	\$0	\$0	0.0
FY 15-16 Salary survey	(653,128)	(11,769)	(244,982)	(3,625)	(392,752)	0.0
FY 15-16 Merit pay	(603,158)	(7,339)	(312,407)	(606)	(282,806)	0.0
HB 15-1170 Increasing Postsecondary and Workforce Readiness	(19,000)	(19,000)	0	0	0	0.0
<b>TOTAL</b>	<b>(\$1,940,616)</b>	<b>(\$703,438)</b>	<b>(\$557,389)</b>	<b>(\$4,231)</b>	<b>(\$675,558)</b>	<b>0.0</b>

## DIVISION OF UNEMPLOYMENT INSURANCE

Unemployment Insurance (UI) Programs provide weekly benefits to individuals who have lost their job through no fault of their own. Responsibilities include tax collection from employers, benefit payments, employer tax audits, call center operation, and claimant appeal application processing. Additionally, the UI Fraud Program identifies, investigates, and prosecutes unqualified individuals who receive UI benefits and employers who fail to pay UI premiums and taxes. The Division's funding consists of less than 0.1 percent General Fund, 71.0 percent federal funds and 28.9 percent cash funds. The Employment Support Fund is the primary source of cash funds, with funds from the Employment and Training Technology Fund supporting the technology initiatives underway in the Division to modernize and consolidate UI front-end (UI claimants and employers) and back-end (UI staff) systems.

DIVISION OF UNEMPLOYMENT INSURANCE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2015-16 APPROPRIATION:						
SB 15-234	\$45,884,681	\$0	\$16,907,219	\$0	\$28,977,462	479.1
<b>TOTAL</b>	<b>\$45,884,681</b>	<b>\$0</b>	<b>\$16,907,219</b>	<b>\$0</b>	<b>\$28,977,462</b>	<b>479.1</b>
FY 2016-17 APPROPRIATION:						
FY 2015-16 Appropriation	\$45,884,681	\$0	\$16,907,219	\$0	\$28,977,462	479.1
Annualize prior year budget actions	642,466	0	158,272	0	484,194	0.0
Unemployment insurance investigations and criminal enforcement	412,854	0	412,854	0	0	4.5
Reduction for unemployment insurance technology initiatives	(5,466,214)	0	(5,466,214)	0	0	0.0
<b>HB 16-1405</b>	<b>\$41,473,787</b>	<b>\$0</b>	<b>\$12,012,131</b>	<b>\$0</b>	<b>\$29,461,656</b>	<b>483.6</b>
SB 16-179	36,750	36,750	0	0	0	0.5
<b>TOTAL</b>	<b>\$41,510,537</b>	<b>\$36,750</b>	<b>\$12,012,131</b>	<b>\$0</b>	<b>\$29,461,656</b>	<b>484.1</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$4,374,144)</b>	<b>\$36,750</b>	<b>(\$4,895,088)</b>	<b>\$0</b>	<b>\$484,194</b>	<b>5.0</b>
Percentage Change	(9.5%)	n/a	(29.0%)	n/a	1.7%	1.0%

FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

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

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 15-16 Salary survey	\$354,804	\$0	\$93,718	\$0	\$261,086	0.0
FY 15-16 Merit base pay	287,662	0	64,554	0	223,108	0.0
<b>TOTAL</b>	<b>\$642,466</b>	<b>\$0</b>	<b>\$158,272</b>	<b>\$0</b>	<b>\$484,194</b>	<b>0.0</b>

**UNEMPLOYMENT INSURANCE INVESTIGATIONS AND CRIMINAL ENFORCEMENT:** The appropriation includes an increase of \$412,854 cash funds and 4.5 FTE for increased staff to address a backlog of cases that exceed the Department-set threshold for investigating fraud of \$10,000.

**REDUCTION FOR UNEMPLOYMENT INSURANCE TECHNOLOGY INITIATIVES:** The appropriation includes a reduction of \$5,466,214 cash funds to reflect the Department terminating its contract with its technology vendor and continuing the project with a new vendor. The new project is funded in the capital construction portion of the Long Bill.

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

**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
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$61,528,610	\$399,852	\$10,420,306	\$478,599	\$50,229,853	239.7
HB 15-1030	157,950	157,950	0	0	0	0.3
HB 15-1170	98,969	98,969	0	0	0	1.0
HB 15-1230	582,698	582,698	0	0	0	1.0
HB 15-1274	485,043	485,043	0	0	0	2.5
HB 15-1276	6,600,000	3,300,000	0	3,300,000	0	2.0
<b>TOTAL</b>	<b>\$69,453,270</b>	<b>\$5,024,512</b>	<b>\$10,420,306</b>	<b>\$3,778,599</b>	<b>\$50,229,853</b>	<b>246.5</b>
<b>FY 2016-17 APPROPRIATION:</b>						
HB 16-1405	\$69,240,737	\$5,027,581	\$10,507,948	\$3,786,030	\$49,919,178	246.8
HB 16-1267	500,000	0	500,000	0	0	0.2
<b>TOTAL</b>	<b>\$69,740,737</b>	<b>\$5,027,581</b>	<b>\$11,007,948</b>	<b>\$3,786,030</b>	<b>\$49,919,178</b>	<b>247.0</b>
<b>INCREASE/(DECREASE)</b>	\$287,467	\$3,069	\$587,642	\$7,431	(\$310,675)	0.5
Percentage Change	0.4%	0.1%	5.6%	0.2%	(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 résumé skills. These services are offered through state and county one-stop centers. Additionally, workforce centers match employers with qualified candidates to fill job vacancies. Funding for these programs consists of cash funds, primarily from the Employment Support Fund, and various federal funds including the Workforce Investment Act and Trade Adjustment Act.

EMPLOYMENT AND TRAINING PROGRAMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$59,379,301	\$399,852	\$10,408,983	\$478,599	\$48,091,867	209.4
HB 15-1030	157,950	157,950	0	0	0	0.3
HB 15-1170	98,969	98,969	0	0	0	1.0
HB 15-1230	582,698	582,698	0	0	0	1.0
HB 15-1274	485,043	485,043	0	0	0	2.5
HB 15-1276	6,600,000	3,300,000	0	3,300,000	0	2.0
<b>TOTAL</b>	<b>\$67,303,961</b>	<b>\$5,024,512</b>	<b>\$10,408,983</b>	<b>\$3,778,599</b>	<b>\$48,091,867</b>	<b>216.2</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$67,303,961	\$5,024,512	\$10,408,983	\$3,778,599	\$48,091,867	216.2
Annualize prior year budget actions and legislation	246,865	3,069	87,642	7,431	148,723	0.3
Skilled WORK Program reorganization	0	0	0	0	0	0.0
Reduction for Trade Adjustment Act	(500,000)	0	0	0	(500,000)	0.0
<b>HB 16-1405</b>	<b>\$67,050,826</b>	<b>\$5,027,581</b>	<b>\$10,496,625</b>	<b>\$3,786,030</b>	<b>\$47,740,590</b>	<b>216.5</b>
HB 16-1267	500,000	0	500,000	0	0	0.2
<b>TOTAL</b>	<b>\$67,550,826</b>	<b>\$5,027,581</b>	<b>\$10,996,625</b>	<b>\$3,786,030</b>	<b>\$47,740,590</b>	<b>216.7</b>
<b>INCREASE/(DECREASE)</b>	<b>\$246,865</b>	<b>\$3,069</b>	<b>\$587,642</b>	<b>\$7,431</b>	<b>(\$351,277)</b>	<b>0.5</b>
Percentage Change	0.4%	0.1%	5.6%	0.2%	(0.7%)	0.2%

## FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

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

ANNUALIZE PRIOR YEAR BUDGET ACTIONS AND LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 15-16 Salary survey	128,200	0	45,742	3,624	78,834	0.0
FY 15-16 Merit pay	115,596	0	41,900	3,807	69,889	0.0
HB 15-1230 Innovative Industry Workforce Development	14,827	14,827	0	0	0	0.3
HB 15-1274 Creation of Career Pathways for Students	(7,055)	(7,055)	0	0	0	0.0
HB 15-1170 Increasing Postsecondary and Workforce Readiness	(4,703)	(4,703)	0	0	0	0.0
<b>TOTAL</b>	<b>\$246,865</b>	<b>\$3,069</b>	<b>\$87,642</b>	<b>\$7,431</b>	<b>\$148,723</b>	<b>0.3</b>

**SKILLED WORK PROGRAM REORGANIZATION:** The appropriation includes a net zero reorganization of the Employment and Training Programs. Specifically, the appropriation includes the addition of a new line item directing \$3,300,000 General Fund to the Skilled Workers Outreach and Key (WORK) Training Grant Program Cash Fund. House Bill 15-1274 (Skilled Workers Outreach and Key Training Grant Program) requires the General Assembly to appropriate a total of \$10,000,000 over three fiscal years concluding in FY 2017-18.

**REDUCTION FOR TRADE ADJUSTMENT ACT:** The appropriation includes a reduction of \$500,000 informational federal funds for the Trade Adjustment Act to more accurately reflect historical actual expenditures for the program.

**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.

LABOR MARKET INFORMATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2015-16 APPROPRIATION:						
SB 15-234	\$2,149,309	\$0	\$11,323	\$0	\$2,137,986	30.3
<b>TOTAL</b>	<b>\$2,149,309</b>	<b>\$0</b>	<b>\$11,323</b>	<b>\$0</b>	<b>\$2,137,986</b>	<b>30.3</b>
FY 2016-17 APPROPRIATION:						
FY 2015-16 Appropriation	\$2,149,309	\$0	\$11,323	\$0	\$2,137,986	30.3
Annualize prior year budget actions	40,602	0	0	0	40,602	0.0
<b>HB 16-1405</b>	<b>\$2,189,911</b>	<b>\$0</b>	<b>\$11,323</b>	<b>\$0</b>	<b>\$2,178,588</b>	<b>30.3</b>
<b>TOTAL</b>	<b>\$2,189,911</b>	<b>\$0</b>	<b>\$11,323</b>	<b>\$0</b>	<b>\$2,178,588</b>	<b>30.3</b>
<b>INCREASE/(DECREASE)</b>	\$40,602	\$0	\$0	\$0	\$40,602	0.0
Percentage Change	1.9%	n/a	0.0%	n/a	1.9%	0.0%

## FY 2016-17 APPROPRIATION – H.B. 16-1405 (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 2015-16 appropriation including annualization of the FY 2015-16 salary survey and merit pay.

## DIVISION OF LABOR STANDARDS AND VITAL STATISTICS

The Division of Labor Standards and Vital Statistics ensures compliance with Colorado's wage, youth, and labor laws, and facilitates labor dispute resolution and mediation. Pursuant to H.B. 16-1323 (Division of Labor Name Change), effective August 10, 2016 the Division of Labor is renamed the Division of Labor and Vital Statistics. The cash fund appropriations for the Division of Labor and Vital Statistics are primarily from the Employment Support Fund with some support provided by the Employment Verification Cash Fund.

**DIVISION OF LABOR STANDARDS AND VITAL STATISTICS**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$1,840,778	\$571,301	\$1,269,477	\$0	\$0	25.8
<b>TOTAL</b>	<b>\$1,840,778</b>	<b>\$571,301</b>	<b>\$1,269,477</b>	<b>\$0</b>	<b>\$0</b>	<b>25.8</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$1,840,778	\$571,301	\$1,269,477	\$0	\$0	25.8
Annualize prior year budget actions	35,580	16,859	18,721	0	0	0.0
<b>HB 16-1405</b>	<b>\$1,876,358</b>	<b>\$588,160</b>	<b>\$1,288,198</b>	<b>\$0</b>	<b>\$0</b>	<b>25.8</b>
<b>TOTAL</b>	<b>\$1,876,358</b>	<b>\$588,160</b>	<b>\$1,288,198</b>	<b>\$0</b>	<b>\$0</b>	<b>25.8</b>
<b>INCREASE/(DECREASE)</b>	\$35,580	\$16,859	\$18,721	\$0	\$0	0.0
Percentage Change	1.9%	3.0%	1.5%	n/a	n/a	0.0%

**FY 2016-17 APPROPRIATION – H.B. 16-1405 (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 2015-16 appropriation including annualization of the FY 2015-16 salary survey and merit pay.

**DIVISION OF OIL AND PUBLIC SAFETY**

This division is comprised of the Public Safety Unit (PSU) and the Office of the State Oil Inspector (Inspector). The PSU conducts inspections of boilers and pressure vessels in commercial and multi-unit residential buildings; regulates the distribution and storage of petroleum products; regulates the remediation of contamination caused by leaking underground storage tanks; enforces statutory requirements pertaining to carnival and amusement park rides; licenses conveyances, conveyance inspectors and mechanics; and regulates and monitors proper storage of explosives. Cash funds used to support the operations of this Division include the Petroleum Storage Tank Fund and the Boiler Inspection Fund. Reappropriated funds are from the Department of Public Health and Environment.

**DIVISION OF OIL AND PUBLIC SAFETY**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$5,781,515	\$0	\$5,052,776	\$19,318	\$709,421	68.0
<b>TOTAL</b>	<b>\$5,781,515</b>	<b>\$0</b>	<b>\$5,052,776</b>	<b>\$19,318</b>	<b>\$709,421</b>	<b>68.0</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$5,781,515	\$0	\$5,052,776	\$19,318	\$709,421	68.0
Annualize prior year budget actions	97,632	0	97,632	0	0	0.0
<b>HB 16-1405</b>	<b>\$5,879,147</b>	<b>\$0</b>	<b>\$5,150,408</b>	<b>\$19,318</b>	<b>\$709,421</b>	<b>68.0</b>
<b>TOTAL</b>	<b>\$5,879,147</b>	<b>\$0</b>	<b>\$5,150,408</b>	<b>\$19,318</b>	<b>\$709,421</b>	<b>68.0</b>
<b>INCREASE/(DECREASE)</b>	\$97,632	\$0	\$97,632	\$0	\$0	0.0
Percentage Change	1.7%	n/a	1.9%	0.0%	0.0%	0.0%

## FY 2016-17 APPROPRIATION – H.B. 16-1405 (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 2015-16 appropriation including annualization of the FY 2015-16 salary survey and merit pay.

### DIVISION OF WORKERS' COMPENSATION

The Division of Workers' Compensation is comprised of five major units: customer service, dispute resolution, medical cost containment, employer services, and special funds.

- The customer service unit provides administrative oversight of injury claims to ensure compliance with all benefit and reporting requirements. This unit provides information and technical assistance and audits insurers' claims handling practices.
- The dispute resolution unit provides mediation, arbitration, pre-hearing, and settlement services to quickly resolve contested issues without administrative hearings and/or litigation.
- The medical cost containment unit oversees the programs intended to ensure that medical services for workers' compensation claims are provided in a cost-effective manner.
- The employer services section administers the self-insurance and premium cost-containment programs and ensures employer compliance with workers' compensation coverage requirements.
- The special funds section administers two large insurance programs, the Major Medical Insurance Fund (MMIF) and Subsequent Injury Fund (SIF). The MMIF covers the medical expenses in excess of \$20,000 of an injured worker who sustained catastrophic injuries between July 1971 and June 1981. The Subsequent Injury Fund covers an injured worker's medical expenses from a second workplace injury that occurred before 1994 and resulted in permanent disability or up to \$10,000 of a worker's medical expenses from a second or subsequent exposure to certain occupational materials.

The Division of Workers' Compensation is cash-funded primarily from the Workers' Compensation Cash Fund, the Subsequent Injury Fund, and the Major Medical Insurance Fund.

DIVISION OF WORKERS' COMPENSATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$20,879,075	\$0	\$20,879,075	\$0	\$0	111.0
<b>TOTAL</b>	<b>\$20,879,075</b>	<b>\$0</b>	<b>\$20,879,075</b>	<b>\$0</b>	<b>\$0</b>	<b>111.0</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$20,879,075	\$0	\$20,879,075	\$0	\$0	111.0
Annualize prior year budget actions	149,387	0	149,387	0	0	0.0
Centrally appropriated line items	(662)	0	(662)	0	0	0.0
<b>HB 16-1405</b>	<b>\$21,027,800</b>	<b>\$0</b>	<b>\$21,027,800</b>	<b>\$0</b>	<b>\$0</b>	<b>111.0</b>
<b>TOTAL</b>	<b>\$21,027,800</b>	<b>\$0</b>	<b>\$21,027,800</b>	<b>\$0</b>	<b>\$0</b>	<b>111.0</b>
<b>INCREASE/(DECREASE)</b>	\$148,725	\$0	\$148,725	\$0	\$0	0.0
Percentage Change	0.7%	n/a	0.7%	n/a	n/a	0.0%

FY 2016-17 APPROPRIATION – H.B. 16-1405 (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 2015-16 appropriation including annualization of the FY 2015-16 salary survey and merit pay.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for legal services and administrative law judges.

**DIVISION OF VOCATIONAL REHABILITATION AND INDEPENDENT LIVING SERVICES**

This division is created in FY 2016-17 and consists of two subdivisions: (A) Vocational Rehabilitation Programs and (B) Office of Independent Living Services.

(A) Vocational Rehabilitation Programs assists individuals, whose disabilities result in barriers to employment or independent living, with attaining and maintaining employment and/or independent living. At any of the 43 field and satellite offices located throughout the state, rehabilitation counselors work with clients to assess their needs and identify appropriate vocational rehabilitation services. Funding for the Vocational Rehabilitation Programs is 78.7 percent federal funds and 21.3 percent state funds. State funds include General Fund and reappropriated funds primarily from school districts for the School to Work Alliance Program.

(B) Independent Living Services provides funding to the nine Independent Living Centers in Colorado that provide services to individuals with significant disabilities. The goal of independent living services is to provide individuals with the resources and skills to live independently in the community. Funding for independent living services is primarily General Fund. There is a small amount of client cash funds and federal funds.

DIVISION OF VOCATIONAL REHABILITATION AND INDEPENDENT LIVING SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2015-16 APPROPRIATION:						
SB 15-234	\$0	\$0	\$0	\$0	\$0	0.0
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
FY 2016-17 APPROPRIATION:						
FY 2015-16 Appropriation	\$0	\$0	\$0	\$0	\$0	0.0
Annualize SB 15-239 (Transfer Voc. Rehab.)	48,068,484	4,442,703	789,147	4,939,313	37,897,321	229.7
SB 16-093 (Transfer Independent Living Services)	7,169,865	6,780,744	29,621	0	359,500	4.0
<b>HB 16-1405</b>	<b>\$55,238,349</b>	<b>\$11,223,447</b>	<b>\$818,768</b>	<b>\$4,939,313</b>	<b>\$38,256,821</b>	<b>233.7</b>
<b>TOTAL</b>	<b>\$55,238,349</b>	<b>\$11,223,447</b>	<b>\$818,768</b>	<b>\$4,939,313</b>	<b>\$38,256,821</b>	<b>233.7</b>
<b>INCREASE/(DECREASE)</b>	\$55,238,349	\$11,223,447	\$818,768	\$4,939,313	\$38,256,821	233.7
Percentage Change	n/a	n/a	n/a	n/a	n/a	n/a

## FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE SB 15-239 (TRANSFER VOC. REHAB.):** The appropriation includes an increase of \$48,068,484 total funds, including \$4,442,703 General Fund, and 229.7 FTE for the transfer of the Vocational Rehabilitation Programs and the Business Enterprise Program from the Department of Human Services pursuant to S.B. 15-239 (Transfer Vocational Rehabilitation from DHS to CDLE).

**SB 16-093 (TRANSFER INDEPENDENT LIVING SERVICES):** The appropriation includes an increase of \$7,169.865, including \$6,780,744 General Fund and 4.0 FTE for the transfer of independent living services provided by Independent Living Centers from the Department of Human Services pursuant to S.B. 16-093 (Transfer Independent Living Services).

## RECENT LEGISLATION

### 2015 SESSION BILLS

**S.B. 15-234 (LONG BILL):** General appropriations act for FY 2015-16.

**S.B. 15-239 (TRANSFER VOCATIONAL REHABILITATION PROGRAMS FROM DHS TO CDLE):** Transfers the Vocational Rehabilitation Programs, including the Business Enterprise Program, through which persons who are blind operate vending facilities in State buildings, from the Department of Human Services (DHS) to the Department of Labor and Employment (CDLE) as of July 1, 2016. CDLE and DHS must develop a transition plan by December 1, 2015 detailing additional steps, including any additional statutory changes necessary to effectuate the transition of vocational rehabilitation programs from DHS to CDLE. Further, starting in September 2015, CDLE must provide quarterly status updates to the Joint Budget Committee. For FY 2015-16, makes the following appropriations: (1) \$665,330 General Fund and to the Department of Labor and Employment, (2) \$18,902 reappropriated funds from CDLE and 0.1 FTE to the Department of Law, and (3) \$59,280 reappropriated funds from CDLE to the Governor's Office of Information and Technology.

**H.B. 15-1030 (EMPLOYMENT SERVICES FOR VETERANS PILOT PROGRAM):** Creates the Employment Services for Veterans Pilot Program in the Department of Labor and Employment. The pilot program will provide employment services for 20 veterans over the course of two fiscal years. The Department will submit a request for proposals to solicit a qualified nonprofit agency to operate the program as a contractor. Appropriates \$157,950 General Fund and 0.3 FTE to the Department of Labor and Employment in FY 2015-16.

**H.B. 15-1170 (INCREASING POSTSECONDARY AND WORKFORCE READINESS):** Creates the position of postsecondary and workforce readiness statewide coordinator within the Department of Labor and Employment to work with local education providers, businesses, industry, area vocational schools, community colleges, the Department of Education, the Department of Higher Education, and the career and technical education division within the community college system to raise the level of postsecondary and workforce readiness achieved by high school students. Beginning in FY 2016-17, modifies the statewide education accountability system by requiring the Department of Education to include the percentages of high school graduates who enroll in a career and technical education program, community college, or four-year institution of higher education as measures of postsecondary and workforce readiness. For FY 2015-16, makes the following appropriations: (1) \$92,934 General Fund and 0.7 FTE to the Department of Education; (2) \$118,969 General Fund to the Colorado Department of Labor and Employment (CDLE) and 1.0 FTE; and (3) \$20,000 reappropriated funds (from the appropriation to the CDLE) to the Office of the Governor for information technology services.

**H.B. 15-1230 (INNOVATIVE INDUSTRY WORKFORCE DEVELOPMENT):** Creates the Innovative Industries Workforce Development Program in the Department of Labor and Employment to be cooperatively administered by the Workforce Development Council (WDC) and the Division of Employment and Training. The program reimburses employers with high-level internships and apprenticeships in an innovated industry for up to \$5,000 in expenses per intern. The WDC provides technical assistance, promotes the program, and prioritizes applications if there are more internships than available funding. For FY 2015-16, appropriates \$582,698 and 1.0 FTE to the Department of Labor and Employment.

**H.B. 15-1274 (CREATION OF CAREER PATHWAYS FOR STUDENTS):** Requires the Colorado Workforce Development Council in the Department of Labor and Employment, in collaboration and consultation with partners including the Department of Higher Education and the community college system, the Department of Education, the Governor's Office of Economic Development and International Trade, partner industries, and local educational institutions, to design integrated career pathways within identified growth industries. A career pathway is a series of connected education and training strategies and support services that enable students to secure industry-relevant skills and certification, where applicable, to obtain employment within an occupational area, and to advance to higher levels of future education and employment. Following design and implementation of new career pathways, the Departments of Higher Education and Labor and Employment must collaborate to promote information concerning the program and provide online student support services. For FY 2015-16 provides appropriations of \$485,043 General Fund to the Department of Labor and Employment for the Workforce Development Council, based on the assumption that the Department will require an additional 2.5 FTE. Provides appropriations to the Department of Higher Education of: (1) \$86,960 General Fund, which is reappropriated to the community college system; and (2) \$200,000 reappropriated funds, from the amount initially appropriated to the Department of Labor and Employment, for an on-line resource publicizing the new career pathways.

**H.B. 15-1276 (SKILLED WORKER OUTREACH, RECRUITMENT, AND KEY TRAINING GRANT PROGRAM):** Creates the Skilled Worker Outreach, Recruitment, and Key Training Grant Program in the Colorado Department of Labor and Employment (CDLE). Starting January 1, 2016, the program will accept applications for matching grants from public and private providers of qualified skilled worker training programs. Qualified grant recipients offer training for skills that are needed in the workplace, with a credential or other evidence of achievement awarded at the completion of training. For FY 2015-16, appropriates \$3.3 million General Fund to the Skilled Worker Outreach, Recruitment, and Key Training Grant Program Cash Fund and reappropriates \$3.3 million from that cash fund to CDLE for both administration of the program and grant awards. To administer the program, appropriates \$120,496 based on the assumption the Department will require an additional 2.0 FTE and \$3,179,504 for grant awards.

## 2016 SESSION BILLS

**S.B. 16-093 (TRANSFER INDEPENDENT LIVING SERVICES TO CDLE):** Transfers oversight of the Independent Living Centers (ILCs) from the Department of Human Services to the Department of Labor and Employment effective July 1, 2016. ILCs provide independent living services for persons with disabilities. The fiscal impact of the bill is included in the Long Bill.

**S.B. 16-179 (CDLE UNEMPLOYMENT INSURANCE CLASSIFICATION):** The act directs the Colorado Department of Labor and Employment (CDLE) to develop guidance on and establish a position to serve as a resource for employers on the proper classification of workers for unemployment insurance purposes, audit findings, and options for appealing or curing an audit. Appropriates \$36,750 General Fund and 0.5 FTE to the Department of Labor and Employment for FY 2016-17.

**H.B. 16-1267 (VETERANS' SERVICE-TO-CAREER PILOT PROGRAM):** Creates the Colorado Veterans' Service-To-Career Pilot Program (Program) for the purpose of enhancing workforce center services that are not available under federal law. The Department of Labor and Employment will select one or more workforce centers to contract with a nonprofit agency to administer the Program. A selected workforce center shall develop and expand programs to provide workforce development-related services specifically tailored to the unique needs and talents of veterans, spouses, and other eligible participants. The services provided by the Program may include:

- Skills training;
- Opportunities for apprenticeship placements;
- Opportunities for internship placements;
- Opportunities for work placements with businesses or other organizations; and
- Support services.

The Department is required to develop a grant program so that workforce centers may apply for money to administer the Program. Money for the internships and apprenticeships may come from the employer, federal money, and grant money through the General Fund. The bill outlines specific requirements that workforce centers must meet in order to participate in the grant program.

Appropriates \$500,000 cash funds from the Marijuana Tax Cash Fund to the Department of Labor and Employment for FY 2016-17.

**H.B. 16-1323 (DIVISION OF LABOR NAME CHANGE):** Renames the Division of Labor to the Division of Labor and Vital Statistics effective August 10, 2016.

**H.B. 16-1405 (LONG BILL):** General appropriations act for FY 2016-17.

# Details

## DEPARTMENT OF LAW

### FY 2015-16 AND FY 2016-17 APPROPRIATIONS BY DIVISION AND BILL

DEPARTMENT OF LAW						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 TOTAL APPROPRIATION:</b>	<b>\$77,806,737</b>	<b>\$15,283,511</b>	<b>\$15,807,162</b>	<b>\$44,919,639</b>	<b>\$1,796,425</b>	<b>477.6</b>
<b>BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION</b>						
Administration	\$17,735,381	\$4,269,320	\$1,423,491	\$11,672,679	\$369,891	51.0
Legal Services to State Agencies	31,873,151	0	982,904	30,890,247	0	260.9
Criminal Justice and Appellate	16,607,802	5,977,690	7,849,731	1,353,847	1,426,534	104.8
Water and Natural Resources	2,120,141	578,087	861,685	680,369	0	12.0
Consumer Protection	4,864,378	1,302,530	3,239,351	322,497	0	48.0
Special Purpose	4,605,884	3,155,884	1,450,000	0	0	0.9
<b>BREAKDOWN OF TOTAL APPROPRIATION BY BILL</b>						
SB 15-234	\$77,257,689	\$14,963,624	\$15,796,431	\$44,703,757	\$1,793,877	476.1
SB 15-014	56,706	0	0	56,706	0	0.3
SB 15-106	8,506	0	0	8,506	0	0.0
SB 15-110	4,726	0	0	4,726	0	0.0
SB 15-196	3,780	0	0	3,780	0	0.0
SB 15-239	18,902	0	0	18,902	0	0.1
HB 15-1063	94,441	94,441	0	0	0	0.8
HB 15-1309	7,426	0	0	7,426	0	0.0
HB 15-1367	229,428	200,000	0	29,428	0	0.1
HB 15-1379	33,254	0	0	33,254	0	0.2
HB 16-1244	91,879	25,446	10,731	53,154	2,548	0.0
<b>FY 2016-17 TOTAL APPROPRIATION:</b>	<b>\$78,164,694</b>	<b>\$15,138,947</b>	<b>\$15,612,031</b>	<b>\$45,630,682</b>	<b>\$1,783,034</b>	<b>483.5</b>
<b>BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION</b>						
Administration	\$17,184,338	\$4,158,048	\$1,441,677	\$11,272,858	\$311,755	53.2
Legal Services to State Agencies	32,768,176	0	1,054,580	31,713,596	0	262.9
Criminal Justice and Appellate	16,271,577	5,781,992	7,353,037	1,665,269	1,471,279	104.7
Water and Natural Resources	2,176,932	596,349	938,639	641,944	0	12.5
Consumer Protection	5,079,533	1,368,420	3,374,098	337,015	0	49.2
Special Purpose	4,684,138	3,234,138	1,450,000	0	0	1.0
<b>BREAKDOWN OF TOTAL APPROPRIATION BY BILL</b>						
HB 16-1405	\$77,471,983	\$15,003,005	\$15,612,031	\$45,073,913	\$1,783,034	480.4
SB 16-036	100,000	0	0	100,000	0	0.0
SB 16-040	71,258	0	0	71,258	0	0.4
SB 16-058	3,800	0	0	3,800	0	0.0
SB 16-069	3,802	0	0	3,802	0	0.0
SB 16-161	10,071	0	0	10,071	0	0.1
SB 16-193	135,942	135,942	0	0	0	1.0
SB 16-197	228,024	0	0	228,024	0	1.3
HB 16-1034	3,800	0	0	3,800	0	0.0
HB 16-1047	47,505	0	0	47,505	0	0.1

DEPARTMENT OF LAW						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 16-1097	23,753	0	0	23,753	0	0.1
HB 16-1160	15,202	0	0	15,202	0	0.1
HB 16-1197	2,850	0	0	2,850	0	0.0
HB 16-1211	9,501	0	0	9,501	0	0.0
HB 16-1261	9,501	0	0	9,501	0	0.0
HB 16-1280	3,800	0	0	3,800	0	0.0
HB 16-1324	9,501	0	0	9,501	0	0.0
HB 16-1328	4,900	0	0	4,900	0	0.0
HB 16-1404	9,501	0	0	9,501	0	0.0
<b>INCREASE/(DECREASE)</b>	<b>\$357,957</b>	<b>(\$144,564)</b>	<b>(\$195,131)</b>	<b>\$711,043</b>	<b>(\$13,391)</b>	<b>5.9</b>
Percentage Change	0.5%	(0.9%)	(1.2%)	1.6%	(0.7%)	1.2%

**INFORMATIONAL FUNDS:** The FY 2016-17 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 2016-17 Appropriations containing an (I) notation	\$3,349,851	\$0	\$1,270,269	\$296,548	\$1,783,034

## 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 money received by the Attorney General as an award of attorney fees or costs, and other sources. Reappropriated funds derive from indirect cost recoveries and money transferred from a variety of other appropriations. Federal funds are from the Medicaid Fraud Control Program.

ADMINISTRATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$17,643,502	\$4,243,874	\$1,412,760	\$11,619,525	\$367,343	51.0
HB 16-1244	91,879	25,446	10,731	53,154	2,548	0.0
<b>TOTAL</b>	<b>\$17,735,381</b>	<b>\$4,269,320</b>	<b>\$1,423,491</b>	<b>\$11,672,679</b>	<b>\$369,891</b>	<b>51.0</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$17,735,381	\$4,269,320	\$1,423,491	\$11,672,679	\$369,891	51.0
Centrally appropriated line items	609,956	70,092	127,506	441,404	(29,046)	0.0
Safe2Tell software	60,000	60,000	0	0	0	0.0
Accounting technician	52,632	0	0	52,632	0	1.0
Carr building additional leased space	21,527	6,089	1,999	12,908	531	0.0
Annualize prior year budget actions	(1,431,100)	(383,395)	(111,319)	(906,765)	(29,621)	0.2
<b>HB 16-1405</b>	<b>\$17,048,396</b>	<b>\$4,022,106</b>	<b>\$1,441,677</b>	<b>\$11,272,858</b>	<b>\$311,755</b>	<b>52.2</b>
SB 16-193	135,942	135,942	0	0	0	1.0
<b>TOTAL</b>	<b>\$17,184,338</b>	<b>\$4,158,048</b>	<b>\$1,441,677</b>	<b>\$11,272,858</b>	<b>\$311,755</b>	<b>53.2</b>

**ADMINISTRATION**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>INCREASE/(DECREASE)</b>	(\$551,043)	(\$111,272)	\$18,186	(\$399,821)	(\$58,136)	2.2
Percentage Change	(3.1%)	(2.6%)	1.3%	(3.4%)	(15.7%)	4.3%

**FY 2015-16 APPROPRIATION - MID-YEAR ADJUSTMENTS**

House Bill 16-1244 adds \$91,879 total funds (including \$25,446 General Fund) in FY 2015-16 to support additional leased space in the Ralph L. Carr Colorado Judicial Center.

**FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS**

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

**SAFE2TELL SOFTWARE:** The appropriation includes an increase of \$60,000 General Fund to support the Department's contract for anonymous tip reporting software for the Safe2Tell Program.

**ACCOUNTING TECHNICIAN:** The appropriation includes an increase of \$52,632 reappropriated funds from indirect cost recoveries and 1.0 FTE to allow the Department to hire an additional accounting technician based on increasing workload.

**CARR BUILDING ADDITIONAL LEASED SPACE:** The appropriation includes an increase of \$21,527 total funds (including \$6,089 General Fund) above the FY 2015-16 appropriation as adjusted by the Department's FY 2015-16 supplemental bill (H.B. 16-1244) for additional leased space in the Ralph L. Carr Judicial Center. The incremental increase in FY 2016-17 (above the supplemental appropriation) will allow the Department to secure additional space to build out a dedicated computer training room to support the Department's training activities.

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

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 15-16 Salary survey and merit pay	(\$1,417,354)	(\$379,055)	(\$111,319)	(\$897,359)	(\$29,621)	0.0
FY 15-16 Legislative liaison	(4,703)	0	0	(4,703)	0	0.0
FY 15-16 Contract administrator	(4,703)	0	0	(4,703)	0	0.0
FY 15-16 Office of Community Engagement	(4,340)	(4,340)	0	0	0	0.2
<b>TOTAL</b>	<b>(\$1,431,100)</b>	<b>(\$383,395)</b>	<b>(\$111,319)</b>	<b>(\$906,765)</b>	<b>(\$29,621)</b>	<b>0.2</b>

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

## LEGAL SERVICES TO STATE AGENCIES

The Department provides legal services on a fee-for-service basis to state agencies and enterprises. This section includes appropriations for the attorneys, legal assistants, and support personnel who provide these services. In most cases, the appropriations in this section are reflected as reappropriated funds because a corresponding appropriation for the purchase of legal services appears in the client agency's budget. Cash funds reflect payments the Department receives from state agencies that are not duplicated in appropriations elsewhere in the budget. In FY 2016-17, the Department expects to provide 425,770 hours of legal service at an average billing rate of \$95.05 per hour, an increase of \$0.04 per hour compared to the FY 2015-16 average billing rate.

LEGAL SERVICES TO STATE AGENCIES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$31,710,423	\$0	\$982,904	\$30,727,519	\$0	260.2
SB 15-014	56,706	0	0	56,706	0	0.3
SB 15-106	8,506	0	0	8,506	0	0.0
SB 15-110	4,726	0	0	4,726	0	0.0
SB 15-196	3,780	0	0	3,780	0	0.0
SB 15-239	18,902	0	0	18,902	0	0.1
HB 15-1309	7,426	0	0	7,426	0	0.0
HB 15-1367	29,428	0	0	29,428	0	0.1
HB 15-1379	33,254	0	0	33,254	0	0.2
<b>TOTAL</b>	<b>\$31,873,151</b>	<b>\$0</b>	<b>\$982,904</b>	<b>\$30,890,247</b>	<b>\$0</b>	<b>260.9</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$31,873,151	\$0	\$982,904	\$30,890,247	\$0	260.9
Annualize prior year budget actions	929,524	0	0	929,524	0	0.0
Indirect cost assessment	320,228	0	71,676	248,552	0	0.0
LSSA appropriation adjustment	(875,358)	0	0	(875,358)	0	0.0
Annualize prior year legislation	(36,138)	0	0	(36,138)	0	(0.1)
<b>HB 16-1405</b>	<b>\$32,211,407</b>	<b>\$0</b>	<b>\$1,054,580</b>	<b>\$31,156,827</b>	<b>\$0</b>	<b>260.8</b>
SB 16-036	100,000	0	0	100,000	0	0.0
SB 16-040	71,258	0	0	71,258	0	0.4
SB 16-058	3,800	0	0	3,800	0	0.0
SB 16-069	3,802	0	0	3,802	0	0.0
SB 16-161	10,071	0	0	10,071	0	0.1
SB 16-197	228,024	0	0	228,024	0	1.3
HB 16-1034	3,800	0	0	3,800	0	0.0
HB 16-1047	47,505	0	0	47,505	0	0.1
HB 16-1097	23,753	0	0	23,753	0	0.1
HB 16-1160	15,202	0	0	15,202	0	0.1
HB 16-1197	2,850	0	0	2,850	0	0.0
HB 16-1211	9,501	0	0	9,501	0	0.0
HB 16-1261	9,501	0	0	9,501	0	0.0
HB 16-1280	3,800	0	0	3,800	0	0.0
HB 16-1324	9,501	0	0	9,501	0	0.0
HB 16-1328	4,900	0	0	4,900	0	0.0
HB 16-1404	9,501	0	0	9,501	0	0.0
<b>TOTAL</b>	<b>\$32,768,176</b>	<b>\$0</b>	<b>\$1,054,580</b>	<b>\$31,713,596</b>	<b>\$0</b>	<b>262.9</b>
<b>INCREASE/(DECREASE)</b>	<b>\$895,025</b>	<b>\$0</b>	<b>\$71,676</b>	<b>\$823,349</b>	<b>\$0</b>	<b>2.0</b>
Percentage Change	2.8%	n/a	7.3%	2.7%	n/a	0.8%

### FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes an increase to reflect the annualization of the FY 2015-16 salary survey and merit pay.

**INDIRECT COST ASSESSMENT:** The appropriation includes an increase in the division's indirect cost assessment.

**LSSA APPROPRIATION ADJUSTMENT:** The appropriation includes a decrease of \$875,358 reappropriated funds from the Legal Services Cash Fund to align with estimates of legal services to state agencies (LSSA) expenditures for FY 2016-17.

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

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 15-1367 Retail Marijuana Taxes	\$1	\$0	\$0	\$1	\$0	0.0
SB 15-239 Transfer of Vocational Rehab Programs	(18,902)	0	0	(18,902)	0	(0.1)
SB 15-106 Regulation of Barbers and Cosmetologists	(8,506)	0	0	(8,506)	0	0.0
HB 15-1309 Placement of TTR by Dental Hygienists	(4,951)	0	0	(4,951)	0	0.0
SB 15-110 Regulation of Funeral Establishments	(3,780)	0	0	(3,780)	0	0.0
<b>TOTAL</b>	<b>(\$36,138)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$36,138)</b>	<b>\$0</b>	<b>0.1</b>

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

## CRIMINAL JUSTICE AND APPELLATE

This section provides funding for department staff who:

- Investigate and prosecute certain complex and multi-jurisdictional cases, environmental crimes, and foreign prosecutions;
- Investigate and prosecute Medicaid provider fraud and patient abuse;
- Investigate and prosecute securities, insurance, and workers' compensation fraud;
- Provide investigative and prosecutorial support to district attorneys for certain homicide cases;
- Represent the State in criminal appeal cases in state and federal courts;
- Ensure that the constitutional and statutory rights of victims are preserved in criminal cases being prosecuted or defended by the Department; and
- Support and provide funding for the Peace Officers Standards and Training (P.O.S.T.) Board.

Cash fund sources include money paid by insurance companies for the investigation and prosecution of insurance fraud, fees paid by peace officers for P.O.S.T. Board certification, and a statewide vehicle registration fee to support training for peace officers. Reappropriated fund sources include departmental indirect cost recoveries, money transferred from the Department of Public Safety from the Colorado Auto Theft Prevention Cash Fund and from the Victims Assistance and Law Enforcement (VALE) Fund, and money transferred from the Department of Regulatory Agencies from fees paid by regulated entities for the investigation and prosecution of securities fraud. Federal funds help support the Medicaid Fraud Control Unit.

CRIMINAL JUSTICE AND APPELLATE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$16,407,802	\$5,777,690	\$7,849,731	\$1,353,847	\$1,426,534	104.8
HB 15-1367	200,000	200,000	0	0	0	0.0
<b>TOTAL</b>	<b>\$16,607,802</b>	<b>\$5,977,690</b>	<b>\$7,849,731</b>	<b>\$1,353,847</b>	<b>\$1,426,534</b>	<b>104.8</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$16,607,802	\$5,977,690	\$7,849,731	\$1,353,847	\$1,426,534	104.8
Annualize prior year budget actions	239,810	143,614	45,464	21,111	29,621	(1.0)
Senior AAG special prosecution	133,734	133,734	0	0	0	0.9
Indirect cost assessment	48,349	0	25,842	7,383	15,124	0.0
Change in grant funding	9,882	0	0	9,882	0	0.0
Fund source adjustments	0	(273,046)	0	273,046	0	0.0
Annualize prior year legislation	0	(200,000)	200,000	0	0	0.0
POST marijuana reduction	(618,000)	0	(618,000)	0	0	0.0
Special Prosecutions marijuana reduction	(150,000)	0	(150,000)	0	0	0.0
<b>HB 16-1405</b>	<b>\$16,271,577</b>	<b>\$5,781,992</b>	<b>\$7,353,037</b>	<b>\$1,665,269</b>	<b>\$1,471,279</b>	<b>104.7</b>
<b>TOTAL</b>	<b>\$16,271,577</b>	<b>\$5,781,992</b>	<b>\$7,353,037</b>	<b>\$1,665,269</b>	<b>\$1,471,279</b>	<b>104.7</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$336,225)</b>	<b>(\$195,698)</b>	<b>(\$496,694)</b>	<b>\$311,422</b>	<b>\$44,745</b>	<b>(0.1)</b>
Percentage Change	(2.0%)	(3.3%)	(6.3%)	23.0%	3.1%	(0.1%)

#### FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

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

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 13-14 Appellate Unit attorney	(\$84,959)	(\$84,959)	\$0	\$0	\$0	(1.0)
FY 15-16 Salary survey and merit pay	324,769	228,573	45,464	21,111	29,621	0.0
<b>TOTAL</b>	<b>\$239,810</b>	<b>\$143,614</b>	<b>\$45,464</b>	<b>\$21,111</b>	<b>\$29,621</b>	<b>(1.0)</b>

**SENIOR AAG SPECIAL PROSECUTION:** The appropriation includes an increase of \$133,734 General Fund and 0.9 FTE to add a senior assistant attorney general to the Special Prosecutions Unit to focus on complex drug trafficking cases in response to an increasing workload.

**INDIRECT COST ASSESSMENT:** The appropriation includes an increase in the division's indirect cost assessment.

**CHANGE IN GRANT FUNDING:** The appropriation reflects an anticipated increase of \$9,882 in the total amount of grant funding available from the Department of Public Safety for efforts to investigate and prosecute multi-jurisdictional auto theft. Section 24-31-108 (1) (b) (I), C.R.S., continuously appropriates grant funds to the Department of Law. Thus, the appropriation is shown in the Long Bill for informational purposes only.

**FUND SOURCE ADJUSTMENTS:** The appropriation includes a decrease in General Fund that is offset by an increase in reappropriated funds from indirect cost recoveries.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes a reduction of \$200,000 General Fund which is offset by an increase of \$200,000 cash funds from the Marijuana Tax Cash Fund to reflect the second year impact of H.B. 15-1367 (Retail Marijuana Taxes).

**POST MARIJUANA REDUCTION:** The appropriation includes a reduction of \$618,000 cash funds from the Marijuana Tax Cash Fund appropriated to the Peace Officers' Standards and Training (P.O.S.T.) Board for marijuana-related training and development grants. The reduction aligns the appropriation with the P.O.S.T. Board's anticipated expenditures for marijuana related training in FY 2016-17.

**SPECIAL PROSECUTIONS MARIJUANA REDUCTION:** The appropriation includes a reduction of \$150,000 cash funds from the Marijuana Tax Cash Fund for the Special Prosecutions Unit in FY 2016-17 to align the appropriation with the Unit's anticipated marijuana training expenditures.

## WATER AND NATURAL RESOURCES

This section provides funding for department staff who protect and defend the interests of the State and its citizens in all areas of natural resources law and environmental law, including: the use of surface and ground water, oil and gas development, mining and minerals, wildlife, the clean-up of contaminated sites (pursuant to the federal Comprehensive Environmental Response, Compensation and Liability Act or "CERCLA"), the proper storage or disposal of hazardous waste, and protection of the state's air and water. Cash fund sources include the Colorado Water Conservation Board's Litigation Fund and money received by the Attorney General as an award of attorney fees or costs. Reappropriated funds are transferred from the Department of Public Health and Environment from the Hazardous Substance Response Fund.

WATER AND NATURAL RESOURCES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$2,120,141	\$578,087	\$861,685	\$680,369	\$0	12.0
<b>TOTAL</b>	<b>\$2,120,141</b>	<b>\$578,087</b>	<b>\$861,685</b>	<b>\$680,369</b>	<b>\$0</b>	<b>12.0</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$2,120,141	\$578,087	\$861,685	\$680,369	\$0	12.0
Colorado River Compact	64,314	0	64,314	0	0	0.5
Annualize prior year budget actions	38,309	18,262	12,640	7,407	0	0.0
Indirect cost assessment	4,168	0	0	4,168	0	0.0
Rocky Mountain Arsenal reduction	(50,000)	0	0	(50,000)	0	0.0
<b>HB 16-1405</b>	<b>\$2,176,932</b>	<b>\$596,349</b>	<b>\$938,639</b>	<b>\$641,944</b>	<b>\$0</b>	<b>12.5</b>
<b>TOTAL</b>	<b>\$2,176,932</b>	<b>\$596,349</b>	<b>\$938,639</b>	<b>\$641,944</b>	<b>\$0</b>	<b>12.5</b>
<b>INCREASE/(DECREASE)</b>	\$56,791	\$18,262	\$76,954	(\$38,425)	\$0	0.5
Percentage Change	2.7%	3.2%	8.9%	(5.6%)	n/a	4.2%

### FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

**COLORADO RIVER COMPACT:** The appropriation includes an increase of \$64,314 cash funds from the Colorado Water Conservation Board Litigation Fund and 0.5 attorney FTE to provide additional support for the defense of the State's interests in the Colorado River Compact.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes an increase to reflect the annualization of the FY 2015-16 salary survey and merit pay.

**INDIRECT COST ASSESSMENT:** The appropriation includes an increase in the division's indirect cost assessment.

**ROCKY MOUNTAIN ARSENAL REDUCTION:** The appropriation eliminates \$50,000 reappropriated funds that previously supported natural resource damage work at the Rocky Mountain Arsenal based on a lack of use of the funding.

## CONSUMER PROTECTION

This section provides funding for department staff who protect Colorado consumers against fraud and maintain a competitive business environment by enforcing state and federal laws regarding consumer protection, antitrust, consumer lending, mortgage fraud, predatory lending, debt collection, rent-to-own, and credit repair. This section also provides funding to support one attorney who is responsible for enforcing the Tobacco Master Settlement Agreement. Cash fund sources include fees paid by regulated entities, custodial money awarded to the Attorney General in consumer protection lawsuits, and tobacco settlement money. Reappropriated funds are transferred from the Department of Regulatory Agencies for consumer protection activities related to mortgage brokers.

CONSUMER PROTECTION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$4,769,937	\$1,208,089	\$3,239,351	\$322,497	\$0	47.2
HB 15-1063	94,441	94,441	0	0	0	0.8
<b>TOTAL</b>	<b>\$4,864,378</b>	<b>\$1,302,530</b>	<b>\$3,239,351</b>	<b>\$322,497</b>	<b>\$0</b>	<b>48.0</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$4,864,378	\$1,302,530	\$3,239,351	\$322,497	\$0	48.0
Annualize prior year budget actions	123,522	47,951	64,625	10,946	0	0.0
Consumer Protection compliance investigator	58,538	0	58,538	0	0	1.0
Annualize prior year legislation	17,939	17,939	0	0	0	0.2
Indirect cost assessment	15,156	0	11,584	3,572	0	0.0
<b>HB 16-1405</b>	<b>\$5,079,533</b>	<b>\$1,368,420</b>	<b>\$3,374,098</b>	<b>\$337,015</b>	<b>\$0</b>	<b>49.2</b>
<b>TOTAL</b>	<b>\$5,079,533</b>	<b>\$1,368,420</b>	<b>\$3,374,098</b>	<b>\$337,015</b>	<b>\$0</b>	<b>49.2</b>
<b>INCREASE/(DECREASE)</b>	<b>\$215,155</b>	<b>\$65,890</b>	<b>\$134,747</b>	<b>\$14,518</b>	<b>\$0</b>	<b>1.2</b>
Percentage Change	4.4%	5.1%	4.2%	4.5%	n/a	2.5%

### FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

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

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 15-16 Salary survey and merit pay	\$124,752	\$47,951	\$65,855	\$10,946	\$0	0.0
FY 15-16 Tobacco legal assistant	(1,230)	0	(1,230)	0	0	0.0
<b>TOTAL</b>	<b>\$123,522</b>	<b>\$47,951</b>	<b>\$64,625</b>	<b>\$10,946</b>	<b>\$0</b>	<b>0.0</b>

**CONSUMER PROTECTION COMPLIANCE INVESTIGATOR:** The appropriation includes an increase of \$58,538 cash funds from custodial funds and 1.0 FTE to support an additional consumer protection compliance investigator. Appropriations of custodial funds are reflected in the Long Bill for informational purposes only.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes an increase of \$17,939 General Fund and 0.2 FTE for the second year impact of H.B. 15-1063 (Prohibited Communications Concerning Patents).

**INDIRECT COST ASSESSMENT:** The appropriation includes an 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.

## SPECIAL PURPOSE

The section includes funding to cover 80.0 percent of the statutory minimum salary for Colorado's twenty-two district attorneys, for unanticipated legal and technology expenses, and for litigation expenses associated with significant lawsuits. Cash fund sources include tobacco settlement money, money received from the State Board of Land Commissioners from its Investment and Development Fund, and money received by the Attorney General as an award of attorney fees or costs.

SPECIAL PURPOSE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$4,605,884	\$3,155,884	\$1,450,000	\$0	\$0	0.9
<b>TOTAL</b>	<b>\$4,605,884</b>	<b>\$3,155,884</b>	<b>\$1,450,000</b>	<b>\$0</b>	<b>\$0</b>	<b>0.9</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$4,605,884	\$3,155,884	\$1,450,000	\$0	\$0	0.9
District attorney IDD training	55,000	55,000	0	0	0	0.0
Centrally appropriated line items	20,592	20,592	0	0	0	0.0
Annualize prior year budget actions	2,662	2,662	0	0	0	0.1
<b>HB 16-1405</b>	<b>\$4,684,138</b>	<b>\$3,234,138</b>	<b>\$1,450,000</b>	<b>\$0</b>	<b>\$0</b>	<b>1.0</b>
<b>TOTAL</b>	<b>\$4,684,138</b>	<b>\$3,234,138</b>	<b>\$1,450,000</b>	<b>\$0</b>	<b>\$0</b>	<b>1.0</b>
<b>INCREASE/(DECREASE)</b>	\$78,254	\$78,254	\$0	\$0	\$0	0.1
Percentage Change	1.7%	2.5%	0.0%	n/a	n/a	11.1%

## FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

**DISTRICT ATTORNEY IDD TRAINING:** The appropriation includes an increase of \$55,000 General Fund for district attorneys and district attorney investigators to attend training related to prosecuting cases of mistreatment of individuals with intellectual and developmental disabilities.

**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 attorney salaries.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes an increase to reflect the second year impact of a FY 2015-16 initiative to add an attorney focused on Colorado Open Records Act and Open Meetings Law implementation.

## RECENT LEGISLATION

### 2015 SESSION BILLS

**S.B. 15-014 (MEDICAL MARIJUANA):** Requires the Colorado Medical Board in consultation with the Department of Public Health and Environment (DPHE) and physicians who specialize in medical marijuana to establish guidelines for physicians who make medical marijuana recommendations. For FY 2015-16, provides \$56,706 reappropriated funds and 0.3 FTE to the Department of Law for the provision of legal services to the DPHE. For additional information see the "Recent Legislation" section at the end of Part III for DPHE.

**S.B. 15-106 (SUNSET BARBER AND COSMETOLOGIST ACT):** Continues the Barber and Cosmetologist Act and the Cosmetology Advisory Committee until September 1, 2026. For FY 2015-16, provides \$8,506 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 "Recent Legislation" section at the end of Part III for DORA.

**S.B. 15-110 (SUNSET MORTUARY SCIENCE REGULATION):** Continues the registration of funeral homes and crematories by the Department of Regulatory Agencies (DORA) until July 1, 2024. For FY 2015-16, provides \$4,726 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 "Recent Legislation" section at the end of Part III for DORA.

**S.B. 15-167 (MODIFY FY 2014-15 APPROPRIATION FROM MARIJUANA REVENUE):** Aligns FY 2014-15 appropriations from and transfers related to the Marijuana Tax Cash Fund with actual marijuana tax revenue collected in FY 2013-14. With respect to the Department of Law, the bill reduces the appropriation from the Marijuana Tax Cash Fund for the Peace Officer Standards Training Board (P.O.S.T. Board) by \$76,000. For additional information, see the "Recent Legislation" section at the end of Part III for the Department of Revenue.

**S.B. 15-196 (INDUSTRIAL HEMP CERTIFIED SEEDS CONCENTRATION TEST):** Requires the Department of Agriculture to administer an industrial hemp certified seed program to identify seeds that produce industrial hemp. For FY 2015-16, provides \$3,780 reappropriated funds to the Department of Law for the provision of legal services to the Department of Agriculture. For additional information see the "Recent Legislation" section at the end of Part III for the Department of Agriculture.

**S.B. 15-234 (LONG BILL):** General appropriations act for FY 2015-16.

**S.B. 15-239 (TRANSFER VOCATIONAL REHABILITATION FROM DHS TO CDLE):** Transfers the state's Vocational Rehabilitation Programs from the Department of Human Services (DHS) to the Colorado Department of Labor and Employment (CDLE) beginning July 1, 2016. For FY 2015-16, provides \$18,902 reappropriated funds and 0.1 FTE to the Department of Law for the provision of legal services to the Department of Labor and Employment. For additional information see the "Recent Legislation" section at the end of Part III for CDLE.

**S.B. 15-288 (COMPENSATION PAID TO ELECTED OFFICIALS):** Effective January 2019, replaces the existing fixed dollar salaries listed in statute for certain state officials and state legislators with a new method for determining salaries that aligns them to certain judicial officers' salaries. The Attorney General's salary will be equal to 60.0 percent of the salary paid to the Chief Judge of the Colorado Court of Appeals. For additional information, see the "Recent Legislation" section at the end of the Governor – Lieutenant Governor – State Planning and Budgeting.

**H.B. 15-1063 (PROHIBITED COMMUNICATION CONCERNING PATENTS):** Establishes a framework for communications between private parties concerning patent rights. Gives the Attorney General the sole authority to enforce the bill and to conduct civil investigations and bring civil actions for violations of the bill. Increases state revenues by up to \$100,000 per year (including up to \$50,000 General Fund) beginning in FY 2015-16 from civil penalties and the award of court-related costs to the Department of Law. For FY 2015-16, provides \$94,441 General Fund and 0.8 FTE to the Department of Law for consumer protection and antitrust activities related to the bill.

**H.B. 15-1309 (PROTECTIVE RESTORATIONS BY DENTAL HYGIENISTS):** Allows dental hygienists to receive a permit from the Colorado Dental Board to perform interim therapeutic restorations. Establishes the Interim Therapeutic Restorations Advisory Committee within the Department of Regulatory Agencies (DORA). For FY 2015-16, provides \$7,426 reappropriated funds to the Department of Law for the provision of legal services to the DORA. For additional information see the "Recent Legislation" section at the end of Part III for DORA.

**H.B. 15-1367 (RETAIL MARIJUANA TAXES):** Refers a ballot issue to voters in November 2015, asking whether the State may retain and spend revenue collected from the Proposition AA excise and special sales taxes on retail marijuana in FY 2014-15. Creates a \$58.0 million Proposition AA Refund Account (Refund Account) in the General Fund. Contingent on voter approval of the ballot issue, appropriates \$202,835 cash funds to the Department of Law for FY 2015-16, as detailed in the following table.

APPROPRIATIONS TO DEPARTMENT OF LAW THAT ARE CONTINGENT ON VOTER APPROVAL		
DIVISION AND LINE ITEM	FUND SOURCE	DOLLAR AMOUNT
Criminal Justice and Appellate		
Peace Officers Standards and Training Board Support	CF - Proposition AA Refund Account	\$200,000
Personal Services and Operating and Litigation	CF – Marijuana Tax Cash Fund	2,835
<b>TOTAL</b>		<b>\$202,835</b>

Independent of whether the voters approve the ballot issue, for FY 2015-16, makes the following appropriations to the Department of Law: (1) \$24,703 reappropriated funds and 0.1 FTE for legal services provided to the Department of Agriculture; and (2) \$1,890 reappropriated funds for legal services provided to the Department of Local Affairs. For additional information, see the "Recent Legislation" section at the end of the Department of Revenue and Appendix K.

**H.B. 15-1379 (MARIJUANA PERMITTED ECONOMIC INTEREST):** Allows people who are not residents of Colorado to apply to the Marijuana Enforcement Division within the Department of Revenue (DOR) for the authorization to hold a permitted economic interest (PEI) in a regulated medical or retail marijuana business. For FY 2015-16, provides \$33,254 reappropriated funds and 0.2 FTE to the Department of Law for the provision of legal services to the DOR. For additional information see the "Recent Legislation" section at the end of Part III for DOR.

## 2016 SESSION BILLS

**S.B. 16-036 (SURETY REQUIREMENT FOR APPEALING TAX BILLS CLAIMED):** Changes the circumstances under which a taxpayer is required to set aside money when he or she files a notice of appeal of a tax decision with a court. For FY 2016-17, provides \$100,000 reappropriated funds to the Department of Law for the provision of legal services to the Department of Revenue (DOR). For additional information see the "Recent Legislation" section at the end of Part III for DOR.

**S.B. 16-040 (MARIJUANA OWNER CHANGES):** Replaces the current statutory definition for owner of a licensed medical or retail marijuana business with two new ownership categories: direct beneficial interest owners and indirect beneficial interest owners and specifies statutory requirements regarding the categories of ownership. For FY 2016-17, provides \$71,258 reappropriated funds and 0.4 FTE to the Department of Law for the provision of legal services to the Department of Revenue (DOR). For additional information see the “Recent Legislation” section at the end of Part III for DOR.

**S.B. 16-058 (COLORADO FARM TO CONSUMER SALES):** Modifies the "Colorado Cottage Foods Act," which allows homemade food producers to sell certain food products directly to consumers. For FY 2016-17, provides \$3,800 reappropriated funds to the Department of Law for the provision of legal services to the Department of Agriculture. For additional information see the “Recent Legislation” section at the end of Part III for the Department of Agriculture.

**S.B. 16-069 (COMMUNITY PARAMEDICINE REGULATION):** Requires the Department of Public Health and Environment (DPHE) to establish rules governing the scope of practice of community integrated health care service, including the issuance of an endorsement in community integrated health care service to emergency medical service providers. For FY 2016-17, provides \$3,802 reappropriated funds to the Department of Law for the provision of legal services to the DPHE. For additional information see the “Recent Legislation” section at the end of Part III for DPHE.

**S.B. 16-161 (REGULATE ATHLETIC TRAINERS):** Requires athletic trainers to be registered with the Division of Professions and Occupations, within the Department of Regulatory Agencies (DORA), and reinstates, with some modifications, the Athletic Trainer Practice Act as it existed prior to its 2015 repeal. For FY 2016-17, provides \$10,071 reappropriated funds and 0.1 FTE to the Department of Law for the provision of legal services to DORA. For additional information see the “Recent Legislation” section at the end of Part III for DORA.

**S.B. 16-193 (SAFE2TELL FREE MATERIALS AND TRAINING):** Requires the Department of Law to provide Safe2Tell program materials to Colorado preschools, elementary schools, middle schools, high schools, 4-H extension offices, and boys and girls clubs free of charge by June 30, 2017, and annually each year thereafter. Also requires the Department of law to develop a training curriculum and teaching materials for a train-the-trainer program which is to be held annually and at diverse geographic locations within Colorado at no cost to attendees. For FY 2016-17, appropriates \$135,942 General Fund and 1.0 FTE to the Department of Law.

**S.B. 16-197 (LIQUOR-LICENSED DRUGSTORES MULTIPLE LICENSES):** Allows a liquor-licensed drugstore to obtain additional liquor-licensed drugstore licenses, under which drugstores are permitted to sell malt, vinous, and spirituous liquors in sealed containers for consumption off the licensed premises. Specifies requirements for licensing and enforcement to be conducted by the Department of Revenue (DOR). For FY 2016-17, provides \$228,024 reappropriated funds and 1.3 FTE to the Department of Law for the provision of legal services to DOR. For additional information see the “Recent Legislation” section at the end of Part III for DOR.

**H.B. 16-1034 (EMERGENCY MEDICAL RESPONDER REGISTRATION):** Renames "first responders" as "emergency medical responders" and requires the Department of Public Health and Environment (DPHE) to begin a voluntary registration program on July 1, 2017. For FY 2016-17, provides \$3,800 reappropriated funds to the Department of Law for the provision of legal services to the DPHE. For additional information see the “Recent Legislation” section at the end of Part III for DPHE.

**H.B. 16-1047 (INTERSTATE MEDICAL LICENSURE COMPACT):** Enacts the Interstate Medical Licensure Compact (compact) and authorizes the Governor to enter into the compact on behalf of Colorado. For FY 2016-17, provides \$47,505 reappropriated funds and 0.1 FTE to the Department of Law for the provision of legal services to the Department of Regulatory Agencies (DORA). For additional information see the “Recent Legislation” section at the end of Part III for DORA.

**H.B. 16-1097 (PUC PERMIT FOR MEDICAID TRANSPORTATION PROVIDERS):** Allows providers of non-emergency transportation services for Medicaid clients to operate under a limited regulation permit from the Public Utilities Commission (PUC), rather than a certificate of public convenience and necessity, and establishes parameters for the limited regulation permits. For FY 2016-17, provides \$23,753 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 “Recent Legislation” section at the end of Part III for the Department of Health Care Policy and Financing.

**H.B. 16-1160 (SUNSET SURGICAL ASSISTANTS SURGICAL TECHNICIANS):** Continues the regulation of surgical assistants and surgical technologists until September 1, 2021. These health professions are regulated by the Division of Professions and Occupations in the Department of Regulatory Agencies (DORA). For FY 2016-17, provides \$15,202 reappropriated funds and 0.1 FTE to the Department of Law for the provision of legal services to DORA. For additional information see the “Recent Legislation” section at the end of Part III for DORA.

**H.B. 16-1197 (MILITARY VETERAN OCCUPATIONAL CREDENTIALS):** Requires each state agency that regulates a profession or occupation to evaluate and provide appropriate credit toward licensing and certification for military experience. Each state agency may consult with any military official, state agency, or post-secondary educational institution, and each post-secondary educational institution is obligated to cooperate. For FY 2016-17, provides \$2,850 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 “Recent Legislation” section at the end of Part III for DORA.

**H.B. 16-1211 (MARIJUANA TRANSPORTER LICENSE):** Creates state medical and retail marijuana transporter licenses to be issued by the Marijuana Enforcement Division (MED) in the Department of Revenue (DOR), and allows for the issuance of a local medical marijuana transporter license. Specifies criteria and requirements for licensing and requires transporters to be licensed by July 1, 2017, with the exception of a marijuana transporter for a medical marijuana business or retail marijuana establishment that provides its own distribution. For FY 2016-17, provides \$9,501 reappropriated funds to the Department of Law for the provision of legal services to the DOR. For additional information see the “Recent Legislation” section at the end of Part III for DOR.

**H.B. 16-1244 (SUPPLEMENTAL BILL):** Supplemental appropriation bill for the Department of Law for FY 2015-16.

**H.B. 16-1261 (RETAIL MARIJUANA SUNSET):** Continues the Colorado Retail Marijuana Code until September 1, 2019, and makes changes regarding licensing, rulemaking, industry operations, county-initiated ballot measures, and criminal provisions. For FY 2016-17, provides \$9,501 reappropriated funds to the Department of Law for the provision of legal services to the Department of Revenue (DOR). For additional information see the “Recent Legislation” section at the end of Part III for the DOR.

**H.B. 16-1280 (UPDATE AIR AMBULANCE REGULATION):** Provides the Department of Public Health and Environment (DPHE) with additional authority to establish state-level licensing of air ambulances that allows for air ambulance operators to receive a license either by gaining accreditation through an approved organization or by meeting licensing standards established by DPHE and the State Board of Health. For FY 2016-17, provides \$3,800 reappropriated funds to the Department of Law for the provision of legal services to the DPHE. For additional information see the “Recent Legislation” section at the end of Part III for DPHE.

**H.B. 16-1324 (VETERINARY ACCESS COMPOUNDED):** Authorizes a compounding pharmacy that possesses a valid manufacturing registration from the federal Drug Enforcement Administration to compound and distribute a drug to a veterinarian for office use or office stock. Additionally, the bill allows a veterinarian to administer to an animal patient a compounded drug maintained for office use and to dispense to a human client for later administration to an animal patient a compound drug. Authorizes the Colorado Board of Pharmacy, within the Department of Regulatory Agencies (DORA), to authorize and license a pharmacy outlet located outside of Colorado to provide compounded veterinary drugs for office use or office stock and to promulgate rules concerning compounded veterinary pharmaceuticals. For FY 2016-17, provides \$9,501 reappropriated funds to the Department of Law for the provision of legal services to DORA. For additional information see the “Recent Legislation” section at the end of Part III for DORA.

**H.B. 16-1328 (USE OF RESTRAINT AND SECLUSION ON INDIVIDUALS):** Directs the Department of Human Services (DHS) on the use of seclusion in youth corrections facilities. Requires the DHS to maintain prescribed documentation each time a youth is placed in seclusion as a result of an emergency in any secure state-operated and state-owned youth corrections facility. For FY 2016-17, provides \$4,900 reappropriated funds to the Department of Law for the provision of legal services to DHS. For additional information see the “Recent Legislation” section at the end of Part III for DHS.

**H.B. 16-1404 (REGULATE FANTASY CONTESTS):** Establishes the registration of small fantasy contest operators and the licensure of all other large fantasy contest operators by the Division of Professions and Occupations within the Department of Regulatory Agencies (DORA). For FY 2016-17, provides \$9,501 reappropriated funds to the Department of Law for the provision of legal services to DORA. For additional information see the “Recent Legislation” section at the end of Part III for DORA.

**H.B. 16-1405 (LONG BILL):** General appropriations act for FY 2016-17.

# Details

## LEGISLATIVE BRANCH

### FY 2015-16 AND FY 2016-17 APPROPRIATIONS BY DIVISION AND BILL

LEGISLATIVE DEPARTMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 TOTAL APPROPRIATION:</b>	<b>\$44,641,162</b>	<b>\$43,297,162</b>	<b>\$179,000</b>	<b>\$1,165,000</b>	<b>\$0</b>	<b>281.3</b>
<b>BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION</b>						
General Assembly	\$16,670,229	\$16,580,229	\$90,000	\$0	\$0	66.0
State Auditor	9,432,183	8,428,183	89,000	915,000	0	72.0
Joint Budget Committee	1,832,890	1,832,890	0	0	0	16.0
Legislative Council	10,228,601	9,978,601	0	250,000	0	74.0
Committee on Legal Services	6,477,259	6,477,259	0	0	0	53.3
<b>BREAKDOWN OF TOTAL APPROPRIATION BY BILL</b>						
SB 15-191 (Legislative Appropriation)	\$40,475,144	\$39,381,144	\$179,000	\$915,000	\$0	280.6
SB 15-234 (Long Bill)	4,012,160	3,762,160	0	250,000	0	0.0
SB 15-029	100,000	100,000	0	0	0	0.0
SB 15-214	25,857	25,857	0	0	0	0.3
SB 15-256	9,587	9,587	0	0	0	0.1
HB 15-1057	18,414	18,414	0	0	0	0.3
<b>FY 2016-17 TOTAL APPROPRIATION:</b>	<b>\$45,868,293</b>	<b>\$44,789,293</b>	<b>\$179,000</b>	<b>\$900,000</b>	<b>\$0</b>	<b>285.0</b>
<b>BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION</b>						
General Assembly	\$17,204,559	\$17,114,559	\$90,000	\$0	\$0	66.0
State Auditor	9,843,630	8,854,630	89,000	900,000	0	74.7
Joint Budget Committee	1,855,355	1,855,355	0	0	0	16.0
Legislative Council	10,240,455	10,240,455	0	0	0	74.3
Committee on Legal Services	6,724,294	6,724,294	0	0	0	54.0
<b>BREAKDOWN OF TOTAL APPROPRIATION BY BILL</b>						
HB 16-1353 (Legislative Appropriation)	\$41,573,865	\$40,494,865	\$179,000	\$900,000	\$0	281.3
HB 16-1405 (Long Bill)	3,811,594	3,811,594	0	0	0	0.0
SB 16-163	26,111	26,111	0	0	0	0.4
SB 16-183	19,698	19,698	0	0	0	0.3
SB 16-203	212,149	212,149	0	0	0	2.7
HB 16-1077	21,628	21,628	0	0	0	0.3
HB 16-1172	3,248	3,248	0	0	0	0.0
HB 16-1411	200,000	200,000	0	0	0	0.0
<b>INCREASE/(DECREASE)</b>	<b>\$1,227,131</b>	<b>\$1,492,131</b>	<b>\$0</b>	<b>(\$265,000)</b>	<b>\$0</b>	<b>3.7</b>
Percentage Change	2.7%	3.4%	0.0%	(22.7%)	n/a	1.3%

## DETAIL OF APPROPRIATION BY ADMINISTRATIVE SECTION

### GENERAL ASSEMBLY

Comprised of 35 members in the Senate and 65 members in the House of Representatives, the General Assembly meets annually beginning in early January and, per the Colorado Constitution, must adjourn within 120 days. The Colorado Constitution vests all legislative power in the General Assembly, except those powers specifically reserved by the people. Funding for the General Assembly is primarily General Fund with a small amount of funding from the sale of bill boxes, legislative directories, publications, and other services.

GENERAL ASSEMBLY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-191 (Legislative Appropriation)	\$14,058,633	\$13,968,633	\$90,000	\$0	\$0	66.0
SB 15-234 (Long Bill)	2,598,660	2,598,660	0	0	0	0.0
SB 15-214	8,976	8,976	0	0	0	0.0
SB 15-256	3,960	3,960	0	0	0	0.0
<b>TOTAL</b>	<b>\$16,670,229</b>	<b>\$16,580,229</b>	<b>\$90,000</b>	<b>\$0</b>	<b>\$0</b>	<b>66.0</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$16,670,229	\$16,580,229	\$90,000	\$0	\$0	66.0
Salary/benefits/operating adjustments	428,956	428,956	0	0	0	0.0
Centrally appropriated line items	94,437	94,437	0	0	0	0.0
<b>HB 16-1353 (Legislative Appropriation)<sup>1</sup></b>	<b>\$14,586,198</b>	<b>\$14,496,198</b>	<b>\$90,000</b>	<b>\$0</b>	<b>\$0</b>	<b>66.0</b>
<b>HB 16-1405 (Long Bill)<sup>1</sup></b>	<b>\$2,607,424</b>	<b>\$2,607,424</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
SB 16-183	2,817	2,817	0	0	0	0.0
HB 16-1077	4,872	4,872	0	0	0	0.0
HB 16-1172	3,248	3,248	0	0	0	0.0
<b>TOTAL</b>	<b>\$17,204,559</b>	<b>\$17,114,559</b>	<b>\$90,000</b>	<b>\$0</b>	<b>\$0</b>	<b>66.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$534,330</b>	<b>\$534,330</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	3.2%	3.2%	0.0%	n/a	n/a	0.0%

<sup>1</sup> The FY 2015-16 Appropriation plus the sum of the appropriation highlights equals the combined appropriation in H.B. 16-1353 (Legislative Appropriation) and H.B. 16-1405 (Long Bill).

### FY 2016-17 APPROPRIATION – H.B. 16-1353 (LEGISLATIVE APPROPRIATION) AND H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

**SALARY/BENEFITS/OPERATING ADJUSTMENTS:** The appropriation includes an increase of \$428,956 that is primarily the result of changes in health, life, and dental insurance benefits; increases to personal services, operating, and travel budgets; an increase for non-metro legislator per diem pursuant to statute; increases for the Legislative Aides Program; and dues for joint governmental agencies.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items as follows: supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund, Capitol Complex maintenance costs, workers compensation, payments to risk management and property funds, payments for the state accounting system (Colorado Operations Resource Engine), and legal services. These increases are offset by a decrease in information technology common policy issues.

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

## STATE AUDITOR

The duties of the Office of the State Auditor are to conduct post audits of all financial transactions and accounts of all state departments, institutions, and agencies of the executive, legislative, and judicial branches; conduct performance post audits; and prepare summary audit reports and recommendations concerning each agency. Legislative oversight is provided by the Legislative Audit Committee, which is comprised of four senators, two from each major political party, and four representatives, two from each major political party. The Office of the State Auditor is primarily funded with General Fund with a small amount of cash funds from the Tobacco Settlement Program and reappropriated funds from billable audits of programs supported by federal or cash funds where permitted.

STATE AUDITOR						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-191 (Legislative Appropriation)	\$9,332,183	\$8,328,183	\$89,000	\$915,000	\$0	72.0
SB 15-029	100,000	100,000	0	0	0	0.0
<b>TOTAL</b>	<b>\$9,432,183</b>	<b>\$8,428,183</b>	<b>\$89,000</b>	<b>\$915,000</b>	<b>\$0</b>	<b>72.0</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$9,432,183	\$8,428,183	\$89,000	\$915,000	\$0	72.0
Centrally appropriated line items	51,813	51,813	0	0	0	0.0
Salary/benefits/operating adjustments	47,485	62,485	0	(15,000)	0	0.0
Annualize prior year legislation	(100,000)	(100,000)	0	0	0	0.0
<b>HB 16-1353 (Legislative Appropriation)</b>	<b>\$9,431,481</b>	<b>\$8,442,481</b>	<b>\$89,000</b>	<b>\$900,000</b>	<b>\$0</b>	<b>72.0</b>
SB 16-203	212,149	212,149	0	0	0	2.7
HB 16-1411	200,000	200,000	0	0	0	0.0
<b>TOTAL</b>	<b>\$9,843,630</b>	<b>\$8,854,630</b>	<b>\$89,000</b>	<b>\$900,000</b>	<b>\$0</b>	<b>74.7</b>
<b>INCREASE/(DECREASE)</b>	\$411,447	\$426,447	\$0	(\$15,000)	\$0	2.7
Percentage Change	4.4%	5.1%	0.0%	(1.6%)	n/a	3.8%

### FY 2016-17 APPROPRIATION – H.B. 16-1353 (LEGISLATIVE APPROPRIATION) ISSUE DESCRIPTIONS

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items for supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund.

**SALARY/BENEFITS/OPERATING ADJUSTMENTS:** The appropriation includes a net increase of \$47,485, including \$62,485 General Fund, that is primarily the result of changes in health, life, and dental insurance benefits; an increase to the operating budget; and funding for a wellness program.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes a decrease of \$100,000 General Fund for the second year impact of S.B. 15-029 (Volunteer Firefighter Pension Plan Study).

**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 Long Bill. The staff is also responsible for providing support for both the House and Senate Appropriations Committees. The Joint Budget Committee is funded with General Fund.

JOINT BUDGET COMMITTEE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2015-16 APPROPRIATION:						
SB 15-191 (Legislative Appropriation)	\$1,832,890	\$1,832,890	\$0	\$0	\$0	16.0
<b>TOTAL</b>	<b>\$1,832,890</b>	<b>\$1,832,890</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>16.0</b>
FY 2016-17 APPROPRIATION:						
FY 2015-16 Appropriation	\$1,832,890	\$1,832,890	\$0	\$0	\$0	16.0
Centrally appropriated line items	13,611	13,611	0	0	0	0.0
Salary/benefits/operating adjustments	8,854	8,854	0	0	0	0.0
<b>HB 16-1353 (Legislative Appropriation)</b>	<b>\$1,855,355</b>	<b>\$1,855,355</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>16.0</b>
<b>TOTAL</b>	<b>\$1,855,355</b>	<b>\$1,855,355</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>16.0</b>
<b>INCREASE/(DECREASE)</b>	\$22,465	\$22,465	\$0	\$0	\$0	0.0
Percentage Change	1.2%	1.2%	n/a	n/a	n/a	0.0%

### FY 2016-17 APPROPRIATION – H.B. 16-1353 (LEGISLATIVE APPROPRIATION) ISSUE DESCRIPTIONS

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items for supplemental state contributions to the Public Employees’ Retirement Association (PERA) pension fund.

**SALARY/BENEFITS/OPERATING ADJUSTMENTS:** The appropriation includes an increase of \$8,854 General Fund that is primarily the result of changes in health, life, and dental insurance benefits.

## 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, for providing revenue estimates, and providing support services for legislative agencies. The Council staff is primarily funded with General Fund with reappropriated funds transferred from the Department of Education every other year.

**LEGISLATIVE COUNCIL**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-191 (Legislative Appropriation)	\$8,774,179	\$8,774,179	\$0	\$0	\$0	73.3
SB 15-234 (Long Bill)	1,413,500	1,163,500	0	250,000	0	0.0
SB 15-214	16,881	16,881	0	0	0	0.3
SB 15-256	5,627	5,627	0	0	0	0.1
HB 15-1057	18,414	18,414	0	0	0	0.3
<b>TOTAL</b>	<b>\$10,228,601</b>	<b>\$9,978,601</b>	<b>\$0</b>	<b>\$250,000</b>	<b>\$0</b>	<b>74.0</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$10,228,601	\$9,978,601	\$0	\$250,000	\$0	74.0
Salary/benefits/operating adjustments	139,285	139,285	0	0	0	0.0
Centrally appropriated line items	65,018	65,018	0	0	0	0.0
Property tax study	30,000	30,000	0	0	0	0.0
Ballot analysis	10,670	10,670	0	0	0	0.0
Cost of living study	(250,000)	0	0	(250,000)	0	0.0
<b>HB 16-1353 (Legislative Appropriation)<sup>1</sup></b>	<b>\$9,019,404</b>	<b>\$9,019,404</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>74.0</b>
<b>HB 16-1405 (Long Bill)<sup>1</sup></b>	<b>\$1,204,170</b>	<b>\$1,204,170</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
SB 16-183	16,881	16,881	0	0	0	0.3
<b>TOTAL</b>	<b>\$10,240,455</b>	<b>\$10,240,455</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>74.3</b>
<b>INCREASE/(DECREASE)</b>	<b>\$11,854</b>	<b>\$261,854</b>	<b>\$0</b>	<b>(\$250,000)</b>	<b>\$0</b>	<b>0.3</b>
Percentage Change	0.1%	2.6%	n/a	(100.0%)	n/a	0.4%

<sup>1</sup> The FY 2015-16 Appropriation plus the sum of the appropriation highlights equals the combined appropriation in H.B. 16-1353 (Legislative Appropriation) and H.B. 16-1405 (Long Bill).

**FY 2016-17 APPROPRIATION – H.B. 16-1353 (LEGISLATIVE APPROPRIATION) AND H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS**

**SALARY/BENEFITS/OPERATING ADJUSTMENTS:** The appropriation includes an increase of \$139,285 General Fund that is primarily the result of changes in health, life, and dental insurance benefits; an increase to the operating budget; and funding for information technology investments.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items for supplemental state contributions to the Public Employees’ Retirement Association (PERA) pension fund.

**PROPERTY TAX STUDY:** 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.

**BALLOT ANALYSIS:** The appropriation includes an increase of \$10,670 General Fund for the costs associated with an analysis of measures on the ballot. Section 1 (7.5) of Article V of the State Constitution requires the nonpartisan research staff of the General Assembly to perform this function.

**COST OF LIVING STUDY:** The appropriation includes a decrease of \$250,000 reappropriated funds transferred from the Department of Education for a cost of living study. Legislative Council staff, pursuant to Section 22-54-104 (5) (c) (III) (A), C.R.S., is required to certify the cost of living factor for each school district every two years based on a cost of living analysis that is typically conducted through a contract. The appropriation is eliminated for FY 2016-17 as the Legislative Council staff is not required to perform the analysis in FY 2016-17.

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

## COMMITTEE ON LEGAL SERVICES

The Committee on Legal Services consists of ten members, five from the House of Representatives and five from the Senate. It provides legislative oversight to the Office of Legislative Legal Services and coordinates litigation involving the General Assembly.

The Office of Legislative Legal Services drafts and prepares bills, resolutions, amendments, conference committee reports, and digests of enacted bills. The Office also reviews rules promulgated by executive agencies to determine whether they are within the powers delegated to the agency; performs legal research; aids in legal representation of the General Assembly; participates in the review of and comments on the titles given to initiated measures; and assists in staffing interim committees.

The Office is also responsible for compiling, editing, arranging, and preparing for publication all of the laws of the State of Colorado, and for assisting in publication and distribution of portions of the statutes in accordance with Section 2-5-118, C.R.S. Annually, the Office prepares the session laws and supplements to the statutes as necessary and also prepares the index and case law annotations for the Colorado Revised Statutes.

The Colorado Commission of Uniform State Laws, comprised of seven members who are attorneys-at-law in Colorado (three of whom are state legislators), represents Colorado at the National Conference of Commissioners on Uniform State Laws. The purpose of the conference is to promote the uniformity of state laws on all subjects where uniformity is deemed desirable and practical. The Office of Legislative Legal Services is funded with General Fund.

COMMITTEE ON LEGAL SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2015-16 APPROPRIATION:						
SB 15-191 (Legislative Appropriation)	\$6,477,259	\$6,477,259	\$0	\$0	\$0	53.3
<b>TOTAL</b>	<b>\$6,477,259</b>	<b>\$6,477,259</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>53.3</b>
FY 2016-17 APPROPRIATION:						
FY 2015-16 Appropriation	\$6,477,259	\$6,477,259	\$0	\$0	\$0	53.3
Salary/benefits/operating adjustments	150,930	150,930	0	0	0	0.0
Centrally appropriated line items	53,238	53,238	0	0	0	0.0
<b>HB 16-1353 (Legislative Appropriation)</b>	<b>\$6,681,427</b>	<b>\$6,681,427</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>53.3</b>
SB 16-163	26,111	26,111	0	0	0	0.4
HB 16-1077	16,756	16,756	0	0	0	0.3
<b>TOTAL</b>	<b>\$6,724,294</b>	<b>\$6,724,294</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>54.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$247,035</b>	<b>\$247,035</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.7</b>
Percentage Change	3.8%	3.8%	n/a	n/a	n/a	1.3%

### FY 2016-17 APPROPRIATION – H.B. 16-1353 (LEGISLATIVE APPROPRIATION) ISSUE DESCRIPTIONS

**SALARY/BENEFITS/OPERATING ADJUSTMENTS:** The appropriation includes a net increase of \$150,930 General Fund that is primarily the result of changes in health, life, and dental insurance benefits; increases to personal services; and an increase in costs associated with the Commission on Uniform State Laws. Offsetting these increases is a decrease in costs for in-state travel.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items for supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund.

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

## RECENT LEGISLATION

### 2015 SESSION BILLS

**S.B. 15-029 (VOLUNTEER FIREFIGHTER PENSION PLAN STUDY):** Requires the Office of the State Auditor (OSA) to coordinate a study concerning the structure and tax consequences of current volunteer firefighter pension plans (VFPPs) in Colorado. Appropriates \$100,000 General Fund for the State Auditor's Office, \$4,271 General Fund for the Department of Local Affairs, and \$848 reappropriated funds for the Office of the Governor for FY 2015-16.

**S.B. 15-098 (CODIFY STOCK PHRASES USED IN APPROPRIATION CLAUSES):** Improves the readability of appropriation clauses by codifying the following stock phrases that were formerly included in appropriation clauses and generally applies the phrases to all future appropriation clauses:

- "In addition to any other appropriation";
- "not otherwise appropriated"; and
- "or so much thereof as may be necessary".

**S.B. 15-191 (LEGISLATIVE APPROPRIATION):** Legislative appropriations act for FY 2015-16.

**S.B. 15-214 (INTERIM COMMITTEE STATE SCHOOLS YOUTH MENTAL HEALTH):** Creates the School Safety and Youth Mental Health Committee to study issues related to school safety and the prevention of threats to the safety of students, teachers, administrators, employees, and volunteers present on the grounds of public and private schools. Appropriates \$16,881 General Fund for Legislative Council and \$8,976 for the General Assembly for FY 2015-16. Assumes Legislative Council staff will require an additional 0.3 FTE.

**S.B. 15-234 (LONG BILL):** General appropriations act for FY 2015-16.

**S.B. 15-256 (CO HEALTH INSURANCE EXCHANGE OVERSIGHT COMMITTEE):** Makes changes to the health exchange review committee name and the number of times it may meet both when the General Assembly is meeting and when it is not meeting. Appropriates \$5,627 General Fund for Legislative Council and \$3,960 for the General Assembly for FY 2015-16. Assumes Legislative Council staff will require an additional 0.1 FTE.

**S.B. 15-288 (COMPENSATION PAID TO ELECTED OFFICIALS):** Effective January 2019, replaces the existing fixed dollar salaries listed in statute for certain state officials and state legislators with a new method for determining salaries that aligns them to certain judicial officers' salaries. The salary for state legislators will be equal to 25.0 percent of the salary paid to most county court judges. For additional information, see the "Recent Legislation" section at the end of the Governor – Lieutenant Governor – State Planning and Budgeting.

**H.B. 15-1057 (THE STATEWIDE INITIATIVE PROCESS):** Requires that the Legislative Council Staff prepare initial fiscal impact statements for all measures submitted to the title board. Appropriates \$18,414 General Fund for Legislative Council for FY 2015-16. Assumes Legislative Council staff will require an additional 0.3 FTE.

## 2016 SESSION BILLS

**SB 16-163 (RECODIFY TITLE 12 STUDY PROCESS):** Requires the Office of Legislative Legal Services (OLLS) to study a recodification of Title 12 of the Colorado Revised Statutes (C.R.S.), which contains state laws regulating professions and occupations. OLLS must solicit input, including estimates of the fiscal impact, from the Judicial Department, specified state agencies, local governments with regulatory authority, representatives of the regulated professions and occupations, and the public. Appropriates \$26,111 General Fund for OLLS for FY 2016-17. Assumes OLLS will require an additional 0.4 FTE.

**SB 16-183 (911 AUTHORITY):** Creates the task force on 911 oversight, outage reporting, and reliability for the purpose of studying the issues surrounding and making findings and recommendations for the improvement of the deployment of 911 service in the state of Colorado. Appropriates \$16,881 General Fund for Legislative Council (LCS) for FY 2016-17. Assumes LCS will require an additional 0.3 FTE. Also includes \$2,817 General Fund for the General Assembly for FY 2016-17 for legislator travel and per diem.

**SB 16-203 (REVIEW OF TAX CREDITS AND EXPENDITURES):** Directs the Office of the State Auditor (OSA) to conduct evaluations of all state tax expenditures. Evaluations are to be completed following a schedule established by the OSA. The OSA is responsible for publishing an initial schedule no later than September 15, 2017, and for posting the first evaluation on the General Assembly's website no later than September 14, 2018. The OSA is required to review each tax expenditure at least once every five years. Appropriates \$212,149 General Fund for OLLS for FY 2016-17. Assumes OLLS will require an additional 2.7 FTE.

**HB 16-1077 (STATUTORY REVIEW PANEL OF LEGISLATORS FOR OUTDATED STATUTES):** Recreates the eight-member Statutory Revision Committee (Committee) in the Legislative Department that was initially created in 1977 to investigate statutory defects, but was repealed in 1985, and establishes guidelines for committee selection, composition, and procedures. The Committee must meet at least twice per year and may meet during the legislative session and during the interim. Any legislation proposed by the Committee and sponsored by a committee member is exempt from the individual five-bill limit. Members are reimbursed for necessary expenses and paid the same per diem for each day of attendance as members of interim committees. The Office of Legislative Legal Services (OLLS) will provide staff support to the Committee. Appropriates \$16,756 General Fund for OLLS for FY 2016-17. Assumes OLLS will require an additional 0.3 FTE. Appropriates \$4,872 General Fund for the General Assembly for FY 2016-17 for legislator travel and per diem.

**HB 16-1172 (F.A.S.T.E.R. EFFICIENCY AND ACCOUNTABILITY COMMITTEE):** Requires the Transportation Commission (Commission) to reestablish the standing Efficiency and Accountability Committee (Committee) under the Colorado Department of Transportation (CDOT). Expands Committee membership to include four state legislators and representatives of counties, municipalities, nonpartisan good governance organizations, and others as determined by the Commission. Clarifies Committee responsibilities, which are generally aimed at ensuring that CDOT and the Commission meet all federal and state requirements. The Committee repeals July 1, 2019, pending a sunset review. Appropriates \$3,392 General Fund for the General Assembly for FY 2016-17 for legislator travel and per diem.

**HB 16-1353 (LEGISLATIVE APPROPRIATION):** Legislative appropriations act for FY 2016-17.

**H.B. 16-1405 (LONG BILL):** General appropriations act for FY 2016-17.

**HB 16-1411 (LONGITUDINAL EXTERNAL EVALUATION OF FT. LYON SUPPORTIVE RESIDENTIAL COMMUNITY):** Authorizes the State Auditor to contract for a study of the Fort Lyon Supportive Residential Community to evaluate the program's costs, benefits, and outcomes. This program serves approximately 250 chronically homeless individuals at a historic facility in Bent County. The contractor for the study is to be selected with the concurrence of the Division of Housing in the Department of Local Affairs, and a Fort Lyon Study Advisory Committee, appointed by the Director of the Division of Housing, will assist the auditor and Division in evaluating proposals and the contractor's progress on the study. A preliminary findings report is due to the State Auditor by August 1, 2017 and a final report is due by August 1, 2018. After review by the Legislative Audit Committee, both reports will be disseminated to various legislative committees and executive branch agencies. For FY 2016-17, appropriates \$200,000 General Fund to the Legislative Department for the Office of the State Auditor to contract for the study and \$11,875 General Fund to the Department of Corrections for contract services related to compiling data for the study. Unspent amounts may roll forward for expenditure in FY 2017-18. The total cost of the study from FY 2016-17 until its completion in FY 2018-19 is not expected to exceed \$450,000 General Fund.

# Details

## DEPARTMENT OF LOCAL AFFAIRS

### FY 2015-16 AND FY 2016-17 APPROPRIATIONS BY DIVISION AND BILL

DEPARTMENT OF LOCAL AFFAIRS						
	TOTAL FUNDS	GENERAL FUND <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 TOTAL APPROPRIATION:</b>	<b>\$321,301,682</b>	<b>\$24,626,224</b>	<b>\$209,312,306</b>	<b>\$10,487,107</b>	<b>\$76,876,045</b>	<b>172.5</b>
<b>BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION</b>						
Executive Director's Office	\$7,140,930	\$1,636,392	\$685,958	\$3,749,620	\$1,068,960	14.2
Property Taxation	3,773,920	1,380,281	1,264,404	1,129,235	0	49.9
Division of Housing	75,635,729	13,456,241	1,144,256	452,504	60,582,728	52.8
Division of Local Government	234,751,103	8,153,310	206,217,688	5,155,748	15,224,357	55.6
<b>BREAKDOWN OF TOTAL APPROPRIATION BY BILL</b>						
SB 15-234	\$319,746,653	\$23,257,038	\$209,158,832	\$10,454,738	\$76,876,045	169.7
SB 15-029	4,271	4,271	0	0	0	0.0
HB 15-1033	364,915	364,915	0	0	0	0.3
HB 15-1225	32,369	0	0	32,369	0	0.5
HB 15-1367	1,153,474	1,000,000	153,474	0	0	2.0
<b>FY 2016-17 TOTAL APPROPRIATION:</b>	<b>\$306,112,580</b>	<b>\$26,012,580</b>	<b>\$194,098,487</b>	<b>\$10,915,745</b>	<b>\$75,085,768</b>	<b>173.9</b>
<b>BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION</b>						
Executive Director's Office	\$7,538,275	\$1,653,785	\$731,687	\$3,940,985	\$1,211,818	14.2
Property Taxation	3,894,846	1,437,816	1,296,715	1,160,315	0	50.4
Division of Housing	80,118,127	16,535,300	1,165,467	449,325	61,968,035	53.8
Division of Local Government	214,561,332	6,385,679	190,904,618	5,365,120	11,905,915	55.5
<b>BREAKDOWN OF TOTAL APPROPRIATION BY BILL</b>						
HB 16-1405	\$306,083,310	\$25,983,310	\$194,098,487	\$10,915,745	\$75,085,768	173.4
HB 16-1175	29,270	29,270	0	0	0	0.5
<b>INCREASE/(DECREASE)</b>	<b>(\$15,189,102)</b>	<b>\$1,386,356</b>	<b>(\$15,213,819)</b>	<b>\$428,638</b>	<b>(\$1,790,277)</b>	<b>1.4</b>
Percentage Change	(4.7%)	5.6%	(7.3%)	4.1%	(2.3%)	0.8%

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

**GENERAL FUND EXEMPT:** Amounts in the General Fund column include appropriations from both the General Fund and General Fund Exempt Account. The General Fund Exempt Account was created by Referendum C, passed by Colorado voters in November 2005. Referendum C allowed the State to retain for FY 2005-06 through FY 2009-10 all revenue collected in excess of the TABOR limit and for FY 2010-11 and subsequent fiscal years all revenues in excess of the TABOR limit but less than the excess state revenues cap. The retained revenue must be placed in the General Fund Exempt Account. The table below shows the amount appropriated from the General Fund Exempt Account for FY 2015-16 and FY 2016-17 for volunteer firefighter retirement plans and death and disability insurance, pursuant to Section 24-77-103.6 (2) (c), C.R.S. For additional information on General Fund Exempt appropriations, see Appendix H.

GENERAL FUND SUMMARY	TOTAL GENERAL FUND	GENERAL FUND	GENERAL FUND EXEMPT
FY 2015-16	\$24,626,224	\$20,375,159	\$4,251,065
FY 2016-17	\$26,012,580	\$21,782,580	\$4,230,000

**INFORMATIONAL FUNDS:** The FY 2016-17 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 2016-17 Appropriations containing an (I) notation	\$259,215,768	\$4,230,000	\$179,900,000	\$0	\$75,085,768

## 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 amounts which are further distributed to the various divisions. The Division also conducts miscellaneous functions statutorily assigned to the Department, including administration of the Moffat Tunnel Improvement District. Cash funds include lease revenues generated from the operation of the Moffat Tunnel and various other sources. Reappropriated funds include indirect cost recoveries and severance tax revenues and federal mineral lease revenues transferred from the Local Government Mineral and Energy Impact Grants and Disbursements line item.

EXECUTIVE DIRECTOR'S OFFICE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$7,113,554	\$1,635,544	\$659,430	\$3,749,620	\$1,068,960	14.2
SB 15-029	848	848	0	0	0	0.0
HB 15-1367	26,528	0	26,528	0	0	0.0
<b>TOTAL</b>	<b>\$7,140,930</b>	<b>\$1,636,392</b>	<b>\$685,958</b>	<b>\$3,749,620</b>	<b>\$1,068,960</b>	<b>14.2</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$7,140,930	\$1,636,392	\$685,958	\$3,749,620	\$1,068,960	14.2
Centrally appropriated line items	648,666	180,033	116,729	161,514	190,390	0.0
Annualize prior year legislation	1,902	(848)	2,750	0	0	0.0
Indirect cost adjustment	0	(112,049)	0	112,049	0	0.0
Annualize prior year budget actions	(215,779)	(49,743)	(36,306)	(82,198)	(47,532)	0.0
Unused cash spending authority	(37,444)	0	(37,444)	0	0	0.0
<b>HB 16-1405</b>	<b>\$7,538,275</b>	<b>\$1,653,785</b>	<b>\$731,687</b>	<b>\$3,940,985</b>	<b>\$1,211,818</b>	<b>14.2</b>
<b>TOTAL</b>	<b>\$7,538,275</b>	<b>\$1,653,785</b>	<b>\$731,687</b>	<b>\$3,940,985</b>	<b>\$1,211,818</b>	<b>14.2</b>
<b>INCREASE/(DECREASE)</b>	<b>\$397,345</b>	<b>\$17,393</b>	<b>\$45,729</b>	<b>\$191,365</b>	<b>\$142,858</b>	<b>0.0</b>
Percentage Change	5.6%	1.1%	6.7%	5.1%	13.4%	0.0%

FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

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

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes an increase of \$1,902 for the second-year impact of legislation, including an increase of \$2,750 cash funds for H.B. 15-1367 (Retail Marijuana Taxes) and a reduction of \$848 for S.B. 15-029 (Volunteer Firefighter Pension Plan Study).

**INDIRECT COST ADJUSTMENT:** The appropriation includes adjustments based on the Department's indirect cost assessment plan as well as amounts available in the Indirect Cost Excess Recoveries Cash Fund for the Department. The adjustments reduce the General Fund required by the Department by \$112,049.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes a net reduction of \$215,779 total funds for the second-year impact of prior year budget actions. This reflects annualizing FY 2015-16 salary survey and merit pay by moving amounts appropriated in the Executive Director's Office in FY 2015-16 to personal services and program line items throughout the Department.

**UNUSED CASH SPENDING AUTHORITY:** The appropriation includes a decrease of \$37,444 cash funds spending authority from the Moffat Tunnel Cash Fund in light of the recent level of expenditures.

**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 2015-16 APPROPRIATION:						
SB 15-234	\$3,773,920	\$1,380,281	\$1,264,404	\$1,129,235	\$0	49.9
<b>TOTAL</b>	<b>\$3,773,920</b>	<b>\$1,380,281</b>	<b>\$1,264,404</b>	<b>\$1,129,235</b>	<b>\$0</b>	<b>49.9</b>
FY 2016-17 APPROPRIATION:						
FY 2015-16 Appropriation	\$3,773,920	\$1,380,281	\$1,264,404	\$1,129,235	\$0	49.9
Annualize prior year budget actions	59,602	28,265	15,192	16,145	0	0.0
Indirect cost adjustment	32,054	0	17,119	14,935	0	0.0
<b>HB 16-1405</b>	<b>\$3,865,576</b>	<b>\$1,408,546</b>	<b>\$1,296,715</b>	<b>\$1,160,315</b>	<b>0</b>	<b>49.9</b>
HB 16-1175	29,270	29,270	0	0	0	0.5
<b>TOTAL</b>	<b>\$3,894,846</b>	<b>\$1,437,816</b>	<b>\$1,296,715</b>	<b>\$1,160,315</b>	<b>0</b>	<b>50.4</b>

**PROPERTY TAXATION**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>INCREASE/(DECREASE)</b>	\$120,926	\$57,535	\$32,311	\$31,080	\$0	0.5
Percentage Change	3.2%	4.2%	2.6%	2.8%	n/a	1.0%

**FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS**

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes an increase of \$59,602 total funds for the second-year impact of prior year budget actions. This reflects annualizing FY 2015-16 salary survey and merit pay by moving amounts appropriated in the Executive Director's Office in FY 2015-16 to personal services and program line items in this division.

**INDIRECT COST ADJUSTMENT:** The appropriation includes an increase of \$32,054 total funds 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 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. The Division also oversees the Fort Lyon Supportive Residential Community, a 250-bed transitional housing program on the historic Fort Lyon campus in Bent County. The Community serves individuals with substance-abuse issues who have been chronically homeless.

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 and from money transferred from the Department of Health Care Policy and Financing for the Medicaid Home Modification Benefit. Federal funds are from the U.S. Department of Housing and Urban Development for rental vouchers and other housing-related grants and programs.

**DIVISION OF HOUSING**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$75,635,729	\$13,456,241	\$1,144,256	\$452,504	\$60,582,728	52.8
<b>TOTAL</b>	<b>\$75,635,729</b>	<b>\$13,456,241</b>	<b>\$1,144,256</b>	<b>\$452,504</b>	<b>\$60,582,728</b>	<b>52.8</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$75,635,729	\$13,456,241	\$1,144,256	\$452,504	\$60,582,728	52.8
Fort Lyon Supportive Residential Community	1,765,786	1,765,786	0	0	0	1.0
Adjust federal funds	1,347,885	0	0	0	1,347,885	0.0
Community Choice Transition housing vouchers	1,300,125	1,300,125	0	0	0	0.0

DIVISION OF HOUSING						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Annualize prior year budget actions	67,790	13,148	10,621	7,557	36,464	0.0
Indirect cost adjustment	812	0	10,590	(10,736)	958	0.0
<b>HB 16-1405</b>	<b>\$80,118,127</b>	<b>\$16,535,300</b>	<b>\$1,165,467</b>	<b>\$449,325</b>	<b>\$61,968,035</b>	<b>53.8</b>
<b>TOTAL</b>	<b>\$80,118,127</b>	<b>\$16,535,300</b>	<b>\$1,165,467</b>	<b>\$449,325</b>	<b>\$61,968,035</b>	<b>53.8</b>
<b>INCREASE/(DECREASE)</b>	\$4,482,398	\$3,079,059	\$21,211	(\$3,179)	\$1,385,307	1.0
Percentage Change	5.9%	22.9%	1.9%	(0.7%)	2.3%	1.9%

## FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

**FORT LYON SUPPORTIVE RESIDENTIAL COMMUNITY:** The appropriation adds \$1,765,786 General Fund and 1.0 FTE to support the operation of the Fort Lyon Supportive Residential Community, pending a federal decision on whether the program is eligible or ineligible for federal financial support.

**ADJUST FEDERAL FUNDS:** The appropriation includes an increase of \$1,347,885 federal funds reflected for informational purposes only.

**COMMUNITY CHOICE TRANSITION HOUSING VOUCHERS:** The appropriation includes an increase of \$1,300,125 General Fund for 150 new Community Choice Transition (CCT) vouchers for individuals seeking to leave or avoid institutional placement and for increased costs for vouchers for those already enrolled in the Medicaid CCT program.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes an increase of \$67,790, including \$13,148 General Fund, for the second-year impact of prior year budget actions. This reflects annualizing FY 2015-16 salary survey and merit pay by moving amounts appropriated in the Executive Director's Office in FY 2015-16 to personal services and program line items in this division.

**INDIRECT COST ADJUSTMENT:** The appropriation includes an increase of \$812 total funds in the division's indirect cost assessment.

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## 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. Some of the funds distributed to local governments are allocated based on statutory formulas, while some are allocated through grant awards. 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
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$233,223,450	\$6,784,972	\$206,090,742	\$5,123,379	\$15,224,357	52.8
SB 15-029	3,423	3,423	0	0	0	0.0
HB 15-1033	364,915	364,915	0	0	0	0.3
HB 15-1225	32,369	0	0	32,369	0	0.5
HB 15-1367	1,126,946	1,000,000	126,946	0	0	2.0
<b>TOTAL</b>	<b>\$234,751,103</b>	<b>\$8,153,310</b>	<b>\$206,217,688</b>	<b>\$5,155,748</b>	<b>\$15,224,357</b>	<b>55.6</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$234,751,103	\$8,153,310	\$206,217,688	\$5,155,748	\$15,224,357	55.6
Local Government Permanent Fund	8,750,000	0	8,750,000	0	0	0.0
Indirect cost adjustment	146,089	0	6,747	175,365	(36,023)	0.0
Annualize prior year budget actions	80,356	5,753	9,589	55,515	9,499	0.1
Reflect decline in severance tax and FML revenue	(25,000,000)	0	(25,000,000)	0	0	0.0
Adjust federal funds	(3,291,918)	0	0	0	(3,291,918)	0.0
Other technical adjustments	(470,000)	(470,000)	0	0	0	0.0
Annualize prior year legislation	(330,298)	(1,303,384)	990,594	(17,508)	0	(0.2)
Unused cash spending authority	(74,000)	0	(70,000)	(4,000)	0	0.0
<b>HB 16-1405</b>	<b>\$214,561,332</b>	<b>\$6,385,679</b>	<b>\$190,904,618</b>	<b>\$5,365,120</b>	<b>\$11,905,915</b>	<b>55.5</b>
<b>TOTAL</b>	<b>\$214,561,332</b>	<b>\$6,385,679</b>	<b>\$190,904,618</b>	<b>\$5,365,120</b>	<b>\$11,905,915</b>	<b>55.5</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$20,189,771)</b>	<b>(\$1,767,631)</b>	<b>(\$15,313,070)</b>	<b>\$209,372</b>	<b>(\$3,318,442)</b>	<b>(0.1)</b>
Percentage Change	(8.6%)	(21.7%)	(7.4%)	4.1%	(21.8%)	(0.2%)

**FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS**

**LOCAL GOVERNMENT PERMANENT FUND:** The appropriation includes an increase of \$8,750,000 from the Local Government Permanent Fund. Statute permits this appropriation based on a Legislative Council Staff projection that federal mineral lease (FML) revenue will decline by more than 10.0 percent from FY 2014-15 to FY 2015-16. These funds will be distributed in the same manner and proportions as other direct distributions of FML revenue to local governments. This amount represents the current estimate of funds that will be available in the Permanent Fund in FY 2016-17.

**INDIRECT COST ADJUSTMENT:** The appropriation includes an increase of \$146,089 total funds in the division's indirect cost assessment.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes a net increase of \$80,356, including \$5,753 General Fund, for the second-year impact of prior year budget actions, including:

- Annualization of FY 2015-16 salary survey and merit pay; and
- A reduction of \$693 General Fund and an increase of 0.1 FTE for a FY 2015-16 initiative to improve the statutory compliance of local governments.

**REFLECT DECLINE IN SEVERANCE TAX AND FML REVENUE:** The appropriation includes a decrease of \$25.0 million cash funds for the line item appropriation for Local Government Mineral and Energy Impact Grants and Disbursements, based on recent trends in severance tax and federal mineral lease (FML) revenue available for distribution to local governments. This line item is shown for informational purposes only in the Long Bill.

**ADJUST FEDERAL FUNDS:** The appropriation includes a decrease of \$3,291,918 federal funds reflected for informational purposes only.

**OTHER TECHNICAL ADJUSTMENTS:** The appropriation includes an adjustment to align an informational General Fund appropriation for volunteer firefighter pensions and benefits with the Legislative Council Staff General Fund revenue forecast.

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

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 15-033 Strategic Planning Group on Aging	(\$299,961)	(\$299,961)	\$0	\$0	\$0	0.0
HB 15-1225 Federal Land Coordination	(17,508)	0	0	(17,508)	0	(0.2)
HB 15-1367 Retail Marijuana Taxes	(9,406)	(1,000,000)	990,594	0	0	0.0
SB 15-029 Volunteer Firefighter Pension Study	(3,423)	(3,423)	0	0	0	0.0
<b>TOTAL</b>	<b>(\$330,298)</b>	<b>(\$1,303,384)</b>	<b>\$990,594</b>	<b>(\$17,508)</b>	<b>\$0</b>	<b>(0.2)</b>

**UNUSED CASH SPENDING AUTHORITY:** The appropriation includes a reduction of \$70,000 cash funds for Other Local Government Grants, based on the balance of funds anticipated to be available in the Colorado Heritage Communities Grant Fund, and a reduction of \$4,000 reappropriated funds for amounts previously transferred from the Governor's Office that are no longer available.

## RECENT LEGISLATION

### 2015 SESSION BILLS

**S.B. 15-029 (VOLUNTEER FIREFIGHTER PENSION PLAN STUDY):** Requires the Office of the State Auditor (OSA), with the concurrence of the Fire and Police Pension Association (FPPA) and the Department of Local Affairs (Department), to retain a nationally recognized law firm and, if necessary, an actuary to conduct a study of various issues related to the state's volunteer firefighter pension plan system. Requires the OSA, the FPPA, and the Department to work collectively to develop recommendations for the legislature regarding changes to the system of volunteer firefighter pension plans, based on the results of the report. Requires the Police Officers' and Firefighters' Pension Reform Commission to review the results on the report and to determine whether to propose legislation relating to the funding and structure of volunteer firefighter pension plans in the state. Provides the following FY 2015-16 appropriations: \$100,000 General Fund to the Legislative Department for allocation to the OSA; \$4,271 General Fund to the Department of Local Affairs; and \$848 reappropriated funds to the Governor's Office for information technology services for the Department of Local Affairs.

**S.B. 15-112 (BUILDING REGULATION FUND):** The Building Regulation Fund (Fund) supports programs to inspect and regulate manufactured buildings. In 2009, the General Assembly transferred \$1,101,349 from the Fund to the General Fund to address statewide revenue shortfalls. Repays \$500,000 of this amount through two transfers from the General Fund to the Fund:

- On April 1, 2015, transfers \$300,000 from the General Fund to the Fund.
- On July 1, 2016, transfers \$200,000 from the General Fund to the Fund.
- Waives the limit on uncommitted reserves in the Fund for FY 2014-15.

**S.B. 15-234 (LONG BILL):** General appropriations act for FY 2015-16.

**S.B. 15-244 (TRANSFERS RELATED TO FEDERAL MINERAL LEASE RECOUPMENT):** Enacts statutory transfers from the General Fund for three consecutive fiscal years, from FY 2015-16 to FY 2017-18, to backfill state cash funds for local public entities that will be reduced by the recoupment of federal mineral lease (FML) revenue previously received from oil and gas leases on the Roan Plateau. Due to a recently-settled lawsuit, businesses with drilling rights on the Plateau are vacating some mineral leases in return for reimbursement of their initial up-front FML “bonus” payments. To adjust for a total FML reduction of \$23,366,598 over three years, the State Treasurer will annually transfer \$7,788,866 from the General Fund to the Public School Fund. This will trigger further transfers from the Public School Fund to the Local Government Mineral Impact Fund and Colorado Water Conservation Board Construction Fund (CWCB Fund). These further transfers are made from FML funds rather than General Fund, but are based on ensuring allocation of the initial \$7.8 million General Fund transfer consistent with each fund’s usual statutory share of FML revenue.

TRANSFERS UNDER SB 15-244, FOR EACH FISCAL YEAR BETWEEN FY 2015-16 AND FY 2017-18. (FOLLOWING STATUTORY NONBONUS FML DISTRIBUTIONS IN SECTION 34-63-102, C.R.S.)				
ORIGINAL SOURCE	FIRST TRANSFER	FINAL TRANSFER / RESIDUAL	%	RECIPIENT PURPOSE
General Fund	\$7,788,866 to the Public School Fund	\$3,115,546 to the Local Government Mineral Impact Fund.	40.0	For the Local Impact Program in DOLA.
		\$778,887 to the CWCB Fund	10.0	For use in water projects.
		\$132,411 to the Local Government Mineral Impact Fund	1.7	For use by DOLA in school district direct distributions.
		\$3,762,022 residual in the Public School Fund	48.3	Payments to support public schools.
		<b>TOTAL TRANSFER</b>	\$7,788,866	

**S.B. 15-255 (DEPOSIT SEVERANCE TAX REVENUES IN GENERAL FUND):** Diverts up to the first \$20.0 million in gross severance tax revenues collected after the effective date to the General Fund in FY 2014-15. Pursuant to Section 39-29-108 (2) (a) (I), C.R.S., the Department of Natural Resources and the Department of Local Affairs each receive 50.0 percent of total severance tax revenues. The diversion reduces revenue to the Local Government Severance Tax Fund by up to \$10.0 million in FY 2014-15. However, the final diversion was \$8,113,366, based on severance tax revenues actually received and thus available for diversion. For additional information, see the "Recent Legislation" section at the end of Part III of the Department of Natural Resources.

**S.B. 15-288 (COMPENSATION PAID TO ELECTED OFFICIALS):** Increases statutory salaries for county commissioners, sheriffs, treasurers, assessors, clerks, coroners, and surveyors by 30.0 percent, effective January 2016. Requires the Director of Research of the Legislative Council to periodically adjust the salaries of these elected county officials for inflation, and post the adjusted salary amounts on the General Assembly's web site. For additional information, see the "Recent Legislation" section at the end of the Governor – Lieutenant Governor – State Planning and Budgeting.

**H.B. 15-1033 (STRATEGIC PLANNING GROUP ON AGING):** Creates a Strategic Action Planning Group on Aging (Group) to study and produce a comprehensive strategic action plan on aging in Colorado. The 23-member Group, appointed by the Governor, will examine the impacts of the aging demographic shift through the year 2030 on the economy, state and local budgets, and health care and transportation needs, among other issues. The bill outlines various requirements for representation on the Group and its activities. Requires the Group to provide oral updates to the Joint Budget Committee during the 2016 and 2017 legislative sessions, to submit its written strategic plan with final recommendations by November 30, 2016, and to submit two updates to the strategic plan, one by November 1, 2018 and one by November 1, 2020. The Group is repealed September 1, 2022, pending sunset review. Creates the Strategic Action Plan on Aging Cash Fund, which is continuously appropriated to the Group and consists of money appropriated by the General Assembly and gifts, grants or donations. Provides an appropriation of \$365,915 General Fund and 0.3 FTE to the Department of Local Affairs for FY 2015-16 for

allocation to the Division of Local Government to support the Group. For additional information, see the "Recent Legislation" section at the end of the Department of Revenue.

**H.B. 15-1225 (FEDERAL LAND COORDINATION):** Requires the executive branch to provide technical and financial support to local governments that are affected by federal land management. Specifically, requires the Governor to provide technical support in cooperation with the executive directors of the Department of Local Affairs, the Department of Natural Resources, and the Commissioner of the Department of Agriculture. Support includes sharing information with federal land managers, developing local land use plans, hiring consultants, and entering into memoranda of understanding or other cooperation with federal agencies. The Governor is also authorized, but not required, to establish an advisory committee that provides technical assistance related to specific federal land management decision-making processes. Authorizes the use of the Local Government Mineral Impact Fund and the Local Government Severance Tax Fund for planning, analysis, public engagement, collaboration with federal land managers, and other local government activity related to federal land management. For three years, grant funding of \$1.0 million per year will be available to counties for these activities or for similar or related activities by local governments. For FY 2015-16, appropriates \$32,369 reappropriated funds and 0.5 FTE to the Department of Local Affairs from amounts initially appropriated to the Department for local government mineral and energy impact grants and disbursements.

**H.B. 15-1367 (RETAIL MARIJUANA TAXES):** Refers a ballot issue to voters on November 3, 2015, asking whether the state may retain and spend revenue collected from the Proposition AA excise and special sales taxes on retail marijuana in FY 2014-15. Creates a \$58.0 million Proposition AA Refund Account (Refund Account) in the General Fund. Independent of whether the voters approve the ballot issue, the bill creates a Local Government Retail Marijuana Impact Grant Program in the Department of Local Affairs and makes various other changes to law regarding marijuana taxes and expenditure of related revenue. Among other appropriations, appropriates \$71,342 cash funds from the Marijuana Tax Cash Fund and 1.0 FTE to the Department of Local Affairs for FY 2015-16, regardless of whether the ballot initiative is adopted. If the ballot initiative is adopted, appropriates an additional \$1,000,000 for FY 2015-16 to the Department of Local Affairs from the Refund Account. For additional information, see the "Recent Legislation" section at the end of the Department of Revenue.

## 2016 SESSION BILLS

**S.B. 16-218 (STATE SEVERANCE TAX REFUNDS):** Addresses a severance tax refund obligation arising as a result of the Colorado Supreme Court's April 25, 2016 decision in *BP America v. Colorado Department of Revenue*. Creates a mechanism for refunds of severance tax revenue to businesses, including businesses that revise their severance tax refunds to claim additional tax deductions for tax years 2012 through 2015. Diverts amounts required, estimated at \$115.1 million in FY 2015-16, from the General Fund reserve to make the reimbursements. Restricts expenditures of severance tax money in various funds unless lifted in whole or in part by the Joint Budget Committee. In the Department of Local Affairs, restricts \$48.3 million in the Local Government Severance Tax Fund. For additional information, see the "Recent Legislation" section at the end of the Department of Natural Resources.

**H.B. 16-1175 (PROPERTY TAX EXEMPTION ADMINISTRATION):** Makes various administrative changes to help identify applicants who do not meet the legal requirements for the Senior and Disabled Veteran Homestead Exemption. Authorizes data sharing and related cross-checking of records from the Department of Revenue, the Department of Local Affairs, and the Department of Public Health and Environment. Ensures that the Treasurer does not reimburse counties for Homestead Exemptions that do not meet all the legal requirements. Appropriates \$29,270 General Fund and 0.5 FTE to the Department of Local Affairs for FY 2016-17. Is projected to reduce General Fund reimbursements to counties by \$1,898,000 beginning in FY 2017-18.

**H.B. 16-1405 (LONG BILL):** General appropriations act for FY 2016-17.

**H.B. 16-1411 (FORT LYON RESIDENTIAL COMMUNITY STUDY):** Authorizes the State Auditor to contract for a study of the Fort Lyon Supportive Residential Community to evaluate the program's costs, benefits, and outcomes. This program serves approximately 250 chronically homeless individuals at a historic facility in Bent County. The contractor for the study is to be selected with the concurrence of the Division of Housing in the Department of Local Affairs, and a Fort Lyon Study Advisory Committee, appointed by the Director of the Division of Housing, will assist the auditor and Division in evaluating proposals and the contractor's progress on the study. A preliminary findings report is due to the State Auditor by August 1, 2017 and a final report is due by August 1, 2018. After review by the Legislative Audit Committee, both reports will be disseminated to various legislative committees and executive branch agencies. For FY 2016-17, appropriates \$200,000 General Fund to the Legislative Department for the Office of the State Auditor to contract for the study and \$11,875 General Fund to the Department of Corrections for contract services related to compiling data for the study. Unspent amounts may be rolled forward for expenditure in FY 2017-18. The total cost of the study from FY 2016-17 until its completion in FY 2018-19 is not expected to exceed \$450,000 General Fund.

# Details

## DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

### FY 2015-16 AND FY 2016-17 APPROPRIATIONS BY DIVISION AND BILL

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 TOTAL APPROPRIATION:</b>	<b>\$225,383,356</b>	<b>\$8,294,927</b>	<b>\$1,281,079</b>	<b>\$800,000</b>	<b>\$215,007,350</b>	<b>1,392.3</b>
<b>BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION</b>						
Executive Director and Army National Guard	\$12,386,114	\$5,274,371	\$125,874	\$800,000	\$6,185,869	86.7
Division of Veterans Affairs	3,904,395	2,632,290	1,155,205	0	116,900	18.0
Air National Guard	3,446,478	388,266	0	0	3,058,212	48.6
Federal Funded Programs	205,646,369	0	0	0	205,646,369	1,239.0
<b>BREAKDOWN OF TOTAL APPROPRIATION BY BILL</b>						
SB 15-234	\$225,391,179	\$8,285,043	\$1,281,079	\$800,000	\$215,025,057	1,392.3
HB 16-1245	(7,823)	9,884	0	0	(17,707)	0.0
<b>FY 2016-17 TOTAL APPROPRIATION:</b>	<b>\$225,411,689</b>	<b>\$8,305,504</b>	<b>\$1,211,976</b>	<b>\$800,000</b>	<b>\$215,094,209</b>	<b>1,392.4</b>
<b>BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION</b>						
Executive Director and Army National Guard	\$12,422,126	\$5,263,359	\$128,351	\$800,000	\$6,230,416	86.8
Division of Veterans Affairs	3,850,490	2,649,965	1,083,625	0	116,900	18.0
Air National Guard	3,492,704	392,180	0	0	3,100,524	48.6
Federal Funded Programs	205,646,369	0	0	0	205,646,369	1,239.0
<b>BREAKDOWN OF TOTAL APPROPRIATION BY BILL</b>						
HB 16-1405	\$225,411,689	\$8,305,504	\$1,211,976	\$800,000	\$215,094,209	1,392.4
<b>INCREASE/(DECREASE)</b>	<b>\$28,333</b>	<b>\$10,577</b>	<b>(\$69,103)</b>	<b>\$0</b>	<b>\$86,859</b>	<b>0.1</b>
Percentage Change	0.0%	0.1%	(5.4%)	0.0%	0.0%	0.0%

**INFORMATIONAL FUNDS:** The FY 2016-17 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 2016-17 Appropriations containing an (I) notation	\$215,094,209	\$0	\$0	\$0	\$215,094,209

## DETAIL OF APPROPRIATION BY ADMINISTRATIVE SECTION

### EXECUTIVE DIRECTOR AND ARMY NATIONAL GUARD

This division is responsible for the overall management and administration of the Department. The appropriation includes the operating budget for the Executive Director's Office, as well as all centrally appropriated line items for the Department. It also includes appropriations for tuition assistance for National Guard members attending college and the State's share of maintenance 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 Division is funded by General Fund, cash funds, reappropriated funds, and federal funds. 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
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$12,393,937	\$5,264,487	\$125,874	\$800,000	\$6,203,576	86.7
HB 16-1245	(7,823)	9,884	0	0	(17,707)	0.0
<b>TOTAL</b>	<b>\$12,386,114</b>	<b>\$5,274,371</b>	<b>\$125,874</b>	<b>\$800,000</b>	<b>\$6,185,869</b>	<b>86.7</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$12,386,114	\$5,274,371	\$125,874	\$800,000	\$6,185,869	86.7
Centrally appropriated line items	96,718	4,529	4,276	0	87,913	0.0
Annualize prior year budget actions	(60,706)	(15,541)	(1,799)	0	(43,366)	0.1
<b>HB 16-1405</b>	<b>\$12,422,126</b>	<b>\$5,263,359</b>	<b>\$128,351</b>	<b>\$800,000</b>	<b>\$6,230,416</b>	<b>86.8</b>
<b>TOTAL</b>	<b>\$12,422,126</b>	<b>\$5,263,359</b>	<b>\$128,351</b>	<b>\$800,000</b>	<b>\$6,230,416</b>	<b>86.8</b>
<b>INCREASE/(DECREASE)</b>	<b>\$36,012</b>	<b>(\$11,012)</b>	<b>\$2,477</b>	<b>\$0</b>	<b>\$44,547</b>	<b>0.1</b>
Percentage Change	0.3%	(0.2%)	2.0%	0.0%	0.7%	0.1%

### FY 2015-16 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 16-1245 modifies the FY 2015-16 appropriations to reduce vehicle lease payments by \$7,823 General Fund and to refinance the Capitol Complex Leased Space payments, with an increase of \$17,707 General Fund and a decrease of \$17,707 federal funds.

## FY 2016-17 APPROPRIATION – H.B. 16-1405 (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; workers' compensation; shift differential; legal services; payment to risk management and property funds; vehicle lease payments; payments to the Governor's Office of Information Technology (OIT); Capitol complex leased space; and CORE operations.

**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 2015-16 appropriation including:

- Annualization of the FY 2015-16 salary survey and merit pay;
- An increase in FY 2015-16 for the purchase of a state protocol vehicle; and
- An increase in FY 2015-16 for a process improvement and safety FTE.

### 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 annually since FY 2012-13 to provide additional grants to organizations serving veterans, with priority given to homeless veterans services. The Division also maintains the Western Slope Veterans' Cemetery in Grand Junction.

The cash funds sources are the Colorado State Veterans Trust Fund 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
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$3,904,395	\$2,632,290	\$1,155,205	\$0	\$116,900	18.0
<b>TOTAL</b>	<b>\$3,904,395</b>	<b>\$2,632,290</b>	<b>\$1,155,205</b>	<b>\$0</b>	<b>\$116,900</b>	<b>18.0</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$3,904,395	\$2,632,290	\$1,155,205	\$0	\$116,900	18.0
Annualize prior year budget actions	19,474	17,675	1,799	0	0	0.0
Tobacco Master Settlement revenue adjustment	(73,379)	0	(73,379)	0	0	0.0
<b>HB 16-1405</b>	<b>\$3,850,490</b>	<b>\$2,649,965</b>	<b>\$1,083,625</b>	<b>\$0</b>	<b>\$116,900</b>	<b>18.0</b>
<b>TOTAL</b>	<b>\$3,850,490</b>	<b>\$2,649,965</b>	<b>\$1,083,625</b>	<b>\$0</b>	<b>\$116,900</b>	<b>18.0</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$53,905)</b>	<b>\$17,675</b>	<b>(\$71,580)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	(1.4%)	0.7%	(6.2%)	n/a	0.0%	0.0%

## FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes an increase in the Division to reflect the annualization of the FY 2015-16 salary survey and merit pay.

**TOBACCO MASTER SETTLEMENT REVENUE ADJUSTMENT:** The appropriation includes a reduction of \$73,379 cash funds based on the Legislative Council Staff FY 2016-17 Tobacco Master Settlement revenue projection.

## 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 2015-16 APPROPRIATION:						
SB 15-234	\$3,446,478	\$388,266	\$0	\$0	\$3,058,212	48.6
<b>TOTAL</b>	<b>\$3,446,478</b>	<b>\$388,266</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,058,212</b>	<b>48.6</b>
FY 2016-17 APPROPRIATION:						
FY 2015-16 Appropriation	\$3,446,478	\$388,266	\$0	\$0	\$3,058,212	48.6
Annualize prior year budget actions	46,226	3,914	0	0	42,312	0.0
<b>HB 16-1405</b>	<b>\$3,492,704</b>	<b>\$392,180</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,100,524</b>	<b>48.6</b>
<b>TOTAL</b>	<b>\$3,492,704</b>	<b>\$392,180</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,100,524</b>	<b>48.6</b>
<b>INCREASE/(DECREASE)</b>	\$46,226	\$3,914	\$0	\$0	\$42,312	0.0
Percentage Change	1.3%	1.0%	n/a	n/a	1.4%	0.0%

## FY 2016-17 APPROPRIATION – H.B. 16-1405 (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 2015-16 appropriation including the annualization of the FY 2015-16 salary survey and merit pay.

## FEDERAL FUNDED PROGRAMS

This section identifies 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, 2015. Federal funds are received pursuant to cooperative agreements with the federal government for the operations of the Colorado National Guard.

FEDERAL FUNDED PROGRAMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2015-16 APPROPRIATION:						
SB 15-234	\$205,646,369	\$0	\$0	\$0	\$205,646,369	1,239.0
<b>TOTAL</b>	<b>\$205,646,369</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$205,646,369</b>	<b>1,239.0</b>
FY 2016-17 APPROPRIATION:						
FY 2015-16 Appropriation	\$205,646,369	\$0	\$0	\$0	\$205,646,369	1,239.0
No change	0	0	0	0	0	0.0
<b>HB 16-1405</b>	<b>\$205,646,369</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$205,646,369</b>	<b>1,239.0</b>
<b>TOTAL</b>	<b>\$205,646,369</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$205,646,369</b>	<b>1,239.0</b>
<b>INCREASE/(DECREASE)</b>	\$0	\$0	\$0	\$0	\$0	0.0
Percentage Change	0.0%	n/a	n/a	n/a	0.0%	0.0%

### FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

**NO CHANGES:** The appropriation does not contain changes from the FY 2015-16 appropriation.

## RECENT LEGISLATION

### 2015 SESSION BILLS

**S.B. 15-234 (LONG BILL):** General appropriations act for FY 2015-16.

**H.B. 15-1052 (ELIGIBILITY FOR MILITARY FAMILY RELIEF FUND):** Removes the requirement that a member's or reservist's mobilization orders must be involuntary in order to be eligible to receive a grant from the Military Family Relief Fund.

**H.B. 15-1315 (SUPPORT FOR VETERANS SERVICE OFFICERS):** Eliminates the requirement that counties contribute a matching amount for county veterans service officer (CVSO) operations. Specifies that the payment rate will be determined by the Division of Veterans Affairs in the Department of Military and Veterans Affairs based on available appropriations to support CVSOs, and clarifies that payments to counties are from the Department's budgeted line item for CVSOs.

### 2016 SESSION BILLS

**H.B. 16-1125 (ALIGNING DEFINITION OF VETERAN WITH FEDERAL LAW):** Recreates the definition of "veteran" in state law to conform to the definition used in federal law and makes conforming amendments.

**H.B. 16-1197 (MILITARY VETERAN OCCUPATIONAL CREDENTIALS):** Requires each state agency that regulates a profession or occupation to evaluate and provide appropriate credit toward licensing and certification for military experience. Each state agency may consult with any military official, state agency, or post-secondary educational institution, and each post-secondary educational institution is obligated to cooperate. Refer to the Department of Regulatory Agencies for additional information.

**H.B. 16-1245 (SUPPLEMENTAL BILL):** Supplemental appropriation to the Department of Military and Veterans Affairs to modify FY 2015-16 appropriations included in the FY 2015-16 Long Bill (S.B. 15-234).

**H.B. 16-1405 (LONG BILL):** General appropriations act for FY 2016-17.

# Details

## DEPARTMENT OF NATURAL RESOURCES

### FY 2015-16 AND FY 2016-17 APPROPRIATIONS BY DIVISION AND BILL

DEPARTMENT OF NATURAL RESOURCES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 TOTAL APPROPRIATION:</b>	<b>\$263,919,227</b>	<b>\$27,671,518</b>	<b>\$198,404,864</b>	<b>\$8,701,045</b>	<b>\$29,141,800</b>	<b>1,462.6</b>
<b>BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION</b>						
Executive Director's Office	\$59,440,248	\$7,131,917	\$40,866,815	\$8,154,458	\$3,287,058	52.2
Div of Reclamation, Mining, and Safety	8,019,842	0	4,492,845	30,000	3,496,997	68.9
Oil and Gas Conservation Commission	12,827,024	0	12,719,508	0	107,516	110.3
State Board of Land Commissioners	4,801,909	0	4,576,909	225,000	0	40.0
Division of Parks and Wildlife	139,803,033	150,000	117,785,467	0	21,867,566	886.5
Colorado Water Conservation Board	16,325,542	0	15,853,735	291,587	180,220	45.7
Water Resources Division	22,701,629	20,389,601	2,109,585	0	202,443	259.0
<b>BREAKDOWN OF TOTAL APPROPRIATION BY BILL</b>						
SB 15-234	\$250,860,028	\$27,479,559	\$185,537,624	\$8,701,045	\$29,141,800	1,462.1
SB 15-008	50,000	0	50,000	0	0	0.0
SB 15-253	5,580,000	0	5,580,000	0	0	0.0
HB 15-1006	2,000,000	0	2,000,000	0	0	0.0
HB 15-1013	41,959	41,959	0	0	0	0.5
HB 15-1016	12,240	0	12,240	0	0	0.0
HB 15-1045	150,000	150,000	0	0	0	0.0
HB 15-1166	60,000	0	60,000	0	0	0.0
HB 15-1178	165,000	0	165,000	0	0	0.0
HB 15-1277	5,000,000	0	5,000,000	0	0	0.0
<b>FY 2016-17 TOTAL APPROPRIATION:</b>	<b>\$266,054,974</b>	<b>\$28,742,941</b>	<b>\$202,967,586</b>	<b>\$7,703,225</b>	<b>\$26,641,222</b>	<b>1,462.7</b>
<b>BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION</b>						
Executive Director's Office	\$57,981,833	\$7,870,569	\$41,445,575	\$7,478,225	\$1,187,464	52.2
Div of Reclamation, Mining, and Safety	7,998,511	0	4,485,633	0	3,512,878	67.9
Oil and Gas Conservation Commission	12,501,619	0	12,397,060	0	104,559	110.3
State Board of Land Commissioners	4,991,219	0	4,766,219	225,000	0	41.0
Division of Parks and Wildlife	140,722,456	150,000	119,126,484	0	21,445,972	886.5
Colorado Water Conservation Board	18,802,123	0	18,611,673	0	190,450	45.7
Water Resources Division	23,057,213	20,722,372	2,134,942	0	199,899	259.1
<b>BREAKDOWN OF TOTAL APPROPRIATION BY BILL</b>						
HB 16-1405	\$254,938,806	\$28,742,941	\$191,851,418	\$7,703,225	\$26,641,222	1,462.7
SB 16-174	7,905,000	0	7,905,000	0	0	0.0
HB 16-1256	211,168	0	211,168	0	0	0.0
HB 16-1458	3,000,000	0	3,000,000	0	0	0.0
<b>INCREASE/(DECREASE)</b>	<b>\$2,135,747</b>	<b>\$1,071,423</b>	<b>\$4,562,722</b>	<b>(\$997,820)</b>	<b>(\$2,500,578)</b>	<b>0.1</b>
Percentage Change	0.8%	3.9%	2.3%	(11.5%)	(8.6%)	0.0%

**INFORMATIONAL FUNDS:** The FY 2016-17 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Natural Resources are annotated with the "(I)". For additional information, see Appendix J.

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2016-17 Appropriations containing an (I) notation	\$51,289,619	\$0	\$24,648,397	\$0	\$26,641,222

## DETAIL OF APPROPRIATION BY ADMINISTRATIVE SECTION

### EXECUTIVE DIRECTOR'S OFFICE

The Executive Director's Office is responsible for the management and administration of the Department, including: departmental administration and policy development, human resources, accounting and purchasing, budgeting, and information technology services. The Colorado Avalanche Information Center is also included as a special program within this division. Funding consists of \$36.3 million from various cash funds and \$2.0 million from the Severance Tax Operational Fund to pay for employee benefits and other central services, as well as \$3.0 million from the Species Conservation Trust Fund pursuant to H.B. 16-1458 (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
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$54,440,248	\$7,131,917	\$35,866,815	\$8,154,458	\$3,287,058	52.2
HB 15-1277	5,000,000	0	5,000,000	0	0	0.0
<b>TOTAL</b>	<b>\$59,440,248</b>	<b>\$7,131,917</b>	<b>\$40,866,815</b>	<b>\$8,154,458</b>	<b>\$3,287,058</b>	<b>52.2</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$59,440,248	\$7,131,917	\$40,866,815	\$8,154,458	\$3,287,058	52.2
Centrally appropriated line items	2,898,413	1,645,943	4,260,086	(957,939)	(2,049,677)	0.0
Indirect cost assessment	7,298	(541,985)	2,126	541,985	5,172	0.0
SLB Asset Manager	2,532	0	2,532	0	0	0.0
Annualize prior year legislation	(5,000,000)	0	(5,000,000)	0	0	0.0
Annualize prior year budget actions	(2,026,658)	(365,306)	(1,595,984)	(10,279)	(55,089)	0.0
Base reductions and technical adjustments	(250,000)	0	0	(250,000)	0	0.0
SLB ATLAS licenses	(90,000)	0	(90,000)	0	0	0.0
<b>HB 16-1405</b>	<b>\$54,981,833</b>	<b>\$7,870,569</b>	<b>\$38,445,575</b>	<b>\$7,478,225</b>	<b>\$1,187,464</b>	<b>52.2</b>
HB 16-1458	3,000,000	0	3,000,000	0	0	0.0
<b>TOTAL</b>	<b>\$57,981,833</b>	<b>\$7,870,569</b>	<b>\$41,445,575</b>	<b>\$7,478,225</b>	<b>\$1,187,464</b>	<b>52.2</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$1,458,415)</b>	<b>\$738,652</b>	<b>\$578,760</b>	<b>(\$676,233)</b>	<b>(\$2,099,594)</b>	<b>(0.0)</b>
Percentage Change	(2.5%)	10.4%	1.4%	(8.3%)	(63.9%)	(0.0%)

### FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

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

**INDIRECT COST ASSESSMENT:** The appropriation includes a net increase in the Division's indirect cost assessment.

**SLB ASSET MANAGER:** The appropriation includes an increase of \$2,532 cash funds for vehicle and leased space costs associated with the new State Land Board (SLB) Asset Manager on the West Slope to help inspect, monitor, and improve assets in western Colorado.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes a decrease of \$5,000,000 cash funds to reflect the elimination of the one-time funding from the Species Conservation Trust Fund authorized in H.B. 15-1277 (Species Conservation Trust Fund Projects).

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes changes to reflect the out-year impact of funding decisions made in FY 2015-16, including the addition of new FTE to the Colorado Avalanche Information Center and the annualization of salary survey and merit pay.

**BASE REDUCTIONS AND TECHNICAL ADJUSTMENTS:** The appropriation includes a decrease of \$250,000 reappropriated funds for the elimination of the Integrated Resource Services appropriation in the Executive Director's Office.

**SLB ATLAS LICENSES:** The appropriation includes a decrease of \$90,000 cash funds as part of the transfer of funding from the Executive Director's Office to the State Land Board (SLB). This funding, formerly used for support from OIT, will cover ongoing licensing costs for the State Land Board's newly-implemented asset management system, ATLAS (Automated Trust Land Asset System).

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

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## DIVISION OF RECLAMATION, MINING, AND SAFETY

The Division of Reclamation, Mining, and Safety includes four main program areas, described below, which are primarily funded by the Severance Tax Operational Fund and federal grants.

- 1 The **Coal Regulatory Program** issues and enforces mining and reclamation permits for coal mines in Colorado on state, federal, and private lands, including ensuring compliance with the requirements of the federal Surface Mining Control and Reclamation Act. The program is currently responsible for 37 permitted mines and 57 exploration units (permitted areas covering 174,500 acres).
- 2 The **Minerals Regulatory Program** issues and enforces mining and reclamation permits for all non-coal mines in Colorado on state, federal, and private lands. The program permits and inspects the 1,710 non-coal mines in Colorado (190,019 permitted acres) and regulates 168 active prospecting operations.
- 3 The **Inactive Mines Reclamation Program** safeguards mine openings, inspects and monitors inactive mine sites, and reclaims abandoned mines. A total of 9,472 hazardous mine openings have been reclaimed since the program started and approximately 13,528 hazardous mine openings remain in Colorado.
- 4 The **Mine Safety Program** regulates active mines for safety, inspects tourist mines, performs safety audits, administers certification programs for mining employees, provides training in mine rescue and safety, and regulates underground diesel equipment and mining explosives.

**DIVISION OF RECLAMATION, MINING, AND SAFETY**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$8,019,842	\$0	\$4,492,845	\$30,000	\$3,496,997	68.9
<b>TOTAL</b>	<b>\$8,019,842</b>	<b>\$0</b>	<b>\$4,492,845</b>	<b>\$30,000</b>	<b>\$3,496,997</b>	<b>68.9</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$8,019,842	\$0	\$4,492,845	\$30,000	\$3,496,997	68.9
Annualize prior year budget actions	75,480	0	34,652	0	40,828	0.0
Indirect cost assessment	(66,811)	0	(41,864)	0	(24,947)	0.0
Base reductions and technical adjustments	(30,000)	0	0	(30,000)	0	(1.0)
<b>HB 16-1405</b>	<b>\$7,998,511</b>	<b>\$0</b>	<b>\$4,485,633</b>	<b>\$0</b>	<b>\$3,512,878</b>	<b>67.9</b>
<b>TOTAL</b>	<b>\$7,998,511</b>	<b>\$0</b>	<b>\$4,485,633</b>	<b>\$0</b>	<b>\$3,512,878</b>	<b>67.9</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$21,331)</b>	<b>\$0</b>	<b>(\$7,212)</b>	<b>(\$30,000)</b>	<b>\$15,881</b>	<b>(1.0)</b>
Percentage Change	(0.3%)	n/a	(0.2%)	(100.0%)	0.5%	(1.5%)

**FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS**

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes an adjustment to reflect the annualization of FY 2015-16 salary survey and merit pay.

**INDIRECT COST ASSESSMENT:** The appropriation includes a decrease in the Division's indirect cost assessment.

**BASE REDUCTIONS AND TECHNICAL ADJUSTMENTS:** The appropriation includes a decrease of \$30,000 reappropriated funds and 1.0 FTE to more accurately align appropriations with expenditures in the Inactive Mine Reclamation Program and reflect the elimination of an unfunded vacancy in the Coal Program.

**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 (Transfer Geological Survey to School of Mines), 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 (Retain Avalanche Information Center in DNR) allowed the Department to retain the Colorado Avalanche Information Center (CAIC), formerly a unit within the Survey, as a Special Program subdivision in 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 to protect public health, prevent significant adverse environmental impacts, and prevent waste. In addition to enforcement, this responsibility involves: answering complaints and inquiries; responding to oil and gas spills and other environmental emergencies at production sites; managing reclamation work at abandoned well sites; and performing baseline water quality studies. Funding for the OGCC is from the Oil and Gas Conservation and Environmental Response Fund, supported by a mill levy on oil and gas production, and from the Severance Tax Operational Fund.

**OIL AND GAS CONSERVATION COMMISSION**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$12,827,024	\$0	\$12,719,508	\$0	\$107,516	110.3
<b>TOTAL</b>	<b>\$12,827,024</b>	<b>\$0</b>	<b>\$12,719,508</b>	<b>\$0</b>	<b>\$107,516</b>	<b>110.3</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$12,827,024	\$0	\$12,719,508	\$0	\$107,516	110.3
OGCC fund source adjustment	(250,000)	0	(250,000)	0	0	0.0
Annualize prior year budget actions	(55,562)	0	(55,562)	0	0	0.0
Indirect cost assessment	(19,843)	0	(16,886)	0	(2,957)	0.0
<b>HB 16-1405</b>	<b>\$12,501,619</b>	<b>\$0</b>	<b>\$12,397,060</b>	<b>\$0</b>	<b>\$104,559</b>	<b>110.3</b>
<b>TOTAL</b>	<b>\$12,501,619</b>	<b>\$0</b>	<b>\$12,397,060</b>	<b>\$0</b>	<b>\$104,559</b>	<b>110.3</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$325,405)</b>	<b>\$0</b>	<b>(\$322,448)</b>	<b>\$0</b>	<b>(\$2,957)</b>	<b>0.0</b>
Percentage Change	(2.5%)	n/a	(2.5%)	n/a	(2.8%)	0.0%

**FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS**

**OGCC FUND SOURCE ADJUSTMENT:** The appropriation includes a net decrease of \$250,000 cash funds comprised of: (1) an increase of \$2,978,717 cash funds from Tier I of the Severance Tax Operational Fund, offset by a decrease from the Oil and Gas Conservation and Environmental Response Fund in the same amount; and (2) a decrease of \$250,000 cash funds from the Oil and Gas Conservation and Environmental Response Fund for emergency response.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes changes to reflect the out-year impact of funding decisions made in FY 2015-16, including the addition of new FTE to the OGCC permitting and hearings units and the annualization of salary survey and merit pay.

**INDIRECT COST ASSESSMENT:** The appropriation includes a decrease in the Division's indirect cost assessment.

**STATE BOARD OF LAND COMMISSIONERS**

The State Board of Land Commissioners (State Land Board) manages eight public trusts of land including the Public School Trust, to raise money for the benefit of K-12 education and other trust beneficiaries as specified in the Colorado Constitution or in statute. Over 98.0 percent of State Land Board revenue is attributable to the Public School Trust and the majority of this amount is from mineral assets including oil and gas leases and bonus payments. Funding for this division reflects the State Land Board's operating costs. Cash funds are from a portion of School Trust revenues, and the reappropriated funds are transferred from the Division of Parks and Wildlife.

**STATE BOARD OF LAND COMMISSIONERS**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$4,801,909	\$0	\$4,576,909	\$225,000	\$0	40.0
<b>TOTAL</b>	<b>\$4,801,909</b>	<b>\$0</b>	<b>\$4,576,909</b>	<b>\$225,000</b>	<b>\$0</b>	<b>40.0</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$4,801,909	\$0	\$4,576,909	\$225,000	\$0	40.0
SLB ATLAS licenses	90,000	0	90,000	0	0	0.0
Annualize prior year budget actions	62,292	0	62,292	0	0	0.0

STATE BOARD OF LAND COMMISSIONERS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SLB Asset Manager	61,332	0	61,332	0	0	1.0
Indirect cost assessment	(24,314)	0	(24,314)	0	0	0.0
<b>HB 16-1405</b>	<b>\$4,991,219</b>	<b>\$0</b>	<b>\$4,766,219</b>	<b>\$225,000</b>	<b>\$0</b>	<b>41.0</b>
<b>TOTAL</b>	<b>\$4,991,219</b>	<b>\$0</b>	<b>\$4,766,219</b>	<b>\$225,000</b>	<b>\$0</b>	<b>41.0</b>
<b>INCREASE/(DECREASE)</b>	\$189,310	\$0	\$189,310	\$0	\$0	1.0
Percentage Change	3.9%	n/a	4.1%	n/a	n/a	2.5%

FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

**SLB ATLAS LICENSES:** The appropriation includes an increase of \$90,000 cash funds as part of the transfer of funding from the Executive Director's Office to the State Land Board (SLB). This funding, formerly used for support from OIT, will cover ongoing licensing costs for the State Land Board's newly-implemented asset management system, ATLAS (Automated Trust Land Asset System).

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes an adjustment to reflect the annualization of FY 2015-16 salary survey and merit pay.

**SLB ASSET MANAGER:** The appropriation includes an increase of \$61,332 cash funds and 1.0 FTE for a State Land Board (SLB) Asset Manager on the West Slope to help inspect, monitor, and improve assets in western Colorado.

**INDIRECT COST ASSESSMENT:** The appropriation includes a decrease in the Division's indirect cost assessment.

DIVISION OF PARKS AND WILDLIFE

The Division of Parks and Wildlife (CPW) 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 CPW 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 1.5 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 2015-16 APPROPRIATION:						
SB 15-234	\$139,653,033	\$0	\$117,785,467	\$0	\$21,867,566	886.5
HB 15-1045	150,000	150,000	0	0	0	0.0
<b>TOTAL</b>	<b>\$139,803,033</b>	<b>\$150,000</b>	<b>\$117,785,467</b>	<b>\$0</b>	<b>\$21,867,566</b>	<b>886.5</b>

**DIVISION OF PARKS AND WILDLIFE**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$139,803,033	\$150,000	\$117,785,467	\$0	\$21,867,566	886.5
Annualize prior year budget actions	1,221,586	0	1,221,586	0	0	0.0
CPW digital radio replacement	1,024,000	0	1,024,000	0	0	0.0
CPW FTE transfer	0	0	0	0	0	0.0
Base reductions and technical adjustments	(1,118,699)	0	(668,699)	0	(450,000)	0.0
Indirect cost assessment	(207,464)	0	(235,870)	0	28,406	0.0
<b>HB 16-1405</b>	<b>\$140,722,456</b>	<b>\$150,000</b>	<b>\$119,126,484</b>	<b>\$0</b>	<b>\$21,445,972</b>	<b>886.5</b>
<b>TOTAL</b>	<b>\$140,722,456</b>	<b>\$150,000</b>	<b>\$119,126,484</b>	<b>\$0</b>	<b>\$21,445,972</b>	<b>886.5</b>
<b>INCREASE/(DECREASE)</b>	\$919,423	\$0	\$1,341,017	\$0	(\$421,594)	0.0
Percentage Change	0.7%	0.0%	1.1%	n/a	(1.9%)	0.0%

**FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS**

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes an adjustment to reflect the annualization of FY 2015-16 salary survey and merit pay.

**CPW DIGITAL RADIO REPLACEMENT:** The appropriation includes an increase of \$1,024,000 cash funds to replace obsolete radios used by Colorado Parks and Wildlife (CPW) staff and volunteers. Of this amount, \$341,000 is from the Parks and Outdoor Recreation Cash Fund for radios used by State Parks personnel and \$683,000 is from the Wildlife Cash Fund for radios used by Wildlife personnel. This appropriation will be required each year for four years starting in FY 2016-17.

**CPW FTE TRANSFER:** The appropriation includes a net-zero transfer of 3.0 FTE from the Wildlife Operations line item to the Habitat Partnership Program in Colorado Parks and Wildlife (CPW) to replace the independent contractors currently administering the program with permanent staff. These FTE will be supported by the continuously-appropriated Habitat Partnership Cash Fund going forward.

**BASE REDUCTIONS AND TECHNICAL ADJUSTMENTS:** The appropriation includes a decrease of \$1,118,699 total funds to more accurately align appropriations with expenditures for three line items in the Division's budget.

**INDIRECT COST ASSESSMENT:** The appropriation includes a net decrease in the Division's indirect cost assessment.

**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
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$8,848,302	\$0	\$8,376,495	\$291,587	\$180,220	45.7
SB 15-008	50,000	0	50,000	0	0	0.0
SB 15-253	5,250,000	0	5,250,000	0	0	0.0
HB 15-1006	2,000,000	0	2,000,000	0	0	0.0
HB 15-1016	12,240	0	12,240	0	0	0.0
HB 15-1178	165,000	0	165,000	0	0	0.0
<b>TOTAL</b>	<b>\$16,325,542</b>	<b>\$0</b>	<b>\$15,853,735</b>	<b>\$291,587</b>	<b>\$180,220</b>	<b>45.7</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$16,325,542	\$0	\$15,853,735	\$291,587	\$180,220	45.7
Annualize prior year budget actions	73,709	0	70,993	0	2,716	0.0
Annualize prior year legislation	(5,141,000)	0	(5,141,000)	0	0	0.0
Indirect cost assessment	(102,354)	0	(109,868)	0	7,514	0.0
Base reductions and technical adjustments	(89,942)	0	201,645	(291,587)	0	0.0
<b>HB 16-1405</b>	<b>\$11,065,955</b>	<b>\$0</b>	<b>\$10,875,505</b>	<b>\$0</b>	<b>\$190,450</b>	<b>45.7</b>
SB 16-174	7,525,000	0	7,525,000	0	0	0.0
HB 16-1256	211,168	0	211,168	0	0	0.0
<b>TOTAL</b>	<b>\$18,802,123</b>	<b>\$0</b>	<b>\$18,611,673</b>	<b>\$0</b>	<b>\$190,450</b>	<b>45.7</b>
<b>INCREASE/(DECREASE)</b>	\$2,476,581	\$0	\$2,757,938	(\$291,587)	\$10,230	0.0
Percentage Change	15.2%	n/a	17.4%	(100.0%)	5.7%	0.0%

**FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS**

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes an adjustment to reflect the annualization of FY 2015-16 salary survey and merit pay.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes a reduction of \$5,141,000 cash funds for the second year impact of legislation. The primary change is the elimination of the one-time \$5,250,000 cash funds appropriated in S.B. 15-253 (CWCB Projects Bill).

**INDIRECT COST ASSESSMENT:** The appropriation includes a net decrease in the Division's indirect cost assessment.

**BASE REDUCTIONS AND TECHNICAL ADJUSTMENTS:** The appropriation includes a decrease of \$89,942 total funds to more accurately align appropriations with expenditures for two line items in the Division's budget.

**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
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$22,269,670	\$20,347,642	\$1,719,585	\$0	\$202,443	258.5
SB 15-253	330,000	0	330,000	0	0	0.0
HB 15-1013	41,959	41,959	0	0	0	0.5
HB 15-1166	60,000	0	60,000	0	0	0.0
<b>TOTAL</b>	<b>\$22,701,629</b>	<b>\$20,389,601</b>	<b>\$2,109,585</b>	<b>\$0</b>	<b>\$202,443</b>	<b>259.0</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$22,701,629	\$20,389,601	\$2,109,585	\$0	\$202,443	259.0
Annualize prior year budget actions	337,474	337,474	0	0	0	0.1
Annualize prior year legislation	(359,703)	(4,703)	(355,000)	0	0	0.0
Indirect cost assessment	(2,187)	0	357	0	(2,544)	0.0
<b>HB 16-1405</b>	<b>\$22,677,213</b>	<b>\$20,722,372</b>	<b>\$1,754,942</b>	<b>\$0</b>	<b>\$199,899</b>	<b>259.1</b>
SB 16-174	380,000	0	380,000	0	0	0.0
<b>TOTAL</b>	<b>\$23,057,213</b>	<b>\$20,722,372</b>	<b>\$2,134,942</b>	<b>\$0</b>	<b>\$199,899</b>	<b>259.1</b>
<b>INCREASE/(DECREASE)</b>	\$355,584	\$332,771	\$25,357	\$0	(\$2,544)	0.1
Percentage Change	1.6%	1.6%	1.2%	n/a	(1.3%)	0.0%

**FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS**

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes changes to reflect the out-year impact of funding decisions made in FY 2015-16, including the addition of new FTE related to water administration and the annualization of salary survey and merit pay.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes a reduction of \$359,703 total funds for the second year impact of legislation. The primary change is the elimination of the one-time \$330,000 cash funds appropriated in S.B. 15-253 (CWCB Projects Bill).

**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 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 2015-16 or FY 2016-17.

## RECENT LEGISLATION

### 2015 SESSION BILLS

**S.B. 15-008 (PROMOTE WATER CONSERVATION IN LAND USE PLANNING):** Directs the CWCB to develop training programs for local government water and land use planners on best management practices for water demand management and conservation. Appropriates \$50,000 cash funds from the CWCB Construction Fund to the Department of Natural Resources in FY 2015-16.

**S.B. 15-022 (WILDFIRE RISK REDUCTION GRANT PROGRAM):** Transfers \$1,000,000 cash funds from Tier II of the Severance Tax Operational Fund to the continuously-appropriated Wildfire Risk Reduction Cash Fund in FY 2015-16 to support the Wildfire Risk Reduction Grant Program administered by the Department of Natural Resources. Grants made by the program fund site-based hazardous fuel reduction treatments but funding is subject to proportional reductions if there is insufficient severance tax revenue to support authorized transfers.

**S.B. 15-234 (LONG BILL):** General appropriations act for FY 2015-16.

**S.B. 15-245 (PROVIDE STATE FUNDING TO MAP NATURAL HAZARD AREAS):** Creates a three-year program, administered by the Colorado Water Conservation Board, to fund natural hazard mapping projects in the state, including: floodplain mapping, erosion zone mapping, debris flow mapping, and associated data collection. Establishes the Natural Hazard Mapping Fund, which is continuously appropriated to the CWCB to fund the program, and transfers \$6.8 million General Fund to the Natural Hazard Mapping Fund in three annual installments: \$3.8 million in FY 2015-16, \$2.4 million in FY 2016-17, and \$670,000 in FY 2017-18.

**S.B. 15-253 (CWCB CONSTRUCTION FUND PROJECTS):** Appropriates \$5,580,000 cash funds from the CWCB Construction Fund to the Department of Natural Resources in FY 2015-16 for various water-related projects and authorizes \$3.4 million in transfers including:

- \$2,200,000 from the Severance Tax Operational Fund to the CWCB Construction Fund;
- \$500,000 from Severance Tax Perpetual Base Fund to the CWCB Construction Fund;
- \$500,000 from the CWCB Construction Fund to the Flood and Drought Response Fund; and
- \$200,000 from the CWCB Construction Fund to the Litigation Fund.

**S.B. 15-255 (DEPOSIT SEVERANCE TAX REVENUES IN GENERAL FUND):** Diverts up to the first \$20.0 million in gross severance tax revenues collected after the effective date to the General Fund in FY 2014-15. Pursuant to Section 39-29-108 (2) (a) (I), C.R.S., the Department of Natural Resources and the Department of Local Affairs each receive 50.0 percent of total severance tax revenues. The diversion of up to \$20.0 million will reduce available severance tax revenue to each department by up to \$10.0 million in FY 2014-15. In the Department of Natural Resources, severance tax revenue is divided equally between the Severance Tax Operational Fund and the Severance Tax Perpetual Base Fund (i.e. each fund receives 25.0 percent of total severance tax revenues). As such, revenues distributed to these funds will be reduced by up to \$5.0 million each in FY 2014-15. Please note that \$16.2 million in severance tax revenue was ultimately available for diversion to the General Fund by the end of FY 2014-15, reducing the total impact of the bill. For additional information, see the "Recent Legislation" section at the end of Part III of the Department of Local Affairs.

**H.B. 15-1006 (INVASIVE PHREATOPHYTE GRANT PROGRAM):** Creates the two-year Invasive Phreatophyte Grant Program, administered by the CWCB, for projects that manage invasive phreatophytes (e.g. Tamarisk and Russian Olive) within riparian areas of the state. Transfers \$2.0 million cash funds from the Severance Tax Operational Fund to the CWCB Construction Fund in FY 2015-16 and appropriates the same amount in cash funds from the CWCB Construction Fund to the Department of Natural Resources.

**H.B. 15-1013 (SOUTH PLATTE AQUIFER STUDY RECOMMENDATIONS):** Implements two recommendations from the study required by H.B. 12-1278, including: (1) the selection of two pilot projects to test alternative methods of lowering the water table in areas along the South Platte with damaging high groundwater; and (2) requiring the State Engineer to evaluate the impact of proposed recharge structures on groundwater levels and approve augmentation plans that include the construction of a recharge structure. Appropriates \$41,959 General Fund to the Water Resources Division in the Department of Natural Resources for FY 2015-16.

**H.B. 15-1016 (PROMOTE PRECIPITATION HARVESTING PILOT PROJECTS):** Directs the CWCB to update the criteria and guidelines for selecting pilot projects under the Precipitation Harvesting Pilot Program and specifies requirements for augmentation of precipitation captured out of priority by pilot projects. Appropriates \$12,240 cash funds from the CWCB Construction Fund to CWCB in the Department of Natural Resources for FY 2015-16.

**H.B. 15-1045 (VETERANS ENTRANCE FEE STATE PARKS):** Provides free admission to any state park or recreation area to military veterans and active duty personnel for the month of August each year. Appropriates \$150,000 General Fund to the Division of Parks and Wildlife in the Department of Natural Resources for FY 2015-16.

**H.B. 15-1150 (SEV TAX OP FUND TRANSFERS FOR MINE RECLAMATION):** Transfers \$127,000 cash funds for reclamation projects at mine sites with insufficient or failed bonds from Tier I of the Severance Tax Operational Fund to Tier II. Funding for forfeited mine site reclamation projects is now subject to proportional reductions if there is insufficient severance tax revenue to support authorized transfers.

**H.B. 15-1166 (SOUTH PLATTE ALLUVIAL AQUIFER MONITORING NETWORK):** Requires the Water Resources Division to design and operate a tributary groundwater monitoring network in the South Platte alluvial aquifer with the objective of providing accurate groundwater level data to aid in public education and water planning. Appropriates \$60,000 cash funds from the CWCB Construction Fund to the Water Resources Division in the Department of Natural Resources for FY 2015-16.

**H.B. 15-1178 (EMERGENCY WELL PUMPING DAMAGING HIGH GROUNDWATER):** Establishes a grant program to facilitate the emergency pumping of dewatering wells in the areas of Gilcrest and Sterling, Colorado, and the collection of real-time data during the operation of dewatering wells. Transfers \$165,000 from the General Fund to the Emergency Dewatering Grant Account in the CWCB Construction Fund, and appropriates the same amount from the CWCB Construction Fund to the Colorado Water Conservation Board in the Department of Natural Resources for FY 2015-16.

**H.B. 15-1277 (SPECIES CONSERVATION TRUST FUND PROJECTS):** Authorizes the Department of Natural Resources to obligate and expend \$5.0 million from the Species Conservation Trust Fund (SCTF) in FY 2015-16 for programs to conserve native species listed as threatened or endangered under state or federal law, or are likely to become candidate species as determined by the United States Fish and Wildlife Services. The SCTF is supported by annual transfers from Tier II of the Severance Tax Operational Fund pursuant to Section 39-29-109.3 (2) (e), C.R.S.

## 2016 SESSION BILLS

**S.B. 16-167 (SEVERANCE TAX OPERATIONAL FUND RESERVE REDUCTION):** Excludes \$2.98 million from the Severance Tax Operational Fund Tier I reserve requirement in FY 2016-17. The bill reduces the impact of the Oil and Gas Conservation Commission fund source adjustment, which refinanced \$2.98 million cash funds from the Oil and Gas Conservation and Environmental Response Fund with the same amount from Tier I of the Severance Tax Operational Fund in FY 2016-17. The Tier I reserve requirement is normally 100.0 percent of Tier I appropriations pursuant to Section 39-29-109.3 (3) (a), C.R.S.

**S.B. 16-174 (CWCB CONSTRUCTION FUND PROJECTS):** Appropriates \$7,905,000 funds from the CWCB Construction Fund to the Department of Natural Resources in FY 2016-17 for various water-related projects. Authorizes the following transfers:

- \$5,200,000 from Severance Tax Perpetual Base Fund to the CWCB Construction Fund to support appropriations made in other sections of the bill;
- \$5,000,000 from the Perpetual Base Fund to the CWCB Construction Fund to secure funding in advance of anticipated expenditures in FY 2017-18 for the implementation of the Colorado State Water Plan; and
- \$1,100,000 from the CWCB Construction Fund to replenish the Litigation Fund and the Flood and Drought Response Fund, both of which are continuously appropriated.

**S.B. 16-218 (STATE SEVERANCE TAX REFUNDS):** Specifies the funding mechanism for potential severance tax refunds associated with the Colorado Supreme Court decision in *BP America v. Colorado Department of Revenue*. In FY 2015-16, any required refunds will first be made from severance tax revenue collected during June 2016. If the amount of required refunds exceeds severance tax collections, the remainder will be made from the General Fund reserve and the statutory reserve requirement will be adjusted by the same amount. In FY 2016-17, refunds will be made from severance tax collections up to a cap of 15.0 percent of gross monthly severance tax revenues. If the amount required for refunds exceeds 15.0 percent of gross severance tax revenues in a month, the additional amount will be refunded from income tax revenue diverted from the General Fund. Includes provisions restricting a total of \$72.9 million within the three cash funds that receive severance tax revenue:

- Severance Tax Operational Fund (Department of Natural Resources): \$10.0 million
- Severance Tax Perpetual Base Fund (Department of Natural Resources): \$19.1 million
- Local Government Severance Tax Fund (Department of Local Affairs): \$43.8 million from the portion of revenue allocated grants.

These funds are restricted from being expended for any use unless released in whole or in part by a majority vote of the Joint Budget Committee.

**H.B. 16-1256 (SOUTH PLATTE WATER STORAGE STUDY):** Directs the CWCB to conduct or commission a storage study of the South Platte River basin in collaboration with the Division of Water Resources in the Department of Natural Resources and the South Platte Basin and Metro Roundtables. Appropriates \$211,168 cash funds transferred into the CWCB Construction Fund from the Water Supply Reserve Account, contingent upon the approval of the study by the South Platte Basin and Metro Roundtables.

**H.B. 16-1405 (LONG BILL):** General appropriations act for FY 2016-17.

**H.B. 16-1458 (SPECIES CONSERVATION TRUST FUND PROJECTS):** Authorizes the Department of Natural Resources to obligate and expend \$3.0 million from the Species Conservation Trust Fund in FY 2016-17 for programs to conserve native species listed as threatened or endangered under state or federal law, or are likely to become candidate species as determined by the United States Fish and Wildlife Services. The SCTF is supported by annual transfers from Tier II of the Severance Tax Operational Fund pursuant to Section 39-29-109.3 (2) (e), C.R.S.

# Details

## DEPARTMENT OF PERSONNEL

### FY 2015-16 AND FY 2016-17 APPROPRIATIONS BY DIVISION AND BILL

DEPARTMENT OF PERSONNEL						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 TOTAL APPROPRIATION:</b>	<b>\$189,762,921</b>	<b>\$11,817,618</b>	<b>\$14,293,652</b>	<b>\$163,651,651</b>	<b>\$0</b>	<b>410.1</b>
<b>BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION</b>						
Executive Director's Office	\$20,363,964	\$6,915,443	\$3,023,370	\$10,425,151	\$0	47.7
Division of Human Resources	64,165,565	2,014,411	2,289,823	59,861,331	0	46.7
Constitutionally Independent Entities	537,037	535,859	1,178	0	0	4.8
Central Services	81,251,044	154,032	1,522,187	79,574,825	0	179.7
Division of Accounts and Control	19,691,785	2,197,873	7,351,178	10,142,734	0	91.2
Administrative Courts	3,753,526	0	105,916	3,647,610	0	40.0
<b>BREAKDOWN OF TOTAL APPROPRIATION BY BILL</b>						
SB 15-234	\$181,200,121	\$11,711,626	\$13,830,708	\$155,657,787	\$0	406.4
SB 15-270	0	0	0	0	0	1.0
HB 15-1219	1,200	0	0	1,200	0	0.0
HB 16-1246	8,561,600	105,992	462,944	7,992,664	0	2.7
<b>FY 2016-17 TOTAL APPROPRIATION:</b>	<b>\$190,212,511</b>	<b>\$13,145,504</b>	<b>\$16,928,150</b>	<b>\$160,138,857</b>	<b>\$0</b>	<b>421.5</b>
<b>BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION</b>						
Executive Director's Office	\$22,312,664	\$7,831,597	\$3,160,667	\$11,320,400	\$0	49.3
Division of Human Resources	67,591,150	2,115,074	3,062,844	62,413,232	0	46.7
Constitutionally Independent Entities	547,480	546,302	1,178	0	0	4.8
Central Services	75,965,734	143,543	1,553,595	74,268,596	0	179.7
Division of Accounts and Control	19,765,159	2,508,988	9,043,950	8,212,221	0	96.5
Administrative Courts	4,030,324	0	105,916	3,924,408	0	44.5
<b>BREAKDOWN OF TOTAL APPROPRIATION BY BILL</b>						
HB 16-1405	\$189,285,533	\$13,145,504	\$16,006,122	\$160,133,907	\$0	421.0
SB 16-040	4,950	0	0	4,950	0	0.0
HB 16-1362	42,283	0	42,283	0	0	0.5
HB 16-1408	879,745	0	879,745	0	0	0.0
<b>INCREASE/(DECREASE)</b>	<b>\$449,590</b>	<b>\$1,327,886</b>	<b>\$2,634,498</b>	<b>(\$3,512,794)</b>	<b>\$0</b>	<b>11.4</b>
Percentage Change	0.2%	11.2%	18.4%	(2.1%)	n/a	2.8%

**INFORMATIONAL FUNDS:** The FY 2016-17 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 2016-17 Appropriations containing an (I) notation	\$56,362,746	\$0	\$1,134,447	\$55,228,299	\$0

## DETAIL OF APPROPRIATION BY ADMINISTRATIVE SECTION

### EXECUTIVE DIRECTOR'S OFFICE

This division provides centralized accounting, personnel, and budgeting services for the Department. It also includes the Colorado State Employees Assistance Program (C-SEAP), 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
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$20,363,964	\$6,866,451	\$3,072,362	\$10,425,151	\$0	46.7
SB 15-270	0	0	0	0	0	1.0
HB 16-1246	0	48,992	(48,992)	0	0	0.0
<b>TOTAL</b>	<b>\$20,363,964</b>	<b>\$6,915,443</b>	<b>\$3,023,370</b>	<b>\$10,425,151</b>	<b>\$0</b>	<b>47.7</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$20,363,964	\$6,915,443	\$3,023,370	\$10,425,151	\$0	47.7
Centrally appropriated line items	1,904,292	405,708	5,158	1,493,426	0	0.0
Annualize prior year legislation	295,622	213,622	82,000	0	0	1.0
Resources for Administrative Courts	21,230	0	0	21,230	0	0.0
Fund source adjustment	0	306,673	31,910	(338,583)	0	0.0
Address Confidentiality Program adjustment	0	59,136	(59,136)	0	0	0.0
Annualize prior year budget actions	(172,264)	(68,985)	35,082	(138,361)	0	0.1
Indirect cost assessment	(142,463)	0	0	(142,463)	0	0.0
<b>HB 16-1405</b>	<b>\$22,270,381</b>	<b>\$7,831,597</b>	<b>\$3,118,384</b>	<b>\$11,320,400</b>	<b>\$0</b>	<b>48.8</b>
HB 16-1362	42,283	0	42,283	0	0	0.5
<b>TOTAL</b>	<b>\$22,312,664</b>	<b>\$7,831,597</b>	<b>\$3,160,667</b>	<b>\$11,320,400</b>	<b>\$0</b>	<b>49.3</b>
<b>INCREASE/(DECREASE)</b>	<b>\$1,948,700</b>	<b>\$916,154</b>	<b>\$137,297</b>	<b>\$895,249</b>	<b>\$0</b>	<b>1.6</b>
Percentage Change	9.6%	13.2%	4.5%	8.6%	n/a	3.4%

### FY 2015-16 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 16-1246 modifies FY 2015-16 appropriations by making a fund source adjustment to provide an increase of \$48,992 General Fund and a decrease of a like amount of cash funds from offender surcharge revenue for the Address Confidentiality Program portion of operating common policies.

### FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

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

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes an increase of \$295,622 total funds for the second or other out-year impact of legislation. The adjustments include:

- An increase of \$213,622 General Fund appropriated in S.B. 15-270 (Create Office of State Architect); and
- An increase of \$82,000 cash funds from the Disability Investigational and Pilot Support Fund to reflect interest earned in the fund for the Disability Investigational and Pilot Support Procurement program appropriated in S.B. 13-276 (Disability Investigational and Pilot Support Fund).

**RESOURCES FOR ADMINISTRATIVE COURTS:** The appropriation includes an increase of \$21,230 reappropriated funds for leased space for the Office of Administrative Courts in Colorado Springs.

**FUND SOURCE ADJUSTMENT:** The appropriation includes an increase in General Fund and cash funds offset by a decrease in reappropriated funds.

**ADDRESS CONFIDENTIALITY PROGRAM ADJUSTMENT:** The appropriation includes a fund source adjustment to provide an increase of \$59,136 General Fund and a decrease of a like amount of cash funds from offender surcharge revenue for the Address Confidentiality Program portion of operating common policies.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes a number of changes to the out-year impact of funding decisions made through the FY 2015-16 appropriation, including the annualization of the FY 2015-16 salary survey and merit pay.

**INDIRECT COST ASSESSMENT:** The appropriation includes a net decrease in the Colorado State Employees Assistance Program's indirect cost assessment.

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

## DIVISION OF HUMAN RESOURCES

This division administers the State's classified personnel system, administers the employee benefits programs, manages statewide systems for payroll and employee databases, and operates the statewide risk management program, including the provision of liability, property, and workers' compensation insurance.

DIVISION OF HUMAN RESOURCES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$63,666,550	\$2,014,411	\$2,289,823	\$59,362,316	\$0	46.7
HB 16-1246	499,015	0	0	499,015	0	0.0
<b>TOTAL</b>	<b>\$64,165,565</b>	<b>\$2,014,411</b>	<b>\$2,289,823</b>	<b>\$59,861,331</b>	<b>\$0</b>	<b>46.7</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$64,165,565	\$2,014,411	\$2,289,823	\$59,861,331	\$0	46.7
Risk Management adjustments	2,979,010	0	0	2,979,010	0	0.0
Annualize prior year budget actions	(376,551)	100,663	9,815	(487,029)	0	0.0
Indirect cost assessment	(43,045)	0	(102,965)	59,920	0	0.0
Other	(13,574)	0	(13,574)	0	0	0.0
<b>HB 16-1405</b>	<b>\$66,711,405</b>	<b>\$2,115,074</b>	<b>\$2,183,099</b>	<b>\$62,413,232</b>	<b>\$0</b>	<b>46.7</b>
HB 16-1408	879,745	0	879,745	0	0	0.0
<b>TOTAL</b>	<b>\$67,591,150</b>	<b>\$2,115,074</b>	<b>\$3,062,844</b>	<b>\$62,413,232</b>	<b>\$0</b>	<b>46.7</b>

**DIVISION OF HUMAN RESOURCES**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>INCREASE/(DECREASE)</b>	\$3,425,585	\$100,663	\$773,021	\$2,551,901	\$0	0.0
Percentage Change	5.3%	5.0%	33.8%	4.3%	n/a	0.0%

**FY 2015-16 APPROPRIATION - MID-YEAR ADJUSTMENTS**

House Bill 16-1246 modifies FY 2015-16 appropriations, including an increase of \$499,015 reappropriated funds including \$467,482 for workers' compensation legal services and \$31,533 for the risk management information system.

**FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS**

**RISK MANAGEMENT ADJUSTMENTS:** The appropriation includes a net increase of \$2,979,010 reappropriated funds for risk management base adjustments. In order of dollar amount by increase and then decrease, adjustments include:

- An increase of \$2,801,412 for liability claims;
- An increase of \$1,177,831 for liability legal services;
- An increase of \$467,482 for workers' compensation legal services;
- An increase of \$272,537 for property policies;
- An increase of \$53,602 for the risk management information system;
- An increase of \$35,887 for workers' compensation excess policy;
- An increase of \$16,638 for liability excess policy; and
- A decrease of \$1,846,379 for workers' compensation claims.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes a number of changes to the out-year impact of funding decisions made through the FY 2015-16 appropriation including:

- Annualization of the FY 2015-16 salary survey and merit pay;
- Annualization of the Total Compensation and Employee Engagement Surveys; and
- Annualization of the FY 2015-16 supplemental adjustments.

**INDIRECT COST ASSESSMENT:** The appropriation includes a net decrease in subdivisions' indirect cost assessments.

**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, which has the authority to adopt, by rule, a uniform grievance procedure to be used by all state agencies for classified employees in the state personnel system. The Board adjudicates employment disputes within the state classified system and is responsible for promulgating rules to ensure that state employment is based on merit.

CONSTITUTIONALLY INDEPENDENT ENTITIES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2015-16 APPROPRIATION:						
SB 15-234	\$537,037	\$535,859	\$1,178	\$0	\$0	4.8
<b>TOTAL</b>	<b>\$537,037</b>	<b>\$535,859</b>	<b>\$1,178</b>	<b>\$0</b>	<b>\$0</b>	<b>4.8</b>
FY 2016-17 APPROPRIATION:						
FY 2015-16 Appropriation	\$537,037	\$535,859	\$1,178	\$0	\$0	4.8
Annualize prior year budget actions	10,429	10,429	0	0	0	0.0
Centrally appropriated line items	14	14	0	0	0	0.0
<b>HB 16-1405</b>	<b>\$547,480</b>	<b>\$546,302</b>	<b>\$1,178</b>	<b>\$0</b>	<b>\$0</b>	<b>4.8</b>
<b>TOTAL</b>	<b>\$547,480</b>	<b>\$546,302</b>	<b>\$1,178</b>	<b>\$0</b>	<b>\$0</b>	<b>4.8</b>
<b>INCREASE/(DECREASE)</b>	\$10,443	\$10,443	\$0	\$0	\$0	0.0
Percentage Change	1.9%	1.9%	0.0%	n/a	n/a	0.0%

### FY 2016-17 APPROPRIATION – H.B. 16-1405 (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 2015-16 appropriation including the annualization of the FY 2015-16 salary survey and merit pay.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items for legal services.

## CENTRAL SERVICES

This division is responsible for providing statewide support services such as print, document management, and mail services, fleet management, and operation and maintenance of buildings in the capitol complex and other state-owned facilities. Central Services is almost entirely funded by reappropriated funds consisting of user fees from state agencies. General Fund and cash funds from offender surcharges and grants provide funding for the Address Confidentiality Program within Integrated Document Solutions.

CENTRAL SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2015-16 APPROPRIATION:						
SB 15-234	\$77,710,817	\$97,032	\$1,583,150	\$76,030,635	\$0	179.7
HB 15-1219	1,200	0	0	1,200	0	0.0
HB 16-1246	3,539,027	57,000	(60,963)	3,542,990	0	0.0
<b>TOTAL</b>	<b>\$81,251,044</b>	<b>\$154,032</b>	<b>\$1,522,187</b>	<b>\$79,574,825</b>	<b>\$0</b>	<b>179.7</b>
FY 2016-17 APPROPRIATION:						
FY 2015-16 Appropriation	\$81,251,044	\$154,032	\$1,522,187	\$79,574,825	\$0	179.7

**CENTRAL SERVICES**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
IDS operating increase spending authority	2,100,000	0	0	2,100,000	0	0.0
IDS Adjustments for other state agencies	1,497,603	0	0	1,497,603	0	0.0
Capitol Complex adjustments	250,273	0	7,285	242,988	0	0.0
Address Confidentiality Program adjustment	22,241	72,167	(49,926)	0	0	0.0
Annualize prior year legislation	4,800	0	0	4,800	0	0.0
Fleet Management adjustments	(4,560,213)	0	0	(4,560,213)	0	0.0
Annualize prior year budget actions	(3,579,327)	(82,656)	74,049	(3,570,720)	0	0.0
Indirect cost assessment	(1,011,192)	0	0	(1,011,192)	0	0.0
Other	(14,445)	0	0	(14,445)	0	0.0
<b>HB 16-1405</b>	<b>\$75,960,784</b>	<b>\$143,543</b>	<b>\$1,553,595</b>	<b>\$74,263,646</b>	<b>\$0</b>	<b>179.7</b>
SB 16-040	4,950	0	0	4,950	0	0.0
<b>TOTAL</b>	<b>\$75,965,734</b>	<b>\$143,543</b>	<b>\$1,553,595</b>	<b>\$74,268,596</b>	<b>\$0</b>	<b>179.7</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$5,285,310)</b>	<b>(\$10,489)</b>	<b>\$31,408</b>	<b>(\$5,306,229)</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	(6.5%)	(6.8%)	2.1%	(6.7%)	n/a	0.0%

**FY 2015-16 APPROPRIATION - MID-YEAR ADJUSTMENTS**

House Bill 16-1246 modifies FY 2015-16 appropriations to:

- Add \$2.1 million reappropriated funds to provide spending authority in a dedicated line item for IDS pass-through payments to commercial print vendors on behalf of state agencies;
- Add \$1.4 million reappropriated funds for IDS operating expenses. The spending authority allows the Department to provide postage and print services for OIT's CBMS 1095-B Client Correspondence and RMS Adjustment (\$1,425,539) and the Department of Revenue's Income Tax Refund Fraud (\$3,871);
- Add \$12,380 reappropriated funds for Fleet Management's vehicle lease/purchase line item for vehicles included in other state agency appropriations; and
- Reduce \$3,963 total funds for the Address Confidentiality Program, including a fund source adjustment to provide an increase of \$57,000 General Fund and a decrease of \$60,963 cash funds from offender surcharge revenue.

**FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS**

**IDS OPERATING INCREASE SPENDING AUTHORITY:** The appropriation includes an increase of \$2,100,000 reappropriated funds spending authority in a dedicated line item for pass-through payments to commercial print vendors on behalf of state agencies for IDS.

**IDS ADJUSTMENTS FOR OTHER STATE AGENCIES:** The appropriation includes an increase of \$1,497,603 reappropriated funds spending authority, including \$1,493,430 to provide print services and postage for the Colorado Benefits Management System adjustment in the Governor's Office of Information Technology and \$4,173 to provide print services for income tax refund fraud in the Department of Revenue.

**CAPITOL COMPLEX ADJUSTMENTS:** The appropriation includes an increase of \$250,273 cash and reappropriated funds from the Department of Personnel Revolving Fund for Capitol Complex utilities adjustments.

**ADDRESS CONFIDENTIALITY PROGRAM ADJUSTMENT:** The appropriation includes an increase of \$22,241 total funds for the Address Confidentiality Program. The appropriation includes a fund source adjustment to provide an increase of \$72,167 General Fund and a decrease of \$49,926 cash funds from offender surcharge revenue.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes an increase of \$4,800 reappropriated funds for the second-year impact of legislation. The adjustments include:

- An increase of \$1,200 reappropriated funds appropriated in H.B. 15-1181 (Colorado is Honoring Our Military Tax Exemption);
- A decrease of \$1,200 reappropriated funds appropriated in H.B. 15-1219 (EZ Investment Tax Credit for Renewable Energy); and
- An increase of \$4,800 reappropriated funds appropriated in S.B. 15-282 (Jump-start Prog Econ Dev Distressed Counties).

**FLEET MANAGEMENT ADJUSTMENTS:** The appropriation includes a decrease of \$4,560,213 reappropriated funds in Fleet Management in the Central Services division, including:

- An increase of \$51,260 for additional vehicles approved for state agencies;
- A decrease of \$4,171,544 for fuel and automotive supplies;
- A decrease of \$439,929 for vehicle replacement lease purchase payments; and
- A decrease of \$342,749 for fuel and automotive supplies offset by increases of \$200,000 for motor pool vehicle lease and operating expenses and \$142,749 for administrative operating expenses.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes a number of changes to the out-year impact of funding decisions made through the FY 2015-16 appropriation, including:

- Annualization of the FY 2015-16 salary survey and merit pay;
- Annualization of the FY 2009-10 Mail Equipment Purchase; and
- Annualization of the FY 2015-16 supplemental adjustments.

**INDIRECT COST ASSESSMENT:** The appropriation includes a net decrease in subdivisions' indirect cost assessments.

**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.

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## DIVISION OF ACCOUNTS AND CONTROL

This division includes the Office of the State Controller in Financial Operations and Reporting, which manages statewide fiscal rules, conducts statewide financial reporting, provides policy and procedural guidance, and develops the statewide indirect cost allocation plan. CORE Operations oversees the Colorado Operations Resource Engine (CORE), the state's accounting system. Procurement and Contracts administers a statewide procurement program and meets the product and service needs of state agencies by negotiating contracts for goods and services. Central Collections Services provides for the collection of debts due to the state. This division is funded with rebates received from the Procurement Card Program, statewide indirect cost recoveries, cash funds from the Supplier Database Cash Fund, user fees from state agencies for CORE Operations deposited in the Statewide Financial Information Technology Systems Cash Fund created in Section 24-30-209 (2) (a), C.R.S., collection fees assessed to individuals making payments in the collections process deposited in the Debt Collection Fund created in Section 24-30-202.4 (3) (e), C.R.S., and General Fund.

**DIVISION OF ACCOUNTS AND CONTROL**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$15,168,227	\$2,197,873	\$6,778,279	\$6,192,075	\$0	88.5
HB 16-1246	4,523,558	0	572,899	3,950,659	0	2.7
<b>TOTAL</b>	<b>\$19,691,785</b>	<b>\$2,197,873</b>	<b>\$7,351,178</b>	<b>\$10,142,734</b>	<b>\$0</b>	<b>91.2</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$19,691,785	\$2,197,873	\$7,351,178	\$10,142,734	\$0	91.2
CORE lease purchase payments	3,936,611	0	0	3,936,611	0	0.0
CORE Operations adjustments	387,792	0	2,344,042	(1,956,250)	0	0.0
Collections module staffing	320,330	0	320,330	0	0	8.0
Perceptive cost adjustment	43,805	0	43,805	0	0	0.0
Fund source adjustment	0	300,000	(300,000)	0	0	0.0
Annualize prior year budget actions	(4,455,263)	11,115	(555,504)	(3,910,874)	0	(2.7)
Indirect cost assessment	(159,901)	0	(159,901)	0	0	0.0
<b>HB 16-1405</b>	<b>\$19,765,159</b>	<b>\$2,508,988</b>	<b>\$9,043,950</b>	<b>\$8,212,221</b>	<b>\$0</b>	<b>96.5</b>
<b>TOTAL</b>	<b>\$19,765,159</b>	<b>\$2,508,988</b>	<b>\$9,043,950</b>	<b>\$8,212,221</b>	<b>\$0</b>	<b>96.5</b>
<b>INCREASE/(DECREASE)</b>	<b>\$73,374</b>	<b>\$311,115</b>	<b>\$1,692,772</b>	<b>(\$1,930,513)</b>	<b>\$0</b>	<b>5.3</b>
Percentage Change	0.4%	14.2%	23.0%	(19.0%)	n/a	5.8%

**FY 2015-16 APPROPRIATION - MID-YEAR ADJUSTMENTS**

House Bill 16-1246 modifies FY 2015-16 appropriations to:

- Add \$3,950,659 reappropriated funds to provide spending authority for the Colorado Operations Resource Engine (CORE) lease-purchase payments in the Department's operating budget;
- Add \$428,467 cash funds from the Supplier Database Cash Fund for additional CORE-related electronic content management (ECM), concurrent licenses, sub-integration server packs, and ECM test environment from Perceptive; and
- Add \$144,432 cash funds from the Debt Collection Fund and 2.7 FTE for additional collectors for Central Collections Services.

**FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS**

**CORE LEASE PURCHASE PAYMENTS:** The appropriation includes an increase of \$3,936,611 reappropriated funds to provide spending authority for the Colorado Operations Resource Engine (CORE) lease-purchase payments in the Department's operating budget. Prior to the transfer from the Governor's Office of Information Technology (OIT) to the Department in FY 2015-16, this item was included in the capital construction section of the budget.

**CORE OPERATIONS ADJUSTMENTS:** The appropriation includes an increase of \$387,792 total funds for CORE Operations base adjustments to fund 500 additional electronic content management concurrent licenses, for a total of 1,000 licenses for up to 4,000 CORE system users. The appropriation also includes a fund source adjustment to provide \$2,344,042 cash funds from the Supplier Database Cash Fund and a reduction of \$1,956,250 reappropriated funds from state agency users.

**COLLECTIONS MODULE STAFFING:** The appropriation includes an increase of \$320,330 cash funds from the Debt Collection Fund and 8.0 FTE for additional collectors for Central Collections Services.

**PERCEPTIVE COST ADJUSTMENT:** The appropriation includes an increase of \$43,805 cash funds from the Supplier Database Cash Fund for CORE's electronic content management (ECM) contract provider, Perceptive, for a test environment, sub-integration server packs, and additional storage.

**FUND SOURCE ADJUSTMENT:** The appropriation includes an increase in General Fund offset by a decrease in 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 2015-16 appropriation including:

- Annualization of the FY 2015-16 salary survey and merit pay;
- Annualization of the FY 2015-16 Restructure Office of the State Controller to Support CORE; and
- Annualization of the FY 2015-16 supplemental adjustments.

**INDIRECT COST ASSESSMENT:** The appropriation includes a net decrease in Central Collections Services indirect cost assessment.

## 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
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$3,753,526	\$0	\$105,916	\$3,647,610	\$0	40.0
<b>TOTAL</b>	<b>\$3,753,526</b>	<b>\$0</b>	<b>\$105,916</b>	<b>\$3,647,610</b>	<b>\$0</b>	<b>40.0</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$3,753,526	\$0	\$105,916	\$3,647,610	\$0	40.0
Resources for Administrative Courts	290,574	0	0	290,574	0	4.5
Annualize prior year budget actions	53,303	0	0	53,303	0	0.0
Indirect cost assessment	(67,079)	0	0	(67,079)	0	0.0
<b>HB 16-1405</b>	<b>\$4,030,324</b>	<b>\$0</b>	<b>\$105,916</b>	<b>\$3,924,408</b>	<b>\$0</b>	<b>44.5</b>
<b>TOTAL</b>	<b>\$4,030,324</b>	<b>\$0</b>	<b>\$105,916</b>	<b>\$3,924,408</b>	<b>\$0</b>	<b>44.5</b>
<b>INCREASE/(DECREASE)</b>	\$276,798	\$0	\$0	\$276,798	\$0	4.5
Percentage Change	7.4%	n/a	0.0%	7.6%	n/a	11.3%

## FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

**RESOURCES FOR ADMINISTRATIVE COURTS:** The appropriation includes an increase of \$290,574 reappropriated funds and 4.5 FTE for the Office of Administrative Courts, including 3.0 FTE Technician II level clerks and 1.5 FTE ALJ II level administrative law judges (ALJs) for the Colorado Springs and Grand Junction locations.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes the out-year impact of funding decisions made through the FY 2015-16 appropriation including annualization of the FY 2015-16 salary survey and merit pay.

**INDIRECT COST ASSESSMENT:** The appropriation includes a net decrease in the Division's indirect cost assessment.

## RECENT LEGISLATION

### 2015 SESSION BILLS

**S.B. 15-234 (LONG BILL):** General appropriations act for FY 2015-16.

**S.B. 15-270 (CREATE THE OFFICE OF THE STATE ARCHITECT):** Codifies the existing Office of the State Architect in statute and adds authority over and responsibility for statewide planning for capital construction. Appropriates \$105,531 General Fund and 1.0 FTE for the Office of the State Architect program line item for FY 2015-16 and reduces the FY 2015-16 General Fund appropriation to the Statewide Planning Services line item in the Office of the State Architect by an equal amount.

**H.B. 15-1219 (EZ INVESTMENT TAX CREDIT FOR RENEWABLE ENERGY):** Modifies renewable energy tax credits in enterprise zones. Appropriates \$1,200 reappropriated funds to Integrated Document Solutions for document management services purchased by the Department of Revenue for FY 2015-16.

**H.B. 15-1392 (PAYROLL SYSTEM TO PAY STATE EMPLOYEES TWICE A MONTH):** Effective July 1, 2017, implements a twice-monthly pay system for all state employees paid through the state's payroll system, replacing the current monthly or biweekly pay system. The bill delays payment to state employees by half a month beginning on July 31, 2017, compared to the current pay system. For work performed from the first day of the month through the 15th day of the month, employees will be paid on the last day of the same month, and for work performed from the 16th day of the month through the last day of the month, employees will be paid on the 15th day of the next month, except that, for work performed from the first day of June through the 15th day of June, employees will be paid on July 1 – maintaining the existing *paydate shift* for monthly-paid employees and moving biweekly-paid employees into the *paydate shift* accounting mechanism.

To assist employees with the half-month delay in pay, the bill provides for a one-time loan in July 2017 equal to no more than an employee's net pay for a half-month pay period. The bill specifies two repayment options to be paid over three years. The Legislative Council Staff Revised Fiscal Note identifies a cost of \$30.0 million General Fund to fund employee loans based on an estimated access rate of the loan program by state employees of 40 to 50 percent. The loan program to state employees will necessitate a General Fund appropriation to cover all payroll fund sources, including cash-funded, reappropriated-funded, and federal-funded payroll expenditures. As identified in the Revised Fiscal Note, up to \$65 million in state employee payroll could be loaned out in July 2017. It is estimated that the appropriation necessary for the loan program will require between \$30 million and \$65 million General Fund in FY 2017-18.

### 2016 SESSION BILLS

**S.B. 16-040 (MARIJUANA OWNER CHANGES):** For FY 2016-17, provides \$4,950 reappropriated funds to the Department of Personnel for vehicle replacement lease/purchase for the Department of Revenue (DOR). For additional information see the “Recent Legislation” section at the end of Part III for the DOR.

**H.B. 16-1246 (SUPPLEMENTAL BILL):** Supplemental appropriations bill for the Department of Personnel for FY 2015-16. Includes supplemental appropriations to the Department of Personnel for FY 2014-15.

**H.B. 16-1362 (LICENSE PLATE AUCTION TRANSFER DISABILITY BENEFIT):** Transfers the functions of the License Plate Auction Group, currently housed in the Governor's Office, to the Disability-Benefit Support Contract Committee, housed in the Department of Personnel, and renames the new entity the Colorado Disability Funding Committee. Provides that the committee will contract with an entity, that it will retain oversight of, to sell and auction registration numbers, for which it will also determine a reasonable commission. When adequate funding is available through registration number sales, requires the committee to contract with a nonprofit entity that will aid people with disabilities in accessing disability benefits. Once this contract is in place, allows the committee to make grants or loans to pilot projects or programs that aim to improve quality of life or increase independence for people with disabilities. Allows the committee to obtain the services of professional advisors or contract employees to provide administrative assistance and the Department of Personnel to hire employees to provide administrative support. Repeals the License Plate Auction Group and its Registration Number Fund within 60 days after the bill's effective date. Renames the Disability Investigational and Pilot Support (DIPS) Fund as the Disability Support Fund. Transfers the Registration Number Fund balance and all future proceeds from the sales of registration numbers to the Disability Support Fund. Repeals the Disability-Benefit Support Fund. Transfers any money used to implement additional license plate options to the Division of Correctional Industries in the Department of Corrections. Appropriates \$42,283 cash funds and 0.5 FTE from the Disability Support Fund to the Department of Personnel for administrative support of the Colorado Disability Funding Committee.

**H.B. 16-1405 (LONG BILL):** General appropriations act for FY 2016-17.

**H.B. 16-1408 (CASH FUND ALLOCATIONS FOR HEALTH-RELATED PROGRAMS):** Establishes a new formula for the allocation of the annual payment received by the state as part of the Tobacco Master Settlement Agreement. For FY 2016-17, provides \$879,745 cash funds from the Supplemental State Contribution Fund to the Department of Personnel for the H.B. 07-1335 Supplemental State Contribution Fund. For additional information see the "Recent Legislation" section at the end of Part III for the Department of Public Health.

# Details

## DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT

### FY 2015-16 AND FY 2016-17 APPROPRIATIONS BY DIVISION AND BILL

#### DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT

	TOTAL FUNDS	GENERAL FUND <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 TOTAL APPROPRIATION:</b>	<b>\$537,711,742</b>	<b>\$48,015,287</b>	<b>\$157,897,569</b>	<b>\$37,645,004</b>	<b>\$294,153,882</b>	<b>1,288.6</b>
<b>BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION</b>						
Administration and Support	\$59,014,189	\$11,080,714	\$15,621,678	\$29,971,607	\$2,340,190	89.9
Center for Health and Environmental Data	14,379,321	2,953,573	6,249,313	5,887	5,170,548	99.5
Laboratory Services	13,218,697	1,105,216	8,126,261	647,020	3,340,200	76.3
Air Pollution Control Division	24,533,595	94,298	19,948,088	0	4,491,209	181.8
Water Quality Control Division	24,844,271	4,284,373	5,416,770	39,673	15,103,455	173.4
Hazardous Materials and Waste Management Division	31,921,452	0	21,573,770	285,319	10,062,363	115.2
Division of Environmental Health and Sustainability	8,497,296	1,647,746	5,298,896	109,345	1,441,309	45.5
Disease Control and Environmental Epidemiology Division	98,769,571	7,115,714	8,389,361	0	83,264,496	144.2
Prevention Services Division	216,837,672	15,303,517	51,695,898	1,300,746	148,537,511	178.5
Health Facilities and Emergency Medical Services Division	29,438,178	2,840,578	15,577,534	5,285,407	5,734,659	149.2
Office of Emergency Preparedness and Response	16,257,500	1,589,558	0	0	14,667,942	35.1
<b>BREAKDOWN OF TOTAL APPROPRIATION BY BILL</b>						
SB 15-234	\$532,213,807	\$44,363,169	\$156,136,752	\$37,560,004	\$294,153,882	1,287.1
SB 15-014	1,068,560	0	1,068,560	0	0	0.0
SB 15-189	(25,000)	0	0	(25,000)	0	0.0
SB 15-247	863,033	0	863,033	0	0	0.0
HB 15-1083	25,000	25,000	0	0	0	0.0
HB 15-1102	120,982	120,982	0	0	0	1.4
HB 15-1232	23,736	23,736	0	0	0	0.4
HB 15-1249	1,868	(17,600)	19,468	0	0	0.0
HB 15-1281	32,386	0	32,386	0	0	0.2
HB 15-1283	23,850	0	23,850	0	0	0.2
HB 15-1367	3,500,000	3,500,000	0	0	0	0.0
HB 16-1247	(168,149)	0	(278,149)	110,000	0	(1.0)
HB 16-1405	31,669	0	31,669	0	0	0.3

**DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT**

	TOTAL FUNDS	GENERAL FUND <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2016-17 TOTAL APPROPRIATION:</b>	<b>\$563,473,936</b>	<b>\$47,629,976</b>	<b>\$185,983,908</b>	<b>\$41,167,484</b>	<b>\$288,692,568</b>	<b>1,311.3</b>
<b>BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION</b>						
Administration and Support	\$64,470,694	\$11,861,228	\$10,559,668	\$33,067,279	\$8,982,519	91.0
Center for Health and Environmental Data	13,019,680	1,989,749	5,694,226	5,887	5,329,818	92.9
Laboratory Services	13,541,203	1,120,077	8,504,141	470,728	3,446,257	77.0
Air Pollution Control Division	24,531,778	103,728	19,726,422	0	4,701,628	181.8
Water Quality Control Division	25,502,854	5,313,773	6,070,872	39,673	14,078,536	178.4
Hazardous Materials and Waste Management Division	32,275,877	0	24,071,079	288,044	7,916,754	116.0
Division of Environmental Health and Sustainability	10,508,667	1,632,096	7,325,168	110,094	1,441,309	45.3
Disease Control and Environmental Epidemiology Division	100,383,268	6,747,177	12,122,061	209,072	81,304,958	144.9
Prevention Services Division	231,593,722	15,429,398	73,979,537	1,300,746	140,884,041	193.3
Health Facilities and Emergency Medical Services Division	31,388,693	1,843,192	17,930,734	5,675,961	5,938,806	155.6
Office of Emergency Preparedness and Response	16,257,500	1,589,558	0	0	14,667,942	35.1
<b>BREAKDOWN OF TOTAL APPROPRIATION BY BILL</b>						
HB 16-1405	\$556,505,747	\$46,047,983	\$180,597,712	\$41,167,484	\$288,692,568	1,308.5
SB 16-069	73,986	73,986	0	0	0	1.0
HB 16-1034	24,985	0	24,985	0	0	0.3
HB 16-1141	199,456	0	199,456	0	0	0.8
HB 16-1280	21,836	0	21,836	0	0	0.2
HB 16-1386	300,000	300,000	0	0	0	0.0
HB 16-1408	5,109,621	0	5,109,621	0	0	0.0
HB 16-1413	1,208,007	1,208,007	0	0	0	0.0
HB 16-1424	30,298	0	30,298	0	0	0.5
<b>INCREASE/(DECREASE)</b>	<b>\$25,762,194</b>	<b>(\$385,311)</b>	<b>\$28,086,339</b>	<b>\$3,522,480</b>	<b>(\$5,461,314)</b>	<b>22.7</b>
Percentage Change	4.8%	(0.8%)	17.8%	9.4%	(1.9%)	1.8%

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

**GENERAL FUND EXEMPT:** Amounts in the General Fund column include appropriations from both the General Fund and General Fund Exempt Account. The General Fund Exempt Account was created by Referendum C, passed by Colorado voters in November 2005. Referendum C allowed the State to retain for FY 2005-06 through FY 2009-10 all revenue collected in excess of the TABOR limit and for FY 2010-11 and subsequent fiscal years all revenues in excess of the TABOR limit but less than the excess state revenues cap. The retained revenue must be placed in the General Fund Exempt Account.

The 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 money is exempt from the TABOR limit, the General Fund appropriations of this money is 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 2015-16 and FY 2016-17 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. For additional information on General Fund Exempt appropriations, see Appendix H.

GENERAL FUND SUMMARY	TOTAL GENERAL FUND	GENERAL FUND	GENERAL FUND EXEMPT
FY 2015-16	\$48,015,287	\$47,587,694	\$427,593
FY 2016-17	\$47,629,976	\$47,197,386	\$432,590

**INFORMATIONAL FUNDS:** The FY 2016-17 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 2016-17 Appropriations containing an (I) notation	\$268,236,101	\$0	\$600,000	\$0	\$267,636,101

## DETAIL OF APPROPRIATION BY ADMINISTRATIVE SECTION

### ADMINISTRATION AND SUPPORT

This division is comprised of three subdivisions: Administration, Office of Health Equity, and Office of Planning and Partnerships.

#### (A) ADMINISTRATION

This subdivision provides department-wide administrative services including: accounting, budgeting, human resources, and purchasing. The appropriations for this subdivision include funds for expenses incurred through the provision of department-wide services, and centrally appropriated personnel line items like salary survey and health, life and dental. Funding for this subdivision is primarily from reappropriated funds from departmental indirect cost recoveries with a small amount from Medicaid reappropriated funds. This subdivision also receives appropriations from the General Fund, cash funds including the AIR subaccount of the Highway Users Tax Fund, and federal funds comprise the appropriation.

#### (B) OFFICE OF HEALTH EQUITY

This subdivision provides grants for health initiatives aimed at reducing and eliminating disparities currently existing in the provision of health services across the state. Funding for this subdivision is primarily Amendment 35 tobacco tax revenue that is transferred into the Health Disparities Grant Fund, and a small amount of General Fund for the Necessary Document Assistance Program.

#### (C) OFFICE OF PLANNING AND PARTNERSHIPS

This subdivision oversees the distribution of state funds to local public health agencies. Funding for this subdivision is a combination of General Fund, cash funds from the Tobacco Master Settlement Agreement money, and federal funds.

ADMINISTRATION AND SUPPORT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$57,970,629	\$11,080,714	\$14,553,118	\$29,996,607	\$2,340,190	89.9
SB 15-014	1,068,560	0	1,068,560	0	0	0.0
SB 15-189	(25,000)	0	0	(25,000)	0	0.0
<b>TOTAL</b>	<b>\$59,014,189</b>	<b>\$11,080,714</b>	<b>\$15,621,678</b>	<b>\$29,971,607</b>	<b>\$2,340,190</b>	<b>89.9</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$59,014,189	\$11,080,714	\$15,621,678	\$29,971,607	\$2,340,190	89.9
Centrally appropriated line items	6,785,392	514,006	728,118	(1,099,061)	6,642,329	0.0
Leave payouts increase	384,636	0	0	384,636	0	0.0
Cubicle replacement	371,818	0	0	371,818	0	0.0
Lab building maintenance and repair	370,413	0	0	370,413	0	0.0

**ADMINISTRATION AND SUPPORT**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Compliance and reporting accountant	63,827	0	0	63,827	0	1.1
Amendment 35 tobacco tax revenue adjustment	39,976	0	0	39,976	0	0.0
Tobacco Master Settlement fund balances	29,675	0	29,675	0	0	0.0
Indirect cost assessment	29,100	0	(70,900)	100,000	0	0.0
Substance abuse prevention	24,058	0	24,058	0	0	0.0
CMS final settings rule site compliance surveys	1,040	0	0	1,040	0	0.0
Office of Health Equity adjustments	0	0	(3,370,121)	3,370,121	0	0.0
Annualize prior year budget actions	(1,216,592)	(37,294)	(672,200)	(507,098)	0	0.0
Annualize prior year legislation	(1,088,024)	0	(1,088,024)	0	0	0.0
Health disparities grant fund balance	(629,101)	0	(629,101)	0	0	0.0
Tobacco Master Settlement revenue adjustment	(21,115)	0	(21,115)	0	0	0.0
<b>HB 16-1405</b>	<b>\$64,159,292</b>	<b>\$11,557,426</b>	<b>\$10,552,068</b>	<b>\$33,067,279</b>	<b>\$8,982,519</b>	<b>91.0</b>
SB 16-069	3,802	3,802	0	0	0	0.0
HB 16-1034	3,800	0	3,800	0	0	0.0
HB 16-1280	3,800	0	3,800	0	0	0.0
HB 16-1386	300,000	300,000	0	0	0	0.0
HB 16-1408	0	0	0	0	0	0.0
<b>TOTAL</b>	<b>\$64,470,694</b>	<b>\$11,861,228</b>	<b>\$10,559,668</b>	<b>\$33,067,279</b>	<b>\$8,982,519</b>	<b>91.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$5,456,505</b>	<b>\$780,514</b>	<b>(\$5,062,010)</b>	<b>\$3,095,672</b>	<b>\$6,642,329</b>	<b>1.1</b>
Percentage Change	9.2%	7.0%	(32.4%)	10.3%	283.8%	1.2%

**FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS**

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

**LEAVE PAYOUTS INCREASE:** The appropriation includes an increase of \$384,636 reappropriated funds from departmental indirect cost recoveries to the leave payouts line item.

**CUBICLE REPLACEMENT:** The appropriation includes an increase of \$371,818 reappropriated funds from departmental indirect cost recoveries to replace cubicles.

**LAB BUILDING MAINTENANCE AND REPAIR:** The appropriation includes an increase of \$370,413 reappropriated funds from departmental indirect cost recoveries to pay for maintenance and repairs at the State Laboratory Building.

**COMPLIANCE AND REPORTING ACCOUNTANT:** The appropriation includes an increase of \$63,827 reappropriated funds from departmental indirect cost recoveries and 1.1 FTE to increase staff in the Department's Accounting Office.

**AMENDMENT 35 TOBACCO TAX REVENUE ADJUSTMENT:** The appropriation includes an increase of reappropriated funds based on the Legislative Council Staff Amendment 35 revenue forecast for FY 2016-17.

**TOBACCO MASTER SETTLEMENT FUND BALANCES:** The appropriation includes an increase of \$29,675 cash funds from the Public Health Services Support Fund to appropriate uncommitted Tobacco Master Settlement revenues that would otherwise revert to the Tobacco Litigation Fund. The appropriation increases the amount of funds available for distribution to local public health agencies.

**INDIRECT COST ASSESSMENT:** The appropriation includes a net increase in the division's indirect cost assessment.

**SUBSTANCE ABUSE PREVENTION:** The appropriation includes an increase of \$24,058 cash funds from the Marijuana Tax Cash Fund for the centrally appropriated costs associated with the 4.5 FTE added to the Prevention Services Division for the issuance of grants through the Communities that Care Model to 45 communities across the state.

**CMS FINAL SETTINGS RULE SITE COMPLIANCE SURVEYS:** The appropriation includes an increase of \$1,040 reappropriated funds for the vehicle costs associated with the 5.4 FTE added to the Health Facilities and Emergency Medical Services Division to conduct site surveys of home- and community-based service providers to determine provider compliance with the Centers for Medicare and Medicaid Services (CMS) final settings rule.

**OFFICE OF HEALTH EQUITY ADJUSTMENTS:** The appropriation includes a net zero adjustment from cash funds to reappropriated funds to correctly reflect funds reappropriated from the Prevention Services Division to the Office of Health Equity.

**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 2015-16 appropriation including:

- Annualization of the FY 2015-16 salary survey and merit pay;
- An increase of \$28,144 cash funds for the cost of vehicles added for FTE added through prior year decision items;
- A reduction of \$240,000 reappropriated funds for FY 2015-16 information technology costs; and
- A reduction of \$25,178 General Fund for legal services associated with the now-closed Toxicology Unit in the State Laboratory.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes a reduction of \$1,088,024 cash funds for the second- and third-year impact of legislation. The primary change is the elimination of a one-time appropriation of \$1,068,560 cash funds provided in S.B. 15-014 (Medical Marijuana).

**HEALTH DISPARITIES GRANT FUND BALANCE:** The appropriation includes a decrease of \$629,101 cash funds from the Health Disparities Grant Fund balance based on funds available for grants in FY 2016-17.

**TOBACCO MASTER SETTLEMENT REVENUE ADJUSTMENT:** The appropriation includes a reduction based on the Legislative Council Staff FY 2016-17 Tobacco Master Settlement revenue projection.

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

## CENTER FOR HEALTH AND ENVIRONMENTAL INFORMATION

This division is comprised of four subdivisions including: Administration, Health Statistics and Vital Records, Medical Marijuana Registry, and Health Data Programs and Information.

### (A) ADMINISTRATION

This subdivision provides division-wide services to the three programs within this division. Funding for this subdivision is from General Fund, cash funds from the Vital Statistics Records Cash Funds, and departmental indirect cost recoveries.

### (B) HEALTH STATISTICS AND VITAL RECORDS

This subdivision is responsible for the maintenance of Colorado birth, death, marriage, divorce, and other vital records-related certificates. 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. Division staff provide training on vital records rules, regulations and statutes to individuals and local public health agencies. Data users include the Center for Disease Control, local public health agencies, and epidemiologists. This subdivision is primarily funded with cash funds from the Vital Statistic Records Cash Funds and federal funds.

### (C) MEDICAL MARIJUANA REGISTRY

This subdivision serves as the state database for all individuals who have satisfied the medical requirements to use medical marijuana and have paid the Medical Marijuana Registry fee. The Medical Marijuana Registry is entirely cash funded by the Medical Marijuana Program Cash Fund.

### (D) HEALTH DATA PROGRAMS AND INFORMATION

This subdivision houses a number of the Department's health data programs which gather health data and survey information including the Cancer Registry, Birth Defects Monitoring Program, the funding to connect a number of the health data systems with the statewide Health Information Exchange, and funding for Local Public Health Agencies to build electronic health records which can communicate with the Health Information Exchange. Funding for this subdivision consists of General Fund, Vital Statistics Records Cash Fund, and federal funds.

CENTER FOR HEALTH AND ENVIRONMENTAL DATA						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$14,156,935	\$2,953,573	\$6,026,927	\$5,887	\$5,170,548	99.3
HB 15-1281	32,386	0	32,386	0	0	0.2
HB 16-1247	190,000	0	190,000	0	0	0.0
<b>TOTAL</b>	<b>\$14,379,321</b>	<b>\$2,953,573</b>	<b>\$6,249,313</b>	<b>\$5,887</b>	<b>\$5,170,548</b>	<b>99.5</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$14,379,321	\$2,953,573	\$6,249,313	\$5,887	\$5,170,548	99.5
Health survey data collection	238,000	0	238,000	0	0	0.0
Informational funds adjustment	159,270	0	0	0	159,270	0.0
Medical marijuana fund balance	(700,000)	0	(700,000)	0	0	(6.6)
Annualize prior year budget actions	(607,611)	(663,824)	56,213	0	0	0.0
Necessary document assistance program	(300,000)	(300,000)	0	0	0	0.0
Indirect cost assessment	(134,300)	0	(134,300)	0	0	0.0
Annualize prior year legislation	(15,000)	0	(15,000)	0	0	0.0
<b>HB 16-1405</b>	<b>\$13,019,680</b>	<b>\$1,989,749</b>	<b>\$5,694,226</b>	<b>\$5,887</b>	<b>\$5,329,818</b>	<b>92.9</b>
<b>TOTAL</b>	<b>\$13,019,680</b>	<b>\$1,989,749</b>	<b>\$5,694,226</b>	<b>\$5,887</b>	<b>\$5,329,818</b>	<b>92.9</b>

**CENTER FOR HEALTH AND ENVIRONMENTAL DATA**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>INCREASE/(DECREASE)</b>	(\$1,359,641)	(\$963,824)	(\$555,087)	\$0	\$159,270	(6.6)
Percentage Change	(9.5%)	(32.6%)	(8.9%)	0.0%	3.1%	(6.6%)

**FY 2015-16 APPROPRIATION - MID-YEAR ADJUSTMENTS**

House Bill 16-1247 modifies the FY 2015-16 appropriation to add \$190,000 cash funds related to one-time costs of the Electronic Death Registration System developed pursuant to H.B. 12-1041.

**FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS**

**HEALTH SURVEY DATA COLLECTION:** The appropriation includes an increase of \$238,000 cash funds from the Marijuana Tax Cash Fund to comply with the requirements of S.B. 13-283 (Amendment 64 Consensus Recommendations), which requires the Department to monitor the health effects of marijuana and to collect the data on a county level.

**INFORMATIONAL FUNDS ADJUSTMENT:** The appropriation includes an increase of \$159,270 federal funds reflected for informational purposes only.

**MEDICAL MARIJUANA FUND BALANCE:** The appropriation includes a reduction of \$700,000 cash funds from the Medical Marijuana Program Cash Fund and 6.6 FTE based on funds available for expenditure in FY 2016-17.

**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 2015-16 appropriation including:

- Annualization of the FY 2015-16 salary survey and merit pay; and
- A reduction of \$665,471 General Fund for the third year cost of electronic health record systems for local public health agencies.

**NECESSARY DOCUMENT ASSISTANCE PROGRAM:** The appropriation includes a reduction of \$300,000 General Fund to eliminate funding for the Necessary Document Assistance Program.

**INDIRECT COST ASSESSMENT:** The appropriation includes a net decrease in the division's indirect cost assessment.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes a reduction of \$15,000 cash funds for the second-year impact of H.B. 15-1281 (Newborn Heart Defect Screening).

**LABORATORY SERVICES**

This division is comprised of the following three sections:

**THE DIRECTOR'S OFFICE**

The Office provides managerial and administrative support for the Division. Funding for the Office is from the General Fund; cash funds including the Laboratory Cash Fund, Newborn Screening and Genetics Counseling Cash Funds, and the Law Enforcement Assistance Cash Fund; divisional reappropriated funds; and federal funds.

## THE CHEMISTRY AND MICROBIOLOGY SECTION

This section performs the following activities: analyzing blood and tissue specimens, testing for newborn genetic disorders, diagnostic testing for bacterial diseases, analysis for disease outbreaks, and water and environmental testing. Funding for this section is from the General Fund, cash funds from the Laboratory Cash Fund, the Newborn Screening and Genetics Counseling Cash Funds, and the Marijuana Tax Cash Fund; and federal funds. Prior to FY 2016-17 the reappropriated funds were from the Marijuana Tax Cash Fund via the Department of Revenue.

## THE CERTIFICATION SECTION

This section certifies private medical laboratories, environmental laboratories, including water testing laboratories, on-site dairy laboratories, and the state and local law enforcement breath-alcohol testing devices (intoxilyzers) throughout the state. This section is also responsible for surveying private marijuana testing laboratories and making certification recommendations to the Department of Revenue. Funding for this section is from the Law Enforcement Assistance Cash Fund, the Laboratory Cash Fund, and federal funds.

LABORATORY SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$13,631,327	\$1,105,216	\$8,538,891	\$647,020	\$3,340,200	76.8
HB 15-1283	23,850	0	23,850	0	0	0.2
HB 16-1247	(468,149)	0	(468,149)	0	0	(1.0)
HB 16-1405	31,669	0	31,669	0	0	0.3
<b>TOTAL</b>	<b>\$13,218,697</b>	<b>\$1,105,216</b>	<b>\$8,126,261</b>	<b>\$647,020</b>	<b>\$3,340,200</b>	<b>76.3</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$13,218,697	\$1,105,216	\$8,126,261	\$647,020	\$3,340,200	76.3
Indirect cost assessment	118,900	0	118,900	0	0	0.0
Informational funds adjustment	106,057	0	0	0	106,057	0.0
Annualize prior year budget actions	57,016	14,861	42,155	0	0	0.0
Marijuana lab proficiency testing	47,330	0	47,330	0	0	0.7
Annualize prior year legislation	0	0	176,292	(176,292)	0	0.0
Pompe testing reduction	(6,797)	0	(6,797)	0	0	0.0
<b>HB 16-1405</b>	<b>\$13,541,203</b>	<b>\$1,120,077</b>	<b>\$8,504,141</b>	<b>\$470,728</b>	<b>\$3,446,257</b>	<b>77.0</b>
<b>TOTAL</b>	<b>\$13,541,203</b>	<b>\$1,120,077</b>	<b>\$8,504,141</b>	<b>\$470,728</b>	<b>\$3,446,257</b>	<b>77.0</b>
<b>INCREASE/(DECREASE)</b>	\$322,506	\$14,861	\$377,880	(\$176,292)	\$106,057	0.7
Percentage Change	2.4%	1.3%	4.7%	(27.2%)	3.2%	0.9%

## FY 2015-16 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 16-1247 and H.B. 16-1405 modify FY 2015-16 appropriations to:

- Add \$15,000 cash funds from the Marijuana Tax Cash Fund for laboratory services that will be transferred to the Department of Agriculture for cannabinoid content and homogeneity testing on marijuana flowers;
- Reduce \$483,149 cash funds from the Newborn Screening and Genetic Counseling Cash Fund and 1.0 FTE to eliminate funding that was provided to add the Pompe disorder to the newborn screening panel as a result of state revenue constraints and uncertainty about the available revenues in the Newborn Screening and Genetic Counseling Cash Fund; and
- Add \$31,669 cash funds from the Marijuana Tax Cash Fund and 0.3 FTE for the marijuana testing reference library and development and implementation of a marijuana proficiency testing program.

## FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

**INDIRECT COST ASSESSMENT:** The appropriation includes a net increase in the division's indirect cost assessment.

**INFORMATIONAL FUNDS ADJUSTMENT:** The appropriation includes a net increase of \$106,057 federal funds reflected for informational purposes only.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes an increase to reflect the annualization of the FY 2015-16 salary survey and merit pay.

**MARIJUANA LAB PROFICIENCY TESTING:** The appropriation includes an increase of \$47,330 cash funds from the Marijuana Tax Cash Fund and 0.7 FTE for the Department to continue work on the marijuana testing reference library and to develop and implement a marijuana proficiency testing program.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes a net zero funds source adjustment for the second-year impact of H.B. 15-1283 (Marijuana Reference Library and Lab Testing Access).

**POMPE TESTING REDUCTION:** The appropriation includes a decrease of \$6,797 cash funds from the Newborn Screening and Genetic Counseling Cash Fund to remove the second year costs that would have been incurred if the Pompe disorder was added to the newborn screening panel in FY 2015-16.

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### AIR POLLUTION CONTROL DIVISION

This division is comprised of four subdivisions: Administration, Technical Services, Mobile Sources, and Stationary Sources.

#### (A) ADMINISTRATION

This subdivision provides administrative support to the Air Quality Control Commission and manages the implementation of air programs by the other subdivisions. This division is funded by cash funds including the Stationary Sources Control Fund and federal funds.

#### (B) TECHNICAL SERVICES

This subdivision is responsible for measuring Colorado's air quality, compliance with the National Ambient Air Quality Standards, and the issuance of air quality forecasts and advisories. The subdivision houses three distinct programs: Air Quality Monitoring; Modeling and Analysis; and Visibility and Risk Assessment. Funding for this subdivision is from cash funds including the Department's subaccount of the Highway Users Tax Cash Fund, the Stationary Sources Control Fund, and federal funds.

#### (C) MOBILE SOURCES

This subdivision is comprised of the Research and Support Program which contains four subprograms: (1) the High Altitude Testing Program, (2) the Oxygenated Fuel Program, (3) the Clean Fuel Fleet Program, and (4) the Inspection and Maintenance Program. The Inspection and Maintenance Program works to reduce motor vehicle-related pollution through the inspection and emissions-related repair of motor vehicles. Emissions testing of gas and diesel powered vehicles are required when registering, renewing, or selling vehicles within the program areas along Colorado's Front Range. Funding for this subdivision is primarily from the Department's subaccount of the Highway Users Tax Fund and a small amount from federal funds.

**(D) STATIONARY SOURCES**

This subdivision is responsible for controlling and reducing air pollutants from stationary sources (i.e., factories, power plants, wood stoves, etc.) through permits, monitoring, and inspections of stationary sources that emit air pollutants. The subdivision houses the following three programs: the Inventory and Support Services Program, the Permits and Compliance Assurance Program, and the Hazardous and Toxic Control Program. Division staff permit, monitor, and inspect stationary source air pollution emitters. The majority of funding for this subdivision is the Stationary Sources Control Cash Fund and a small amount of federal funds.

AIR POLLUTION CONTROL DIVISION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$24,533,595	\$94,298	\$19,948,088	\$0	\$4,491,209	181.8
<b>TOTAL</b>	<b>\$24,533,595</b>	<b>\$94,298</b>	<b>\$19,948,088</b>	<b>\$0</b>	<b>\$4,491,209</b>	<b>181.8</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$24,533,595	\$94,298	\$19,948,088	\$0	\$4,491,209	181.8
Informational funds adjustment	210,419	0	0	0	210,419	0.0
Oil and gas data analysis	209,072	0	209,072	0	0	0.0
Indirect cost assessment	158,100	0	158,100	0	0	0.0
Technical services base adjustment	9,430	9,430	0	0	0	0.0
Annualize prior year budget actions	(438,333)	0	(438,333)	0	0	0.0
Stationary sources reduction	(111,652)	0	(111,652)	0	0	0.0
Base adjustments	(38,853)	0	(38,853)	0	0	0.0
<b>HB 16-1405</b>	<b>\$24,531,778</b>	<b>\$103,728</b>	<b>\$19,726,422</b>	<b>\$0</b>	<b>\$4,701,628</b>	<b>181.8</b>
<b>TOTAL</b>	<b>\$24,531,778</b>	<b>\$103,728</b>	<b>\$19,726,422</b>	<b>\$0</b>	<b>\$4,701,628</b>	<b>181.8</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$1,817)</b>	<b>\$9,430</b>	<b>(\$221,666)</b>	<b>\$0</b>	<b>\$210,419</b>	<b>0.0</b>
Percentage Change	(0.0%)	10.0%	(1.1%)	n/a	4.7%	0.0%

**FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS**

**INFORMATIONAL FUNDS ADJUSTMENT:** The appropriation includes a net increase of \$210,419 federal funds reflected for informational purposes only.

**OIL AND GAS DATA ANALYSIS:** The appropriation includes an increase of \$209,072 cash funds from the Stationary Sources Control Fund for the data analysis of oil and gas data collected through the Air Quality Dispersion Study and Garfield County Study.

**INDIRECT COST ASSESSMENT:** The appropriation includes a net increase in the division's indirect cost assessment.

**TECHNICAL SERVICES BASE ADJUSTMENT:** The appropriation includes an increase of \$9,430 General Fund to fund the remaining contract for data analysis of the Front Range Air Pollution and Photochemistry Experiment.

**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 2015-16 appropriation including:

- Annualization of the FY 2015-16 salary survey and merit pay;
- A reduction of \$331,762 cash funds for the completion of the Air Quality Dispersion Study in FY 2015-16;
- A reduction of \$274,703 cash funds for one-time costs of implementation Oil and Gas Task Force recommendations; and
- A reduction of \$55,080 cash funds to eliminate one-time operating costs for new FTE added in FY 2015-16.

**STATIONARY SOURCES REDUCTION:** The appropriation includes a decrease of \$111,652 cash funds from the Stationary Sources Control Program related to implementation costs of the federal Clean Power Plan.

**BASE ADJUSTMENTS:** The appropriation includes a reduction of \$38,853 cash funds for the Stationary Sources Program local contracts based on recent actual expenditures of these funds.

## WATER QUALITY CONTROL DIVISION

This division is comprised of three subdivisions: Administration, Clean Water Program, and Drinking Water Program.

### (A) ADMINISTRATION

This subdivision provides management and support staff for the Water Quality Control Commission, clerical support for other subdivisions, and maintains a centralized records system for the Division. This subdivision is responsible for training and certifying the operators of all water and wastewater treatment facilities in the state. Funding for this subdivision is from General Fund, various division cash funds including the Water Quality Control Fund and the Drinking Water Fund, and federal funds.

### (B) CLEAN WATER SECTORS

This subdivision is responsible for issuing discharge permits, monitoring compliance with permits, conducting inspections, providing technical assistance, and as necessary, pursuing enforcement actions permitting and compliance assurance program for the six industry sectors. The sectors are construction, commerce and industry, municipal separate storm sewer systems, pesticides, public and private utilities, water quality certification. Funding for the Sectors is from General Fund, cash funds from the sector specific cash funds, and federal funds.

### (C) Clean Water Program

This subdivision funds grants and contracts primarily to local governments for the Non-Point Source Program and the Water Quality Improvement Program. Funding for this subdivision is from the General Fund, the Water Quality Improvement Fund, reappropriated funds from the Department of Agriculture, and federal funds.

### (D) DRINKING WATER PROGRAM

This subdivision is established under the federal Safe Drinking Water Act and implements measures to ensure that public water systems throughout Colorado provide safe drinking water for Colorado citizens. Funding for this subdivision is from the General Fund, the Drinking Water Cash Fund, and federal funds.

WATER QUALITY CONTROL DIVISION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$24,842,403	\$4,301,973	\$5,397,302	\$39,673	\$15,103,455	173.4
HB 15-1249	1,868	(17,600)	19,468	0	0	0.0
<b>TOTAL</b>	<b>\$24,844,271</b>	<b>\$4,284,373</b>	<b>\$5,416,770</b>	<b>\$39,673</b>	<b>\$15,103,455</b>	<b>173.4</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$24,844,271	\$4,284,373	\$5,416,770	\$39,673	\$15,103,455	173.4
Annualize prior year legislation	803,945	0	803,945	0	0	5.0
Annualize prior year budget actions	631,983	66,850	640,492	0	(75,359)	0.0
Indirect cost assessment	172,215	0	172,215	0	0	0.0
Informational funds adjustment	166,431	0	0	0	166,431	0.0
Clean water sectors adjustment	(2,323,998)	(245,457)	(962,550)	0	(1,115,991)	0.0

WATER QUALITY CONTROL DIVISION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>HB 16-1405</b>	<b>\$24,294,847</b>	<b>\$4,105,766</b>	<b>\$6,070,872</b>	<b>\$39,673</b>	<b>\$14,078,536</b>	<b>178.4</b>
HB 16-1413	1,208,007	1,208,007	0	0	0	0.0
<b>TOTAL</b>	<b>\$25,502,854</b>	<b>\$5,313,773</b>	<b>\$6,070,872</b>	<b>\$39,673</b>	<b>\$14,078,536</b>	<b>178.4</b>
<b>INCREASE/(DECREASE)</b>	\$658,583	\$1,029,400	\$654,102	\$0	(\$1,024,919)	5.0
Percentage Change	2.7%	24.0%	12.1%	0.0%	(6.8%)	2.9%

## FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes an increase of \$803,945 cash funds for the second-year impact of H.B. 15-1249 (Recodify Water Pollution Fees).

**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 2015-16 appropriation including:

- Annualization of the FY 2015-16 salary survey and merit pay;
- An increase \$600,000 cash funds for water quality improvement grants that were moved from the capital construction section of the Long Bill; and
- A reduction of \$245,457 General Fund offset by an increase of \$245,457 cash funds to eliminate a one-time General Fund subsidy for the clean water sectors provided in FY 2015-16.

**INDIRECT COST ASSESSMENT:** The appropriation includes a net increase in the division's indirect cost assessment.

**INFORMATIONAL FUNDS ADJUSTMENT:** The appropriation includes a net increase of \$166,431 to federal funds reflected for informational purposes only.

**CLEAN WATER SECTORS ADJUSTMENT:** The appropriation includes a decrease of \$2,323,998 total funds based on the elimination of a one-time General Fund subsidy in FY 2015-16 and available cash fund revenues and federal funds.

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

## HAZARDOUS MATERIALS AND WASTE MANAGEMENT DIVISION

This division is comprised of six subdivisions: Administration, Hazardous Waste Control Program, Solid Waste Control Program, Contaminated Site Cleanups and Remediation Programs, Radiation Management, and the Waste Tire Program.

### (A) ADMINISTRATION

This subdivision provides division-wide administrative and management support services. Funding for this subdivision is from divisional cash funds including the Hazardous Substance Response Fund, reappropriated funds from the Department of Local Affairs, and federal funds.

#### (B) HAZARDOUS WASTE CONTROL PROGRAM

This subdivision has four primary responsibilities: permitting, compliance assurance, corrective action, and compliance assistance. This program monitors compliance and enforces hazardous waste regulations over 500 large-quantity hazardous waste generators, 3,000 small generators, hazardous waste transporters, and 50 hazardous waste treatment, storage and disposal facilities. Funding for this subdivision is from the Hazardous Waste Service Fee and Illegal Drug Laboratory Funds, and federal funds.

#### (C) SOLID WASTE CONTROL PROGRAM

This subdivision is responsible for the regulation of all solid waste management facilities in Colorado, including landfills, composting facilities, recycling facilities, transfer facilities, certain types of waste surface impoundments, asbestos waste facilities, solid waste incinerators, and medical waste facilities. Funding for this subdivision is from cash funds, including the Solid Waste Management Fund and the Radiation Control Fund.

#### (D) CONTAMINATED SITE CLEANUPS AND REMEDIATION PROGRAMS

This subdivision is comprised of the following programs and is funded primarily from the Hazardous Substance Response Fund and federal funds.

- The Superfund Program works with the Environmental Protection Agency as either the lead agency or support agency in the review and implementation of cleanup plans and oversight of the cleanup work at superfund sites. Funding for cleanup of the Rocky Mountain Arsenal superfund site is included in this program.
- 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.
- The Rocky Flats Program is responsible for monitoring long-term operations and maintenance of continuing remedy components (i.e., ground water cleanups, and landfill caps), and closing out the administrative aspects of the regulatory process for site remediation.

#### (E) RADIATION MANAGEMENT

This subdivision provides regulatory services for radioactive materials through the review of license applications and inspections of facilities; administration of contract services with local public health agencies for indoor radon testing, prevention, and education; and monitoring low-level radioactive waste producers by ensuring proper and economically sound disposal. Funding for this subdivision is primarily from the Radiation Control Fund and federal funds.

#### (F) WASTE TIRE PROGRAM

This subdivision is responsible for regulating the reuse and disposal of waste tires including: regulation of waste tire haulers and facilities that generate, collect, store, process and/or use waste tires; awarding grants to local agencies for equipment, training and other activities related to prevention and response to waste tire fires; developing initiatives designed to encourage the disposal, recycling or reuse of illegally dumped tires and the recycling or reuse of waste tires; and payment of rebates to waste tire end users. Funding for this subdivision is from the three cash funds credited with revenue from the \$1.50 fee on waste tires.

**HAZARDOUS MATERIALS AND WASTE MANAGEMENT DIVISION**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$31,921,452	\$0	\$21,573,770	\$285,319	\$10,062,363	115.2
<b>TOTAL</b>	<b>\$31,921,452</b>	<b>\$0</b>	<b>\$21,573,770</b>	<b>\$285,319</b>	<b>\$10,062,363</b>	<b>115.2</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$31,921,452	\$0	\$21,573,770	\$285,319	\$10,062,363	115.2
Waste tire cash funds balances	3,339,759	0	3,339,759	0	0	0.0
Indirect cost assessment	147,700	0	147,700	0	0	0.0
Waste tire revenue adjustment	17,325	0	17,325	0	0	0.0
Long Bill adjustments	0	0	0	0	0	0.0
Informational funds adjustment	(2,050,179)	0	0	0	(2,050,179)	0.0
Base adjustments	(676,113)	0	(676,113)	0	0	0.0
Annualize prior year budget actions	(316,665)	0	(319,390)	2,725	0	0.0
Centrally appropriated line items	(306,858)	0	(211,428)	0	(95,430)	0.0
<b>HB 16-1405</b>	<b>\$32,076,421</b>	<b>\$0</b>	<b>\$23,871,623</b>	<b>\$288,044</b>	<b>\$7,916,754</b>	<b>115.2</b>
HB 16-1141	199,456	0	199,456	0	0	0.8
<b>TOTAL</b>	<b>\$32,275,877</b>	<b>\$0</b>	<b>\$24,071,079</b>	<b>\$288,044</b>	<b>\$7,916,754</b>	<b>116.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$354,425</b>	<b>\$0</b>	<b>\$2,497,309</b>	<b>\$2,725</b>	<b>(\$2,145,609)</b>	<b>0.8</b>
Percentage Change	1.1%	n/a	11.6%	1.0%	(21.3%)	0.7%

**FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS**

**WASTE TIRE CASH FUNDS BALANCES:** The appropriation includes an increase of \$3,339,759 cash funds from the three waste tire funds to appropriate the uncommitted fund balances in those funds to the Waste Tire Program line items (Waste Tire Administration, Market Development, and End User Rebates). The primary reason for the large uncommitted fund balance is due to a lower rebate amount than could have been paid for calendar year 2015 from the End User Fund pursuant to H.B. 14-1352 (Update Waste Tire Management System).

**INDIRECT COST ASSESSMENT:** The appropriation includes a net increase in the division's indirect cost assessment.

**WASTE TIRE REVENUE ADJUSTMENT:** The appropriation includes an increase of \$17,325 based on the projected amount of waste tire revenue for FY 2016-17.

**LONG BILL ADJUSTMENTS:** The appropriation includes a number of net zero funding adjustments to the Long Bill structure to align the Long Bill appropriations with programmatic responsibilities.

**INFORMATIONAL FUNDS ADJUSTMENT:** The appropriation includes a net reduction of \$2,050,179 to federal funds reflected for informational purposes only.

**BASE ADJUSTMENTS:** The appropriation includes a decrease of \$676,113 cash funds to adjust the base-level appropriation for several programs based on an analysis of prior-year expenditures versus prior-year appropriations.

**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 2015-16 appropriation including:

- Annualization of the FY 2015-16 salary survey and merit pay;
- A reduction of \$231,000 cash funds for the one-time costs associated with the solid waste study; and
- A reduction of \$198,500 cash funds for out-year costs associated with the regulatory oversight of the commissioning and decommissioning of uranium mill mines.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to the centrally appropriated line item for legal services specific to this division.

**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 enforcing sanitation standards to prevent and control diseases transmitted by food and insects; eliminating unsanitary conditions in public accommodations; and preventing injuries to persons using potentially dangerous consumer products. The Division has responsibility for the following programs:

- 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.
- Other regulatory responsibilities include inspecting tanning facilities and responding to complaints about hotels, motels, mobile home park operators, and camp ground operators.

This division is funded by General Fund, cash funds, reappropriated funds, and federal funds. The major sources of cash funds are from license fees for businesses, such as retail and wholesale food licenses. Reappropriated funds are from the Departments of Corrections and Human Services for the inspection of institutions and child care facilities.

DIVISION OF ENVIRONMENTAL HEALTH AND SUSTAINABILITY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$8,376,314	\$1,526,764	\$5,298,896	\$109,345	\$1,441,309	44.1
HB 15-1102	120,982	120,982	0	0	0	1.4
<b>TOTAL</b>	<b>\$8,497,296</b>	<b>\$1,647,746</b>	<b>\$5,298,896</b>	<b>\$109,345</b>	<b>\$1,441,309</b>	<b>45.5</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$8,497,296	\$1,647,746	\$5,298,896	\$109,345	\$1,441,309	45.5
Recycling resources economic opportunity fund balance	2,000,000	0	2,000,000	0	0	0.0
Indirect cost assessment	92,900	0	92,900	0	0	0.0
Annualize prior year budget actions	(50,024)	15,855	(66,628)	749	0	0.0
Annualize prior year legislation	(31,505)	(31,505)	0	0	0	(0.2)
<b>HB 16-1405</b>	<b>\$10,508,667</b>	<b>\$1,632,096</b>	<b>\$7,325,168</b>	<b>\$110,094</b>	<b>\$1,441,309</b>	<b>45.3</b>
<b>TOTAL</b>	<b>\$10,508,667</b>	<b>\$1,632,096</b>	<b>\$7,325,168</b>	<b>\$110,094</b>	<b>\$1,441,309</b>	<b>45.3</b>

**DIVISION OF ENVIRONMENTAL HEALTH AND SUSTAINABILITY**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>INCREASE/(DECREASE)</b>	\$2,011,371	(\$15,650)	\$2,026,272	\$749	\$0	(0.2)
Percentage Change	23.7%	(0.9%)	38.2%	0.7%	0.0%	(0.4%)

**FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS**

**RECYCLING RESOURCES ECONOMIC OPPORTUNITY FUND BALANCE:** The appropriation includes an increase of \$2,000,000 cash funds from the Recycling Resources Economic Opportunity Fund to appropriate the uncommitted fund balance to the Recycling Resources Economic Opportunity Program line item. The uncommitted fund balance is due to a statutory fee increase without an associated increase in spending authority.

**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 2015-16 appropriation including:

- Annualization of the FY 2015-16 salary survey and merit pay; and
- A reduction of \$98,479 cash funds for one-time costs associated with additions to the Wholesale Food Inspection Program.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes a reduction of \$31,505 General Fund for the second-year impact of H.B. 15-1102 (Cottage Foods Act Expansion).

**DISEASE CONTROL AND ENVIRONMENTAL EPIDEMIOLOGY DIVISION**

This division is comprised of three subdivisions: Administration, General Disease Control, and Surveillance; Special Purpose Disease Control Programs; and Environmental Epidemiology.

**(A) ADMINISTRATION, GENERAL DISEASE CONTROL AND SURVEILLANCE**

This subdivision has three areas of responsibility: (1) provision of division-wide administration and support, (2) maintaining and monitoring the disease-monitoring network, and (3) operation of the Immunization Program. This subdivision is funded by General Fund, cash funds from the Tobacco Master Settlement Agreement, and federal funds. The Immunization Program consists of the following:

- The Immunization Outreach Program provides free immunization clinics around the state.
- The Colorado Immunization Information System houses immunization records, allowing health care providers to easily check a child's immunization status during a health care visit. This helps to ensure that a child is up-to-date on their immunizations and is not over-immunized. The system can also send reminders to parents of children who are not up-to-date on their immunizations.
- The Immunization Program also provides grants to local public health agencies for the operation of immunization clinics.

## (B) SPECIAL PURPOSE DISEASE CONTROL PROGRAMS

This subdivision is responsible for disease control programs which are designed to control and prevent certain communicable diseases including: sexually transmitted infections; HIV and AIDS; and tuberculosis. This subdivision is funded by General Fund, cash funds from the Tobacco Master Settlement Agreement, and federal funds.

## (C) ENVIRONMENTAL EPIDEMIOLOGY

This subdivision houses the Cannabis Health Environmental and Epidemiology Training, Outreach, and Surveillance Program which is responsible for researching the health impacts of marijuana use. Additionally within this subdivision starting in FY 2016-17 is funding for retail marijuana health research grants and data analysis of data collection relating to oil and gas operations. Funding for this subdivision is from the Oil and Gas Conservation and Environmental Response Fund, the Marijuana Tax Cash Fund, and federal funds.

DISEASE CONTROL AND ENVIRONMENTAL EPIDEMIOLOGY DIVISION						
	TOTAL FUNDS	GENERAL FUND <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$97,882,802	\$7,091,978	\$7,526,328	\$0	\$83,264,496	143.8
SB 15-247	863,033	0	863,033	0	0	0.0
HB 15-1232	23,736	23,736	0	0	0	0.4
<b>TOTAL</b>	<b>\$98,769,571</b>	<b>\$7,115,714</b>	<b>\$8,389,361</b>	<b>\$0</b>	<b>\$83,264,496</b>	<b>144.2</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$98,769,571	\$7,115,714	\$8,389,361	\$0	\$83,264,496	144.2
Retail marijuana health research grants	343,622	0	343,622	0	0	0.3
Oil and gas data analysis	209,072	0	0	209,072	0	0.2
Long Bill adjustments	75,000	75,000	0	0	0	1.0
Tobacco Master Settlement fund balances	30,821	0	30,821	0	0	0.0
Amendment 35 tobacco tax revenue adjustment	9,994	4,997	4,997	0	0	0.0
Informational funds adjustment	(1,959,538)	0	0	0	(1,959,538)	0.0
Annualize prior year budget actions	(498,812)	(436,665)	(62,147)	0	0	(0.6)
Annualize prior year legislation	(274,902)	(11,869)	(263,033)	0	0	(0.2)
Tobacco Master Settlement revenue adjustment	(71,501)	0	(71,501)	0	0	0.0
Indirect cost assessment	(51,200)	0	(51,200)	0	0	0.0
Base adjustments	(7,008)	0	(7,008)	0	0	0.0
<b>HB 16-1405</b>	<b>\$96,575,119</b>	<b>\$6,747,177</b>	<b>\$8,313,912</b>	<b>\$209,072</b>	<b>\$81,304,958</b>	<b>144.9</b>
HB 16-1408	3,808,149	0	3,808,149	0	0	0.0
<b>TOTAL</b>	<b>\$100,383,268</b>	<b>\$6,747,177</b>	<b>\$12,122,061</b>	<b>\$209,072</b>	<b>\$81,304,958</b>	<b>144.9</b>
<b>INCREASE/(DECREASE)</b>	<b>\$1,613,697</b>	<b>(\$368,537)</b>	<b>\$3,732,700</b>	<b>\$209,072</b>	<b>(\$1,959,538)</b>	<b>0.7</b>
Percentage Change	1.6%	(5.2%)	44.5%	n/a	(2.4%)	0.5%

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

## FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

**RETAIL MARIJUANA HEALTH RESEARCH GRANTS:** The appropriation includes an increase of \$343,622 cash funds from the Marijuana Tax Cash Fund and 0.3 FTE to issue grants for research on the health effects of retail marijuana using the existing infrastructure of the Medical Marijuana Research Program.

**OIL AND GAS DATA ANALYSIS:** The appropriation includes an increase of \$209,072 reappropriated funds from cash funds from the Stationary Sources Control Fund and 0.2 FTE for analysis of oil and gas data collected through the Air Quality Dispersion Study and Garfield County Study.

**LONG BILL ADJUSTMENTS:** The appropriation includes an increase of \$75,000 General Fund and 1.0 FTE to align the Long Bill appropriation with programmatic responsibilities. The increase is offset by a corresponding reduction to the Health Facilities and Emergency Medical Services Division.

**TOBACCO MASTER SETTLEMENT FUND BALANCES:** The appropriation includes an increase of \$30,821 cash funds from the Drug Assistance Program Fund and the AIDS and HIV Prevention Fund to appropriate uncommitted Tobacco Master Settlement revenues that would otherwise revert to the Tobacco Litigation Fund. The appropriation increases are to the Ryan White Operating Expenses line item from the Drug Assistance Program Fund and the AIDS and HIV Operating Expenses line item from the AIDS and HIV Prevention Fund.

**AMENDMENT 35 TOBACCO TAX REVENUE ADJUSTMENT:** The appropriation includes an increase of cash funds based on the Legislative Council Staff Amendment 35 revenue forecast for FY 2016-17.

**INFORMATIONAL FUNDS ADJUSTMENT:** The appropriation includes a net reduction of \$1,959,538 federal funds reflected for informational purposes only.

**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 2015-16 appropriation including:

- Annualization of the FY 2015-16 salary survey and merit pay;
- A reduction of \$396,761 General Fund and an increase of 0.4 FTE for one-time increases to the Immunization Program; and
- A reduction of \$71,609 General Fund and 1.0 FTE based on no longer requiring staff for the development of a vaccine purchasing program for the Children's Health Plan Plus Program.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes a reduction of \$274,902 total funds for the second-year impact of legislation. The primary change is the elimination of \$263,033 cash funds appropriated for one-time purposes in S.B. 15-247 (Tobacco Settlement Funded Drug Assistance Program).

**TOBACCO MASTER SETTLEMENT REVENUE ADJUSTMENT:** The appropriation includes a reduction based on the Legislative Council Staff FY 2016-17 Tobacco Master Settlement revenue projection.

**INDIRECT COST ASSESSMENT:** The appropriation includes a net decrease in the division's indirect cost assessment.

**BASE ADJUSTMENTS:** The appropriation includes a decrease of \$7,008 cash funds to adjust the appropriation for several programs based on an analysis of prior-year expenditures versus prior-year appropriations.

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

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## PREVENTION SERVICES DIVISION

This division is comprised of the following five subdivisions: Administration, Chronic Disease Prevention Programs, Primary Care Office, Family and Community Health, and Nutrition Services.

### (A) ADMINISTRATION

This subdivision provides administrative services to the other division programs. Funding for this subdivision is from the General Fund, various division cash funds, and federal funds.

## (B) CHRONIC DISEASE PREVENTION PROGRAMS

This subdivision provides target prevention services for specific chronic diseases including: breast and cervical cancer, lung cancer, and cardiovascular and chronic pulmonary disease. This subdivision also includes oral health programs and tobacco cessation, education, and prevention programs. Funding for this subdivision includes the Prevention, Early Detection Treatment Fund and the Tobacco Education Programs Fund which receive revenue from the Amendment 35 tobacco tax; Medicaid reappropriated funds, and federal funds.

## (C) PRIMARY CARE OFFICE

This subdivision assesses the need for primary health care professionals in various parts of the state and directs incentives to qualified professionals and clinics willing to serve in areas that are short of providers. Funding for this subdivision includes General Fund, cash funds from the Tobacco Master Settlement Agreement, and federal funds.

## (D) FAMILY AND COMMUNITY HEALTH

This subdivision includes the following three program areas: (1) Women's Health Programs, (2) Children and Youth Programs, and (3) Injury, Suicide, and Violence Prevention Programs. Women's Health Programs include health and family planning services for low-income women, prenatal and postpartum services, and counseling and education to low-income pregnant women and their newborns. Children and Youth Programs include the children with special needs health care program, genetics counseling for children with possible genetic disorders, and school-based health centers. Injury, Suicide and Prevention Programs include suicide and injury prevention programs. Funding for this subdivision includes General Fund, cash funds from the Newborn Screening and Genetic Counseling Cash Funds and the Marijuana Tax Cash Fund, and federal funds.

## (E) NUTRITION SERVICES

This subdivision includes the Women, Infants and Children (WIC) Nutrition Program and the Child and Adult Food Care Program. WIC provides a monthly check to low-income (185.0 percent of federal poverty guidelines) women and children who are at-risk of poor nutritional outcomes. The Child and Adult Food Care Program provides reimbursement for nutritious foods to participating child care centers, Head Start programs, family day care homes, and adult day care centers. These programs are entirely federally funded.

PREVENTION SERVICES DIVISION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2015-16 APPROPRIATION:						
SB 15-234	\$214,312,672	\$12,778,517	\$51,695,898	\$1,300,746	\$148,537,511	178.5
HB 15-1083	25,000	25,000	0	0	0	0.0
HB 15-1367	2,500,000	2,500,000	0	0	0	0.0
<b>TOTAL</b>	<b>\$216,837,672</b>	<b>\$15,303,517</b>	<b>\$51,695,898</b>	<b>\$1,300,746</b>	<b>\$148,537,511</b>	<b>178.5</b>
FY 2016-17 APPROPRIATION:						
FY 2015-16 Appropriation	\$216,837,672	\$15,303,517	\$51,695,898	\$1,300,746	\$148,537,511	178.5
Prevention, early detection, and treatment fund balance	7,738,141	0	7,738,141	0	0	0.0
Substance abuse prevention	7,180,497	0	7,180,497	0	0	4.5
Family planning program	2,511,135	2,511,135	0	0	0	0.0
Trusted adult campaign	2,375,000	0	2,375,000	0	0	0.0
Tobacco education, prevention, and cessation fund balance	1,051,983	0	1,051,983	0	0	0.0
Amendment 35 tobacco tax revenue adjustment	456,782	0	456,782	0	0	0.0
Commission on affordable health care	177,755	177,755	0	0	0	0.0
Suicide prevention	100,000	100,000	0	0	0	0.0
Annualize prior year budget actions	92,650	50,530	42,120	0	0	0.1
Cervical cancer eligibility expansion	0	0	0	0	0	0.0

PREVENTION SERVICES DIVISION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Informational funds adjustment	(7,653,470)	0	0	0	(7,653,470)	10.2
Base adjustments	(494,195)	(188,539)	(305,656)	0	0	0.0
Indirect cost assessment	(56,700)	0	(56,700)	0	0	0.0
Annualize prior year legislation	(25,000)	(2,525,000)	2,500,000	0	0	0.0
<b>HB 16-1405</b>	<b>\$230,292,250</b>	<b>\$15,429,398</b>	<b>\$72,678,065</b>	<b>\$1,300,746</b>	<b>\$140,884,041</b>	<b>193.3</b>
HB 16-1408	1,301,472	0	1,301,472	0	0	0.0
<b>TOTAL</b>	<b>\$231,593,722</b>	<b>\$15,429,398</b>	<b>\$73,979,537</b>	<b>\$1,300,746</b>	<b>\$140,884,041</b>	<b>193.3</b>
<b>INCREASE/(DECREASE)</b>	\$14,756,050	\$125,881	\$22,283,639	\$0	(\$7,653,470)	14.8
Percentage Change	6.8%	0.8%	43.1%	0.0%	(5.2%)	8.3%

## FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

**PREVENTION, EARLY DETECTION, AND TREATMENT FUND BALANCE:** The appropriation includes an increase of \$7,738,141 cash funds from the Prevention, Early Detection, and Treatment Fund to appropriate the uncommitted fund balance for Cancer, Cardiovascular Disease, and Chronic Pulmonary Disease Grants. These funds are from Amendment 35 revenue and are constitutionally limited in their use for three programs including Cancer, Cardiovascular Disease, and Chronic Pulmonary Disease Grants.

**SUBSTANCE ABUSE PREVENTION:** The appropriation includes an increase of \$7,180,497 cash funds from the Marijuana Tax Cash Fund and 4.5 FTE for the Department to issue grants through the Communities that Care Model to 45 communities across the state.

**FAMILY PLANNING PROGRAM:** The appropriation includes an increase of \$2,511,135 General Fund to the Family Planning Program.

**TRUSTED ADULT CAMPAIGN:** The appropriation includes an increase of \$2,375,000 cash funds from the Marijuana Tax Cash Fund for the expansion of the youth education campaign to include trusted adults.

**TOBACCO EDUCATION, PREVENTION, AND CESSATION FUND BALANCE:** The appropriation includes an increase of \$1,051,983 cash funds from the Tobacco Education, Prevention, and Cessation Fund to appropriate the uncommitted fund balance which consists of Amendment 35 Tobacco Tax revenues. The appropriation will enable more dollars to be granted out through the Tobacco Education, Cessation, and Prevention Grants Program.

**AMENDMENT 35 TOBACCO TAX REVENUE ADJUSTMENT:** The appropriation includes an increase of cash funds based on the Legislative Council Staff Amendment 35 revenue forecast for FY 2016-17.

**COMMISSION ON AFFORDABLE HEALTH CARE:** The appropriation includes an increase of \$177,755 General Fund for the Commission on Affordable Health Care to complete its statutory duties by July 1, 2017.

**SUICIDE PREVENTION:** The appropriation includes an increase of \$100,000 General Fund for the Suicide Prevention Program.

**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 2015-16 appropriation including:

- Annualization of the FY 2015-16 salary survey and merit pay; and
- An increase of \$992 General Fund and 0.1 FTE for the Primary Care Office.

**CERVICAL CANCER ELIGIBILITY EXPANSION:** The appropriation includes an expansion of the age of women who are eligible for screening from 40 to 64 years of age to 21 to 64 years of age.

**INFORMATIONAL FUNDS ADJUSTMENT:** The appropriation includes a net decrease of \$7,653,470 to federal funds and an increase of 10.2 FTE reflected for informational purposes only.

**BASE ADJUSTMENTS:** The appropriation includes a decrease of \$494,195 total funds, including \$188,539 General Fund, to adjust the appropriation for several programs based on an analysis of prior-year expenditures versus prior-year appropriations.

**INDIRECT COST ASSESSMENT:** The appropriation includes a net decrease in the division's indirect cost assessment.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes a reduction of \$25,000 General Fund for the second-year impact of H.B. 15-1083 (Patient Contribution Rehabilitation Services).

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

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## HEALTH FACILITIES AND EMERGENCY MEDICAL SERVICES DIVISION

This division is comprised of three subdivisions.

### (A) OPERATIONS MANAGEMENT

This subdivision provides division-wide services to the Health Facilities Program. Funding for this subdivision is General Fund, divisional cash funds, and federal funds.

### (B) HEALTH FACILITIES PROGRAMS

This subdivision is responsible for the licensing and regulation of eleven types of medical facilities. Licensing activities conducted by the division include performing fitness reviews, conducting fire safety inspections, investigating complaints, and conducting enforcement activities. General Fund is required pursuant to Section 25-3-103, C.R.S., so that fees paid by non-government owned facilities do not subsidize the regulation of government-owned facilities. Funding for this subdivision is from the General Fund, cash funds including the Assisted Living Residences Cash Fund and the Health Facilities General Licensure Cash Fund, Medicaid reappropriated funds, and federal funds.

### (C) EMERGENCY MEDICAL SERVICES

This subdivision supports the emergency medical and trauma services system in Colorado which provides transportation and immediate care to the ill and injured 24 hours a day, 365 days a year. Emergency medical and trauma care services are defined as the immediate health care services needed as a result of an injury or sudden illness, particularly when there is a threat to life or long-term functional abilities. Funding through this subdivision is provided to the Rocky Mountain Poison Control Center for operation of the poison center and call line. Funding for this subdivision includes General Fund, cash funds including the Emergency Medical Services Account within the Highway Users Tax Fund, and federal funds.

**HEALTH FACILITIES AND EMERGENCY MEDICAL SERVICES DIVISION**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$28,328,178	\$1,840,578	\$15,577,534	\$5,175,407	\$5,734,659	149.2
HB 15-1367	1,000,000	1,000,000	0	0	0	0.0
HB 16-1247	110,000	0	0	110,000	0	0.0
<b>TOTAL</b>	<b>\$29,438,178</b>	<b>\$2,840,578</b>	<b>\$15,577,534</b>	<b>\$5,285,407</b>	<b>\$5,734,659</b>	<b>149.2</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$29,438,178	\$2,840,578	\$15,577,534	\$5,285,407	\$5,734,659	149.2
Emergency medical services grants	1,750,000	0	1,750,000	0	0	0.0
CMS final settings rule site compliance surveys	424,332	0	0	424,332	0	5.4
Indirect cost assessment	233,200	0	233,200	0	0	0.0
Informational funds adjustment	190,900	0	0	0	190,900	0.0
Annualize prior year budget actions	138,124	7,430	67,098	63,596	0	0.0
Poison center enhanced marijuana data collection	123,383	0	123,383	0	0	0.0
Transfer to DPS adjustment	25,873	0	0	12,626	13,247	0.0
Annualize prior year legislation	(1,000,000)	(1,000,000)	110,000	(110,000)	0	0.0
Long Bill adjustments	(75,000)	(75,000)	0	0	0	(1.0)
<b>HB 16-1405</b>	<b>\$31,248,990</b>	<b>\$1,773,008</b>	<b>\$17,861,215</b>	<b>\$5,675,961</b>	<b>\$5,938,806</b>	<b>153.6</b>
SB 16-069	70,184	70,184	0	0	0	1.0
HB 16-1034	21,185	0	21,185	0	0	0.3
HB 16-1280	18,036	0	18,036	0	0	0.2
HB 16-1424	30,298	0	30,298	0	0	0.5
<b>TOTAL</b>	<b>\$31,388,693</b>	<b>\$1,843,192</b>	<b>\$17,930,734</b>	<b>\$5,675,961</b>	<b>\$5,938,806</b>	<b>155.6</b>
<b>INCREASE/(DECREASE)</b>	<b>\$1,950,515</b>	<b>(\$997,386)</b>	<b>\$2,353,200</b>	<b>\$390,554</b>	<b>\$204,147</b>	<b>6.4</b>
Percentage Change	6.6%	(35.1%)	15.1%	7.4%	3.6%	4.3%

**FY 2015-16 APPROPRIATION - MID-YEAR ADJUSTMENTS**

House Bill 16-1247 modifies FY 2015-16 appropriation to add \$110,000 reappropriated funds transferred from the Department of Health Care Policy and Financing to comply with Section 25-27.5-106 (2) (a.5) (I) (C), C.R.S., which requires fees for new or renewal home care agency licenses issued to a Community-Centered Board or service agency be paid for from the Intellectual and Developmental Disabilities Services Cash Fund for FY 2014-15 and FY 2015-16.

**FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS**

**EMERGENCY MEDICAL SERVICES GRANTS:** The appropriation includes an increase of \$1,750,000 cash funds from the Emergency Medical Services Cash Fund to increase the number of grants provided through the Emergency Medical and Trauma Grants Program.

**CMS FINAL SETTINGS RULE SITE COMPLIANCE SURVEYS:** The appropriation includes an increase of \$424,332 reappropriated funds and 5.4 FTE to conduct site surveys of home- and community-based service providers to determine provider compliance with the Centers for Medicare and Medicaid Services (CMS) final settings rule. The final settings rule is designed to ensure individuals receiving services are actively involved in service decisions and reside in settings that do not isolate the individuals.

**INDIRECT COST ASSESSMENT:** The appropriation includes a net increase in the division's indirect cost assessment.

**INFORMATIONAL FUNDS ADJUSTMENT:** The appropriation includes a net increase of \$190,900 federal funds reflected for informational purposes only.

**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 2015-16 appropriation including:

- Annualization of the FY 2015-16 salary survey and merit pay; and
- A reduction of \$6,957 cash funds for assisted living surveyors.

**POISON CENTER ENHANCED MARIJUANA DATA COLLECTION:** The appropriation includes an increase of \$123,383 cash funds from the Marijuana Tax Cash Fund for a contract with the Rocky Mountain Poison and Drug Center to develop a data system to collect detailed information on the type, name, and source of the marijuana products discussed in calls to the Center.

**TRANSFER TO DPS ADJUSTMENT:** The appropriation includes an increase of \$25,873 total funds to reflect adjustments in the Department of Public Safety (DPS) costs paid for with Medicaid and Medicare funds that are reappropriated from the Department of Public Health and Environment.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes a net reduction of \$1,000,000 General Fund for the second-year impact of legislation. The primary change is the elimination of \$1,000,000 General Fund for H.B. 15-1367 (Retail Marijuana Taxes).

**LONG BILL ADJUSTMENTS:** The appropriation includes a reduction of \$75,000 General Fund and 1.0 FTE to align the Long Bill appropriation with programmatic responsibilities. The reduction is offset by a corresponding increase to the Disease Control and Environmental Epidemiology Division.

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

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## OFFICE OF EMERGENCY PREPAREDNESS AND RESPONSE

The Office develops and implements emergency response plans to enable the Department to ensure the protection of health and the medical response for victims when an emergency occurs in Colorado. The Office works to ensure the Department, local public health, and medical agencies have plans for responding to emergency events and administering medication in mass quantities to all citizens in Colorado. Funding for this division includes General Fund and federal funds. Additional responsibilities of the Office include:

- Training of health and medical professionals on the latest and improved response protocols, including the National Incident Management System;
- Ensuring that public health and medical programs are integrated with law enforcement, the Division of Emergency Management and other state departments critical to the state's response;
- Providing emergency preparedness education and training to Department employees, as well as medical and public health partners;
- Ensuring the rapid receipt, storage and distribution of the Strategic National Stockpile (SNS) supplies and medication during an emergency;
- Activation of the Department Emergency Operations Center (DOC) during emergency situations;

- Coordinating and enhancing the capacity of the Emergency System for Advance Registration of Volunteer Health Professionals, which enables the Colorado Hospital Preparedness Program to expand and integrate the Colorado Medical Reserve Corps to enable the preparation of volunteers for an all-hazards response;
- Fulfilling responsibilities as the state lead agency for behavioral health during and after an emergency event to assist individuals and communities recovering from the challenging effects of natural and human-caused disasters through the provision of community-based outreach and psycho educational services.

The amount of federal dollars this Division receives is driven by formulas that are based in part on state population, and if the state accepts the federal funds the state must provide the required match amount.

OFFICE OF EMERGENCY PREPAREDNESS AND RESPONSE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2015-16 APPROPRIATION:						
SB 15-234	\$16,257,500	\$1,589,558	\$0	\$0	\$14,667,942	35.1
<b>TOTAL</b>	<b>\$16,257,500</b>	<b>\$1,589,558</b>	<b>\$0</b>	<b>\$0</b>	<b>\$14,667,942</b>	<b>35.1</b>
FY 2016-17 APPROPRIATION:						
FY 2015-16 Appropriation	\$16,257,500	\$1,589,558	\$0	\$0	\$14,667,942	35.1
No changes	0	0	0	0	0	0.0
<b>HB 16-1405</b>	<b>\$16,257,500</b>	<b>\$1,589,558</b>	<b>\$0</b>	<b>\$0</b>	<b>\$14,667,942</b>	<b>35.1</b>
<b>TOTAL</b>	<b>\$16,257,500</b>	<b>\$1,589,558</b>	<b>\$0</b>	<b>\$0</b>	<b>\$14,667,942</b>	<b>35.1</b>
<b>INCREASE/(DECREASE)</b>	\$0	\$0	\$0	\$0	\$0	0.0
Percentage Change	0.0%	0.0%	n/a	n/a	0.0%	0.0%

#### FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

**NO CHANGES:** The appropriation does not contain changes from the FY 2015-16 appropriation.

## RECENT LEGISLATION

### 2015 SESSION BILLS

**S.B. 15-014 (MEDICAL MARIJUANA):** Requires the Colorado Medical Board, in consultation with the Department of Public Health and Environment (DPHE) and physicians who specialize in medical marijuana, to establish guidelines for physicians who make medical marijuana recommendations. Creates four different types of primary caregiver relationships: a parent child primary caregiver, an advising primary caregiver, a transporting primary caregiver, and a cultivating primary caregiver. Defines "significant responsibility for managing the well-being of a patient."

Requires DPHE to adopt rules regarding guidelines for primary caregivers to give informed consent to patients that the products they cultivate or produce may contain contaminants and that the THC levels are not verified. Requires DPHE to convene a group of interested parties including representatives from the state licensing authority, primary caregivers, patients, marijuana testing laboratory licensees, and any other interested persons to explore laboratory testing options for unlicensed medical marijuana.

Requires all transporting and cultivating primary caregivers to register with the state medical marijuana licensing authority (Department of Revenue). Places registration requirements on cultivating primary caregivers and transporting primary caregivers. DOR may verify patient registration numbers and extended plant count numbers with the state health agency to confirm that a patient does not have more than one primary caregiver, or does not have both a designated caregiver and medical marijuana center, cultivating medical marijuana on his or her behalf at

any given time. Prohibits registering as a primary caregiver if the person is licensed as a medical or retail marijuana business. A cultivating or transporting primary caregiver shall maintain a list of his or her patients including the registry identification card number of each patient and a recommended total plant count at all times.

Requires DOR and DPHE to share the minimum amount of information necessary to ensure that a medical marijuana patient has only one caregiver and is not using a primary caregiver and a medical marijuana center. Encourages patients cultivating more than 6 medical marijuana plants for their own medical use to register with the state licensing authority. Prohibits a patient and primary caregiver from cultivating more than 99 plants. A cultivating primary caregiver who grows more than 36 plants must register with the state licensing authority including the location of his or her cultivation operation, the patient registration identification number for each of the primary caregiver's patients, and any extended plant count numbers and their corresponding patient registry numbers. DOR must verify the location of extended plant counts for primary caregiver cultivation operations and homebound patient registration for transporting caregivers to a local government or law enforcement agency upon receiving a request for verification. The location of the cultivation operation shall comply with all applicable local laws, rules, or regulations. Sunsets the medical marijuana program on September 1, 2019. Adds an exception to the student possession policy for medical marijuana. Permits money in the Marijuana Tax Cash Fund to be used to fund the implementation of any costs for law enforcement audits. The appropriations in S.B. 15-014 are summarized in the following table.

SUMMARY OF APPROPRIATIONS IN S.B. 15-014				
DEPARTMENT	MEDICAL MARIJUANA CASH FUND	MARIJUANA TAX CASH FUND	REAPPROPRIATED FUNDS	TOTAL FUNDS
Public Safety	\$0	\$60,000	\$0	\$60,000
Public Health and Environment	1,068,560	0	0	1,068,560
Revenue	0	113,704	0	113,704
FTE	0.0	1.0	0.0	1.0
Office of Information Technology	0	0	1,068,560	1,068,560
Department of Law	0	0	56,706	56,706
FTE	0	0	0.3	0.3
<b>TOTAL</b>	<b>\$1,068,560</b>	<b>\$173,704</b>	<b>\$1,125,266</b>	<b>\$2,367,530</b>

**S.B. 15-189 (Repeal Consolidated Tobacco Program Reporting Requirements):** Repeals requirements that the State Board of Health and the Department of Public Health and Environment annually report on the operation and effectiveness of tobacco settlement programs. Reduces the Department's FY 2015-16 appropriation by \$25,000 reappropriated funds from various tobacco-settlement supported programs.

**S.B. 15-234 (LONG BILL):** General appropriations act for FY 2015-16.

**S.B. 15-247 (TOBACCO SETTLEMENT FUNDED DRUG ASSISTANCE PROGRAM):** Augments the scope of services of the AIDS Drug Assistance Program to include funding for preventative and non-drug-related health services by renaming it the Drug Assistance Program (Program) and allowing money in the Drug Assistance Program Fund (Fund) to be used for assistance with indicated screening, general medical, preventative, and pharmaceutical costs for qualifying individuals of lower income who have medical or preventative needs concerning AIDS or HIV, viral hepatitis, or a sexually transmitted infection. The act also:

- Specifies that any money received in excess of a federal price agreement are a donation;
- Expands the duties of the existing subcommittee of the governor's advisory group on HIV and AIDS policy that currently only provides advice and recommendations to DPHE concerning which pharmaceutical products should be listed on the drug formulary for the program to include the provision of advice regarding income and other eligibility requirements and uses for funding for the program;

- Provides prioritization criteria for enrollment in the program among eligible applicants if the program is reaching its fiscal limitations; and
- Eliminates end of fiscal year transfers of unexpended and unencumbered money in the Fund to the Tobacco Litigation Settlement Cash Fund, and requires all such money to remain in the program fund.

Appropriates a total of \$863,033 cash funds to the Department of Public Health and Environment for FY 2015-16, including \$263,033 cash funds from the AIDS Drug Assistance Program Fund and \$600,000 from the money received in excess of a federal price agreement.

**H.B. 15-1083 (PATIENT CONTRIBUTION REHABILITATION SERVICES):** Requires the Colorado Commission on Affordable Health Care to conduct a study concerning the costs for physical rehabilitation services, and report its findings to the committees of reference. Appropriates \$25,000 General Fund to the Department of Public Health and Environment for FY 2015-16.

**H.B. 15-1102 (COLORADO COTTAGE FOODS ACT EXPANSION):** Expands the exemption from state inspection standards to include flour, fruit empanadas, tortillas, and pickled vegetables that have an equilibrium pH value of 4.6 or lower. Separates the foods into two tiers and requires the State Board of Health to promulgate rules for the production and sale of tier two foods. Requires a producer to display a placard, sign, or card at the point of sale indicating that the product was produced in a home kitchen that is not subject to state licensure or inspection. Appropriates \$120,982 General Fund and 1.4 FTE to the Department of Public Health and Environment for FY 2015-16.

**H.B. 15-1232 (EMERGENCY USE OF EPINEPHRINE AUTO-INJECTORS):** Permits entities and organizations other than schools to acquire and stock epinephrine auto-injectors. Health care practitioners may prescribe, and a health care practitioner or pharmacist may dispense, epinephrine auto-injectors in the name of an authorized entity where allergens capable of causing anaphylaxis may be present. Requires training for individuals who will use an epinephrine auto-injector and clarifies when they may use an injector. Outlines where injectors may be stored, requires reporting on incidents where auto-injectors are used. Creates exemptions from civil and criminal liability for certain individuals. Appropriates \$23,736 General Fund and 0.4 FTE to the Department of Public Health and Environment for FY 2015-16.

**H.B. 15-1249 (RECODIFY WATER POLLUTION CONTROL FEES):** Repeals and reenacts statutory fees for clean water and drinking water programs in the Water Quality Control Division (WQCD) of the Colorado Department of Public Health and Environment (CDPHE). Reorganizes water quality permit fees into five sectors: commerce and industry, construction, pesticide application, public and private utilities, and animal agriculture. Authorizes new fees of \$275 annually for pesticide application activities and permits the Water Quality Control Commission to establish fees for certifications related to projects affecting regulated water quality standards in jurisdictional waters of the United States, known as 401 certifications, by rule.

Restructures construction permit fees and fees applicable to recreational hot springs, with associated fee changes, and creates a new category for recreation and amusement services that distinguishes hot springs pool operations from general manufacturing and industrial discharges. On July 1, 2016, certain construction permit activities are re-categorized, with adjusted fees for stormwater-only permits based on affected acreage, and fees for dewatering and other groundwater-related permits based on complexity. Increased revenue from construction permits is dedicated to compliance assurance activities related to Colorado's delegated authority under federal water quality statutes.

Extends animal agriculture sector fees through the end of FY 2017-18. Repeals and reenacts basic procedures for the Colorado Discharge Permit System (CDPS). Requires the Department to provide an annual report on CDPS activities to the legislative agriculture committees, and an annual report on CDPS fees to the Joint Budget

Committee. Appropriates \$19,468 cash funds and reduces \$17,600 General Fund appropriated to the Department of Public Health and Environment for FY 2015-16.

**H.B. 15-1281 (NEWBORN HEART DEFECT SCREENING PULSE OXIMETRY):** Requires that all newborns born in a Colorado facility below an elevation of 7,000 feet on or after January 1, 2016, be screened for congenital health defects using pulse oximetry prior to being released from the birthing center. Requires the Newborn Screening Committee within the Department of Public Health and Environment (DPHE) to evaluate whether or not the pulse oximetry testing in birthing facilities at or above elevations of 7,000 feet meet the DPHE newborn screening criteria. Each facility must report pulse oximetry screening results to the Newborn Screening Committee. Appropriates \$32,386 cash funds to the Department of Public Health and Environment for FY 2015-16.

**H.B. 15-1283 (MARIJUANA REFERENCE LIBRARY AND LAB TESTING ACCESS):** Requires the Department of Public Health and Environment (DPHE) to develop and maintain a marijuana laboratory testing reference library (reference library), or contract with an organization that represents marijuana testing laboratories for the development and maintenance of the reference library. Laboratories licensed by the Department of Revenue are required to provide materials for the reference library; except that no licensee is required to provide testing protocols. Requires the library to contain a catalog of methodologies for marijuana testing in the areas of potency, homogeneity, contaminants, and solvents, and be completed by December 31, 2015. Requires DPHE or the contractor to be responsible for proficiency testing and remediating problems with licensed laboratories.

Creates a new license in the medical marijuana code for medical marijuana testing facilities. Permits a retail marijuana laboratory licensee to test industrial hemp from a registered entity or person. Creates process validation for edible marijuana products and other marijuana products in multi-serving packages for a ten milligram serving in a one hundred milligram package, including homogeneity, potency, solvents, and pesticides. The bill permits the use of money from the Marijuana Tax Cash Fund for the reference library. Appropriates \$23,850 cash funds and 0.2 FTE to the Department of Public Health and Environment for FY 2015-16.

**H.B. 15-1367 (RETAIL MARIJUANA TAXES):** Refers a ballot issue to voters in November 2015, asking whether the State may retain and spend revenue collected from the Proposition AA excise and special sales taxes on retail marijuana in FY 2014-15. Creates a \$58.0 million Proposition AA Refund Account (Refund Account) in the General Fund. Contingent on voter approval of the ballot issue, the act makes several appropriations to the Department of Human Services for FY 2015-16, as detailed in the following table. For additional information, see the "Recent Legislation" section at the end of the Department of Revenue.

APPROPRIATIONS TO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT THAT ARE CONTINGENT ON VOTER APPROVAL		
PROGRAM	FUND SOURCE	DOLLAR AMOUNT
Marijuana Education Campaign	CF - Proposition AA Refund Account	\$2,500,000
Poison Control Centers	CF - Proposition AA Refund Account	<u>1,000,000</u>
<b>TOTAL</b>		<b>\$3,500,000</b>

## 2016 SESSION BILLS

**S.B. 16-069 (COMMUNITY PARAMEDICINE REGULATION):** Requires the Department of Public Health and Environment (DPHE) to establish rules governing the scope of practice of community integrated health care service, including the issuance of an endorsement in community integrated health care service to emergency medical service providers. Agencies managing and offering community integrated health care services must be licensed by DPHE beginning December 31, 2018. Sets minimum standards for community integrated health care service agencies that must be incorporated in rules promulgated by the State Board of Health. Creates the Community Integrated Health Care Service Cash Fund to receive fee payments from licensed agencies, including from government-owned entities. A person operating a community integrated health care service agency without a license commits a misdemeanor offense and is also subject to civil penalties. Creates the Community Assistance Referral and Education Services (CARES) Program in DPHE. Under the CARES Program, licensed ambulance services, local fire departments, fire protection districts, fire protection authorities, special district authorities, health care business entities, and community integrated health care service agencies may establish a program that provides community outreach on health issues and services, and health education to local residents. In addition, these agencies may provide referrals for low-cost medication programs and alternative resources to the 911 system. The community integrated health care service agencies licensure program repeals September 1, 2025, and is subject to a sunset review conducted by the Colorado Department of Regulatory Agencies. Appropriates \$73,986 General Fund and 1.0 FTE to the Department of Public Health and Environment for FY 2016-17. Reappropriates \$3,800 to the Department of Law for the provision of legal services.

**H.B. 16-1034 (EMERGENCY MEDICAL RESPONDER REGISTRATION):** Renames "first responders" as "emergency medical responders" and requires the Department of Public Health and Environment (DPHE) to begin a voluntary registration program on July 1, 2017. DPHE will create and administer the registration program, including promulgating rules for training programs and continued competency requirements, and will be responsible for investigating complaints and taking disciplinary action if necessary. This registration program replaces the Department of Public Safety certification program. Adds the registration program to the programs that can be funded from the Emergency Medical Services Account in the Highway Users Tax Fund (HUTF). Emergency medical responders must be registered in order to provide care unless acting as a Good Samaritan. To be registered as an emergency medical responder, at a minimum, a person must be certified through a nationally recognized emergency responder certification organization, and submit to a fingerprint-based criminal history record check. Provides for the provisional registration of applicants whose fingerprint-based criminal history record check has not been completed. DPHE will develop additional registration requirements and may set fees as part of its rulemaking process. Appropriates \$24,985 cash funds from the Emergency Medical Services Account within the Highway Users Tax Fund and 0.3 FTE to the Department of Public Health and Environment for FY 2016-17. Reappropriates \$3,800 to the Department of Law for the provision of legal services.

**H.B. 16-1141 (RADON EXPOSURE IN BUILDINGS):** Requires the Department of Public Health and Environment (DPHE) to establish a radon education and awareness program to provide information and education statewide to citizens, businesses, and others in need of information. By January 1, 2017, DPHE is required to establish a radon mitigation assistance program to provide financial assistance to low-income individuals for radon mitigation services. The State Board of Health will set the program requirements, including eligibility requirements. Extends the Uranium Mill Tailings Remedial Action Program Fund until 2027, and eliminates the Uranium Mill Tailings Remedial Action Oversight Committee. Appropriates \$199,456 cash funds from the Hazardous Substance Response Fund and 0.8 FTE to the Department of Public Health and Environment for FY 2016-17.

**H.B. 16-1280 (UPDATE AIR AMBULANCE REGULATION):** Provides the Department of Public Health and Environment (DPHE) with additional authority to establish state-level licensing of air ambulances that allows for air ambulance operators to receive a license either by gaining accreditation through an approved organization or by meeting licensing standards established by DPHE and the State Board of Health. Requires the DPHE to establish rules by December 31, 2017, for the licensing program including recognition of licenses from other states and fees. DPHE has the authority to suspend or revoke licenses, impose civil penalties, and issue cease-and-desist orders. Any air ambulance operator that violates licensing rules or operates without a valid license may be subject to civil penalties of up to \$5,000 per violation or for each day of a continuing violation. Penalty revenue is deposited into the General Fund. Appropriates \$21,836 cash funds from the Fixed-wing and Rotary-wing Ambulances Cash Fund and 0.2 FTE to the Department of Public Health and Environment for FY 2016-17. Reappropriates \$3,800 to the Department of Law for the purchase of legal services.

**H.B. 16-1386 (NECESSARY DOCUMENT PROGRAM):** Creates the Necessary Document program in the Office of Health Equity in the Department of Public Health and Environment (DPHE). The purpose of the program is to help Colorado residents who are victims of domestic violence, impacted by a natural disaster, low-income, disabled, homeless, or elderly pay the fees to acquire a necessary document. Necessary documents are defined as social security cards, driver's licenses, identification cards, or a vital statistics report (such as a birth, death, or marriage certificate). Requires an annual appropriation of up to \$300,000 General Fund for the program. The Office of Health Equity is required to annually make at least one grant or contract with a nonprofit organization to implement the program. The Office of Health Equity may expend up to \$15,000 for the office's direct and indirect costs in administering the program. The program repeals on September 1, 2021. Appropriates \$300,000 General Fund to the Department of Public Health and Environment for FY 2016-17.

**H.B. 16-1405 (LONG BILL):** General appropriations act for FY 2016-17. Includes provisions modifying appropriations to the Department of Public Health and Environment for FY 2015-16.

**H.B. 16-1408 (CASH FUND ALLOCATIONS FOR HEALTH-RELATED PROGRAMS):** Establishes a new formula for the allocation of the annual payment received by the state as part of the Tobacco Master Settlement Agreement (Tobacco MSA). The new formula allocates all Tobacco MSA revenue by percentage shares, rather than the hybrid scheme of fixed dollar amounts and capped percentage shares in multiple tiers. The formula increases annual allocations to most programs receiving funding under the current distribution, while eliminating dedicated funding for the following six purposes:

- Early Literacy Fund in the Department of Education;
- Public Health Services Support Fund in the Department of Public Health and Environment;
- Offender Mental Health Services Program in the Department of Human Services;
- Alcohol and Drug Abuse Prevention Program in the Department of Human Services;
- Children's' Mental Health Treatment Program in the Department of Human Services; and
- The annual audit of Tobacco MSA-funded programs by the Office of the State Auditor.

For all of these purposes listed above except the audit, the bill makes FY 2016-17 appropriations from the Marijuana Tax Cash Fund in the amounts that the programs are expected to receive under the current law allocation formula. Repeals the Public Health Services Support Fund and the Tobacco Litigation Settlement Trust Fund, requires the State Treasurer to transfer any remaining balance in the Public Health Services Support Fund and the Offender Mental Health Services Fund to the Tobacco Litigation Settlement Cash Fund at the end of FY 2015-16. The following table summarizes the distribution changes.

SUMMARY OF DISTRIBUTION CHANGES		
	CURRENT DISTRIBUTION TIERS	NEW DISTRIBUTION NO TIERS
<b>Tier 1 Programs</b>		
Children's Basic Health Plan Trust	25.0%	18.00%
Nurse Home Visitor	19.0%	26.70%
Fitzsimons Trust Fund	8.0%	8.00%
Early Literacy	5.0%	Marijuana Funds
Tony Grampsas Youth Services	4.0%	7.50%
Drug Assistance Program (Ryan White)	3.5%	5.00%
AIDS and HIV Prevention Grants	2.0%	3.50%
Tobacco Litigation Settlement Cash Fund	2.0%	2.50%
State Veterans	1.0%	1.00%
Dental Loan Repayment	\$200,000	1.00%
Child Mental Health Treatment Act	\$300,000	Marijuana Funds
Cancer Program	0	2.00%
Autism Treatment	\$1,000,000	2.00%
	<b>% of Remainder After Tier 1 programs</b>	
<b>Tier 2 Programs</b>		
CU Health Sciences	49.00%	15.50%
Children's Basic Health Plan Trust	14.50%	Eliminated
Offender Mental Health Services	12.00%	Marijuana Funds
Alcohol & Drug Abuse	3.00%	Marijuana Funds
Local Public Health Agencies	7.00%	Marijuana Funds
Supplemental State Contribution	4.50%	2.30%
CO Immunization Fund	4.00%	2.50%
Health Services Corps (Loan Repayment)	\$250,000	1.00%
State Auditor's Office	\$89,000	Eliminated
Unallocated amount		1.50%

Creates a new Primary Care Provider Sustainability Fund in the Department of Health Care Policy and Financing to fund increased access to primary care office visits, immunization administration, health screening services, and newborn care, including neonatal critical care. On July 1, 2016, \$20.0 million is transferred from the Children's Basic Health Plan Trust to this new fund. Modifies statute concerning higher education fee-for-service contracts paid to the University of Colorado for specialty education services, specifying that these contracts include care provided by faculty of the University of Colorado Health Sciences Center and are eligible for payment under the state's Medicaid provider reimbursement. Makes the following appropriation changes related to funds from the Tobacco Master Settlement revenues and Marijuana Tax Cash Fund dollars.

SUMMARY OF TOBACCO MASTER SETTLEMENT AGREEMENT DISTRIBUTION FORMULA APPROPRIATION CHANGES				
SECTION	PROGRAM	GENERAL FUND	TOBACCO MASTER SETTLEMENT CASH FUNDS	MARIJUANA TAX CASH FUND
27	Early Literacy	0	(4,378,678)	4,378,678
28	Mental Health Services for Juvenile and Adult Offenders	0	(3,025,192)	3,025,192
28	Mental Health Services for Youth (H.B. 99-1116)	0	(300,000)	300,000
28	Community Prevention Treatment - Alcohol and Drug Abuse	0	(756,298)	756,298
29	Local Public Health Agencies	0	(1,767,584)	1,767,584
30	Tony Grampsas Youth Services	0	(2,626,328)	2,626,328
31	Autism Treatment Fund	(6,451,471)	6,451,471	0
32a	Higher Education - Cancer Program	0	1,751,471	0
32b	Higher Education - Health Sciences Center Programs	0	1,221,033	0
333	Nurse Home Visitor Program	0	6,743,164	0
34	Supplemental State Contribution Fund	0	879,745	0

**SUMMARY OF TOBACCO MASTER SETTLEMENT AGREEMENT DISTRIBUTION FORMULA APPROPRIATION CHANGES**

SECTION	PROGRAM	GENERAL FUND	TOBACCO MASTER SETTLEMENT CASH FUNDS	MARIJUANA TAX CASH FUND
35	Drug Assistance Program	0	1,313,603	0
36	AIDS and HIV Prevention Grants	0	1,313,604	0
37	Immunization Program	0	1,180,942	0
38	Oral Health Programs	0	675,736	0
39	Health Service Corps within the Primary Care Office	0	625,736	0

Appropriates \$55,694,236 total funds, of which \$20,000,000 is cash funds from the Primary Care Provider Sustainability Fund, \$556,859 is cash funds from the Hospital Provider Fee Cash Fund, and \$35,137,377 is federal funds to the Department of Health Care Policy and Financing for FY 2016-17 rate enhancements.

**H.B. 16-1413 (REFINANCE WATER POLLUTION CONTROL PROGRAM):** Repeals the Water Quality Control Fund and creates a separate cash fund for each of the six clean water sectors. Each cash fund will receive the fees specific to its sector. The new cash funds are:

- Commerce and Industry Cash Fund;
- Construction Cash Fund;
- Pesticides Cash Fund;
- Municipal Separate Storm Sewer System Cash Fund;
- Public and Private Utilities Cash Fund; and
- Water Quality Certifications Cash Fund.

DPHE is required to conduct a stakeholder process regarding the appropriate and necessary fees that each subcategory of each sector should pay to enable each sector to be adequately funded, and must submit a legislative proposal to the Joint Budget Committee by November 1, 2016, concerning its conclusions regarding the fees. For FY 2016-17 and FY 2017-18, if the revenue from a specific sector is inadequate to cover the direct and indirect costs of that sector, the General Assembly may appropriate money from another sector cash fund to pay for the costs. Transfers \$1,208,007 from the excess uncommitted reserve of the Water Quality Improvement Fund to the General Fund to provide a one-time General Fund subsidy to the Commerce and Industry, Public and Private Utilities, and Municipal Separate Storm Sewer System sectors. Appropriates \$362,402 General Fund to the Commerce and Industry Cash Fund, \$60,400 General Fund to the Municipal Separate Storm Sewer System Cash Fund, and \$785,205 General Fund to the Public and Private Utilities Cash Fund.

**H.B. 16-1424 (QUALIFIED MEDICATION ADMINISTRATION PERSONNEL):** Removes the requirement that the exam required to be deemed qualified to administer medications administer be taken every four years, replaces it with the one-time completion of a competency evaluation. The Department of Public Health and Environment (DPHE) must set minimum requirements for course content, competency, and evaluations; approve entities that provide training on the administration of medication; and determine rules for and compliance by facilities overseen by DPHE. The Department of Human Services (DHS), Department of Health Care Policy and Financing (HCPF), and the Department of Corrections (DOC) must each develop and conduct a medication administration program and may set their own minimum standards for course content and competency evaluations for unlicensed persons who administer medication in the facilities run by those departments. DHS, HCPF, DOC, and DPHE must each maintain a list of those who have completed the competency evaluation. To be included on DPHE's list, people must pay a required fee once they have passed the competency evaluation. DPHE must also maintain a list of approved training entities. Appropriates \$30,298 cash funds from the Medication Administration Cash Fund and 0.5 FTE to the Department of Public Health and Environment for FY 2016-17.

# Details

## DEPARTMENT OF PUBLIC SAFETY

### FY 2015-16 AND FY 2016-17 APPROPRIATIONS BY DIVISION AND BILL

DEPARTMENT OF PUBLIC SAFETY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 TOTAL APPROPRIATION:</b>	<b>\$399,450,469</b>	<b>\$119,777,386</b>	<b>\$185,772,422</b>	<b>\$34,381,520</b>	<b>\$59,519,141</b>	<b>1,727.1</b>
<b>BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION</b>						
Executive Director's Office	\$53,734,478	\$13,572,453	\$29,217,518	\$9,665,325	\$1,279,182	49.1
Colorado State Patrol	144,317,867	6,091,151	123,394,087	9,577,153	5,255,476	1,136.3
Division of Fire Prevention and Control	29,451,759	11,423,950	12,896,372	4,789,703	341,734	118.9
Division of Criminal Justice	100,962,062	66,552,961	2,955,654	5,757,251	25,696,196	77.3
Colorado Bureau of Investigation	37,247,515	19,723,048	12,740,805	3,889,652	894,010	290.9
Division of Homeland Security and Emergency Management	33,736,788	2,413,823	4,567,986	702,436	26,052,543	54.6
<b>BREAKDOWN OF TOTAL APPROPRIATION BY BILL</b>						
SB 15-234	\$401,570,957	\$123,485,119	\$184,426,485	\$34,159,434	\$59,499,919	1,722.8
SB 15-014	60,000	0	60,000	0	0	0.0
SB 15-020	72,512	72,512	0	0	0	0.9
SB 15-124	780,019	780,019	0	0	0	0.0
SB 15-185	38,799	38,799	0	0	0	0.4
SB 15-217	30,851	30,851	0	0	0	0.5
HB 15-1129	600,000	600,000	0	0	0	0.5
HB 15-1273	73,457	73,457	0	0	0	1.0
HB 15-1285	89,893	89,893	0	0	0	1.0
HB 15-1379	15,999	0	0	15,999	0	0.0
HB 16-1248	(854,331)	(2,365,577)	1,285,937	206,087	19,222	0.0
HB 16-1405	(3,027,687)	(3,027,687)	0	0	0	0.0
<b>FY 2016-17 TOTAL APPROPRIATION:</b>	<b>\$413,301,201</b>	<b>\$123,111,348</b>	<b>\$190,312,212</b>	<b>\$38,369,062</b>	<b>\$61,508,579</b>	<b>1,781.1</b>
<b>BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION</b>						
Executive Director's Office	\$64,154,083	\$16,116,064	\$32,743,070	\$13,600,039	\$1,694,910	117.2
Colorado State Patrol	147,003,911	6,049,608	126,105,589	9,644,741	5,203,973	1,107.8
Division of Fire Prevention and Control	27,047,734	11,080,481	10,811,586	4,813,248	342,419	110.9
Division of Criminal Justice	105,281,387	68,570,118	3,412,931	5,649,661	27,648,677	72.4
Colorado Bureau of Investigation	36,757,016	18,673,298	13,223,281	3,960,983	899,454	286.0
Division of Homeland Security and Emergency Management	33,057,070	2,621,779	4,015,755	700,390	25,719,146	86.8
<b>BREAKDOWN OF TOTAL APPROPRIATION BY BILL</b>						
HB 16-1405	\$412,926,609	\$122,983,130	\$190,112,734	\$38,322,166	\$61,508,579	1,778.2
SB 16-040	15,296	0	0	15,296	0	0.0
SB 16-191	79,992	0	79,992	0	0	1.0
SB 16-197	2,135	0	2,135	0	0	0.0
HB 16-1040	60,238	60,238	0	0	0	0.0
HB 16-1047	31,600	0	0	31,600	0	0.3
HB 16-1097	2,636	0	2,636	0	0	0.0

**DEPARTMENT OF PUBLIC SAFETY**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 16-1160	114,188	0	114,188	0	0	0.6
HB 16-1404	527	0	527	0	0	0.0
HB 16-1453	67,980	67,980	0	0	0	1.0
<b>INCREASE/(DECREASE)</b>	\$13,850,732	\$3,333,962	\$4,539,790	\$3,987,542	\$1,989,438	54.0
Percentage Change	3.5%	2.8%	2.4%	11.6%	3.3%	3.1%

**INFORMATIONAL FUNDS:** The FY 2016-17 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 2016-17 Appropriations containing an (I) notation	\$72,574,115	\$0	\$7,078,417	\$3,987,119	\$61,508,579

**DETAIL OF APPROPRIATION  
BY ADMINISTRATIVE SECTION**

**EXECUTIVE DIRECTOR'S OFFICE**

This office manages the administrative and fiscal affairs of the Department, oversees the Witness Protection Program, and houses the Colorado Integrated Criminal Justice Information System. The primary cash funds and reappropriated funds sources include the Highway Users Tax Fund and indirect cost recoveries.

<b>EXECUTIVE DIRECTOR'S OFFICE</b>						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$52,384,277	\$13,691,234	\$27,931,581	\$9,501,502	\$1,259,960	48.2
SB 15-020	72,512	72,512	0	0	0	0.9
SB 15-185	6,500	6,500	0	0	0	0.0
HB 16-1248	1,271,189	(197,793)	1,285,937	163,823	19,222	0.0
<b>TOTAL</b>	<b>\$53,734,478</b>	<b>\$13,572,453</b>	<b>\$29,217,518</b>	<b>\$9,665,325</b>	<b>\$1,279,182</b>	<b>49.1</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$53,734,478	\$13,572,453	\$29,217,518	\$9,665,325	\$1,279,182	49.1
Centrally appropriated line items	7,633,955	2,804,711	6,474,034	(1,832,421)	187,631	0.0
Executive Director's Office reorganization	5,874,715	971,978	169,711	4,401,286	331,740	68.0
Lease-purchase payment true-up	691,175	691,175	0	0	0	0.0
Leased space true-up	166,071	113,480	(55,145)	107,736	0	0.0
Annualize prior year legislation	613	613	0	0	0	0.1
Indirect cost assessment	0	(1,523,062)	0	1,523,062	0	0.0
Annualize prior year budget actions	(3,913,924)	(482,284)	(3,063,048)	(264,949)	(103,643)	0.0
Adjust Witness Protection Fund	(33,000)	(33,000)	0	0	0	0.0
<b>HB 16-1405</b>	<b>\$64,154,083</b>	<b>\$16,116,064</b>	<b>\$32,743,070</b>	<b>\$13,600,039</b>	<b>\$1,694,910</b>	<b>117.2</b>
<b>TOTAL</b>	<b>\$64,154,083</b>	<b>\$16,116,064</b>	<b>\$32,743,070</b>	<b>\$13,600,039</b>	<b>\$1,694,910</b>	<b>117.2</b>
<b>INCREASE/(DECREASE)</b>	\$10,419,605	\$2,543,611	\$3,525,552	\$3,934,714	\$415,728	68.1
Percentage Change	19.4%	18.7%	12.1%	40.7%	32.5%	138.7%

## FY 2015-16 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 16-1248 modifies FY 2015-16 appropriations to:

- Add \$1,488,404 total funds, including \$72,013 General Fund, for Colorado State Trooper pay increases to comply with statutory requirements;
- Add \$166,071 total funds, including \$113,480 General Fund, for leased space adjustments;
- Reduce \$209,317 General Fund for vehicle lease payments; and
- Reduce \$173,969 General Fund for lease-purchase payment adjustments.

## FY 2016-17 APPROPRIATION – H.B. 16-1405 (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; payment to risk management and property funds; vehicle lease payments; Capitol complex leased space; payments to the Governor's Office of Information Technology (OIT); and CORE operations.

**EXECUTIVE DIRECTOR'S OFFICE REORGANIZATION:** The appropriation includes \$5,874,715 total funds, including \$971,978 General Fund, to consolidate within the Executive Director's Office (EDO) administrative resources currently operating at the division level. The appropriation supports filling five currently vacant positions.

**LEASE PURCHASE PAYMENT TRUE-UP:** The appropriation includes an increase of \$691,175 General Fund for adjustments to the lease-purchase payments for the Colorado Bureau of Investigation laboratories.

**LEASED SPACE TRUE-UP:** The appropriation includes an increase of \$116,071 total funds, including \$113,480 General Fund, to adjust leased space payments.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes an increase of \$613 General Fund for the second-year impact of S.B. 15-020 (Education to Prevent Child Sexual Abuse and Assault).

**INDIRECT COST ASSESSMENT:** The appropriation includes a net zero adjustment to the Department's indirect cost assessment.

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

- Add \$173,969 General Fund for lease purchase payment adjustments;
- Reduce \$3,921,822 total funds, including \$542,773 General Fund, for FY 2015-16 salary survey and merit pay; and
- Reduce \$166,071 total funds, including \$113,480 General Fund, for one-time leased space payment adjustments.

**ADJUST WITNESS PROTECTION FUND:** The appropriation includes a reduction of \$33,000 General Fund appropriated to the Witness Protection Fund, which has a sufficient fund balance to support current programs.

## COLORADO STATE PATROL

This division is responsible for the safe and efficient movement of motor vehicle traffic on federal, state, and county roads in Colorado. The State Patrol enforces motor vehicle laws, assists motorists in need, conducts automotive and motor carrier safety checks, investigates traffic accidents, and oversees the transportation of hazardous materials. The primary cash fund and reappropriated fund sources include: the Highway Users Tax Fund, limited gaming funds transferred from the Department of Revenue, funds transferred from the Department of Transportation, the Vehicle Identification Number Inspection Fund, the Auto Theft Prevention Fund, and user fees from state and non-state agencies.

COLORADO STATE PATROL						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$144,214,863	\$6,138,147	\$123,394,087	\$9,427,153	\$5,255,476	1,136.3
HB 16-1248	103,004	(46,996)	0	150,000	0	0.0
<b>TOTAL</b>	<b>\$144,317,867</b>	<b>\$6,091,151</b>	<b>\$123,394,087</b>	<b>\$9,577,153</b>	<b>\$5,255,476</b>	<b>1,136.3</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$144,317,867	\$6,091,151	\$123,394,087	\$9,577,153	\$5,255,476	1,136.3
Annualize prior year budget actions	3,036,929	90,324	2,914,026	(17,044)	49,623	0.0
Executive Director's Office reorganization	496,442	0	496,442	0	0	(30.5)
Additional E-470 troopers	230,033	0	230,033	0	0	2.0
DUI/DUID training spending authority	150,000	0	0	150,000	0	0.0
Align dispatch with billing	1	0	3,003	(1,428)	(1,574)	0.0
Centrally appropriated line items	(1,026,894)	(131,867)	(722,574)	(78,296)	(94,157)	0.0
Indirect cost assessment	(200,467)	0	(209,428)	14,356	(5,395)	0.0
<b>HB 16-1405</b>	<b>\$147,003,911</b>	<b>\$6,049,608</b>	<b>\$126,105,589</b>	<b>\$9,644,741</b>	<b>\$5,203,973</b>	<b>1,107.8</b>
<b>TOTAL</b>	<b>\$147,003,911</b>	<b>\$6,049,608</b>	<b>\$126,105,589</b>	<b>\$9,644,741</b>	<b>\$5,203,973</b>	<b>1,107.8</b>
<b>INCREASE/(DECREASE)</b>	<b>\$2,686,044</b>	<b>(\$41,543)</b>	<b>\$2,711,502</b>	<b>\$67,588</b>	<b>(\$51,503)</b>	<b>(28.5)</b>
Percentage Change	1.9%	(0.7%)	2.2%	0.7%	(1.0%)	(2.5%)

### FY 2015-16 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 16-1248 modifies FY 2015-16 appropriations to:

- Add \$150,000 reappropriated funds from the Department of Law for Driving Under the Influence/Driving Under the Influence of Drugs (DUI/DUID) training recommended by the Peace Officer Standards and Training (POST) Board; and
- Reduce \$46,996 General Fund for vehicle lease payments.

### FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

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

- Add \$3,186,929 total funds, including \$90,324 General Fund, for FY 2015-16 salary survey and merit pay; and
- Reduce \$150,000 reappropriated funds to eliminate one-time funding provided in FY 2015-16 for Driving Under the Influence/Driving Under the Influence of Drugs (DUI/DUID) training.

**EXECUTIVE DIRECTOR'S OFFICE REORGANIZATION:** The appropriation includes \$496,442 cash funds and a reduction of 30.5 FTE related to the consolidation within the Executive Director's Office (EDO) of administrative resources currently operating at the division level.

**ADDITIONAL E-470 TROOPERS:** The appropriation includes an increase of \$230,033 cash funds and 2.0 FTE to increase patrolling hours in the E-470 corridor under the existing contract with the E-470 Public Highway Authority.

**DUI/DUID TRAINING SPENDING AUTHORITY:** The appropriation includes \$150,000 reappropriated funds from the Department of Law for Driving Under the Influence/Driving Under the Influence of Drugs (DUI/DUID) training recommended by the POST Board.

**ALIGN DISPATCH WITH BILLING:** The appropriation includes an increase of \$1 total funds to correctly align Colorado State Patrol dispatch billing with revenue.

**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; payment to risk management and property funds; vehicle lease payments; Capitol complex leased space; payments to the Governor's Office of Information Technology (OIT); and CORE operations.

**INDIRECT COST ASSESSMENT:** The appropriation includes a net decrease to the Division's indirect cost assessment.

## DIVISION OF FIRE PREVENTION AND CONTROL

The Division of Fire Prevention and Control is tasked with fire code enforcement, training, certification, and wildfire preparedness, response, suppression, coordination, and management. The primary sources of cash funds for this division include: proceeds of insurance premium taxes into the Wildfire Preparedness Fund; the Public School Construction and Inspection Cash Fund; the Emergency Fire Fund; the Wildland Fire Equipment Repair Cash Fund; the Firefighter, First Responder, and Hazardous Materials Responder Certification Fund; the Fire Suppression Cash Fund; and the Wildfire Emergency Response Fund.

DIVISION OF FIRE PREVENTION AND CONTROL						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$29,072,975	\$10,937,430	\$12,896,372	\$4,897,439	\$341,734	118.4
HB 15-1129	600,000	600,000	0	0	0	0.5
HB 16-1248	(221,216)	(113,480)	0	(107,736)	0	0.0
<b>TOTAL</b>	<b>\$29,451,759</b>	<b>\$11,423,950</b>	<b>\$12,896,372</b>	<b>\$4,789,703</b>	<b>\$341,734</b>	<b>118.9</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$29,451,759	\$11,423,950	\$12,896,372	\$4,789,703	\$341,734	118.9
Annualize prior year budget actions	318,530	127,804	72,766	116,399	1,561	0.0
Annualize prior year legislation	0	0	0	0	0	6.0
Adjust fire safety grant spending authority	(1,900,000)	0	(1,900,000)	0	0	0.0
Executive Director's Office reorganization	(593,687)	(357,793)	(249,965)	14,071	0	(14.0)
Leased space true-up	(221,216)	(113,480)	0	(107,736)	0	0.0

**DIVISION OF FIRE PREVENTION AND CONTROL**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Indirect cost assessment	(7,652)	0	(7,587)	811	(876)	0.0
<b>HB 16-1405</b>	<b>\$27,047,734</b>	<b>\$11,080,481</b>	<b>\$10,811,586</b>	<b>\$4,813,248</b>	<b>\$342,419</b>	<b>110.9</b>
<b>TOTAL</b>	<b>\$27,047,734</b>	<b>\$11,080,481</b>	<b>\$10,811,586</b>	<b>\$4,813,248</b>	<b>\$342,419</b>	<b>110.9</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$2,404,025)</b>	<b>(\$343,469)</b>	<b>(\$2,084,786)</b>	<b>\$23,545</b>	<b>\$685</b>	<b>(8.0)</b>
Percentage Change	(8.2%)	(3.0%)	(16.2%)	0.5%	0.2%	(6.7%)

**FY 2015-16 APPROPRIATION - MID-YEAR ADJUSTMENTS**

House Bill 16-1248 modifies FY 2015-16 appropriations to reduce appropriations by \$221,216 total funds for leased space adjustments.

**FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS**

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

- Add \$97,314 total funds, including \$14,324 General Fund, for FY 2015-16 salary survey and merit pay; and
- Add \$221,216 total funds, including \$113,480 General Fund, for leased space adjustments.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes an increase of 6.0 FTE for the second-year impact of S.B. 15-205 (Veterans Fire Corps).

**ADJUST FIRE SAFETY GRANT SPENDING AUTHORITY:** The appropriation includes a reduction of \$1,900,000 cash funds for the Fire Safety Grants to reflect actual expenditures.

**EXECUTIVE DIRECTOR'S OFFICE REORGANIZATION:** The appropriation includes a reduction of \$593,687 total funds, including \$357,793 General Fund, and 14.0 FTE related to the consolidation within the Executive Director's Office (EDO) of administrative resources currently operating at the division level.

**LEASED SPACE TRUE-UP:** The appropriation includes a reduction of \$221,216 total funds, including \$113,480 General Fund, to adjust leased space payments.

**INDIRECT COST ASSESSMENT:** The appropriation includes a net decrease to the Division's indirect cost assessment.

**DIVISION OF CRIMINAL JUSTICE**

This division:

- Provides funding for the State's community corrections programs and for local oversight boards;
- Administers state and federally funded grant programs targeting juvenile delinquency and federally funded grant programs that help local and state law enforcement agencies improve the services they deliver;
- Administers state and federally funded grant programs that help state and local agencies assist crime victims, operates the Victim's Rights Act Compliance Program, and provides assistance in implementing Colorado's Victim's Rights Amendment;

- Assists the Domestic Violence Offender Management Board and the Sex Offender Management Board in developing and implementing standards and policies for the evaluation, treatment, monitoring, and management of adults convicted of domestic violence and sex offenses;
- Analyzes and distributes criminal justice data and information, evaluates criminal justice programs, provides research support to the Colorado Commission on Criminal and Juvenile Justice; and
- Helps strengthen the performance and professionalism of Colorado law enforcement agencies through training, education, 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 sources of reappropriated funds are transfers of money appropriated to the Correctional Treatment Cash Fund in the Judicial Department and departmental indirect cost recoveries. Sources of federal funds include Federal Victims Assistance and Compensation Grants and State and Local Crime Control and System Improvement Grants.

DIVISION OF CRIMINAL JUSTICE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$102,983,230	\$68,574,129	\$2,955,654	\$5,757,251	\$25,696,196	74.4
SB 15-124	780,019	780,019	0	0	0	0.0
SB 15-185	32,299	32,299	0	0	0	0.4
SB 15-217	30,851	30,851	0	0	0	0.5
HB 15-1273	73,457	73,457	0	0	0	1.0
HB 15-1285	89,893	89,893	0	0	0	1.0
HB 16-1248	0	0	0	0	0	0.0
HB 16-1405	(3,027,687)	(3,027,687)	0	0	0	0.0
<b>TOTAL</b>	<b>\$100,962,062</b>	<b>\$66,552,961</b>	<b>\$2,955,654</b>	<b>\$5,757,251</b>	<b>\$25,696,196</b>	<b>77.3</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$100,962,062	\$66,552,961	\$2,955,654	\$5,757,251	\$25,696,196	77.3
Informational funds adjustment	1,850,000	0	0	0	1,850,000	(0.5)
Community corrections caseload	1,477,579	1,477,579	0	0	0	0.0
Annualize prior year legislation	721,399	721,399	0	0	0	(0.4)
Juvenile diversion programs	400,000	0	400,000	0	0	0.3
Cognitive behavioral treatment pilot	212,262	212,262	0	0	0	2.7
Indirect cost assessment	138,875	0	(4,433)	0	143,308	0.0
Annualize prior year budget actions	83,546	60,833	8,184	5,356	9,173	0.0
Executive Director's Office reorganization	(317,089)	(307,669)	53,526	(62,946)	0	(4.5)
Leap day adjustment	(147,247)	(147,247)	0	0	0	0.0
Eliminate Policing Institute line item	(100,000)	0	0	(50,000)	(50,000)	(2.5)
Begin phase-out of SB13-283 funding	(79,992)	0	(79,992)	0	0	(1.0)
<b>HB 16-1405</b>	<b>\$105,201,395</b>	<b>\$68,570,118</b>	<b>\$3,332,939</b>	<b>\$5,649,661</b>	<b>\$27,648,677</b>	<b>71.4</b>
SB 16-191	79,992	0	79,992	0	0	1.0
<b>TOTAL</b>	<b>\$105,281,387</b>	<b>\$68,570,118</b>	<b>\$3,412,931</b>	<b>\$5,649,661</b>	<b>\$27,648,677</b>	<b>72.4</b>
<b>INCREASE/(DECREASE)</b>	<b>\$4,319,325</b>	<b>\$2,017,157</b>	<b>\$457,277</b>	<b>(\$107,590)</b>	<b>\$1,952,481</b>	<b>(4.9)</b>
Percentage Change	4.3%	3.0%	15.5%	(1.9%)	7.6%	(6.3%)

FY 2015-16 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 16-1248 modifies FY 2015-16 appropriations by making several technical cash-fund appropriation adjustments in the Division of Criminal Justice without altering total appropriations.

Senate Bill 16-1405 modifies FY 2015-16 appropriations by reducing the total General Fund appropriation for community corrections placements and facility payments by \$3,027,687.

FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

**INFORMATIONAL FUNDS ADJUSTMENT:** The appropriation includes an increase of \$1,850,000 federal funds and a decrease of 0.5 FTE reflected for informational purposes only.

**COMMUNITY CORRECTIONS CASELOAD:** The appropriation provides an additional \$1,477,579 General Fund for the expected reopening of a community corrections program that closed during FY 2015-16.

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

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 15-124 Reduce Parole Revocations for Technical Violations	\$780,019	\$780,019	\$0	\$0	\$0	0.0
SB 15-185 Police Data Collection and Community Policing	2,077	2,077	0	0	0	0.1
SB 15-217 Police Shooting Data Collection	(30,851)	(30,851)	0	0	0	(0.5)
HB 15-1285 Law Enforcement Use of Body-worn Cameras	(25,143)	(25,143)	0	0	0	0.0
HB 15-1273 Comprehensive School Discipline Reporting	(4,703)	(4,703)	0	0	0	0.0
<b>TOTAL</b>	<b>\$721,399</b>	<b>\$721,399</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(0.4)</b>

**JUVENILE DIVERSION PROGRAMS:** The appropriation includes \$400,000 from the Marijuana Tax Cash Fund for screening, assessment and treatment of marijuana and general substance abuse needs of children who are in juvenile justice diversion programs.

**COGNITIVE BEHAVIOR TREATMENT PILOT:** The appropriation includes an increase of \$212,262 General Fund for a community corrections pilot program for high risk offenders. Additional program costs of \$1,653,105 General Fund will be paid from existing General Fund appropriations.

**INDIRECT COST ASSESSMENT:** The appropriation includes a net increase to the Divisions's indirect cost assessment.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for annualization of FY 2015-16 salary survey and merit pay.

**EXECUTIVE DIRECTOR'S OFFICE REORGANIZATION:** The appropriation includes a reduction of \$317,089 total funds, including \$307,669 General Fund, and 4.5 FTE to consolidate within the Executive Director's Office administrative resources currently operating at the division level.

**LEAP DAY ADJUSTMENT:** The appropriation includes reduced appropriations for community corrections to remove leap day funding that paid for the extra day of community corrections payments that occurred during FY 2015-16.

**ELIMINATE POLICING INSTITUTE LINE ITEM:** The appropriation eliminates appropriations for a program that is no longer receiving federal funding or funding from the POST Board.

**BEGIN PHASE-OUT OF SB 13-283 FUNDING:** The appropriation includes a reduction of \$79,992 cash funds from the Marijuana Tax Cash Fund and 1.0 FTE to reflect the approaching conclusion of a study required by S.B. 13-283 (Implement Amendment 64) of law enforcement activity related to the implementation of retail marijuana. Senate Bill 16-191 extends the study to future years and restores this funding.

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

## COLORADO BUREAU OF INVESTIGATION

The Colorado Bureau of Investigation (CBI) provides information technology, laboratory, and investigative services to local, state, and federal law enforcement agencies upon request. The Colorado Crime Information Center (CCIC) provides information around the clock to law enforcement agencies on warrants, case status, stolen property, vehicle registration, known offenders, and drivers' licenses. The CBI also operates the State's instacheck criminal background check program for firearms. The laboratory analyzes DNA, fingerprint, firearms and tool marks, physiological fluids, toxicology, chemical, document, and digital evidence, as well as trace evidence and shoe and tire track evidence. Major cash fund sources include the CBI Identification Unit Fund, the Instant Criminal Background Check Cash Fund, the Offender Identification Fund, the State Toxicology Laboratory Fund, and the Colorado Identity Theft and Financial Fraud Cash Fund.

COLORADO BUREAU OF INVESTIGATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$39,178,824	\$21,730,356	\$12,680,805	\$3,873,653	\$894,010	290.9
SB 15-014	60,000	0	60,000	0	0	0.0
HB 15-1379	15,999	0	0	15,999	0	0.0
HB 16-1248	(2,007,308)	(2,007,308)	0	0	0	0.0
<b>TOTAL</b>	<b>\$37,247,515</b>	<b>\$19,723,048</b>	<b>\$12,740,805</b>	<b>\$3,889,652</b>	<b>\$894,010</b>	<b>290.9</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$37,247,515	\$19,723,048	\$12,740,805	\$3,889,652	\$894,010	290.9
Annualize prior year budget actions	2,303,095	2,201,719	81,953	8,802	10,621	0.0
Centrally appropriated line items	24,665	21,509	9,674	(1,846)	(4,672)	0.0
Annualize prior year legislation	(1,658,419)	(2,622,975)	948,573	15,983	0	1.2
Correct Offender ID appropriation	(725,000)	0	(725,000)	0	0	0.0
Equipment lease funding	(393,600)	(393,600)	0	0	0	0.0
Executive Director's Office reorganization	(173,886)	(256,403)	82,517	0	0	(7.0)
Indirect cost assessment	(33,736)	0	(34,727)	1,496	(505)	0.0
<b>HB 16-1405</b>	<b>\$36,590,634</b>	<b>\$18,673,298</b>	<b>\$13,103,795</b>	<b>\$3,914,087</b>	<b>\$899,454</b>	<b>285.1</b>
SB 16-040	15,296	0	0	15,296	0	0.0
SB 16-197	2,135	0	2,135	0	0	0.0
HB 16-1047	31,600	0	0	31,600	0	0.3
HB 16-1097	2,636	0	2,636	0	0	0.0
HB 16-1160	114,188	0	114,188	0	0	0.6
HB 16-1404	527	0	527	0	0	0.0
<b>TOTAL</b>	<b>\$36,757,016</b>	<b>\$18,673,298</b>	<b>\$13,223,281</b>	<b>\$3,960,983</b>	<b>\$899,454</b>	<b>286.0</b>

**COLORADO BUREAU OF INVESTIGATION**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>INCREASE/(DECREASE)</b>	(\$490,499)	(\$1,049,750)	\$482,476	\$71,331	\$5,444	(4.9)
Percentage Change	(1.3%)	(5.3%)	3.8%	1.8%	0.6%	(1.7%)

**FY 2015-16 APPROPRIATION - MID-YEAR ADJUSTMENTS**

House Bill 16-1248 modifies FY 2015-16 appropriations to:

- Add \$15,604 General Fund for vehicle lease payments;
- Reduce \$1,629,312 General Fund for the third year costs of H.B. 13-1020 (Testing of Sexual Assault Kits); and
- Reduce \$393,600 General Fund for lease equipment funding in the Colorado Bureau of Investigation (CBI) due to lower than expected equipment cost.

**FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS**

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

- Add \$1,629,312 General Fund for H.B. 13-1020 (Testing Evidence of Sexual Assault) adjustments;
- Add \$393,600 General Fund for equipment lease payments; and
- Add \$280,183 total funds, including \$178,807 General Fund, for FY 2015-16 salary survey and merit pay.

**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; payment to risk management and property funds; vehicle lease payments; and Capitol complex leased space.

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

- Add \$15,983 reappropriated funds and 0.2 FTE for the second-year impact of H.B. 15-1379 (Marijuana Permitted Economic Interest);
- Add \$1,940 cash funds and 1.0 FTE for the second-year impact of S.B. 15-014 (Medical Marijuana);
- Reduce \$1,629,312 General Fund for H.B. 13-1020 (Testing Evidence of Sexual Assault); and
- Reduce \$47,030 total funds for H.B. 13-1340 (State Toxicology Laboratory).

**CORRECT OFFENDER ID APPROPRIATION:** The appropriation includes a reduction of \$725,000 cash funds for the Colorado Bureau of Investigation's laboratory and investigative services operating costs to reflect actual expenditures.

**EQUIPMENT LEASE FUNDING:** The appropriation includes a reduction of \$393,600 General Fund for lease equipment funding in the Colorado Bureau of Investigation due to lower than expected equipment cost.

**EXECUTIVE DIRECTOR'S OFFICE REORGANIZATION:** The appropriation includes a reduction of \$173,886 total funds, including \$256,403 General Fund, and 7.0 FTE related to the consolidation within the Executive Director's Office (EDO) of administrative resources currently operating at the division level.

**INDIRECT COST ASSESSMENT:** The appropriation includes a net decrease to the Department's indirect cost assessment.

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

## DIVISION OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT

The Division of Homeland Security and Emergency Management consists of three offices: the Office of Emergency Management, the Office of Prevention and Security, and the Office of Preparedness. The Division is tasked with consolidating and restructuring the State's homeland security and disaster preparedness and response functions by better coordination of emergency management, homeland security, and public health entities in the state. This division is primarily federally funded. The primary cash fund source is the Disaster Emergency Fund.

DIVISION OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2015-16 APPROPRIATION:						
SB 15-234	\$33,736,788	\$2,413,823	\$4,567,986	\$702,436	\$26,052,543	54.6
<b>TOTAL</b>	<b>\$33,736,788</b>	<b>\$2,413,823</b>	<b>\$4,567,986</b>	<b>\$702,436</b>	<b>\$26,052,543</b>	<b>54.6</b>
FY 2016-17 APPROPRIATION:						
FY 2015-16 Appropriation	\$33,736,788	\$2,413,823	\$4,567,986	\$702,436	\$26,052,543	54.6
Annualize prior year budget actions	134,841	129,851	0	0	4,990	0.0
Correct HSEM FTE	0	0	0	0	0	43.2
Executive Director's Office reorganization	(934,084)	(50,113)	(552,231)	0	(331,740)	(12.0)
Indirect cost assessment	(8,693)	0	0	(2,046)	(6,647)	0.0
<b>HB 16-1405</b>	<b>\$32,928,852</b>	<b>\$2,493,561</b>	<b>\$4,015,755</b>	<b>\$700,390</b>	<b>\$25,719,146</b>	<b>85.8</b>
HB 16-1040	60,238	60,238	0	0	0	0.0
HB 16-1453	67,980	67,980	0	0	0	1.0
<b>TOTAL</b>	<b>\$33,057,070</b>	<b>\$2,621,779</b>	<b>\$4,015,755</b>	<b>\$700,390</b>	<b>\$25,719,146</b>	<b>86.8</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$679,718)</b>	<b>\$207,956</b>	<b>(\$552,231)</b>	<b>(\$2,046)</b>	<b>(\$333,397)</b>	<b>32.2</b>
Percentage Change	(2.0%)	8.6%	(12.1%)	(0.3%)	(1.3%)	59.0%

### FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of 2015-16 salary survey and merit pay.

**CORRECT HSEM FTE:** The appropriation includes a 43.2 FTE increase in the Division of Homeland Security and Emergency Management (HSEM) to more accurately reflect actual FTE utilization.

**EXECUTIVE DIRECTOR'S OFFICE REORGANIZATION:** The appropriation includes a reduction of \$934,084 total funds, including \$50,113 General Fund and 12.0 FTE related to the consolidation within the Executive Director's Office (EDO) of administrative resources currently operating at the division level.

**INDIRECT COST ASSESSMENT:** The appropriation includes a net decrease to the Department's indirect cost assessment.

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

## RECENT LEGISLATION

### 2015 SESSION BILLS

**S.B. 15-014 (MEDICAL MARIJUANA):** Requires primary caregivers of medical marijuana patients to register with Department of Revenue (DOR), among other provisions. Requires DOR to share registration information with state and local law enforcement via the Colorado Crime Information System (CCIC). Appropriates \$60,000 cash funds to the Department of Public Safety for FY 2015-16.

**S.B. 15-020 (EDUCATION TO PREVENT CHILD SEXUAL ABUSE AND ASSAULT):** Expands the duties of the School Safety Resource Center to include providing materials and training to personnel in school districts and charter schools, to parents, and to students, regarding the awareness and prevention of child sexual abuse and assault. Appropriates \$72,512 General Fund and 0.9 FTE to the Department of Public Safety for FY 2015-16.

**S.B. 15-124 (REDUCE PAROLE REVOCATIONS FOR TECHNICAL VIOLATIONS):** Narrows the scope of behavior that warrants arresting a parolee for a technical violation and requires the use of intermediate sanctions short of parole revocation to address noncompliance. Appropriates \$780,019 General Fund for FY 2015-16 to the Department of Public Safety for the provision of intensive residential treatment beds for parolees. For more information, see the corresponding bill description in the "Recent Legislation" section of the Department of Corrections.

**S.B. 15-185 (POLICE DATA COLLECTION AND COMMUNITY POLICING):** Requires the Department of Public Safety to compile and report parole hearing data, arrest data, and other related information to the General Assembly and the Colorado Commission on Criminal and Juvenile Justice. Appropriates \$38,799 General Fund and 0.4 FTE for FY 2015-16 to the Department of Public Safety. For more information, see the corresponding bill description in the "Recent Legislation" section of the Department of Corrections.

**S.B. 15-217 (POLICE SHOOTING DATA COLLECTION):** Creates a process for public reporting of specified data concerning officer-involved shootings involving certain law enforcement agencies, including the Colorado Bureau of Investigation, Colorado State Patrol, county sheriff's offices, municipal police departments, the Division of Parks and Wildlife within the Department of Natural Resources, and town marshals' offices. Appropriates \$30,851 General Fund and 0.5 FTE to the Department of Public Safety for FY 2015-16.

**S.B. 15-234 (LONG BILL):** General appropriations act for FY 2015-16.

**H.B. 15-1129 (DISASTER PREDICTION AND DECISION SUPPORT SYSTEMS):** Requires the Department of Public Safety to contract for the development of the Colorado Wildland Fire Prediction and Decision Support System. The capabilities of this system must include assessing wildland fire conditions and aviation weather hazards that affect the State's aerial firefighting operations. Appropriates \$600,000 General Fund and 0.5 FTE to the Department of Public Safety for FY 2015-16.

**H.B. 15-1273 (COMPREHENSIVE SCHOOL DISCIPLINE REPORTING):** Adds to the list of items that must be included in the existing safe school report. Requires law enforcement agencies to report to the Division of Criminal

Justice (DCJ) within the Department of Public Safety about student tickets, summons, and arrests on school property. Requires district attorneys to report to the DCJ information about students who are granted pre-file juvenile or adult diversion for arrests that occurred on school property. Requires the DCJ to compile, analyze, and report on the received data. Appropriates \$73,457 General Fund and 1.0 FTE to the Department of Public Safety for FY 2015-16.

**H.B. 15-1285 (LAW ENFORCEMENT USE OF BODY-WORN CAMERAS):** Creates a grant program within the Division of Criminal Justice for the purchase of body-worn cameras as well as related data retention, management, and training costs. Establishes a body-worn camera study group that will report to the General Assembly. Appropriates \$89,893 General Fund and 1.0 FTE to the Department of Public Safety for FY 2015-16.

**H.B. 15-1379 (MARIJUANA PERMITTED ECONOMIC INTEREST):** Allows people who are not residents of Colorado to apply to the Marijuana Enforcement Division (MED) in the Department of Revenue for the authorization to hold a Permitted Economic Interest (PEI) in a regulated medical or retail marijuana business. Only a natural person who is a lawful United States resident may obtain a PEI, and the interest is limited to an unsecured debt instrument, option agreement, warrant, or any other right to obtain an ownership interest. The MED is required to promulgate rules regarding the PEI by January 1, 2016, including a process for and a requirement to submit to and pass a criminal history record check, divestiture, and other agreements that would qualify as PEIs. Appropriates \$15,999 reappropriated funds to the Department of Public Safety for FY 2015-16. For more information on this bill, please see the "Recent Legislation" section in the Department of Revenue section of this document.

## 2016 SESSION BILLS

**S.B. 16-040 (MARIJUANA OWNER CHANGES):** Replaces the current statutory definition for owner of a licensed medical or retail marijuana business with two new ownership categories: direct beneficial interest owners and indirect beneficial interest owners. Appropriates \$15,296 cash funds to the Department of Public Safety for background checks in FY 2016-17. For more information, see the corresponding bill description in the "Recent Legislation" section of the Department of Revenue.

**S.B. 16-191 (MARIJUANA RESEARCH):** Extends the Division of Criminal Justice's study of law enforcement's activity and costs related to the implementation of legalized retail marijuana and requires a report from the Division every two years. Appropriates \$79,992 cash funds from the Marijuana Tax Cash Fund to the Department of Public Safety for the continued study of marijuana implementation. The appropriation is based on the assumption that the Department will require 1.0 FTE. For more information, see the corresponding bill description in the "Recent Legislation" section of the Department of Higher Education.

**S.B. 16-197 (LIQUOR-LICENSED DRUGSTORES MULTIPLE LOCATIONS):** Allows a liquor-licensed drugstore to obtain additional liquor-licensed drugstore licenses, under which drugstores are permitted to sell malt, vinous, and spirituous liquors in sealed containers for consumption off the licensed premises. Removes restrictions on the sale of nonalcohol products by a retail liquor store but caps the annual gross revenue from sale of nonalcohol products at 20.0 percent of the retail liquor store's total annual gross revenue. Permits a retail liquor store owner who is a Colorado resident and who obtained a retail liquor store license on or before January 1, 2016 to have an interest in additional retail liquor store licenses, if certain requirements are met. Appropriates \$2,135 cash funds from the Colorado Bureau of Investigation Identification Unit Fund to the Department of Public Safety for background checks for FY 2016-17. For more information, see the expanded bill description in the "Recent Legislation" section of the Department of Revenue.

**H.B. 16-1040 (AUXILIARY EMERGENCY COMMUNICATIONS):** Creates the Auxiliary Emergency Communications Unit in the Office of Emergency Management within the Division of Homeland Security and Emergency Management to establish programs for training and credentialing of auxiliary emergency or disaster systems, assumes the duties of the Radio Amateur Civil Emergency Service, and credential unit volunteers. Increases from 23 to 24 the number of members serving on the Public Safety Communications Subcommittee of the Homeland Security and All-Hazards Senior Advisory Committee. Appropriates \$60,238 General Fund to the Department of Public Safety for FY 2016-17.

**H.B. 16-1047 (INTERSTATE MEDICAL LICENSURE COMPACT):** Enacts the Interstate Medical Licensure Compact (Compact) and authorizes the Governor to enter into the compact on behalf of Colorado. Under the Compact, physicians licensed in a member state may obtain an expedited license in other member states, allowing them to practice in Colorado or in another member state. The Compact is governed by the Interstate Medical Licensure Commission (Interstate Commission). The Compact allows member states to investigate and discipline physicians, including as part of joint investigations with other member states. The Interstate Commission is required to maintain a database of all licensed physicians in member states. Member states are required to report certain disciplinary actions and complaints against licensed physicians to the Interstate Commission. In addition, member states are required to share information about disciplinary actions and complaints at the request of another member state. Appropriates \$31,600 reappropriated funds and 0.3 FTE to the Department of Public Safety for FY 2016-17 for the provision of background checks.

**H.B. 16-1097 (PUC PERMIT FOR MEDICAID TRANSPORTATION PROVIDERS):** Allows providers of non-emergency transportation services for Medicaid clients to operate under a limited regulation permit from the Public Utilities Commission, rather than a certificate of public convenience and necessity, and establishes parameters for the limited regulation permits. Appropriates \$2,636 cash funds from the Colorado Bureau of Investigation Identification Unit Fund to the Department of Public Safety for FY 2016-17. For more information, see the expanded bill description in the "Recent Legislation" section of the Department of Regulatory Agencies.

**H.B. 16-1160 (SUNSET SURGICAL ASSISTANTS SURGICAL TECHNICIANS):** Continues the regulation of surgical assistants and surgical technologists until September 1, 2021, by the Division of Professions and Occupations in the Department of Regulatory Affairs (DORA). Requires that surgical assistants and technologists have a fingerprint-based background check prior to being registered. Employers of surgical assistants and technicians must report positive drug tests involving these employees to DORA. Appropriates \$114,188 cash funds from the Colorado Bureau of Investigation Identification Unit Fund and 0.6 FTE to the Colorado Bureau of Investigation's Identification Unit in the Department of Public Safety for FY 2016-17.

**H.B. 16-1248 (SUPPLEMENTAL APPROPRIATION):** Supplemental appropriation to the Department of Public Safety to modify FY 2015-16 appropriations.

**H.B. 16-1345 (SUNSET TREATMENT PROGRAM FOR SEX OFFENDERS):** Continues the Sex Offender Management Board (SOMB) in the Division of Criminal Justice until September 2020. Requires the SOMB to revise its standards and guidelines to be consistent with the recommendations provided in a 2014 independent evaluation recommended by the Joint Budget Committee and funded by the General Assembly. Allows sex offenders a choice of two treatment providers in most cases. Once selected, providers cannot be changed by the offender without approval. Directs the SOMB to develop a data collection plan and requires evaluators, treatment providers, and polygraph examiners to collect data in accord with the plan. Requires the SOMB to investigate all complaints and gives it the authority to take disciplinary action against providers that do not comply with SOMB standards.

**H.B. 16-1404 (REGULATE FANTASY CONTESTS):** Establishes the registration of small fantasy contest operators and the licensure of all other large fantasy contest operators by the Division of Professions and Occupations in the Department of Regulatory Agencies. Defines a fantasy contest operator as an entity that offers a fantasy contest with an entry fee and cash prize to the public. Appropriates \$527 cash funds from the Colorado Bureau of Investigation Identification Unit Fund to the Department of Public Safety for FY 2016-17. For more information, see the expanded bill description in the "Recent Legislation" section of the Department of Regulatory Agencies.

**H.B. 16-1405 (LONG BILL):** General appropriations act for FY 2016-17.

**H.B. 16-1453 (COLORADO CYBERSECURITY INITIATIVE):** Creates the Colorado Cybersecurity Council (Council) in the Department of Public Safety (DPS). The Council operates as a steering group to develop cybersecurity policy guidance for the Governor, establish related goals and initiatives, and coordinate with the General Assembly and the judicial branch regarding cybersecurity. Specifies that the University of Colorado at Colorado Springs (UCCS), in partnership with a nonprofit organization, may establish and expand higher education programs in cybersecurity and establish needed cyber education and training laboratories in specified subject areas. UCCS and the nonprofit organization also may establish a secure environment for research and development, initial operational testing and evaluation, and expedited contracting for production for industrial cyber products and techniques. Creates the Cybersecurity Cash Fund (Fund) in the state treasury. Transfers \$7,932,020 from the General Fund to the Fund, creates in the Fund a Cybersecurity Gifts, Grants, and Donations Account in the Fund, and appropriates \$67,980 General Fund to the Department of Public Safety in FY 2016-17.

# Details

## DEPARTMENT OF REGULATORY AGENCIES

### FY 2015-16 AND FY 2016-17 APPROPRIATIONS BY DIVISION AND BILL

DEPARTMENT OF REGULATORY AGENCIES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 TOTAL APPROPRIATION:</b>	<b>\$88,909,962</b>	<b>\$1,923,405</b>	<b>\$80,625,258</b>	<b>\$4,875,289</b>	<b>\$1,486,010</b>	<b>585.5</b>
<b>BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION</b>						
Executive Director's Office and Administrative Services	\$31,328,280	\$763,358	\$26,341,366	\$3,864,916	\$358,640	29.5
Division of Banking	4,605,159	0	4,605,159	0	0	40.0
Civil Rights Division	2,068,445	1,160,047	0	416,922	491,476	27.2
Office of Consumer Counsel	949,219	0	949,219	0	0	7.0
Division of Financial Services	1,651,289	0	1,651,289	0	0	15.6
Division of Insurance	7,946,832	0	7,310,938	0	635,894	85.2
Public Utilities Commission	13,959,952	0	13,959,952	0	0	97.3
Division of Real Estate	5,102,737	0	5,102,737	0	0	55.9
Division of Professions and Occupations	17,826,948	0	17,233,497	593,451	0	203.8
Division of Securities	3,471,101	0	3,471,101	0	0	24.0
<b>BREAKDOWN OF TOTAL APPROPRIATION BY BILL</b>						
SB 15-234	\$88,429,145	\$1,923,405	\$80,144,441	\$4,875,289	\$1,486,010	583.6
SB 15-106	8,506	0	8,506	0	0	0.0
SB 15-110	4,726	0	4,726	0	0	0.0
SB 15-210	50,000	0	50,000	0	0	0.0
HB 15-1309	37,940	0	37,940	0	0	0.0
HB 15-1343	47,250	0	47,250	0	0	0.0
HB 16-1249	332,395	0	332,395	0	0	1.9
<b>FY 2016-17 TOTAL APPROPRIATION:</b>	<b>\$86,142,731</b>	<b>\$1,769,297</b>	<b>\$78,137,343</b>	<b>\$4,852,173</b>	<b>\$1,383,918</b>	<b>588.2</b>
<b>BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION</b>						
Executive Director's Office and Administrative Services	\$27,003,248	\$595,233	\$22,531,335	\$3,586,668	\$290,012	29.5
Division of Banking	4,628,661	0	4,628,661	0	0	40.0
Civil Rights Division	2,102,529	1,174,064	0	432,054	496,411	27.2
Office of Consumer Counsel	959,122	0	959,122	0	0	7.0
Division of Financial Services	1,664,612	0	1,664,612	0	0	15.6
Division of Insurance	7,982,598	0	7,385,103	0	597,495	85.2
Public Utilities Commission	14,868,529	0	14,628,529	240,000	0	97.3
Division of Real Estate	5,114,194	0	5,114,194	0	0	55.9
Division of Professions and Occupations	18,288,974	0	17,695,523	593,451	0	206.5
Division of Securities	3,530,264	0	3,530,264	0	0	24.0
<b>BREAKDOWN OF TOTAL APPROPRIATION BY BILL</b>						
HB 16-1405	\$84,787,420	\$1,769,297	\$77,022,032	\$4,612,173	\$1,383,918	585.5
SB 16-087	480,000	0	240,000	240,000	0	0.0
SB 16-161	25,134	0	25,134	0	0	0.3
HB 16-1047	331,019	0	331,019	0	0	0.3

**DEPARTMENT OF REGULATORY AGENCIES**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 16-1160	32,342	0	32,342	0	0	0.3
HB 16-1186	150,000	0	150,000	0	0	0.0
HB 16-1197	73,551	0	73,551	0	0	0.9
HB 16-1324	12,941	0	12,941	0	0	0.0
HB 16-1404	77,546	0	77,546	0	0	0.9
HB 16-1414	172,778	0	172,778	0	0	0.0
<b>INCREASE/(DECREASE)</b>	<b>(\$2,767,231)</b>	<b>(\$154,108)</b>	<b>(\$2,487,915)</b>	<b>(\$23,116)</b>	<b>(\$102,092)</b>	<b>2.7</b>
Percentage Change	(3.1%)	(8.0%)	(3.1%)	(0.5%)	(6.9%)	0.5%

**INFORMATIONAL FUNDS:** The FY 2016-17 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Regulatory Agencies are annotated with the "(I)". For additional information, see Appendix J.

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2016-17 Appropriations containing an (I) notation	\$3,518,460	\$0	\$2,134,542	\$0	\$1,383,918

**DETAIL OF APPROPRIATION  
BY ADMINISTRATIVE SECTION**

**EXECUTIVE DIRECTOR'S OFFICE AND ADMINISTRATIVE SERVICES**

The Executive Director's Office performs department-wide administrative functions including: accounting, budgeting, data processing, purchasing, facilities planning, and management reporting. The Office of Policy, Research and Regulatory Reform is located within the Executive Director's Office and is responsible for conducting sunrise and sunset reviews of state divisions and programs. The majority of cash funds in this division are from various department cash funds for centrally appropriated line items. The reappropriated funds are primarily from indirect cost recoveries paid by the divisions for central services.

**EXECUTIVE DIRECTOR'S OFFICE AND ADMINISTRATIVE SERVICES**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$31,103,220	\$763,358	\$26,116,306	\$3,864,916	\$358,640	29.5
SB 15-106	8,506	0	8,506	0	0	0.0
SB 15-110	4,726	0	4,726	0	0	0.0
HB 15-1309	7,426	0	7,426	0	0	0.0
HB 16-1249	204,402	0	204,402	0	0	0.0
<b>TOTAL</b>	<b>\$31,328,280</b>	<b>\$763,358</b>	<b>\$26,341,366</b>	<b>\$3,864,916</b>	<b>\$358,640</b>	<b>29.5</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$31,328,280	\$763,358	\$26,341,366	\$3,864,916	\$358,640	29.5
Annualize terms of new lease agreement	(2,405,433)	(97,037)	(1,995,015)	(272,917)	(40,464)	0.0
Centrally appropriated line items	(1,303,979)	(46,385)	(1,239,621)	483	(18,456)	0.0
Annualize prior year budget actions	(798,716)	(24,703)	(758,491)	(5,814)	(9,708)	0.0
Annualize prior year legislation	(24,834)	0	(24,834)	0	0	0.0
<b>HB 16-1405</b>	<b>\$26,795,318</b>	<b>\$595,233</b>	<b>\$22,323,405</b>	<b>\$3,586,668</b>	<b>\$290,012</b>	<b>29.5</b>
SB 16-161	10,071	0	10,071	0	0	0.0
HB 16-1047	160,805	0	160,805	0	0	0.0
HB 16-1160	15,202	0	15,202	0	0	0.0
HB 16-1197	2,850	0	2,850	0	0	0.0

EXECUTIVE DIRECTOR'S OFFICE AND ADMINISTRATIVE SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 16-1324	9,501	0	9,501	0	0	0.0
HB 16-1404	9,501	0	9,501	0	0	0.0
<b>TOTAL</b>	<b>\$27,003,248</b>	<b>\$595,233</b>	<b>\$22,531,335</b>	<b>\$3,586,668</b>	<b>\$290,012</b>	<b>29.5</b>
<b>INCREASE/(DECREASE)</b>	(\$4,325,032)	(\$168,125)	(\$3,810,031)	(\$278,248)	(\$68,628)	0.0
Percentage Change	(13.8%)	(22.0%)	(14.5%)	(7.2%)	(19.1%)	0.0%

#### FY 2015-16 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 16-1249 adds \$200,000 cash funds for the Broadband Deployment Board, \$6,651 cash funds for the implementation of S.B. 15-202 (Exclude Water Conditioning Appliance from Plumbing), and reduces vehicle lease payments by \$2,249 cash funds.

#### FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE TERMS OF NEW LEASE AGREEMENT:** The appropriation includes a reduction of \$2,405,433 total funds, including \$97,037 General Fund, \$1,995,015 cash funds, \$272,917 reappropriated funds, and \$40,464 federal funds. The overall reduction will result in an appropriation of \$788,208 cash funds for the leased space line item in the Department of Regulatory Agencies Executive Director's Office. The Department has signed a new 10-year lease from FY 2016-17 through FY 2026-27 at their current location of 1560 Broadway in Denver that includes significant cost savings in the first year of the lease.

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

**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 2015-16 appropriation including the annualization of the FY 2015-16 salary survey and merit pay.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes a reduction of \$24,834 total funds for the second year impact of legislation.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 15-1309 Protective Restorations By Dental Hygienists	(\$4,951)	\$0	(\$4,951)	\$0	\$0	0.0
SB 15-202 Exclude Water Conditioning Appliance From Plumbing	(6,651)	0	(6,651)	0	0	0.0
SB 15-106 Sunset Barber & Cosmetologist Act & Committee	(8,506)	0	(8,506)	0	0	0.0
SB 15-110 Sunset Mortuary Science Regulation	(4,726)	0	(4,726)	0	0	0.0
<b>TOTAL</b>	<b>(\$24,834)</b>	<b>\$0</b>	<b>(\$24,834)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

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

## 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 2015-16 APPROPRIATION:						
SB 15-234	\$4,605,159	\$0	\$4,605,159	\$0	\$0	40.0
<b>TOTAL</b>	<b>\$4,605,159</b>	<b>\$0</b>	<b>\$4,605,159</b>	<b>\$0</b>	<b>\$0</b>	<b>40.0</b>
FY 2016-17 APPROPRIATION:						
FY 2015-16 Appropriation	\$4,605,159	\$0	\$4,605,159	\$0	\$0	40.0
Annualize prior year budget actions	41,340	0	41,340	0	0	0.0
Indirect cost assessment	(17,838)	0	(17,838)	0	0	0.0
<b>HB 16-1405</b>	<b>\$4,628,661</b>	<b>\$0</b>	<b>\$4,628,661</b>	<b>\$0</b>	<b>\$0</b>	<b>40.0</b>
<b>TOTAL</b>	<b>\$4,628,661</b>	<b>\$0</b>	<b>\$4,628,661</b>	<b>\$0</b>	<b>\$0</b>	<b>40.0</b>
<b>INCREASE/(DECREASE)</b>	\$23,502	\$0	\$23,502	\$0	\$0	0.0
Percentage Change	0.5%	n/a	0.5%	n/a	n/a	0.0%

### FY 2016-17 APPROPRIATION – H.B. 16-1405 (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 2015-16 appropriation including the annualization of the FY 2015-16 salary survey and merit pay.

**INDIRECT COST ASSESSMENT:** The appropriation includes a decrease of \$17,838 total funds 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 2015-16 APPROPRIATION:						
SB 15-234	\$2,068,445	\$1,160,047	\$0	\$416,922	\$491,476	27.2
<b>TOTAL</b>	<b>\$2,068,445</b>	<b>\$1,160,047</b>	<b>\$0</b>	<b>\$416,922</b>	<b>\$491,476</b>	<b>27.2</b>

**CIVIL RIGHTS DIVISION**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$2,068,445	\$1,160,047	\$0	\$416,922	\$491,476	27.2
Annualize prior year budget actions	38,856	29,149	0	0	9,707	0.0
Centrally appropriated line items	0	(15,132)	0	15,132	0	0.0
Indirect cost assessment	(4,772)	0	0	0	(4,772)	0.0
<b>HB 16-1405</b>	<b>\$2,102,529</b>	<b>\$1,174,064</b>	<b>\$0</b>	<b>\$432,054</b>	<b>\$496,411</b>	<b>27.2</b>
<b>TOTAL</b>	<b>\$2,102,529</b>	<b>\$1,174,064</b>	<b>\$0</b>	<b>\$432,054</b>	<b>\$496,411</b>	<b>27.2</b>
<b>INCREASE/(DECREASE)</b>						
	\$34,084	\$14,017	\$0	\$15,132	\$4,935	0.0
Percentage Change	1.6%	1.2%	n/a	3.6%	1.0%	0.0%

**FY 2016-17 APPROPRIATION – H.B. 16-1405 (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 2015-16 appropriation including the annualization of the FY 2015-16 salary survey and merit pay.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation include adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; and workers' compensation.

**INDIRECT COST ASSESSMENT:** The appropriation includes a decrease of \$4,772 federal funds in the Division's indirect cost assessment.

**OFFICE OF CONSUMER COUNSEL**

The Office of Consumer Counsel represents the interests of residential, agricultural, and small business consumers at electric, gas, and telephone rate and service proceedings before the Public Utilities Commission, federal agencies, and the courts. This Division is entirely cash funded from the Public Utilities Commission Fixed Utility Fund pursuant to Section 40-2-114, C.R.S.

**OFFICE OF CONSUMER COUNSEL**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$949,219	\$0	\$949,219	\$0	\$0	7.0
<b>TOTAL</b>	<b>\$949,219</b>	<b>\$0</b>	<b>\$949,219</b>	<b>\$0</b>	<b>\$0</b>	<b>7.0</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$949,219	\$0	\$949,219	\$0	\$0	7.0
Annualize prior year budget actions	13,024	0	13,024	0	0	0.0
Indirect cost assessment	(3,121)	0	(3,121)	0	0	0.0
<b>HB 16-1405</b>	<b>\$959,122</b>	<b>\$0</b>	<b>\$959,122</b>	<b>\$0</b>	<b>\$0</b>	<b>7.0</b>
<b>TOTAL</b>	<b>\$959,122</b>	<b>\$0</b>	<b>\$959,122</b>	<b>\$0</b>	<b>\$0</b>	<b>7.0</b>
<b>INCREASE/(DECREASE)</b>						
	\$9,903	\$0	\$9,903	\$0	\$0	0.0
Percentage Change	1.0%	n/a	1.0%	n/a	n/a	0.0%

## FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes an increase for the annualization of the FY 2015-16 salary survey and merit pay.

**INDIRECT COST ASSESSMENT:** The appropriation includes a decrease of \$3,121 cash funds 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 2015-16 APPROPRIATION:						
SB 15-234	\$1,651,289	\$0	\$1,651,289	\$0	\$0	15.6
<b>TOTAL</b>	<b>\$1,651,289</b>	<b>\$0</b>	<b>\$1,651,289</b>	<b>\$0</b>	<b>\$0</b>	<b>15.6</b>
FY 2016-17 APPROPRIATION:						
FY 2015-16 Appropriation	\$1,651,289	\$0	\$1,651,289	\$0	\$0	15.6
Annualize prior year budget actions	20,279	0	20,279	0	0	0.0
Indirect cost assessment	(6,956)	0	(6,956)	0	0	0.0
<b>HB 16-1405</b>	<b>\$1,664,612</b>	<b>\$0</b>	<b>\$1,664,612</b>	<b>\$0</b>	<b>\$0</b>	<b>15.6</b>
<b>TOTAL</b>	<b>\$1,664,612</b>	<b>\$0</b>	<b>\$1,664,612</b>	<b>\$0</b>	<b>\$0</b>	<b>15.6</b>
<b>INCREASE/(DECREASE)</b>	\$13,323	\$0	\$13,323	\$0	\$0	0.0
Percentage Change	0.8%	n/a	0.8%	n/a	n/a	0.0%

## FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes an increase for the annualization of the FY 2015-16 salary survey and merit pay.

**INDIRECT COST ASSESSMENT:** The appropriation includes a decrease of \$6,956 cash funds in the Division's indirect cost assessment.

### DIVISION OF INSURANCE

This Division is responsible for the licensing of insurance agents and adjusters and regulation of insurance companies, non-profit hospitals, prepaid dental plans, health maintenance organizations, workers' compensation self-insurance pools, bail bondsmen, and pre-need funeral contracts. The Division of Insurance Cash Fund, created in Section 10-1-103 (3), C.R.S., is the primary source of cash funds.

**DIVISION OF INSURANCE**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$7,896,832	\$0	\$7,260,938	\$0	\$635,894	85.2
SB 15-210	50,000	0	50,000	0	0	0.0
<b>TOTAL</b>	<b>\$7,946,832</b>	<b>\$0</b>	<b>\$7,310,938</b>	<b>\$0</b>	<b>\$635,894</b>	<b>85.2</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$7,946,832	\$0	\$7,310,938	\$0	\$635,894	85.2
Annualize prior year budget actions	111,269	0	111,269	0	0	0.0
Indirect cost assessment	(75,503)	0	(37,104)	0	(38,399)	0.0
<b>HB 16-1405</b>	<b>\$7,982,598</b>	<b>\$0</b>	<b>\$7,385,103</b>	<b>\$0</b>	<b>\$597,495</b>	<b>85.2</b>
<b>TOTAL</b>	<b>\$7,982,598</b>	<b>\$0</b>	<b>\$7,385,103</b>	<b>\$0</b>	<b>\$597,495</b>	<b>85.2</b>
<b>INCREASE/(DECREASE)</b>	\$35,766	\$0	\$74,165	\$0	(\$38,399)	0.0
Percentage Change	0.5%	n/a	1.0%	n/a	(6.0%)	0.0%

**FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS**

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes an increase for the annualization of the FY 2015-16 salary survey and merit pay.

**INDIRECT COST ASSESSMENT:** The appropriation includes a decrease of \$75,503 total funds in the Division’s indirect cost assessment.

**PUBLIC UTILITIES COMMISSION**

The Public Utilities Commission regulates the rates and services of fixed utilities and transportation utilities located in the state, and administers the Colorado Telecommunications High Cost Program, the Highway Crossing Protection Program, and the Colorado Telephone Users with Disabilities Program. This Division is entirely cash funded, primarily from the Public Utilities Commission Fixed Utility Fund, the Colorado Telephone Users With Disabilities Fund, and the Public Utilities Commission Motor Carrier Fund.

**PUBLIC UTILITIES COMMISSION**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$13,959,952	\$0	\$13,959,952	\$0	\$0	97.3
<b>TOTAL</b>	<b>\$13,959,952</b>	<b>\$0</b>	<b>\$13,959,952</b>	<b>\$0</b>	<b>\$0</b>	<b>97.3</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$13,959,952	\$0	\$13,959,952	\$0	\$0	97.3
Annualize prior year budget actions	149,190	0	149,190	0	0	0.0
Indirect cost assessment	(43,391)	0	(43,391)	0	0	0.0
<b>HB 16-1405</b>	<b>\$14,065,751</b>	<b>\$0</b>	<b>\$14,065,751</b>	<b>\$0</b>	<b>\$0</b>	<b>97.3</b>
SB 16-087	480,000	0	240,000	240,000	0	0.0
HB 16-1186	150,000	0	150,000	0	0	0.0
HB 16-1414	172,778	0	172,778	0	0	0.0
<b>TOTAL</b>	<b>\$14,868,529</b>	<b>\$0</b>	<b>\$14,628,529</b>	<b>\$240,000</b>	<b>\$0</b>	<b>97.3</b>
<b>INCREASE/(DECREASE)</b>	\$908,577	\$0	\$668,577	\$240,000	\$0	0.0
Percentage Change	6.5%	n/a	4.8%	0.0%	n/a	0.0%

## FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes an increase for the annualization of the FY 2015-16 salary survey and merit pay.

**INDIRECT COST ASSESSMENT:** The appropriation includes a decrease of \$43,391 cash funds 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 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
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$5,055,487	\$0	\$5,055,487	\$0	\$0	55.9
HB 15-1343	47,250	0	47,250	0	0	0.0
<b>TOTAL</b>	<b>\$5,102,737</b>	<b>\$0</b>	<b>\$5,102,737</b>	<b>\$0</b>	<b>\$0</b>	<b>55.9</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$5,102,737	\$0	\$5,102,737	\$0	\$0	55.9
Annualize prior year budget actions	65,519	0	65,519	0	0	0.0
Centrally appropriated line items	10,117	0	10,117	0	0	0.0
Annualize prior year legislation	(39,250)	0	(39,250)	0	0	0.0
Indirect cost assessment	(24,929)	0	(24,929)	0	0	0.0
<b>HB 16-1405</b>	<b>\$5,114,194</b>	<b>\$0</b>	<b>\$5,114,194</b>	<b>\$0</b>	<b>\$0</b>	<b>55.9</b>
<b>TOTAL</b>	<b>\$5,114,194</b>	<b>\$0</b>	<b>\$5,114,194</b>	<b>\$0</b>	<b>\$0</b>	<b>55.9</b>
<b>INCREASE/(DECREASE)</b>	\$11,457	\$0	\$11,457	\$0	\$0	0.0
Percentage Change	0.2%	n/a	0.2%	n/a	n/a	0.0%

## FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes an increase for the annualization of the FY 2015-16 salary survey and merit pay.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes an adjustment for legal services.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes a reduction of \$39,250 cash funds for the second year impact of H.B. 1343 (Streamline HOA Manager Licensing Requirements).

**INDIRECT COST ASSESSMENT:** The appropriation includes a decrease of \$24,929 cash funds in the Division's indirect cost assessment.

## DIVISION OF PROFESSIONS AND OCCUPATIONS

This Division regulates over 421,000 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
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$17,668,441	\$0	\$17,074,990	\$593,451	\$0	201.9
HB 15-1309	30,514	0	30,514	0	0	0.0
HB 16-1249	127,993	0	127,993	0	0	1.9
<b>TOTAL</b>	<b>\$17,826,948</b>	<b>\$0</b>	<b>\$17,233,497</b>	<b>\$593,451</b>	<b>\$0</b>	<b>203.8</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$17,826,948	\$0	\$17,233,497	\$593,451	\$0	203.8
Annualize prior year budget actions	239,467	0	239,467	0	0	0.0
Indirect cost assessment	(75,903)	0	(75,903)	0	0	0.0
Annualize prior year legislation	(46,141)	0	(46,141)	0	0	0.0
<b>HB 16-1405</b>	<b>\$17,944,371</b>	<b>\$0</b>	<b>\$17,350,920</b>	<b>\$593,451</b>	<b>\$0</b>	<b>203.8</b>
SB 16-161	15,063	0	15,063	0	0	0.3
HB 16-1047	170,214	0	170,214	0	0	0.3
HB 16-1160	17,140	0	17,140	0	0	0.3
HB 16-1197	70,701	0	70,701	0	0	0.9
HB 16-1324	3,440	0	3,440	0	0	0.0
HB 16-1404	68,045	0	68,045	0	0	0.9
<b>TOTAL</b>	<b>\$18,288,974</b>	<b>\$0</b>	<b>\$17,695,523</b>	<b>\$593,451</b>	<b>\$0</b>	<b>206.5</b>
<b>INCREASE/(DECREASE)</b>	\$462,026	\$0	\$462,026	\$0	\$0	2.7
Percentage Change	2.6%	n/a	2.7%	0.0%	n/a	1.3%

### FY 2015-16 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 16-1249 adds \$127,993 cash funds and 1.9 FTE for the implementation of Senate Bill 15-202 (Exclude Water Conditioning Appliance from Plumbing)

### FY 2016-17 APPROPRIATION – H.B. 16-1405 (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 2015-16 appropriation including the annualization of the FY 2015-16 salary survey and merit pay.

**INDIRECT COST ASSESSMENT:** The appropriation includes a decrease of \$75,903 cash funds in the Division's indirect cost assessment.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes a reduction of \$46,141 total funds for the second year impact of legislation.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 15-1309 Protective Restorations By Dental Hygienists	(\$30,514)	\$0	(\$30,514)	\$0	\$0	0.0
SB 15-202 Exclude Water Conditioning Appliance From Plumbing	(15,627)	0	(15,627)	0	0	0.0
<b>TOTAL</b>	<b>(\$46,141)</b>	<b>\$0</b>	<b>(\$46,141)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

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

## 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 2015-16 APPROPRIATION:						
SB 15-234	\$3,471,101	\$0	\$3,471,101	\$0	\$0	24.0
<b>TOTAL</b>	<b>\$3,471,101</b>	<b>\$0</b>	<b>\$3,471,101</b>	<b>\$0</b>	<b>\$0</b>	<b>24.0</b>
FY 2016-17 APPROPRIATION:						
FY 2015-16 Appropriation	\$3,471,101	\$0	\$3,471,101	\$0	\$0	24.0
Centrally appropriated line items	36,993	0	36,993	0	0	0.0
Annualize prior year budget actions	32,873	0	32,873	0	0	0.0
Indirect cost assessment	(10,703)	0	(10,703)	0	0	0.0
<b>HB 16-1405</b>	<b>\$3,530,264</b>	<b>\$0</b>	<b>\$3,530,264</b>	<b>\$0</b>	<b>\$0</b>	<b>24.0</b>
<b>TOTAL</b>	<b>\$3,530,264</b>	<b>\$0</b>	<b>\$3,530,264</b>	<b>\$0</b>	<b>\$0</b>	<b>24.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$59,163</b>	<b>\$0</b>	<b>\$59,163</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	1.7%	n/a	1.7%	n/a	n/a	0.0%

### FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes an adjustment for legal services.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes an increase for the annualization of the FY 2015-16 salary survey and merit pay.

**INDIRECT COST ASSESSMENT:** The appropriation includes a decrease of \$10,703 total funds in the Division's indirect cost assessment.

## RECENT LEGISLATION

### 2015 SESSION BILLS

**S.B. 15-104 (SUNSET CO DIVISION OF SECURITIES):** Continues the Division of Securities until September 1, 2026 and repeals the \$25 license fee cap for sales representatives and investment advisor representatives.

**S.B. 15-105 (SUNSET REVIEW RESPIRATORY THERAPY PRACTICE ACT):** Implements the recommendations from the 2014 sunset review for the licensing of respiratory therapists and extends the program until September 1, 2024.

**S.B. 15-106 (SUNSET BARBER & COSMETOLOGIST ACT & COMMITTEE):** Continues the Barber and Cosmetologist Act and the Cosmetology Advisory Committee until September 1, 2026. The bill also adds a sixth member to the committee and requires at least one of the committee members to own or operate a school that provides training for licensees in the industry. Appropriates \$8,506 cash funds from the Division of Professions and Occupations Cash Fund to the Department and reappropriates those funds to the Department of Law for the purchase of legal services.

**S.B. 15-110 (SUNSET MORTUARY SCIENCE REGULATION):** Continues the registration of funeral homes and crematories by the Division of Professions and Occupations until July 1, 2024. Requires the institution of a chain of command for human remains and clarifies the definitions of “crematory” and “funeral establishment.” Clarifies that a funeral establishment has 24-hour deadline to embalm, refrigerate, cremate, bury, or entomb human remains after taking custody. Appropriates \$4,726 cash funds from the Division of Professions and Occupations Cash Fund to the Department and reappropriates those funds to the Department of Law for the purchase of legal services.

**S.B. 15-119 (SUNSET PESTICIDE APPLICATORS):** Continues the Pesticide Applicators’ Act until September 1, 2022 and implements the recommendations of the sunset review and report on the regulation of pesticide applicators.

**S.B. 15-210 (TITLE INSURANCE COMMISSION):** Creates the Title Commission in the Division of Insurance to serve as an advisory body to the Commissioner of Insurance in matters of title insurance. The commission may propose rules, bulletins, position statements, and consumer protections to the commissioner. It may also consult with the commissioner or his or her designee about final agency actions related to enforcement, licensing, or market conduct actions. At each quarterly meeting, the commission will be provided with a written summary of complaints investigated and closed by the division without action. The bill appropriates \$50,000 cash funds from the Division of Insurance Cash Fund to the Division of Insurance for implementation.

**S.B. 15-234 (LONG BILL):** General appropriations act for FY 2015-16.

**S.B. 15-271 (CONTINUATION OF THE OFFICE OF CONSUMER COUNSEL):** Continues the Office of the Consumer Counsel (OCC) in the Department until September 1, 2021 and implements recommendations from the sunset review.

**H.B. 15-1246 (CROWDFUND INTRASTATE SECURITIES ON-LINE):** Allows Colorado residents to invest in Colorado companies through online intermediaries under a simplified regulatory regime. To be eligible to crowdfund an interstate equity offering, a security issuer must be a business entity organized under Colorado law that meets certain requirements. The bill establishes regulatory requirements for on-line intermediaries, including how they will be compensated.

**H.B. 15-1309 (PROTECTIVE RESTORATIONS BY DENTAL HYGIENISTS):** Allows dental hygienists to receive a permit from the Colorado Dental Board to perform interim therapeutic restorations. Establishes an advisory committee to develop standards for interim therapeutic restorations. Places various restrictions on dental hygienists performing interim therapeutic restorations, including prohibiting the use of local anesthesia and requiring that a dentist first provide the diagnosis, treatment plan, and instruction for the dental hygienist to perform the restoration. Appropriations include \$37,940 cash funds from the Division of Professions and Occupations to the Department for FY 2015-16, including \$30,514 for personal services and \$7,426 for the purchase of legal services from the Department of Law. The bill also appropriates \$37,606 to the Department of Health Care Policy and Financing for FY 2015-16, including \$10,815 General Fund and \$833 cash funds from various cash funds. This provision also states the Department of Health Care Policy and Financing will receive \$25,958 federal funds to implement the act.

**H.B. 15-1343 (STREAMLINE HOA MANAGER LICENSING REQUIREMENTS):** Modifies the Community Association Manager (CAM) Licensing Program, including: amending the definition of CAM practices; defining and setting limits on CAM apprentices; modifying examination requirements so that licensees who hold a Certified Manager of Community Associations designation are no longer required to pass the general portion of the exam; requiring a credentialed applicant from another state to complete only the Colorado law portion of the exam; and repealing the Community Association Manager Licensing Cash Fund and transferring those funds to the Division of Real Estate Cash Fund on July 1, 2015. Appropriates \$47,250 from the Division of Real Estate Cash Fund to the Division of Real Estate for operating expenses.

## 2016 SESSION BILLS

**S.B. 16-087 (HIGHWAY-RAIL CROSSING SIGNALIZATION FUND FUNDING):** Requires all or a portion of 3.0 percent of the fees collected from public utilities by the Department of Revenue to be credited to the Highway-rail Crossing Signalization Fund. For the 2016-17 fiscal year, \$240,000 cash funds from the Highway User Tax Fund are appropriated to the Highway-rail Crossing Signalization Fund and \$240,000 reappropriated funds are appropriated to the Public Utilities Commissions. For the 2017-18 fiscal year and for each fiscal year thereafter, the lesser of all of the fees or an amount of the fees equal to \$240,000 plus a cumulative inflation adjustment of 2% for each fiscal year beginning with the 2017-18 fiscal year must be credited to the Highway-rail Crossing Signalization Fund and any remaining fees shall be credited to the General Fund.

**S.B. 16-161 (REGULATE ATHLETIC TRAINERS):** Requires athletic trainers to be registered with the Division of Professions and Occupations (DPO) and reinstates, with some modifications, the Athletic Trainer Practice Act as it existed prior to its 2015 repeal. The modifications include:

- Title protection for the abbreviation “A.T.C.” to be used only by registered athletic trainers;
- Requires evidence of current national certification at registration, and, if required by the DPO director, at renewal; and
- Adds as grounds for discipline the failure of an athletic trainer to practice pursuant to the direction of a Colorado-licensed or otherwise lawfully practicing health care professional and the failure to practice in a manner that meets generally accepted standards of athletic training practice.

Appropriates \$25,134 cash funds from the Division of Professions and Occupations Cash Fund to the Department for FY 2016-17, which is based on the assumption that the Department will require an additional 0.3 FTE. The bill also provides \$10,071 reappropriated funds to the Department of Law for the provision of legal services, which is based on the assumption that the Department will require an additional 0.1 FTE.

**H.B. 16-1047 (INTERSTATE MEDICAL LICENSURE COMPACT):** Enacts the Interstate Medical Licensure Compact (compact) and authorizes the Governor to enter into the compact on behalf of Colorado. Under the compact, physicians licensed in a member state may obtain an expedited license in other member states, allowing them to practice in Colorado or in another member state. The compact is governed by the Interstate Medical Licensure Commission (interstate commission). The compact allows member states to investigate and discipline physicians, including as part of joint investigations with other member states. The interstate commission is required to maintain a database of all licensed physicians in member states. Member states are required to report certain disciplinary actions and complaints against licensed physicians to the interstate commission. In addition, member states are required to share information about disciplinary actions and complaints at the request of another member state. The bill appropriates \$331,019 cash funds to the Department from the Division of Professions and Occupations Cash Fund and 0.3 FTE. Additionally, the amendment provides:

- \$113,300 reappropriated funds to the Office of the Governor for use by the Office of Information Technology;
- \$47,505 reappropriated funds and 0.1 FTE to the Department of Law for the provision of legal services; and
- \$31,600 reappropriated funds and 0.3 FTE to the Department of Public Safety for the provision of background checks.

**H.B. 16-1160 (SUNSET SURGICAL ASSISTANTS SURGICAL TECHNICIANS):** Continues the regulation of surgical assistants and surgical technologists until September 1, 2021. These health professions are regulated by the Division of Professions and Occupations. The bill also requires that surgical assistants and technologists have a fingerprint-based background check prior to being registered. Employers of surgical assistants and technicians must report positive drug tests involving these employees to DORA. Appropriates:

- \$114,188 cash funds and 0.6 FTE to the Colorado Bureau of Investigation's Identification Unit in the Department of Public Safety for background checks;
- \$32,342 cash funds and 0.3 FTE to the Division of Professions and Occupations for personal services and the purchase of legal services; and
- \$15,202 reappropriated funds and 0.1 FTE to the Department of Law for the provision of legal services.

**H.B. 16-1186 (MAP-21 RAIL FIXED GUIDEWAY SAFETY FUND GRANT MATCH):** Requires a portion of 3.0 percent of the fees collected from public utilities by the Department of Revenue to be credited to the Public Utilities Fixed Utility Fund (FUF). Up to \$150,000 of the fees will be diverted to the FUF with any remainder being credited to the General Fund. This diversion will occur in FY 2016-17 and any fiscal year thereafter in which a grant match is required for the receipt of federal money under the federal Moving Ahead for Progress in the 21<sup>st</sup> (MAP-21) Century Act. The bill appropriates \$150,000 cash funds from the FUF to the Department for FY 2016-17.

**H.B. 16-1197 (MILITARY VETERAN OCCUPATIONAL CREDENTIALS):** Requires each state agency that regulates a profession or occupation to evaluate and provide appropriate credit toward licensing and certification for military experience. Each state agency may consult with any military official, state agency, or post-secondary educational institution, and each post-secondary educational institution is obligated to cooperate. Appropriates \$73,551 cash funds and 0.9 FTE to the Department. Provides \$2,850 reappropriated funds to the Department of Law for the provision of legal services.

**H.B. 16-1249 (SUPPLEMENTAL BILL):** Supplemental appropriation to the Department to modify FY 2015-16 appropriations included in the FY 2015-16 Long Bill (S.B. 15-234).

**H.B. 16-1324 (VETERINARY ACCESS COMPOUNDED PHARMACEUTICAL DRUGS):** Authorizes a compounding pharmacy that possesses a valid manufacturing registration from the federal Drug Enforcement Administration to compound and distribute a drug to a veterinarian for office use or office stock. Additionally, the bill allows a veterinarian to administer to an animal patient a compounded drug maintained for office use and to dispense to a human client for later administration to an animal patient a compound drug. The Colorado Board of Pharmacy (board) may authorize and license a pharmacy outlet located outside of Colorado to provide compounded veterinary drugs for office use or office stock. Nonresident pharmacy licensees must provide the board with a copy of the most recent state inspection report and information about their state's inspection procedure and criteria for board approval as satisfactorily demonstrating proof of compliance with Colorado regulations. In addition, the nonresident pharmacy must pay for a third-party inspection of its facilities to be submitted to the board. The board may promulgate rules concerning its review of these reports, and as necessary concerning compounded veterinary pharmaceuticals. The bill appropriates \$12,941 cash funds to the Division of Professions and Occupations.

**H.B. 16-1404 (REGULATE FANTASY CONTESTS):** Establishes the registration of small fantasy contest operators and the licensure of all other large fantasy contest operators by the Division of Professions and Occupations. The bill defines a fantasy contest operator as an entity that offers a fantasy contest with an entry fee and cash prize to the public. The bill appropriates \$77,546 cash funds and 0.9 FTE to the Division of Professions and Occupations, \$9,501 reappropriated funds to the Department of Law for the provision of legal services, and \$527 to the Department of Public Safety for background checks.

**H.B. 16-1405 (LONG BILL):** General appropriations act for FY 2016-17.

**H.B. 16-1414 (FUNDING BASE FOR TELECOM RELAY SERVICES):** Directs the Public Utilities Commission (PUC) to promulgate rules to apply a monthly surcharge on all mobile wireless and Voice-over-Internet Protocol (VoIP) subscribers in Colorado. The surcharge currently applies only to landlines and will be deposited into the renamed Colorado Telephone Users with Disabilities Fund. The fund currently provides two-way communication for individuals with hearing or speech disabilities. The additional surcharge revenue will be used to cover annual appropriations to the Reading Services for the Blind Cash Fund in the Colorado Department of Education (CDE) and the Colorado Commission for the Deaf and Hard of Hearing Cash Fund in the Department of Human Services (DHS). In addition, this bill removes the 3.0 percent statutory cap on the PUC's administrative costs associated with developing, implementing, and administering telecommunications relay services. The bill appropriates \$172,778 cash funds for FY 2016-17 from the Colorado Telephone Users with Disabilities Fund to the Colorado Commission for the Deaf and Hard of Hearing Cash Fund, which is within the Department of Regulatory Agencies. The bill also provides 2.0 FTE and \$172,778 from reappropriated funds in the Colorado Commission for the Deaf and Hard of Hearing Cash Fund to the Department of Human Services for FY 2016-17 for use by the Colorado Commission for the Deaf and Hard of Hearing.

# Details

## DEPARTMENT OF REVENUE

### FY 2015-16 AND FY 2016-17 APPROPRIATIONS BY DIVISION AND BILL

DEPARTMENT OF REVENUE						
	TOTAL FUNDS	GENERAL FUND <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 TOTAL APPROPRIATION:</b>	<b>\$325,298,965</b>	<b>\$97,942,157</b>	<b>\$221,218,250</b>	<b>\$5,314,170</b>	<b>\$824,388</b>	<b>1,371.4</b>
<b>BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION</b>						
Executive Director's Office	\$62,059,879	\$29,657,217	\$27,750,486	\$4,652,176	\$0	124.0
Information Technology Division	4,708,427	957,265	3,751,162	0	0	0.0
Taxation Business Group	62,763,331	58,666,692	3,052,166	220,085	824,388	381.9
Division of Motor Vehicles	42,539,620	8,291,032	34,074,564	174,024	0	490.1
Enforcement Business Group	55,357,421	369,951	54,719,585	267,885	0	258.3
State Lottery Division	97,870,287	0	97,870,287	0	0	117.1
<b>BREAKDOWN OF TOTAL APPROPRIATION BY BILL</b>						
SB 15-234	\$323,064,380	\$97,544,431	\$219,381,391	\$5,314,170	\$824,388	1,363.7
SB 15-014	113,704	0	113,704	0	0	1.0
SB 15-090	506,487	0	506,487	0	0	0.0
SB 15-188	69,453	0	69,453	0	0	1.0
SB 15-206	5,300	5,300	0	0	0	0.0
SB 15-229	5,304	0	5,304	0	0	0.0
HB 15-1004	4,120	0	4,120	0	0	0.0
HB 15-1026	58,132	0	58,132	0	0	0.0
HB 15-1136	7,880	2,866	5,014	0	0	0.0
HB 15-1217	3,060	0	3,060	0	0	0.0
HB 15-1219	33,000	33,000	0	0	0	0.0
HB 15-1228	73,440	0	73,440	0	0	0.0
HB 15-1313	5,452	0	5,452	0	0	0.0
HB 15-1366	36,000	36,000	0	0	0	0.0
HB 15-1367	25,440	0	25,440	0	0	0.0
HB 15-1379	166,305	0	166,305	0	0	1.4
HB 16-1250	1,121,508	320,560	800,948	0	0	4.3
<b>FY 2016-17 TOTAL APPROPRIATION:</b>	<b>\$338,472,414</b>	<b>\$100,710,413</b>	<b>\$230,466,408</b>	<b>\$6,471,205</b>	<b>\$824,388</b>	<b>1,430.4</b>
<b>BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION</b>						
Executive Director's Office	\$62,388,546	\$28,934,677	\$27,672,145	\$5,781,724	\$0	124.1
Information Technology Division	4,701,277	957,265	3,744,012	0	0	0.0
Taxation Business Group	70,755,554	66,273,043	3,438,038	220,085	824,388	404.2
Division of Motor Vehicles	43,457,690	4,183,488	39,100,178	174,024	0	490.5
Enforcement Business Group	58,857,109	361,940	58,199,797	295,372	0	294.5
State Lottery Division	98,312,238	0	98,312,238	0	0	117.1
<b>BREAKDOWN OF TOTAL APPROPRIATION BY BILL</b>						
HB 16-1405	\$336,697,926	\$103,760,809	\$225,641,524	\$6,471,205	\$824,388	1,414.7
SB 16-030	12,566	12,566	0	0	0	0.0
SB 16-036	100,000	100,000	0	0	0	0.0
SB 16-040	995,738	0	995,738	0	0	9.8

**DEPARTMENT OF REVENUE**

	TOTAL FUNDS	GENERAL FUND <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 16-197	398,682	0	398,682	0	0	2.4
HB 16-1056	21,929	0	21,929	0	0	0.4
HB 16-1211	76,284	0	76,284	0	0	1.1
HB 16-1261	132,251	0	132,251	0	0	2.0
HB 16-1332	37,038	37,038	0	0	0	0.0
HB 16-1415	0	(3,200,000)	3,200,000	0	0	0.0
<b>INCREASE/(DECREASE)</b>	<b>\$13,173,449</b>	<b>\$2,768,256</b>	<b>\$9,248,158</b>	<b>\$1,157,035</b>	<b>\$0</b>	<b>59.0</b>
Percentage Change	4.0%	2.8%	4.2%	21.8%	0.0%	4.3%

<sup>1</sup> Includes \$23,500,000 in FY 2015-16 and \$29,000,000 in FY 2016-17 that is exempt from the statutory limit on state General Fund appropriations pursuant to Section 24-75-201.1, C.R.S.

**INFORMATIONAL FUNDS:** The FY 2016-17 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 2016-17 Appropriations containing an (I) notation	\$66,803,530	\$29,000,000	\$36,979,142	\$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
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$61,935,164	\$29,657,217	\$27,625,771	\$4,652,176	\$0	124.0
SB 15-014	56,706	0	56,706	0	0	0.0
SB 15-229	4,120	0	4,120	0	0	0.0
HB 15-1004	4,120	0	4,120	0	0	0.0
HB 15-1026	52,942	0	52,942	0	0	0.0
HB 15-1313	4,120	0	4,120	0	0	0.0
HB 16-1250	2,707	0	2,707	0	0	0.0
<b>TOTAL</b>	<b>\$62,059,879</b>	<b>\$29,657,217</b>	<b>\$27,750,486</b>	<b>\$4,652,176</b>	<b>\$0</b>	<b>124.0</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$62,059,879	\$29,657,217	\$27,750,486	\$4,652,176	\$0	124.0
Centrally appropriated line items	969,594	642,238	299,840	27,516	0	0.0
Marijuana Enforcement Division	309,678	0	309,678	0	0	0.0
Income tax refund fraud prevention	274,298	274,298	0	0	0	0.1
Indirect cost assessment	0	(1,102,032)	0	1,102,032	0	0.0
Postage fund mix adjustment	0	(23,813)	23,813	0	0	0.0
Annualize prior year budget actions	(1,628,153)	(623,655)	(1,004,498)	0	0	0.0
Annualize prior year legislation	(36,075)	(2,142)	(33,933)	0	0	0.0

**EXECUTIVE DIRECTOR'S OFFICE**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>HB 16-1405</b>	<b>\$61,949,221</b>	<b>\$28,822,111</b>	<b>\$27,345,386</b>	<b>\$5,781,724</b>	<b>\$0</b>	<b>124.1</b>
SB 16-030	12,566	12,566	0	0	0	0.0
SB 16-036	100,000	100,000	0	0	0	0.0
SB 16-040	79,733	0	79,733	0	0	0.0
SB 16-197	228,024	0	228,024	0	0	0.0
HB 16-1211	9,501	0	9,501	0	0	0.0
HB 16-1261	9,501	0	9,501	0	0	0.0
<b>TOTAL</b>	<b>\$62,388,546</b>	<b>\$28,934,677</b>	<b>\$27,672,145</b>	<b>\$5,781,724</b>	<b>\$0</b>	<b>124.1</b>
<b>INCREASE/(DECREASE)</b>	\$328,667	(\$722,540)	(\$78,341)	\$1,129,548	\$0	0.1
Percentage Change	0.5%	(2.4%)	(0.3%)	24.3%	n/a	0.1%

**FY 2015-16 APPROPRIATION - MID-YEAR ADJUSTMENTS**

House Bill 16-1250 modifies FY 2015-16 appropriations to increase the appropriation for operating expenses and vehicle lease payments in the Executive Director’s Office by \$2,707 to help reduce the wait times applicants for licenses administered by the Marijuana Enforcement Division are experiencing.

**FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS**

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

**MARIJUANA ENFORCEMENT DIVISION:** The appropriation includes an increase of \$309,678 from the Marijuana Cash Fund to reduce the wait times being experienced by marijuana businesses filing change of ownership petitions and new business applications, which currently exceed 12 weeks. The main reason for the wait times is that financial agreements in the industry are becoming increasingly complex due to the lack of traditional banking services available to marijuana businesses.

**INCOME TAX REFUND FRAUD PREVENTION:** The appropriation includes an increase of \$274,298 General Fund to provide additional staff resources to address increasing fraud activity related to income tax returns. The increase includes \$600,000 for contract maintenance of the fraud module for the Department’s tax software which allows it to identify patterns of fraud as they are identified in other states with the module. New staff will include both call center staff to address increased calls caused by delays on returns that are potentially fraudulent and staff to investigate and, if possible, refer for prosecution those perpetrating fraud.

**INDIRECT COST ASSESSMENT:** The appropriation includes a net zero change to the Department’s indirect cost assessment.

**POSTAGE FUND MIX ADJUSTMENT:** The appropriation includes an increase of \$23,813 cash funds with a subsequent reduction of \$23,813 General Fund to address postage needs for cash funded programs exceeding the General Funded programs postage needs.

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

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 15-16 Salary survey	(\$935,057)	(\$360,597)	(\$574,460)	\$0	\$0	0.0
FY 15-16 Merit pay	(652,385)	(225,054)	(427,331)	0	0	0.0
FY 15-16 DMV legal services	(38,004)	(38,004)	0	0	0	0.0
Reverse supplemental marijuana enforcement	(\$2,707)	\$0	(\$2,707)	\$0	\$0	0.0
<b>TOTAL</b>	<b>(\$1,628,153)</b>	<b>(\$623,655)</b>	<b>(\$1,004,498)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

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

**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). 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
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$4,708,427	\$957,265	\$3,751,162	\$0	\$0	0.0
<b>TOTAL</b>	<b>\$4,708,427</b>	<b>\$957,265</b>	<b>\$3,751,162</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$4,708,427	\$957,265	\$3,751,162	\$0	\$0	0.0
Annualize prior year legislation	(7,150)	0	(7,150)	0	0	0.0
<b>HB 16-1405</b>	<b>\$4,701,277</b>	<b>\$957,265</b>	<b>\$3,744,012</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>TOTAL</b>	<b>\$4,701,277</b>	<b>\$957,265</b>	<b>\$3,744,012</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$7,150)</b>	<b>\$0</b>	<b>(\$7,150)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	(0.2%)	0.0%	(0.2%)	n/a	n/a	n/a

**FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS**

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes a reduction of \$7,150 total funds for the second-year impact of H.B. 13-1317 (Implement Amendment 64 Majority Recommendation).

## TAXATION BUSINESS GROUP

The Taxation Business Group administers, collects, and enforces business taxes, income taxes, severance taxes, estate and transfer taxes, special taxes, including gasoline, special fuel, aviation fuel, cigarette, tobacco, and liquor excise taxes, public utility assessments, and food service licensing fees. Sources of cash funds include the Private Letter Ruling Fund, the Aviation Fund, the Tobacco Tax Cash Fund, the Alternative Fuels Rebate Fund, the Highway Users Tax Fund (for the Fuel Tracking System), the Mineral Audit Program, and the State Board of Land Commissioners. Sources of reappropriated funds include the Mineral Audit Program (federal funds), the State Board of Land Commissioners, and the Oil and Gas Conservation Commission.

The Mineral Audit Division audits oil, gas, and mineral rents and royalties; the mill levy from oil and gas production; and severance taxes from federal, state, and private lands. It receives funding from the U.S. Department of the Interior's Minerals Management Service under a cooperative agreement for delegated authority to audit federal minerals production in Colorado.

The Taxation Business Group manages the State's subsystem of the International Fuel Tracking System, which licenses fuel distributors, suppliers, importers, exporters and transporters, and collects fuel taxes for the Highway Users Tax Fund. This group also administers the old age heat and fuel and property tax assistance grants, the cigarette tax rebate to local governments, the Amendment 35 tobacco tax distribution to local governments of proceeds from the tobacco tax fund.

TAXATION BUSINESS GROUP						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$62,200,138	\$58,271,832	\$2,883,833	\$220,085	\$824,388	380.9
SB 15-188	69,453	0	69,453	0	0	1.0
SB 15-206	5,300	5,300	0	0	0	0.0
HB 15-1219	33,000	33,000	0	0	0	0.0
HB 15-1228	73,440	0	73,440	0	0	0.0
HB 15-1366	36,000	36,000	0	0	0	0.0
HB 15-1367	25,440	0	25,440	0	0	0.0
HB 16-1250	320,560	320,560	0	0	0	0.0
<b>TOTAL</b>	<b>\$62,763,331</b>	<b>\$58,666,692</b>	<b>\$3,052,166</b>	<b>\$220,085</b>	<b>\$824,388</b>	<b>381.9</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$62,763,331	\$58,666,692	\$3,052,166	\$220,085	\$824,388	381.9
Informational funds adjustment	5,897,770	5,500,000	397,770	0	0	0.0
Income tax refund fraud prevention	1,323,566	1,323,566	0	0	0	14.4
Earned income tax credit	489,968	489,968	0	0	0	7.1
Annualize prior year budget actions	338,478	308,988	29,490	0	0	0.0
Long Bill alignment	0	0	0	0	0	0.0
Annualize prior year legislation	(116,163)	(26,425)	(89,738)	0	0	0.8
Indirect cost assessment	(672)	(26,784)	26,112	0	0	0.0
<b>HB 16-1405</b>	<b>\$70,696,278</b>	<b>\$66,236,005</b>	<b>\$3,415,800</b>	<b>\$220,085</b>	<b>\$824,388</b>	<b>404.2</b>
HB 16-1211	8,000	0	8,000	0	0	0.0
HB 16-1261	14,238	0	14,238	0	0	0.0
HB 16-1332	37,038	37,038	0	0	0	0.0
<b>TOTAL</b>	<b>\$70,755,554</b>	<b>\$66,273,043</b>	<b>\$3,438,038</b>	<b>\$220,085</b>	<b>\$824,388</b>	<b>404.2</b>
<b>INCREASE/(DECREASE)</b>	<b>\$7,992,223</b>	<b>\$7,606,351</b>	<b>\$385,872</b>	<b>\$0</b>	<b>\$0</b>	<b>22.3</b>
Percentage Change	12.7%	13.0%	12.6%	0.0%	0.0%	5.8%

## FY 2015-16 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 16-1250 modifies FY 2015-16 appropriations to:

- Add \$300,000 General Fund for the purchase of the “fraud manager” module for the state tax processing software; and
- Add \$20,560 General Fund for modifying and testing changes to the tax processing software.

## FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

**INFORMATIONAL FUNDS ADJUSTMENT:** The appropriation includes an increase of \$5,897,770 total funds reflected in the Long Bill for informational purposes only for the cigarette tax rebate, the marijuana tax rebate, the property tax and heating credit for elderly individuals, and distribution to local government for not imposing their own cigarette taxes.

**INCOME TAX REFUND FRAUD PREVENTION:** The appropriation includes an increase of \$1,323,566 General Fund and 14.4 FTE to provide additional staff resources to address increasing fraud activity related to income tax returns. The increase includes \$600,000 for contract maintenance of the fraud module for the Department’s tax software which allows it to identify patterns of fraud as they are identified in other states with the module. New staff will include both call center staff to address increased calls caused by delays on returns that are potentially fraudulent and staff to investigate and, if possible, refer for prosecution those perpetrating fraud.

**EARNED INCOME TAX CREDIT:** The appropriation includes an increase of \$489,968 General Fund and 7.1 FTE to provide additional staff to detect and prevent fraud in the application of the earned income tax credit. Staff will also address increased calls from taxpayers to the Department for assistance.

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

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 15-16 Salary survey	\$299,690	\$282,485	\$17,205	\$0	\$0	0.0
FY 15-16 Merit pay	181,643	169,358	12,285	0	0	0.0
FY 15-16 CITA annual maintenance & support	112,632	112,632	0	0	0	0.0
FY 15-16 Tax document processing costs	65,073	65,073	0	0	0	0.0
FY 15-16 Supplemental income tax fraud	(300,000)	(300,000)	0	0	0	0.0
Reverse supplemental SB 16-016 funding	(20,560)	(20,560)	0	0	0	0.0
<b>TOTAL</b>	<b>\$338,478</b>	<b>\$308,988</b>	<b>\$29,490</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**LONG BILL ALIGNMENT:** The appropriation includes the first year of a two-year Long Bill restructure, which moves the tax protest section from the Taxation and Compliance subgroup to the Taxpayer Service Division in FY 2016-17. In FY 2017-18, the Hearings Division will move from the Enforcement Business Group to a subgroup under the Executive Director’s Office.

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

**ANNUALIZE PRIOR YEAR LEGISLATION**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 14-1311 Job Creations & Main Street Revitalization Act	\$63,643	\$63,643	\$0	\$0	\$0	0.4
HB 14-1072 Income Tax Credit for Child Care Expenses	49,837	49,837	0	0	0	1.2
SB 15-282 Jump Start Program for Distressed Communities	42,030	42,030	0	0	0	0.0
SB 15-260 Medical Marijuana Product Testing	8,480	0	8,480	0	0	0.0
HB 15-1181 Colorado is Honoring Our Military Tax Exemption	26,385	26,385	0	0	0	0.0
HB 15-1228 Special Fuel Tax on LPG	(73,440)	0	(73,440)	0	0	0.0
HB 14-1279 Income Tax Credit for Business Personal Property	(63,729)	(63,729)	0	0	0	(0.8)
HB 15-1366 Expand Job Growth Tax Credit for Higher Ed	(36,000)	(36,000)	0	0	0	0.0
HB 15-1219 EZ Investment Tax Credit for Renewables	(33,000)	(33,000)	0	0	0	0.0
HB 14-1017 Expand Availability of Affordable Housing	(29,680)	(29,680)	0	0	0	0.0
HB 15-1367 Retail Marijuana Taxes	(19,089)	0	(19,089)	0	0	0.0
HB 14-1119 Tax Credit for Donating Food to Charitable Org	(18,540)	(18,540)	0	0	0	0.0
HB 13-1042 State Income Tax Deduction Disallowed	(13,286)	(13,286)	0	0	0	0.0
HB 13-001 Colorado Working Families Opportunity Act	(8,785)	(8,785)	0	0	0	0.0
SB 15-206 Implement Conservation Easement Tax Credit	(5,300)	(5,300)	0	0	0	0.0
SB 15-188 Tier 1 Tobacco Settlement Allocation	(4,703)	0	(4,703)	0	0	0.0
SB 11-184 Tax Reporting	(986)	0	(986)	0	0	0.0
<b>TOTAL</b>	<b>(\$116,163)</b>	<b>(\$26,425)</b>	<b>(\$89,738)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.8</b>

**INDIRECT COST ASSESSMENT:** The appropriation includes a net decrease to the Division's indirect cost assessment.

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

**DIVISION OF MOTOR VEHICLES**

This division is responsible for licensing drivers and issuing driver's licenses and state identification cards; maintaining driver records and administering driver sanctions; titling and registering motor vehicles; regulating commercial driving schools; enforcing the state's emissions program; administering the Motorist Insurance Identification Database Program; and assisting first time drunk driving offenders obtain ignition interlock devices required for those offenders to drive motor vehicles.

Major sources of cash funds are the Licensing Services Cash Fund and the License Plate Cash Fund. Other cash funds sources include the Highway Users Tax Fund, and subaccounts of the Highway Users Tax Fund including: the Colorado State Titling and Registration System Account, the Automotive Inspections and Readjustment (AIR) Account, and the Driver's License Administrative Revocation Account.

**DIVISION OF MOTOR VEHICLES**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2015-16 APPROPRIATION:						
SB 15-234	\$41,489,917	\$8,288,166	\$33,027,727	\$174,024	\$0	490.1
SB 15-090	506,487	0	506,487	0	0	0.0
SB 15-229	1,184	0	1,184	0	0	0.0
HB 15-1026	5,190	0	5,190	0	0	0.0
HB 15-1136	7,880	2,866	5,014	0	0	0.0
HB 15-1313	1,332	0	1,332	0	0	0.0

DIVISION OF MOTOR VEHICLES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 16-1250	527,630	0	527,630	0	0	0.0
<b>TOTAL</b>	<b>\$42,539,620</b>	<b>\$8,291,032</b>	<b>\$34,074,564</b>	<b>\$174,024</b>	<b>\$0</b>	<b>490.1</b>
FY 2016-17 APPROPRIATION:						
FY 2015-16 Appropriation	\$42,539,620	\$8,291,032	\$34,074,564	\$174,024	\$0	490.1
Division of Motor Vehicles funding	836,501	3,200,000	(2,363,499)	0	0	0.0
Annualize prior year legislation	165,809	(2,866)	168,675	0	0	0.0
Annualize prior year budget actions	62,023	(4,110,098)	4,172,121	0	0	0.0
Indirect cost assessment	(168,192)	5,420	(173,612)	0	0	0.0
<b>HB 16-1405</b>	<b>\$43,435,761</b>	<b>\$7,383,488</b>	<b>\$35,878,249</b>	<b>\$174,024</b>	<b>\$0</b>	<b>490.1</b>
HB 16-1056	21,929	0	21,929	0	0	0.4
HB 16-1415	0	(3,200,000)	3,200,000	0	0	0.0
<b>TOTAL</b>	<b>\$43,457,690</b>	<b>\$4,183,488</b>	<b>\$39,100,178</b>	<b>\$174,024</b>	<b>\$0</b>	<b>490.5</b>
<b>INCREASE/(DECREASE)</b>	<b>\$918,070</b>	<b>(\$4,107,544)</b>	<b>\$5,025,614</b>	<b>\$0</b>	<b>\$0</b>	<b>0.4</b>
Percentage Change	2.2%	(49.5%)	14.7%	0.0%	n/a	0.1%

### FY 2015-16 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 16-1250 modifies the FY 2015-16 appropriations to add \$527,630 cash funds from the Licensing Services Cash Fund for identity documents from a new production vendor and to account for updated document issuance projections.

### FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

**DIVISION OF MOTOR VEHICLES FUNDING:** The appropriation includes an increase of \$3,200,000 General Fund and a reduction of \$2,363,499 cash fund spending authority due to Department fees not generating enough revenue to cover expenses. The additional funding also addresses the increased costs of producing identity documents under a newly procured contract. See also the description for H.B. 16-1415 (DMV Driver and Motor Vehicle Services) at the end of Part III of this department.

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

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 15-090 Temporary Registration Document Standards	\$204,703	\$0	\$204,703	\$0	\$0	0.0
HB 15-1313 Rocky Mountain National Park License Plate	1,332	0	1,332	0	0	0.0
HB 14-1089 10th Mountain Division License Plate Qualification	(36,526)	0	(36,526)	0	0	0.0
HB 15-1136 Parking Privileges Disabled Veteran Plate	(4,884)	(2,866)	(2,018)	0	0	0.0
SB 15-229 ALS License Plate	1,184	0	1,184	0	0	0.0
<b>TOTAL</b>	<b>\$165,809</b>	<b>(\$2,866)</b>	<b>\$168,675</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

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

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 15-16 Salary survey	\$371,667	\$64,430	\$307,237	\$0	\$0	0.0
FY 15-16 Merit pay	217,986	24,534	193,452	0	0	0.0
FY 15-16 DMV funding deficit	0	(4,199,062)	4,199,062	0	0	0.0
FY 15-16 Supplemental budget request	(527,630)	0	(527,630)	0	0	0.0
<b>TOTAL</b>	<b>\$62,023</b>	<b>(\$4,110,098)</b>	<b>\$4,172,121</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**INDIRECT COST ASSESSMENT:** The appropriation includes a net increase Department's indirect cost assessment.

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

**ENFORCEMENT BUSINESS GROUP**

This Division regulates the limited gaming industry; regulates horse and dog racing events; enforces the State's liquor, tobacco, and marijuana regulations; licenses liquor retailers, wholesalers, and manufacturers, and medical marijuana retailers and manufacturing and cultivation facilities; regulates the motor vehicles sales industry; and manages adjudication hearings related to drivers' licenses, certain racing licenses, and some tax disputes. Major sources of cash funds include the Limited Gaming Fund, the Auto Dealers License Fund, the Liquor Enforcement Division and State Licensing Authority Cash Fund, the Medical Marijuana License Cash Fund, the Racing Cash Fund, the Horse Breeders' and Owners' Awards and Supplemental Purse Fund, the Driver's License Administrative Revocation Account, and the Tobacco Education Programs Fund. The source of reappropriated funds is the Limited Gaming Fund.

**ENFORCEMENT BUSINESS GROUP**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$54,860,447	\$369,951	\$54,222,611	\$267,885	\$0	251.6
SB 15-014	56,998	0	56,998	0	0	1.0
HB 15-1217	3,060	0	3,060	0	0	0.0
HB 15-1379	166,305	0	166,305	0	0	1.4
HB 16-1250	270,611	0	270,611	0	0	4.3
<b>TOTAL</b>	<b>\$55,357,421</b>	<b>\$369,951</b>	<b>\$54,719,585</b>	<b>\$267,885</b>	<b>\$0</b>	<b>258.3</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$55,357,421	\$369,951	\$54,719,585	\$267,885	\$0	258.3
Marijuana Enforcement Division FTE	1,003,539	0	1,003,539	0	0	17.0
Indirect cost assessment	984,179	(16,555)	973,247	27,487	0	0.0
Gaming Commission adjustment	344,278	0	344,278	0	0	6.6
Annualize prior year legislation	60,253	0	60,253	0	0	1.6
Annualize prior year budget actions	29,773	8,544	21,229	0	0	(4.3)
Reduction for CDPHE Lab	(176,292)	0	(176,292)	0	0	0.0
<b>HB 16-1405</b>	<b>\$57,603,151</b>	<b>\$361,940</b>	<b>\$56,945,839</b>	<b>\$295,372</b>	<b>\$0</b>	<b>279.2</b>
SB 16-040	916,005	0	916,005	0	0	9.8
SB 16-197	170,658	0	170,658	0	0	2.4
HB 16-1211	58,783	0	58,783	0	0	1.1
HB 16-1261	108,512	0	108,512	0	0	2.0
<b>TOTAL</b>	<b>\$58,857,109</b>	<b>\$361,940</b>	<b>\$58,199,797</b>	<b>\$295,372</b>	<b>\$0</b>	<b>294.5</b>
<b>INCREASE/(DECREASE)</b>	<b>\$3,499,688</b>	<b>(\$8,011)</b>	<b>\$3,480,212</b>	<b>\$27,487</b>	<b>\$0</b>	<b>36.2</b>
Percentage Change	6.3%	(2.2%)	6.4%	10.3%	n/a	14.0%

FY 2015-16 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 16-1250 modifies the FY 2015-16 appropriations to increase the appropriation for Marijuana Enforcement by \$270,611 cash funds from the Marijuana Cash Fund and 4.3 FTE to address the wait times experience by marijuana businesses making ownership changes or applying for initial licensure.

FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

**MARIJUANA ENFORCEMENT DIVISION:** The appropriation includes an increase of \$1,003,539 from the Marijuana Cash Fund and 17.0 FTE to reduce the wait times being experienced by marijuana businesses filing change of ownership petitions and new business applications, which currently exceed 12 weeks. The main driver of wait times is that financial agreements in the industry are becoming increasingly complex due to the lack of traditional banking services available to marijuana businesses.

**INDIRECT COST ASSESSMENT:** The appropriation includes a net increase Division’s indirect cost assessment.

**GAMING COMMISSION ADJUSTMENT:** The appropriation reflects changes to the Gaming Commission’s budget, which is reflected in the Long Bill for informational purposes. The change includes an increase of \$344,278 cash funds and 6.6 FTE.

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

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 15-260 Medical Marijuana Product Testing	\$56,998	\$0	\$56,998	\$0	\$0	1.0
HB 15-1379 Marijuana Permitted Economic Interest	11,018	0	11,018	0	0	0.6
SB 15-014 Medical Marijuana	(4,703)	0	(4,703)	0	0	0.0
HB 15-1217 Local Government Input Liquor Sales Room Applications	(3,060)	0	(3,060)	0	0	0.0
<b>TOTAL</b>	<b>\$60,253</b>	<b>\$0</b>	<b>\$60,253</b>	<b>\$0</b>	<b>\$0</b>	<b>1.6</b>

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

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 15-16 Salary survey	\$173,491	\$4,254	\$169,237	\$0	\$0	0.0
FY 15-16 Merit pay	126,896	4,290	122,603	0	0	0.0
FY 15-16 Marijuana Enforcement	(270,611)	0	(270,611)	0	0	(4.3)
<b>TOTAL</b>	<b>\$29,773</b>	<b>\$8,544</b>	<b>\$21,229</b>	<b>\$0</b>	<b>\$0</b>	<b>(4.3)</b>

**REDUCTION FOR CDPHE LAB:** The bill includes a reduction of \$176,292 cash funds to reflect a change in law that allows a direct appropriation to the Department of Public Health and Environment for marijuana lab certification. This appropriation was previously appropriated to the Department of Revenue and then transferred to the Department of Public Health and Environment.

**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 Wildlife 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
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$97,870,287	\$0	\$97,870,287	\$0	\$0	117.1
<b>TOTAL</b>	<b>\$97,870,287</b>	<b>\$0</b>	<b>\$97,870,287</b>	<b>\$0</b>	<b>\$0</b>	<b>117.1</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$97,870,287	\$0	\$97,870,287	\$0	\$0	117.1
Indirect cost assessment	286,717	0	286,717	0	0	0.0
Annualize prior year budget actions	155,234	0	155,234	0	0	0.0
<b>HB 16-1405</b>	<b>\$98,312,238</b>	<b>\$0</b>	<b>\$98,312,238</b>	<b>\$0</b>	<b>\$0</b>	<b>117.1</b>
<b>TOTAL</b>	<b>\$98,312,238</b>	<b>\$0</b>	<b>\$98,312,238</b>	<b>\$0</b>	<b>\$0</b>	<b>117.1</b>
<b>INCREASE/(DECREASE)</b>	\$441,951	\$0	\$441,951	\$0	\$0	0.0
Percentage Change	0.5%	n/a	0.5%	n/a	n/a	0.0%

### FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

**INDIRECT COST ASSESSMENT:** The appropriation includes a net increase of the Division's indirect cost assessment.

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

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 15-16 Salary survey	\$79,914	\$0	\$79,914	\$0	\$0	0.0
FY 15-16 Merit pay	75,320	0	75,320	0	0	0.0
<b>TOTAL</b>	<b>\$155,234</b>	<b>\$0</b>	<b>\$155,234</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

## RECENT LEGISLATION

### 2015 SESSION BILLS

**S.B. 15-014 (MEDICAL MARIJUANA):** Requires all transporting and cultivating primary caregivers to register with the state medical marijuana licensing authority (Department of Revenue). Places registration requirements on a cultivating primary caregiver and transporting primary caregivers. DOR may verify patient registration numbers and extended plant count numbers with the state health agency to confirm that a patient does not have more than one primary caregiver, or does not have both a designated caregiver and medical marijuana center, cultivating medical marijuana on his or her behalf at any given time. The bill prohibits any registering as a primary caregiver if the person is licensed as medical or retail marijuana business. A cultivating or transporting primary caregiver shall maintain a list of his or her patients including the registry identification card number of each patient and a recommended total plant count at all times.

Requires DOR and DPHE to share the minimum amount of information necessary to ensure that a medical marijuana patient has only one caregiver and is not using a primary caregiver and a medical marijuana center. Encourages patients cultivating more than 6 medical marijuana plants for their own medical use to register with the state licensing authority. Prohibits a patient and primary caregiver from cultivating more than 99 plants. A cultivating primary caregiver who grows more than 36 plants must register with the state licensing authority including the location of his or her cultivation operation, the patient registration identification number for each of the primary caregiver's patients, and any extended plant count numbers and their corresponding patient registry numbers. DOR must verify the location of extended plant counts for primary caregiver cultivation operations and homebound patient registration for transporting caregivers to a local government or law enforcement agency upon receiving a request for verification. The location of the cultivation operation shall comply with all applicable local laws, rules, or regulations. Sunsets the medical marijuana program on September 1, 2019. Adds an exception to the student possession policy for medical marijuana. Permits money in the Marijuana Tax Cash Fund to be used to fund the implementation of any costs for law enforcement audits. Appropriates \$113,704 cash funds and 1.0 FTE from the Marijuana Tax Cash Fund to the Department of Revenue in FY 2015-16. For additional information, see the "Recent Legislation" section at the end of the Department of Public Health and Environment.

**S.B. 15-090 (TEMPORARY REGISTRATION DOCUMENT STANDARDS):** Requires that temporary motor vehicle registration plates and certificates meet the same statutory requirements regarding attachment, visibility, and readability as permanent plates, except that a temporary plate is only required to be affixed to the rear of the vehicle. The bill takes effect January 1, 2016, if the Department of Revenue receives enough gifts, grants, or donations to cover the materials, start-up costs, and computer programming necessary to implement the legislation. If that condition is met, the new temporary tags will be issued effective July 1, 2016. Requires the Department of Revenue to create an electronic issuance system for temporary plates and to promulgate rules for dealers printing temporary certificates. County clerk and recorder offices are no longer required to issue dealer blocks to dealers; rather, the blocks may be issued directly to the dealers from Colorado Correctional Industries (CCI) in the Department of Corrections (DOC). Appropriates \$506,487 to the Department of Revenue contingent upon the Department receiving at least \$355,595 from gifts, grants, and donations and limited to the amount received by the Department.

**S.B. 15-115 (SUNSET MEDICAL MARIJUANA PROGRAMS):** Continues the Medical Marijuana Code (Medical Code) from July 1, 2015, until September 1, 2019, and implements some of the recommendations from the Department of Regulatory Agencies' 2014 sunset review. The changes include:

- Aligning the sunset date of the medical marijuana program administered by the Department of Public Health and Environment with the Medical Code;
- Prohibiting the infusion of trademarked items with medical marijuana;

- Allowing optional premises cultivation licensees to sell medical marijuana directly to other medical marijuana licensees within the context of vertical integration;
- Harmonizing the license disqualifiers with the Retail Marijuana Code (Retail Code);
- Requiring a seed-to-sale tracking system for medical marijuana and medical marijuana products;
- Harmonizing the destruction of unauthorized medical marijuana or medical marijuana products with the Retail Code;
- Repealing the hours during which medical marijuana centers can sell medical marijuana and authorizing the Department of Revenue (DOR) to set the hours in rule;
- Clarifying that the DOR must keep medical or retail marijuana licensee data confidential; and
- Allowing the executive director of the DOR to administratively continue a license renewal application.

**S.B. 15-167 (MODIFY 2014-15 APPROPRIATION FROM MARIJUANA REVENUE):** Reduces the difference between appropriations made from the Marijuana Tax Cash Fund (MTCF) for FY 2014-15 and the actual money collected and deposited in the MTCF during FY 2013-14 by creating a one-year exception to the prohibition on appropriating money in the MTCF for the current fiscal year, authorizing the general assembly to appropriate, in FY 2014-15, a certain amount of money in the MTCF received by the State during FY 2014-15, and by reducing appropriations for marijuana-related programs and services for FY 2014-15 in four principal departments of the executive branch of State government as follows:

- Reduces the appropriation from the MTCF to the Department of Law for optional training for certified peace officers who will act as trainers in advanced roadside impaired driving enforcement by \$76,000;
- Reduces the appropriation from the MTCF to the Department of Revenue for the Marijuana Enforcement Division by \$6.4 million and increases the appropriation from the Marijuana Cash Fund (MCF) to the Department of Revenue for the Marijuana Enforcement Division by the same amount;
- Reduces the General Fund appropriation to the Department of Health Care Policy and Financing (HCPF) for the School-based Substance Abuse Prevention and Intervention Grant Program by \$1,081,344 to reflect the actual amount of grants HCPF awarded plus \$50,000 for HCPF's administrative costs. In addition, the act reduces the amount that the State Treasurer is required to transfer from the MTCF to the General Fund by \$1,151,631 to offset the General Fund appropriation for the grant program for the associated 6.5% statutory reserve.
- Reduces the appropriation from the MTCF to the Department of Human Services (DHS) for jail-based behavioral health services to offenders, including screening and providing treatment for adult inmates with a substance use disorder and providing continuity of care within the community after the inmate's release from jail. The appropriation is reduced by \$452,787 to reflect actual allocations to counties for the fiscal year.

In addition, the act authorizes DHS to use money appropriated from the MTCF for FY 2014-15 for the provision of substance use disorder treatment services for adolescents and pregnant women for the expanded purposes of providing substance use disorder treatment and prevention services and intensive wrap around services for adolescents and pregnant women. The act also authorizes DHS to spend such appropriated money in FY 2014-15 if necessary.

For more information about bills related to the topic of marijuana and the disposition of marijuana taxes made through the 2015 Long Bill, please refer to Appendix K – Marijuana.

**S.B. 15-188 (TOBACCO SETTLEMENT DEFENSE ACCOUNT ALLOCATION):** Beginning in FY 2016-17, makes a new annual statutory allocation of 2.0 percent of tobacco litigation settlement money to the Tobacco Settlement Defense Account (Account) of the Litigation Settlement Cash Fund and an offsetting 2.0 percent reduction in the annual statutory allocation of such money to the Children's Basic Health Plan Trust. Under previous law, only the

Department of Law was authorized to use money in the account. The act authorizes the Department of Revenue to also use money in the Account to help administer, coordinate, and support the activities of the Departments of Revenue and Law, including the investigation of and response to settlement agreement manufacture and distribution reporting irregularities identified by the Department of Law. For FY 2015-16, \$69,453 is appropriated from the Account to the Department of Revenue to help administer, coordinate, and support the activities of the Departments of Revenue and Law in relation to the tobacco litigation settlement agreements. Appropriates \$69,453 and 1.0 FTE to the Department of Revenue for FY 2015-16. For additional information, see the "Recent Legislation" section at the end of the Department of Public Health and Environment.

**S.B. 15-206 (IMPLEMENT CONSERVATION EASEMENT AUDIT):** Makes two changes to the gross conservation easement income tax credit beginning tax year 2015 through tax year 2017. First, credit awarded for the first \$100,000 of a donated conservation easement is increased to 75.0 percent of the easement's fair market value, up from 50.0 percent in current law. Second, the maximum credit that may be awarded to a donor for a single donation is increased to \$1,000,000 from the \$375,000 cap in current law. Appropriates \$5,300 General Fund to the Department of Revenue to modify the State's tax administration software in FY 2015-16.

**S.B. 15-229 (ALS MOTOR VEHICLES LICENSE PLATE):** The bill creates the Amyotrophic Lateral Sclerosis (ALS) license plate. The license plate will be available—to any applicant who pays the standard license plate taxes and fees and a one-time additional special license plate fee of \$50—on January 1, 2016, or when the Rocky Mountain Chapter of the ALS Association has collected 3,000 signatures of individuals committing to purchase the plate, whichever is later. Appropriates \$5,304 cash funds to the Department of Revenue for FY 2015-16. Of this amount, \$4,120 is reappropriated to the Governor's Office of Information Technology.

**S.B. 15-234 (LONG BILL):** General appropriations act for FY 2015-16.

**H.B. 15-1004 (FIREFIGHTER MOTORCYCLE LICENSE PLATE):** The act directs the Department of Revenue to issue firefighter license plates for motorcycles, passenger cars, trucks, or recreational motor vehicles that do not exceed 16,000 pounds empty weight. This adds motorcycles to the list of vehicles that may use a firefighter license plate. Appropriates \$4,120 cash funds from the Colorado State Titling and Registration Account in the Highway Users Tax Fund and reappropriated \$4,120 to the Governor's Office of Information and Technology.

**H.B. 15-1026 (RESERVED PARKING DISABLED MILITARY LICENSE PLATES):** Allows the Division of Motor Vehicles (DMV) within the Department of Revenue to create and issue a people with disabilities version for each of the 36 other military special license plates. The DMV will also create a people with disabilities version of each of the 36 military motorcycle special license plates. In total, 72 new people with disabilities military veterans license plates will be created. Appropriates \$58,132 cash funds to the Department of Revenue in FY 2015-16. Of this amount, \$52,942 is reappropriated to the Governor's Office of Information Technology.

**H.B. 15-1136 (PARKING PRIVILEGES FOR DISABLES VETERANS LICENSE PLATE):** Increases from one to two the number of special license plates with an identifying figure that may be issued to a disabled veteran to indicate the owner of the vehicle is authorized to use reserved parking for persons with disabilities.

**H.B. 15-1180 (SALES & USE TAX REFUND MEDICAL AND CLEAN TECHNOLOGY):** Recreates a sales and use tax refund for clean technology and medical device firms with 35 employees or less. The refund must be claimed between January 1 and April 1 in the year following when the sales taxes were paid. The refund is for sales taxes paid on equipment used for the research and development of clean technology or medical technology and is limited to \$50,000 per taxpayer per year. Taxpayers will be allowed to claim the refund for sales taxes paid between January 1, 2015, and December 31, 2019.

**H.B. 15-1217 (LOCAL GOVERNMENT INPUT ON LIQUOR SALES ROOMS APPLICATIONS):** The act requires a licensed winery, limited winery, distillery, or beer wholesaler that applies to the State licensing authority for approval to operate a sales room to send a copy of the application submitted to the State licensing authority, to the local licensing authority in whose jurisdiction the proposed sales room is located. The local licensing authority has 45 days to provide input on the sales room application if it chooses to do so. Appropriates \$3,060 cash funds from the Liquor Enforcement Division Cash Fund.

**H.B. 15-1219 (ENTERPRISE ZONE INVESTMENT TAX CREDIT FOR RENEWABLE ENERGY PROJECTS):** Allows a taxpayer who places a renewable energy project in an enterprise zone and receives certification to claim an Enterprise Zone Investment Tax Credit (ITC) for the project an option to receive a refund of the credit. The amount of the refund is equal to 80 cents for every one dollar of ITC credit and is capped at \$750,000 per tax year and taxpayer. Renewable energy investments completed on or after January 1, 2015 may elect to receive a refund. A taxpayer can only receive a refund from one new renewable investment at a time. The taxpayer must exhaust the full amount of the refund from one project before electing to receive a refund from another renewable energy investment that generated ITC credits. Requires the Governor's Office of Economic Development and International Trade to annual post on its website the level of renewable energy investment and other information resulting from the refund. Appropriates \$33,000 General Fund to the Department of Revenue in FY 2015-16. Of this amount, \$1,200 is reappropriated to the Department of Personnel.

**H.B. 15-1228 (SPECIAL FUEL TAX ON LIQUEFIED PETROLEUM GAS):** Makes several changes to the administration and collection of the special fuel excise tax (tax) on liquefied petroleum gas (LPG), beginning in calendar year 2016. These changes include:

- Limiting the imposition of the tax on LPG so that, in most instances, the tax is levied when LPG is placed in a motor vehicle's fuel tank, instead of when the LPG is acquired, sold, offered for sale, or used for any purpose whatsoever;
- Requiring a distributor that places LPG in a fuel tank to pay the tax;
- Allowing a retailer not to be considered as a distributor, provided it files an affidavit with the Department of Revenue (DOR) and posts a notice stating that the LPG it sells is not for vehicle use;
- Designating the operator of a private commercial fleets that uses LPG as a distributor where no other distribution contract is in place;
- Requiring a distributor that uses LPG to propel a cargo tank motor vehicle to pay the tax on the LPG used for this purpose, based on odometer readings of the mileage traveled by the vehicle;
- Assessing the tax on the volume of net gallons, rather than gross gallons, of LPG;
- Eliminating the 2 percent allowance for LPG lost in transit or handling;
- Eliminating the minimum amount, currently \$25,000, of a surety bond that an LPG distributor may deposit with the DOR in lieu of evidence of a savings account, deposit, or certificate of deposit; and
- Prohibiting the DOR from collecting any penalties or interest related to the tax on LPG sold in calendar years 2014 and 2015.

Appropriates \$73,440 cash funds from the Highway Users Tax Fund in FY 2015-16.

**H.B. 15-1313 (ROCKY MOUNTAIN NATIONAL PARK LICENSE PLATE):** The act creates the Rocky Mountain National Park License Plate. For FY 2015-16, it appropriates \$5,452 cash funds to the Department of Revenue and reappropriates \$4,120 of this amount to the Governor's Office of Information Technology.

**H.B. 15-1366 (EXPAND JOB GROWTH TAX CREDIT FOR HIGHER EDUCATION PROJECTS):** Changes the job growth incentive tax credit for taxpayers who enter into a partnership with a state institution of higher education. In particular, this bill allows the credit to be refundable under certain conditions and relaxes the requirements to qualify for the credit. Firms must create at least five jobs with wages of at least 100 percent of the average wage within the county in which the new jobs are located, and retain those jobs for one year. For FY 2015-16, appropriates \$36,000 General Fund to the Department of Revenue to program the State’s tax administration software.

**H.B. 15-1367 (RETAIL MARIJUANA TAXES):** The act refers a ballot issue to voters on November 3, 2015, asking whether the State may retain and spend revenue collected from the Proposition AA excise and special sales taxes on retail marijuana in FY 2014-15. Further, it creates a Proposition AA Refund Account (Refund Account) in the General Fund. The Refund Account comprises \$58.0 million, the amount expected to be collected from Proposition AA taxes in FY 2014-15. Of this amount, \$27.7 million is a transfer from the Marijuana Tax Cash Fund (MTCF) pursuant to Senate Bill 15-249, and \$30.3 million is from the General Fund. If voters approve the ballot issue, the bill apportions the amount in the Refund Account for expenditure during FY 2015-16. If voters reject the ballot issue, the bill establishes mechanisms to refund money in the Account to taxpayers in FY 2015-16.

Independent of whether the voters approve the ballot issue, the act:

- lowers the retail marijuana excise and special sales tax rates to zero effective September 16, 2015, and raises them back to 15.0 percent and 10.0 percent, respectively, effective September 17, 2015;
- lowers the retail marijuana special sales tax rate from 10.0 percent to 8.0 percent beginning July 1, 2017;
- repeals current law requiring the Finance Committees of the General Assembly to review tax rates by April 1, 2016;
- transfers any marijuana excise tax revenue collected in excess of \$40.0 million during a single fiscal year to the Public School Fund rather than the MTCF;
- broadens purposes for which funds in the MTCF can be expended and requires the Marijuana Enforcement Division to report on its website how tax revenue is spent;
- requires that appropriations from the MTCF for jail-based behavioral health services be made through the Correctional Treatment Cash Fund;
- creates the Local Government Retail Marijuana Impact Grant Program (described below); and
- makes conforming adjustments to appropriations in the 2015 Long Bill, as detailed in the following table.

SECTION 22 APPROPRIATIONS NOT DEPENDENT ON OUTCOME OF BALLOT QUESTION			
DEPARTMENT/RECIPIENT	FUND SOURCE	DOLLAR AMOUNT	FTE
Department of Agriculture	Marijuana Tax Cash Fund	\$314,633	4.3
Department of Law	Reappropriated funds from Department of Local Affairs	1,890	0.0
Department of Law	Reappropriated funds from Department of Agriculture	24,703	0.1
Department of Local Affairs	Marijuana Tax Cash Fund	71,342	1.0
Department of Revenue	Marijuana Tax Cash Fund	25,440	0.0
<b>TOTAL</b>		<b>\$438,008</b>	<b>1.1</b>
<i>2015 Long Bill Conforming Adjustments</i>			
Department of Human Services	Marijuana Tax Cash Fund	(\$1,550,000)	0.0
Department of Human Services	Reappropriated funds from Correctional Treatment Cash Fund	1,550,000	0.0
Correctional Treatment Cash Fund	Marijuana Tax Cash Fund	1,550,000	0.0
Judicial Department	Correctional Treatment Cash Fund	1,550,000	0.0

The act requires that the General Fund be reimbursed between FY 2014-15 and FY 2019-20 for the \$30.3 million deposited in the Proposition AA Refund Account. The schedule and amount of the reimbursement depends on whether voters approve or reject the ballot issue.

CONTINGENCIES IN ACT RELATED TO THE OUTCOME OF THE BALLOT ISSUE			
IF APPROVED	AMOUNT	IF REJECTED	AMOUNT
Explicitly describes how the funds identified for the refund (\$58.0 million) would be spent:		Describes how the Proposition AA Refund will be made:	
\$40.0 million is transferred to the Public School Capital Construction Fund, known as the BEST Fund	\$40,000,000	\$25.0 million refunded via the six-tier sales tax refund mechanism	\$25,000,000
\$2.5 million to the Department of Public Health and Environment (CDPHE) for the marijuana education campaign	2,500,000	\$19.7 million refunded to marijuana cultivators who paid a retail marijuana excise tax in FY 2014-15	19,700,000
\$1.0 million to CDPHE for the dissemination of information from poison control centers	1,000,000	\$13.3 million refunded via a special sales tax rate reduction	13,300,000
\$2.0 million to the School Bullying Prevention and Education Cash Fund administered by the Colorado Department of Education (CDE)	2,000,000	DOLA will not begin making grants through the Local Government Retail Marijuana Impact Grant Program until FY 2016-17	
\$2.0 million to CDE via the Student Re-Engagement Program Cash Fund for costs associated with the student re-engagement program	2,000,000	In FY 2015-16, \$6.06 million is retained in the General Fund from revenue that would have been transferred to the MTCF to repay \$30.3 million General Fund identified for the refund	<u>6,060,000</u>
\$1.0 million to the Department of Human Services (DHS) via the Youth Mentoring Services Cash Fund for costs associated with youth mentoring services	1,000,000		Total <sup>1</sup> \$64,060,00
\$1.0 million to DHS for the provision of grants through the Tony Grampas youth mentoring program	1,000,000		
\$0.5 million to the Department of Health Care Policy and Financing for grants to substance the substance abuse screening, brief intervention, and referral to treatment (SBIRT) program	500,000		
\$0.3 million to the Department of Agriculture for Future Farmers of American and 4-H programs at the state fair	300,000		
\$1.0 million to the Department of Local Affairs (DOLA) for grants through the Local Government Retail Marijuana Impact (LGRMI) Grant Program	1,000,000		
\$0.5 million to DHS for treatment and detoxification contracts	500,000		
\$0.2 million to the Department of Law (DOL) for Peace Officers Standards and Training (POST) Board	200,000		
\$6.0 retained in the General Fund to begin repayment of the \$30.3 million General Fund identified for the refund	6,000,000		
Appropriates \$82,132 and 1.0 FTE from the MTCF to DOLA for additional expenditures requires to make grants through the LGRMI Grant Program	82,132		
Of the \$82,132 to DOLA, \$21,803 is reappropriated to the Office of Information Technology	21,803		
Of the \$82,132 to DOLA, \$2,835 is reappropriated to the Office of Information Technology	<u>2,835</u>		
<b>TOTAL<sup>1</sup></b>	<b>\$58,106,770</b>		

<sup>1</sup> Does not total \$58.0 million due to inclusion of reappropriated funds and FY 2015-16 appropriations in totals.

The Local Government Retail Marijuana Impact Program is to be administered by the Division of Local Government in the Department of Local Affairs. Local governments eligible to receive grants from the program are those that:

- Permit the sale of retail marijuana but do not impose a tax, except sales taxes that apply uniformly to all products;
- Counties where no retail marijuana is sold in unincorporated areas, but where retail marijuana is sold in one of more municipalities within the county;
- Counties where no marijuana is sold, but where retail marijuana is sold in a contiguous county; and
- Municipalities where no retail marijuana is sold, but where retail marijuana is sold in another municipality or unincorporated area of the same county, or in any part of a contiguous county.

For more information about bills related to the topic of marijuana and the disposition of marijuana taxes made through the 2015 Long Bill, please refer to Appendix K – Marijuana.

**H.B. 15-1379 (MARIJUANA PERMITTED ECONOMIC INTEREST):** Allows people who are not residents of Colorado to apply to the Marijuana Enforcement Division (MED) in the Department of Revenue for the authorization to hold a Permitted Economic Interest (PEI) in a regulated medical or retail marijuana business. Only a natural person who is a lawful United States resident may obtain a PEI, and the interest is limited to an unsecured debt instrument, option agreement, warrant, or any other right to obtain an ownership interest. The MED is required to promulgate rules regarding the PEI by January 1, 2016, including a process for, and a requirement to, submit to, and pass, a criminal history record check, divestiture, and other agreements that would qualify as PEIs. In FY 2015-16, appropriates \$166,305 and 1.4 FTE from the Marijuana Cash Fund to the Department of Revenue. Of this amount, \$33,254 and 0.2 FTE is reappropriated to the Department of Law and \$15,999 is reappropriated to the Department of Public Safety.

## 2016 SESSION BILLS

**S.B. 16-030 (MOTOR VEHICLE WEIGHT VIOLATION SURCHARGES):** Changes the variable surcharge rate for overweight vehicle violations to a flat 16 percent of the penalty for all violations. Previously, individuals convicted of violating motor vehicle weight limits or the terms of overweight permits paid a variable penalty and a surcharge, depending on the level of excess weight. In FY 2016-17, appropriates \$12,566 General Fund to the Department of Revenue.

**S.B. 16-036 (SURETY REQUIREMENT FOR APPEALING TAX BILLS CLAIMED):** Changes the circumstances under which a taxpayer is required to set aside money when he or she files a notice of appeal of a tax decision with a court. The bill repeals the requirement that a taxpayer set aside money for all appeals to a district court, except in cases of a frivolous tax claim submission as determined by the Department of Revenue (DOR). Rather than setting aside money before a tax case is heard by the district court, a taxpayer does not have to set aside money unless he or she appeals a district court decision to an appellate court or to the Colorado Supreme Court. In FY 2016-17, appropriates \$100,000 General Fund to the Department of Revenue.

**S.B. 16-040 (MARIJUANA OWNER CHANGES):** Replaces the current statutory definition for owner of a licensed medical or retail marijuana business (marijuana business) with two new ownership categories: direct beneficial interest owners (direct owners) and indirect beneficial interest owners (indirect owners).

A direct owner is a person or closely held business entity that owns a share or shares of stock in a licensed marijuana business, including the officers, directors, managing members, or partners of the licensed marijuana business or closely held business entity, or a qualified limited passive investor. A licensed marijuana business can be

comprised of an unlimited number of direct owners if all owners are Colorado residents, but is limited to 15 direct owners if the business has any out-of-state owners. The Marijuana Enforcement Division (MED) in the Department of Revenue (DOR) may increase the number of direct owners based on developments in state and federal financial regulations, market conditions, and the licensee's ability to access legitimate sources of capital.

A direct owner who is a natural person must be a resident of Colorado for at least one year or a U.S. citizen prior to applying for a license. A person who intends to apply as a direct owner who has not been a Colorado resident for at least one year must submit a request for a finding of suitability from the MED and receive a finding of suitability prior to applying for a license. A direct owner that is a closely held business entity must consist entirely of natural persons who are U.S. citizens including all parent and subsidiary entities, prior to applying for a license.

A qualified limited passive investor is a natural person, a U.S. citizen and a passive investor who owns less than a 5 percent share or shares of stock in a marijuana business. A qualified limited passive investor is a direct owner but is subject to a limited background investigation. If the initial background check provides reasonable cause for additional investigation, the MED may require a full background check. The MED may promulgate rules on the parameters and qualifications of a qualified limited passive investor.

The category of indirect owner includes permitted economic interest holders (PEIs), royalty recipients, licensed employees who receive profit sharing, and qualified institutional investors. The bill allows qualified institutional investors to own up to 30 percent of a marijuana business. Institutional investors includes banks, insurance companies, investment companies, investment advisers, collective trust funds, employee benefit plans, pension funds, and a group comprised of these. The MED may promulgate rules on the parameters and qualifications of indirect owners and expand the list of persons or entities through rule.

In FY 2016-17, appropriates \$995,738 cash funds from the Marijuana Cash Fund and 9.8 FTE to the Department of Revenue.

**S.B. 16-197 (LIQUOR-LICENSED DRUGSTORES MULTIPLE LOCATIONS):** Allows a liquor-licensed drugstore to obtain additional liquor-licensed drugstore licenses, under which drugstores are permitted to sell malt, vinous, and spirituous liquors in sealed containers for consumption off the licensed premises, if the liquor-licensed drugstore licensee:

- Applies to the state and local licensing authorities, as part of a single application, to transfer ownership of at least 2 retail liquor stores that were licensed or for which a license application was pending as of the May 1, 2016, change the location of one of the retail liquor stores, and merge and convert the 2 retail liquor store licenses into a single liquor-licensed drugstore license;
- Applies to transfer retail liquor stores located within the same local licensing jurisdiction as the drugstore premises for which a license is sought, or if there are no retail liquor stores or only one retail liquor store within the same jurisdiction, applies to transfer ownership of one or 2 retail liquor store licenses, as necessary, that are located in the local licensing jurisdiction nearest to the jurisdiction in which the drugstore premises is located; and
- If any retail liquor stores are located within 1,500 feet of the drugstore premises for which a license is sought or, in municipalities with a population of 10,000 or fewer, within 3,000 feet of the drugstore premises, the applicant transfers ownership of all retail liquor stores within that radius.

In making its determination on the application, the local licensing authority is required to consider the reasonable requirements of the neighborhood. Additionally, new liquor-licensed drugstores must be open to the public and must demonstrate that at least 20% of their total annual gross revenues are derived from the sale of food items.

A liquor-licensed drugstore may obtain additional liquor-licensed drugstore licenses as follows:

- On or after January 1, 2017, and before January 1, 2022, 4 additional liquor-licensed drugstore licenses for a maximum of 5 total liquor-licensed drugstore licenses;
- On or after January 1, 2022, and before January 1, 2027, 7 additional liquor-licensed drugstore licenses for a maximum of 8 total liquor-licensed drugstore licenses;
- On or after January 1, 2027, and before January 1, 2032, 12 additional liquor-licensed drugstore licenses for a maximum of 13 total liquor-licensed drugstore licenses;
- On or after January 1, 2032, and before January 1, 2037, 19 additional liquor-licensed drugstore licenses for a maximum of 20 total liquor-licensed drugstore licenses; and
- On or after January 1, 2037, an unlimited number of additional liquor-licensed drugstore licenses.

A liquor-licensed drugstore shall:

- Not sell alcohol beverages at a price that is lower than the drugstore's cost to purchase the products;
- Ensure that an employee completes alcohol beverage transactions with customers directly rather than through a self-checkout register;
- Maintain certification as a responsible alcohol beverage vendor;
- Not sell clothing or accessories imprinted with advertising, logos, or slogans related to alcohol beverages;
- Not store alcohol products off the licensed premises; and
- Designate a manager who has been permitted by the state licensing authority to conduct the store's alcohol beverage purchases with licensed wholesalers.

Additionally, a drugstore that obtains a liquor license on or after January 1, 2017, must effect payment upon delivery and cannot purchase alcohol beverages on credit.

The state licensing authority may issue a manager's permit to a liquor-licensed drugstore manager who controls the drugstore's alcohol beverage operations if the permit applicant satisfies specified criteria.

A liquor-licensed drugstore must pay an application fee to both the state licensing authority and the local licensing authority and, if the application is granted, is subject to applicable annual liquor-licensed drugstore licensing fees.

Effective January 1, 2019, the bill removes the maximum alcohol content of fermented malt beverages, thereby allowing licensed fermented malt beverage retailers to sell beer with an alcohol content in excess of 3.2% by weight or 4% by volume. The state licensing authority is to convene a working group of industry and state and local government representatives to develop an implementation process for transitioning to the sale of malt liquor by fermented malt beverage retailers.

The bill removes restrictions on the sale of nonalcohol products by a retail liquor store but caps the annual gross revenue from sale of nonalcohol products as 20 percent of the retail liquor store's total annual gross revenue.

The bill permits a retail liquor store owner who is a Colorado resident and who obtained a retail liquor store license on or before January 1, 2016 to have an interest in additional retail liquor store licenses as follows, if the premises for which the additional license is sought satisfies the radius requirements:

- On or after January 1, 2017, and before January 1, 2022, one additional retail liquor store license, for a maximum of 2 total retail liquor store licenses;

- On or after January 1, 2022, and before January 1, 2027, 2 additional retail liquor store licenses, for a maximum of 3 total retail liquor store licenses; and
- On or after January 1, 2027, 3 additional retail liquor store licenses, for a maximum of 4 total retail liquor store licenses.

All licensed retailers will have to verify that each customer attempting to purchase alcohol beverages is at least 21 years of age by requiring the customer to present a valid, government-issued document that includes the customer's photograph and date of birth.

Additionally, liquor-licensed drugstores and retail liquor store licensees are prohibited from allowing an employee under 21 years of age to sell, deliver, or otherwise have contact with malt, vinous, or spirituous liquors offered for sale on, or sold and removed from, the licensed premises.

Finally, for FY 2016-17, appropriates \$398,682 to the Department of Revenue from the Liquor Enforcement Division and State Licensing Authority Cash Fund.

**H.B. 16-1056 (TOW OPERATOR ABANDONED VEHICLE TITLE SEARCH):** Broadens the records search employed by the Department of Revenue (DOR) to locate owners and lienholders of abandoned motor vehicles. Previously, only Colorado records were searched in order to locate the owner or lienholder of an abandoned vehicle. The act requires the DOR to perform a national records search using a qualified entity that has a national database and that can retrieve records based both on the vehicle's VIN (vehicle identification number) and registration number (license plate). The qualified entity must also be able to provide appropriate owner and lienholder contact information. The DOR may charge tow operators a fee for the national search not to exceed the lesser of \$5 or its direct and indirect costs.

The act also increases the notification deadline, from three to five days, in which tow operators must determine whether there is an owner or lienholder registered with the DOR and send notice to those parties, and clarifies that the time spent by the DOR conducting the national records search does not count against the tow operator's 10-day deadline to contact the motor vehicle's owner or lienholder. In FY 2016-17, appropriates \$21,929 cash funds to the Department of Revenue.

**H.B. 16-1211 (MARIJUANA TRANSPORTER LICENSE):** Creates state medical and retail marijuana transporter (marijuana transporter) licenses to be issued by the Marijuana Enforcement Division (MED) in the Department of Revenue (DOR), and allows for the issuance of a local medical marijuana transporter license. A marijuana transporter provides logistics, distribution, and storage of medical and retail marijuana and marijuana-infused products, but is not authorized to sell marijuana under any circumstances. All marijuana transporters must be licensed by July 1, 2017, with the exception of a marijuana transporter for a medical marijuana business or retail marijuana establishment that provides its own distribution. In FY 2016-17, appropriates \$76,284 to the Department of Revenue.

**H.B. 16-1261 (RETAIL MARIJUANA SUNSET):** Continues the Colorado Retail Marijuana Code until September 1, 2019, and makes changes regarding licensing, rulemaking, industry operations, county-initiated ballot measures, and criminal provisions, as outlined below.

*LICENSING:*

- Creates licenses for retail marijuana transporters and retail marijuana establishment operators; and
- repeals the requirement that a license application be denied based on a previous denial at the same location.

*RULEMAKING:*

- Clarifies that standards pertaining to packaging and labeling of retail marijuana is a matter of statewide concern and regulated by the Marijuana Enforcement Division (MED) in the Department of Revenue (DOR);
- repeals the requirement that marijuana-themed magazines only be sold in retail marijuana stores or behind the counter in stores where people under 21 are present; and
- repeals the DOR's authority to promulgate rules prohibiting misrepresentation and unfair practices.

*INDUSTRY OPERATIONS:*

- Harmonizes the mandatory testing provisions for retail marijuana with those in the Colorado Medical Marijuana Code;
- allows a licensee the opportunity to remediate a product that has tested positive for a microbial;
- allows for performance-based incentives for employees of cultivation facilities and products manufacturers;
- exempts non-edible, non-psychoactive retail marijuana products from the one ounce per transaction limit;
- repeals the one-quarter ounce limitation on the amount of retail marijuana that can be sold to a non-resident;
- requires that a display case containing marijuana concentrate include the potency of the concentrate next to the name of the product; and
- allows trade craftspeople to be reasonably monitored rather than accompanied on a full-time basis while working in a limited access area.

*COUNTY-INITIATED BALLOT MEASURES:*

- Requires that not less than 15 percent of the registered electors in a county sign a petition for a county-initiated measure related to retail marijuana in order for it to be placed on the ballot.

*CRIMINAL PROVISIONS:*

- Creates a new level 1 drug misdemeanor for the transfer of marijuana or marijuana concentrate at no cost if the transfer is related to remuneration for any other service or product.

*APPROPRIATION:*

- Appropriates \$132,251 cash funds to the Department of Revenue for FY 2016-17.

**H.B. 16-1332 (ALTERNATIVE FUEL MOTOR VEHICLE INCOME TAX CREDITS):** Changes the computation of the income tax credit from being based on the vehicle's cost and battery capacity to fixed credit amounts for each category and truck weight class beginning tax year 2017. Beginning in tax year 2017, repeals the credit previously available for purchase, lease, or conversion of Category 2 and Category 3 vehicles, which are diesel-electric hybrid vehicles with a fuel economy of at least 70 miles per gallon. Authorizes the taxpayer to transfer the entire tax credit allowed to a financing entity when a purchase or lease is finalized. In FY 2016-17, appropriates \$37,038 General Fund to the Department of Revenue.

**H.B. 16-1405 (LONG BILL):** General appropriations act for FY 2016-17.

**H.B. 16-1415 (DRIVER AND MOTOR VEHICLES SERVICES):** Provides a process to eventually cash fund the Division of Motor Vehicles (DMV) with fees. Specifically, this bill makes the following changes:

- Exempts the Licensing Services Cash Fund, which receives the fee revenue from DMV activities, from the statutory limit on cash fund reserves to allow the Department to build a cash fund balance in years where issuance cycles are high so the DMV can fund activities for fiscal years when issuance cycles are low;
- Clarifies that the surcharge on retaking either the written driving test or the practical drive test applies regardless of whether an applicant retakes the examination with the DMV or an approved third-party vendor;
- Eliminates the end of year sweep of money in the Licensing Services Cash Fund to the Highway Users Tax Fund to allow the Department to plan for issuance cycles it forecasts and manage the fund in a manner to fully cash fund the DMV;
- Makes changes to a number of the DMV fees to more closely approximate the actual cost of providing the service. The fee for driver's licenses includes increases over three years to \$26 in FY 2016-17, \$27 in FY 2017-18, and \$28 in FY 2018-19; and
- Allows counties issuing driver's licenses to retain an increased amount of the fee charged for driver's licenses based on the size of the issuing county.

In FY 2016-17, reduces the Long Bill appropriation to the DMV by \$3.2 million General Fund and increases the cash fund appropriation to the DMV by \$3.2 million consisting of \$2.0 million from the Highway Users Tax Fund and \$1.2 million from the Licensing Services Cash Fund.

# Details

## DEPARTMENT OF STATE

### FY 2015-16 AND FY 2016-17 APPROPRIATIONS BY DIVISION AND BILL

DEPARTMENT OF STATE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 TOTAL APPROPRIATION:</b>	<b>\$21,580,286</b>	<b>\$0</b>	<b>\$21,580,286</b>	<b>\$0</b>	<b>\$0</b>	<b>137.3</b>
<b>BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION</b>						
Administration	\$5,615,627	\$0	\$5,615,627	\$0	\$0	19.0
Information Technology Services	7,388,679	0	7,388,679	0	0	36.0
Elections Division	5,114,858	0	5,114,858	0	0	34.2
Business and Licensing Division	3,461,122	0	3,461,122	0	0	48.1
<b>BREAKDOWN OF TOTAL APPROPRIATION BY BILL</b>						
SB 15-234	\$21,580,286	\$0	\$21,580,286	\$0	\$0	137.3
<b>FY 2016-17 TOTAL APPROPRIATION:</b>						
<b>FY 2016-17 TOTAL APPROPRIATION:</b>	<b>\$22,087,139</b>	<b>\$0</b>	<b>\$22,087,139</b>	<b>\$0</b>	<b>\$0</b>	<b>137.4</b>
<b>BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION</b>						
Administration	\$5,857,619	\$0	\$5,857,619	\$0	\$0	19.1
Information Technology Services	7,502,170	0	7,502,170	0	0	36.0
Elections Division	5,252,557	0	5,252,557	0	0	34.2
Business and Licensing Division	3,474,793	0	3,474,793	0	0	48.1
<b>BREAKDOWN OF TOTAL APPROPRIATION BY BILL</b>						
HB 16-1405	\$22,041,223	\$0	\$22,041,223	\$0	\$0	137.3
SB 16-115	5,289	0	5,289	0	0	0.1
SB 16-186	20,130	0	20,130	0	0	0.0
HB 16-1070	15,450	0	15,450	0	0	0.0
HB 16-1282	5,047	0	5,047	0	0	0.0
<b>INCREASE/(DECREASE)</b>	<b>\$506,853</b>	<b>\$0</b>	<b>\$506,853</b>	<b>\$0</b>	<b>\$0</b>	<b>0.1</b>
Percentage Change	2.3%	n/a	2.3%	n/a	n/a	0.1%

**INFORMATIONAL FUNDS:** The FY 2016-17 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 2016-17 Appropriations containing an (I) notation	\$10,000	\$0	\$10,000	\$0	\$0

## DETAIL OF APPROPRIATION BY ADMINISTRATIVE SECTION

### ADMINISTRATION

The Administration Division provides general oversight and administrative support services for all divisions in the Department, including budgeting, human resources services, and public outreach. This division is entirely supported by the Department of State Cash Fund, which primarily consists of revenue from fees collected with filings submitted by businesses and other non-profits. The Department of State has been cash funded for more than 30 years and does not receive any General Fund appropriations.

ADMINISTRATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2015-16 APPROPRIATION:						
SB 15-234	\$5,615,627	\$0	\$5,615,627	\$0	\$0	19.0
<b>TOTAL</b>	<b>\$5,615,627</b>	<b>\$0</b>	<b>\$5,615,627</b>	<b>\$0</b>	<b>\$0</b>	<b>19.0</b>
FY 2016-17 APPROPRIATION:						
FY 2015-16 Appropriation	\$5,615,627	\$0	\$5,615,627	\$0	\$0	19.0
Centrally appropriated line items	519,554	0	519,554	0	0	0.0
Indirect cost assessment	27,824	0	27,824	0	0	0.0
Additional vehicle and vehicle upgrade	3,255	0	3,255	0	0	0.0
Annualize prior year budget actions	(162,234)	0	(162,234)	0	0	0.0
Base reductions and technical adjustments	(151,696)	0	(151,696)	0	0	0.0
<b>HB 16-1405</b>	<b>\$5,852,330</b>	<b>\$0</b>	<b>\$5,852,330</b>	<b>\$0</b>	<b>\$0</b>	<b>19.0</b>
SB 16-115	5,289	0	5,289	0	0	0.1
<b>TOTAL</b>	<b>\$5,857,619</b>	<b>\$0</b>	<b>\$5,857,619</b>	<b>\$0</b>	<b>\$0</b>	<b>19.1</b>
<b>INCREASE/(DECREASE)</b>	<b>\$241,992</b>	<b>\$0</b>	<b>\$241,992</b>	<b>\$0</b>	<b>\$0</b>	<b>0.1</b>
Percentage Change	4.3%	n/a	4.3%	n/a	n/a	0.5%

### FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

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

**INDIRECT COST ASSESSMENT:** The appropriation includes an increase in the Division's indirect cost assessment.

**ADDITIONAL VEHICLE AND VEHICLE UPGRADE:** The appropriation includes an increase of \$3,255 cash funds to provide funding for one additional vehicle and upgrade an existing two-wheel drive vehicle to a four-wheel drive model.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of FY 2015-16 salary survey and merit pay.

**BASE REDUCTIONS AND TECHNICAL ADJUSTMENTS:** The appropriation includes a decrease of \$151,696 cash funds to more accurately align appropriations with expenditures on legal services.

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

## INFORMATION TECHNOLOGY SERVICES

Information Technology Services (ITS) provides technical and project management services, systems development, and support for information technology systems in the Department, including: (1) web-based search and filing services used by the Business and Licensing Division to processes over 2,500 web-based transactions daily; and (2) the statewide voter registration and election management system (SCORE). The ITS division is also responsible for ensuring the Department's compliance with the Colorado Information Security Act. Funding for this division is provided entirely by the Department of State Cash Fund.

INFORMATION TECHNOLOGY SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2015-16 APPROPRIATION:						
SB 15-234	\$7,388,679	\$0	\$7,388,679	\$0	\$0	36.0
<b>TOTAL</b>	<b>\$7,388,679</b>	<b>\$0</b>	<b>\$7,388,679</b>	<b>\$0</b>	<b>\$0</b>	<b>36.0</b>
FY 2016-17 APPROPRIATION:						
FY 2015-16 Appropriation	\$7,388,679	\$0	\$7,388,679	\$0	\$0	36.0
Annualize prior year budget actions	72,864	0	72,864	0	0	0.0
<b>HB 16-1405</b>	<b>\$7,461,543</b>	<b>\$0</b>	<b>\$7,461,543</b>	<b>\$0</b>	<b>\$0</b>	<b>36.0</b>
SB 16-186	20,130	0	20,130	0	0	0.0
HB 16-1070	15,450	0	15,450	0	0	0.0
HB 16-1282	5,047	0	5,047	0	0	0.0
<b>TOTAL</b>	<b>\$7,502,170</b>	<b>\$0</b>	<b>\$7,502,170</b>	<b>\$0</b>	<b>\$0</b>	<b>36.0</b>
<b>INCREASE/(DECREASE)</b>	\$113,491	\$0	\$113,491	\$0	\$0	0.0
Percentage Change	1.5%	n/a	1.5%	n/a	n/a	0.0%

### FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of FY 2015-16 salary survey and merit pay.

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

## ELECTIONS DIVISION

The Elections Division administers statewide statutory and constitutional provisions that relate to elections, including the administration of the initiative and referendum process. This includes supervising primary, general, and congressional vacancy elections; maintaining the statewide voter registration database; authorizing official recounts for federal, state, and district elections; and administering the Fair Campaign Practices Act. The Elections Division also helps the Secretary of State supervise the 64 county clerks in the execution of their statutory responsibilities relating to voter registration and elections. This division is funded by the Department of State Cash Fund and the continuously-appropriated Federal Elections Assistance Fund, which was established to receive federal Help America Vote Act (HAVA) funding.

**ELECTIONS DIVISION**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$5,114,858	\$0	\$5,114,858	\$0	\$0	34.2
<b>TOTAL</b>	<b>\$5,114,858</b>	<b>\$0</b>	<b>\$5,114,858</b>	<b>\$0</b>	<b>\$0</b>	<b>34.2</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$5,114,858	\$0	\$5,114,858	\$0	\$0	34.2
Annualize prior year budget actions	137,699	0	137,699	0	0	0.0
<b>HB 16-1405</b>	<b>\$5,252,557</b>	<b>\$0</b>	<b>\$5,252,557</b>	<b>\$0</b>	<b>\$0</b>	<b>34.2</b>
<b>TOTAL</b>	<b>\$5,252,557</b>	<b>\$0</b>	<b>\$5,252,557</b>	<b>\$0</b>	<b>\$0</b>	<b>34.2</b>
<b>INCREASE/(DECREASE)</b>	\$137,699	\$0	\$137,699	\$0	\$0	0.0
Percentage Change	2.7%	n/a	2.7%	n/a	n/a	0.0%

**FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS**

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of FY 2015-16 salary survey and merit pay, as well as an increase of \$100,000 cash funds to align the appropriation for signature verification on initiative and referendum petitions with the anticipated increase in expenditures for the upcoming even-year election.

**BUSINESS AND LICENSING DIVISION**

The Business and Licensing Division is responsible for processing filings from businesses and non-profits and collecting the associated fees, as well as: overseeing the Business Intelligence Center and the Go Code Colorado statewide app challenge event; administering the lobbyist program; licensing entities involved in charitable gaming; registering charitable organizations; licensing and regulating notaries public; and publishing the Code of Colorado Regulations.

**BUSINESS AND LICENSING DIVISION**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$3,461,122	\$0	\$3,461,122	\$0	\$0	48.1
<b>TOTAL</b>	<b>\$3,461,122</b>	<b>\$0</b>	<b>\$3,461,122</b>	<b>\$0</b>	<b>\$0</b>	<b>48.1</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$3,461,122	\$0	\$3,461,122	\$0	\$0	48.1
Annualize prior year budget actions	51,671	0	51,671	0	0	0.0
Base reductions and technical adjustments	(38,000)	0	(38,000)	0	0	0.0
<b>HB 16-1405</b>	<b>\$3,474,793</b>	<b>\$0</b>	<b>\$3,474,793</b>	<b>\$0</b>	<b>\$0</b>	<b>48.1</b>
<b>TOTAL</b>	<b>\$3,474,793</b>	<b>\$0</b>	<b>\$3,474,793</b>	<b>\$0</b>	<b>\$0</b>	<b>48.1</b>
<b>INCREASE/(DECREASE)</b>	\$13,671	\$0	\$13,671	\$0	\$0	0.0
Percentage Change	0.4%	n/a	0.4%	n/a	n/a	0.0%

**FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS**

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of FY 2015-16 salary survey and merit pay.

**BASE REDUCTIONS AND TECHNICAL ADJUSTMENTS:** The appropriation includes a decrease of \$38,000 cash funds to more accurately align appropriations with expenditures on division operations, as well as a net-zero transfer of 1.0 FTE within the Business and Licensing Division to reflect current staffing for the Business Intelligence Center.

## RECENT LEGISLATION

### 2015 SESSION BILLS

**S.B. 15-234 (LONG BILL):** General appropriations act for FY 2015-16.

**S.B. 15-288 (COMPENSATION PAID TO ELECTED OFFICIALS):** Effective January 2019, replaces the existing fixed dollar salaries listed in statute for certain state officials and state legislators with a new method for determining salaries that aligns them to certain judicial officers' salaries. The Secretary of State's salary will be equal to 58.0 percent of the salary paid to most county court judges. For additional information, see the "Recent Legislation" section at the end of the Governor – Lieutenant Governor – State Planning and Budgeting.

### 2016 SESSION BILLS

**S.B. 16-089 (DEPT OF STATE CASH FUND ALTERNATIVE MAX RESERVE):** Establishes an alternative maximum reserve for the Department of State Cash Fund of 16.5 percent of total expenditures plus an amount equal to any unexpended money from the annual appropriation for local election reimbursements made to counties. The alternative maximum reserve is effective for FY 2015-16 and subsequent fiscal years. No appropriation was required to implement this bill.

**S.B. 16-115 (ELECTRONIC RECORDING TECHNOLOGY BOARD):** Creates the Electronic Recording Technology (ERT) Board as an enterprise within the Department of State to assume responsibility for ensuring uniformity in electronic filing systems throughout the state. Authorizes the ERT Board to assess \$2 surcharge on electronic filing documents to cover its expenses and provide grants to counties to establish, maintain, improve, or replace their electronic filing systems. Requires the ERT Board to issue annual reports on grants made during the prior fiscal year, as well as a five-year progress report on the success of the grant program. Appropriates \$5,289 cash funds from the Department of State Cash Fund in FY 2016-17 to provide 0.1 FTE of administrative assistance for the grant program established in the bill.

**S.B. 16-186 (SMALL-SCALE ISSUE COMMITTEES):** Defines small-scale issue committees as an issue committee that has accepted or made contributions or expenditures in an amount that does not exceed \$5,000 during an applicable election cycle for the purpose of supporting or opposing any ballot issue or question. Establishes alternative disclosure, reporting, and registration requirements for these committees under the Fair Campaign Practices Act. Appropriates \$20,130 cash funds from the Department of State Cash Fund in FY 2016-17 for programming costs associated with required updates to allow the online campaign finance system to accept small-scale issue committee registrations and reports.

**H.B. 16-1014 (SOS BUSINESS INTELLIGENCE CENTER):** Formally establishes the Business Intelligence Center (BIC) program and the BIC Advisory Board in statute for the purpose of streamlining access to public data and providing resources to make the data more useful. Authorizes the Department to accept gifts, grants, and donations to help offset program costs. The appropriation for BIC has been included in the Department's Long Bill since FY 2013-14 and no additional appropriation was required to implement this bill.

**H.B. 16-1070 (SIGNATURE VERIFICATION IN MUNICIPAL MAIL BALLOT ELECTION):** Requires an election judge to compare the signature on each ballot return envelope with the signature of the eligible elector stored in the statewide voter registration system (SCORE) for every municipal mail ballot election. Includes specifications for how signatures should be compared and the process for handling a signature discrepancy. Requires that municipal clerks be given access to the digitized signatures in SCORE and appropriates \$15,450 cash funds from the Department of State Cash Fund in FY 2016-17 for programming costs associated the system updates required by this provision.

**H.B. 16-1282 (ALIGN REGULAR BIENNIAL SCHOOL ELECTIONS & FCPA):** Applies disclosure requirements in the Fair Campaign Practices Act to regular biennial school board elections. Appropriates \$5,046 cash funds from the Department of State Cash Fund in FY 2016-17 for programming costs associated with required updates to the online campaign finance system to accommodate increased reporting requirements.

**H.B. 16-1405 (LONG BILL):** General appropriations act for FY 2016-17.

# Details

## DEPARTMENT OF TRANSPORTATION

### FY 2015-16 AND FY 2016-17 APPROPRIATIONS BY DIVISION AND BILL

DEPARTMENT OF TRANSPORTATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 TOTAL APPROPRIATION:</b>	<b>\$1,436,913,372</b>	<b>\$0</b>	<b>\$844,073,959</b>	<b>\$19,777,338</b>	<b>\$573,062,075</b>	<b>3,326.8</b>
<b>BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION</b>						
Administration	\$30,872,211	\$0	\$29,011,065	\$1,861,146	\$0	183.5
Construction, Maintenance, and Operations	1,277,416,161	0	702,437,894	1,916,192	573,062,075	3,137.3
High Performance Transportation Enterprise	2,575,000	0	1,575,000	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	124,100,000	0	109,100,000	15,000,000	0	2.0
Marijuana Impaired Driving Program	450,000	0	450,000	0	0	0.0
<b>BREAKDOWN OF TOTAL APPROPRIATION BY BILL</b>						
SB 15-234	\$1,436,913,372	\$0	\$844,073,959	\$19,777,338	\$573,062,075	3,326.8
<b>FY 2016-17 TOTAL APPROPRIATION:</b>	<b>\$1,404,629,871</b>	<b>\$0</b>	<b>\$747,880,934</b>	<b>\$5,866,138</b>	<b>\$650,882,799</b>	<b>3,326.8</b>
<b>BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION</b>						
Administration	\$31,748,583	\$0	\$29,863,386	\$1,885,197	\$0	183.5
Construction, Maintenance, and Operations	1,236,114,586	0	598,339,646	1,892,141	635,882,799	3,137.3
High Performance Transportation Enterprise	7,716,702	0	5,627,902	2,088,800	0	4.0
First Time Drunk Driving Offenders Account	2,000,000	0	2,000,000	0	0	0.0
Statewide Bridge Enterprise	126,600,000	0	111,600,000	0	15,000,000	2.0
Marijuana Impaired Driving Program	450,000	0	450,000	0	0	0.0
<b>BREAKDOWN OF TOTAL APPROPRIATION BY BILL</b>						
HB 16-1405	\$1,404,629,871	\$0	\$747,880,934	\$5,866,138	\$650,882,799	3,326.8
<b>INCREASE/(DECREASE)</b>	<b>(\$32,283,501)</b>	<b>\$0</b>	<b>(\$96,193,025)</b>	<b>(\$13,911,200)</b>	<b>\$77,820,724</b>	<b>0.0</b>
Percentage Change	(2.2%)	n/a	(11.4%)	(70.3%)	13.6%	0.0%

**INFORMATIONAL FUNDS:** The FY 2016-17 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 2016-17 Appropriations containing an (I) notation	\$1,370,431,288	\$0	\$715,567,548	\$3,980,941	\$650,882,799

## 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 Regional Transportation Directors;
- Motor Pool Operations for State Fleet Vehicles;
- Division of Human Resources and Administration; and
- Division of Audit.

The General Assembly appropriates funds to this division in a lump sum as required by Section 43-1-113 (3) (a), C.R.S. The funding for the Administration division includes the salaries and expenses for the numerous offices and programs within the Administration section. Section 43-1-113 (6) (a), C.R.S., limits the Administration appropriation to no more than 5.0 percent of the total Department of Transportation Long Bill appropriation. Cash funds from the State Highway Fund is the primary source of funding, 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
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$30,872,211	\$0	\$29,011,065	\$1,861,146	\$0	183.5
<b>TOTAL</b>	<b>\$30,872,211</b>	<b>\$0</b>	<b>\$29,011,065</b>	<b>\$1,861,146</b>	<b>\$0</b>	<b>183.5</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$30,872,211	\$0	\$29,011,065	\$1,861,146	\$0	183.5
Centrally appropriated line items	876,372	0	852,321	24,051	0	0.0
<b>HB 16-1405</b>	<b>\$31,748,583</b>	<b>\$0</b>	<b>\$29,863,386</b>	<b>\$1,885,197</b>	<b>\$0</b>	<b>183.5</b>
<b>TOTAL</b>	<b>\$31,748,583</b>	<b>\$0</b>	<b>\$29,863,386</b>	<b>\$1,885,197</b>	<b>\$0</b>	<b>183.5</b>
<b>INCREASE/(DECREASE)</b>	<b>\$876,372</b>	<b>\$0</b>	<b>\$852,321</b>	<b>\$24,051</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	2.8%	n/a	2.9%	1.3%	n/a	0.0%

### FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

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

CONSTRUCTION, MAINTENANCE, AND OPERATIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2015-16 APPROPRIATION:						
SB 15-234	\$1,277,416,161	\$0	\$702,437,894	\$1,916,192	\$573,062,075	3,137.3
<b>TOTAL</b>	<b>\$1,277,416,161</b>	<b>\$0</b>	<b>\$702,437,894</b>	<b>\$1,916,192</b>	<b>\$573,062,075</b>	<b>3,137.3</b>
FY 2016-17 APPROPRIATION:						
FY 2015-16 Appropriation	\$1,277,416,161	\$0	\$702,437,894	\$1,916,192	\$573,062,075	3,137.3
Updated revenue projections	(40,534,877)	0	(103,355,601)	0	62,820,724	0.0
Centrally appropriated line items	(766,698)	0	(742,647)	(24,051)	0	0.0
<b>HB 16-1405</b>	<b>\$1,236,114,586</b>	<b>\$0</b>	<b>\$598,339,646</b>	<b>\$1,892,141</b>	<b>\$635,882,799</b>	<b>3,137.3</b>
<b>TOTAL</b>	<b>\$1,236,114,586</b>	<b>\$0</b>	<b>\$598,339,646</b>	<b>\$1,892,141</b>	<b>\$635,882,799</b>	<b>3,137.3</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$41,301,575)</b>	<b>\$0</b>	<b>(\$104,098,248)</b>	<b>(\$24,051)</b>	<b>\$62,820,724</b>	<b>0.0</b>
Percentage Change	(3.2%)	n/a	(14.8%)	(1.3%)	11.0%	0.0%

### FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

**UPDATED REVENUE PROJECTIONS:** The appropriation includes updates to the Department's revenue projections, which are provided for informational purposes only. Includes adjustments to the Department's estimated apportionment of federal funds due to flood recovery dollars and an increase in expected toll revenue.

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

## HIGH PERFORMANCE TRANSPORTATION ENTERPRISE

This section, created by S.B. 09-108 (Transportation System Planning and Funding), 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 2015-16 APPROPRIATION:						
SB 15-234	\$2,575,000	\$0	\$1,575,000	\$1,000,000	\$0	4.0
<b>TOTAL</b>	<b>\$2,575,000</b>	<b>\$0</b>	<b>\$1,575,000</b>	<b>\$1,000,000</b>	<b>\$0</b>	<b>4.0</b>
FY 2016-17 APPROPRIATION:						
FY 2015-16 Appropriation	\$2,575,000	\$0	\$1,575,000	\$1,000,000	\$0	4.0
Updated revenue projections	5,141,702	0	4,052,902	1,088,800	0	0.0
<b>HB 16-1405</b>	<b>\$7,716,702</b>	<b>\$0</b>	<b>\$5,627,902</b>	<b>\$2,088,800</b>	<b>\$0</b>	<b>4.0</b>
<b>TOTAL</b>	<b>\$7,716,702</b>	<b>\$0</b>	<b>\$5,627,902</b>	<b>\$2,088,800</b>	<b>\$0</b>	<b>4.0</b>
<b>INCREASE/(DECREASE)</b>	\$5,141,702	\$0	\$4,052,902	\$1,088,800	\$0	0.0
Percentage Change	199.7%	n/a	257.3%	108.9%	n/a	0.0%

#### FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

**UPDATED REVENUE PROJECTIONS:** The appropriation includes updates to the Department's revenue projections, which are provided for informational purposes only.

#### 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 General Assembly controls the appropriation for this division. Cash funds are from driver's license reinstatement 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 2015-16 APPROPRIATION:						
SB 15-234	\$1,500,000	\$0	\$1,500,000	\$0	\$0	0.0
<b>TOTAL</b>	<b>\$1,500,000</b>	<b>\$0</b>	<b>\$1,500,000</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
FY 2016-17 APPROPRIATION:						
FY 2015-16 Appropriation	\$1,500,000	\$0	\$1,500,000	\$0	\$0	0.0
Heat Is On	500,000	0	500,000	0	0	0.0
<b>HB 16-1405</b>	<b>\$2,000,000</b>	<b>\$0</b>	<b>\$2,000,000</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>TOTAL</b>	<b>\$2,000,000</b>	<b>\$0</b>	<b>\$2,000,000</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	\$500,000	\$0	\$500,000	\$0	\$0	0.0
Percentage Change	33.3%	n/a	33.3%	n/a	n/a	n/a

#### FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

**HEAT IS ON:** The appropriation includes \$500,000 from the Marijuana Tax Cash Fund to fund a statewide impaired driving public education campaign. “Heat Is On” will target males, ages 18-34, who have a higher risk of binging, are likely to combine marijuana and alcohol, and are less aware of DUI laws and consequences.

## STATEWIDE BRIDGE ENTERPRISE

Created in Section 43-4-805 (2) (a) (I), C.R.S., this section 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 informational purposes only.

STATEWIDE BRIDGE ENTERPRISE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2015-16 APPROPRIATION:						
SB 15-234	\$124,100,000	\$0	\$109,100,000	\$15,000,000	\$0	2.0
<b>TOTAL</b>	<b>\$124,100,000</b>	<b>\$0</b>	<b>\$109,100,000</b>	<b>\$15,000,000</b>	<b>\$0</b>	<b>2.0</b>
FY 2016-17 APPROPRIATION:						
FY 2015-16 Appropriation	\$124,100,000	\$0	\$109,100,000	\$15,000,000	\$0	2.0
Updated revenue projections	2,500,000	0	2,500,000	(15,000,000)	15,000,000	0.0
<b>HB 16-1405</b>	<b>\$126,600,000</b>	<b>\$0</b>	<b>\$111,600,000</b>	<b>\$0</b>	<b>\$15,000,000</b>	<b>2.0</b>
<b>TOTAL</b>	<b>\$126,600,000</b>	<b>\$0</b>	<b>\$111,600,000</b>	<b>\$0</b>	<b>\$15,000,000</b>	<b>2.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$2,500,000</b>	<b>\$0</b>	<b>\$2,500,000</b>	<b>(\$15,000,000)</b>	<b>\$15,000,000</b>	<b>0.0</b>
Percentage Change	2.0%	n/a	2.3%	(100.0%)	0.0%	0.0%

## FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

**UPDATED REVENUE PROJECTIONS:** The appropriation includes updates to the Department's revenue projections, which are provided for informational purposes only.

## MARIJUANA IMPAIRED DRIVING PROGRAM

This division, created in the FY 2015-16 Long Bill, provides funding for the Department to develop and administer a public awareness program directed at marijuana impaired driving. Goals of the campaign include reductions in serious injuries and fatalities on Colorado roads, as well as declines in marijuana impaired driving behavior and citations. This program is funded by the Marijuana Tax Cash Fund.

MARIJUANA IMPAIRED DRIVING PROGRAM						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2015-16 APPROPRIATION:						
SB 15-234	\$450,000	\$0	\$450,000	\$0	\$0	0.0
<b>TOTAL</b>	<b>\$450,000</b>	<b>\$0</b>	<b>\$450,000</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
FY 2016-17 APPROPRIATION:						
FY 2015-16 Appropriation	\$450,000	\$0	\$450,000	\$0	\$0	0.0
No changes	0	0	0	0	0	0.0
<b>HB 16-1405</b>	<b>\$450,000</b>	<b>\$0</b>	<b>\$450,000</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>TOTAL</b>	<b>\$450,000</b>	<b>\$0</b>	<b>\$450,000</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**MARIJUANA IMPAIRED DRIVING PROGRAM**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>INCREASE/(DECREASE)</b>	\$0	\$0	\$0	\$0	\$0	0.0
Percentage Change	0.0%	n/a	0.0%	n/a	n/a	n/a

FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

**NO CHANGES:** The appropriation does not contain changes from the FY 2015-16 appropriation.

**RECENT LEGISLATION**

2015 SESSION BILLS

**S.B. 15-234 (LONG BILL):** General appropriations act for FY 2015-16.

2016 SESSION BILLS

**H.B. 16-1405 (LONG BILL):** General appropriations act for FY 2016-17.

**H.B. 16-1416 (STATE INFRASTRUCTURE GENERAL FUND TRANSFERS):** Replaces the transfer formula required by S.B. 09-228 with set amounts to be transferred to the Highway Users Tax Fund and to the Capital Construction Fund for FY 2015-16 and FY 2016-17. The bill does not change the formula for the last three years of S.B. 09-228 transfers. Requires the State Treasurer to transfer from the General Fund to the:

- Capital Construction Fund, \$49.8 million on June 30, 2016, and \$52.7 million on June 30, 2017; and
- Highway Users Tax Fund, \$199.2 million on June 30, 2016, and \$158.0 million on June 30, 2017.

# Details

## DEPARTMENT OF THE TREASURY

### FY 2015-16 AND FY 2016-17 APPROPRIATIONS BY DIVISION AND BILL

DEPARTMENT OF THE TREASURY						
	TOTAL FUNDS	GENERAL FUND <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 TOTAL APPROPRIATION:</b>	<b>\$481,648,428</b>	<b>\$135,037,666</b>	<b>\$346,610,762</b>	<b>\$0</b>	<b>\$0</b>	<b>31.9</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
Administration	\$2,280,377	\$1,034,763	\$1,245,614	\$0	\$0	16.4
Unclaimed Property Program	2,321,887	0	2,321,887	0	0	15.5
Special Purpose	477,046,164	134,002,903	343,043,261	0	0	0.0
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
SB 15-234	\$481,677,345	\$135,066,583	\$346,610,762	\$0	\$0	31.9
HB 16-1251	(28,917)	(28,917)	0	0	0	0.0
<b>FY 2016-17 TOTAL APPROPRIATION:</b>	<b>\$518,036,107</b>	<b>\$146,008,257</b>	<b>\$354,252,675</b>	<b>\$17,775,175</b>	<b>\$0</b>	<b>32.9</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
Administration	\$2,345,974	\$1,086,429	\$1,259,545	\$0	\$0	17.4
Unclaimed Property Program	2,262,606	0	2,262,606	0	0	15.5
Special Purpose	513,427,527	144,921,828	350,730,524	17,775,175	0	0.0
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
HB 16-1405	\$518,036,107	\$146,008,257	\$354,252,675	\$17,775,175	\$0	32.9
<b>INCREASE/(DECREASE)</b>	<b>\$36,387,679</b>	<b>\$10,970,591</b>	<b>\$7,641,913</b>	<b>\$17,775,175</b>	<b>\$0</b>	<b>1.0</b>
Percentage Change	7.6%	8.1%	2.2%	n/a	n/a	3.1%

<sup>1</sup> Includes \$126,000,000 in FY 2015-16 and \$142,700,000 in FY 2016-17 that is exempt from the statutory limit on state General Fund appropriations pursuant to Section 24-75-201.1 (1) (a) (III) (A), C.R.S.

**INFORMATIONAL FUNDS:** The FY 2016-17 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of the Treasury are annotated with the "(I)". For additional information, see Appendix J.

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2016-17 Appropriations containing an (I) notation	\$512,010,699	\$142,700,000	\$351,535,524	\$17,775,175	\$0

## DETAIL OF APPROPRIATION BY ADMINISTRATIVE SECTION

### ADMINISTRATION

This division is responsible for the operation and oversight of the Department and provides accounting, cash management, and investment services for the State. The Division's cash funds derive from the Treasury transaction fee imposed pursuant to Section 24-36-120 (1), C.R.S., and from the Unclaimed Property Trust Fund.

ADMINISTRATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$2,309,294	\$1,063,680	\$1,245,614	\$0	\$0	16.4
HB 16-1251	(28,917)	(28,917)	0	0	0	0.0
<b>TOTAL</b>	<b>\$2,280,377</b>	<b>\$1,034,763</b>	<b>\$1,245,614</b>	<b>\$0</b>	<b>\$0</b>	<b>16.4</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$2,280,377	\$1,034,763	\$1,245,614	\$0	\$0	16.4
Centrally appropriated line items	31,946	18,015	13,931	0	0	0.0
Annualize prior year legislation	28,917	28,917	0	0	0	0.0
Annualize prior year budget actions	27,024	27,024	0	0	0	0.0
Investment tools - Bloomberg and S&P	4,480	4,480	0	0	0	0.0
FTE increase	0	0	0	0	0	1.0
Investment tools - BondEdge	(26,770)	(26,770)	0	0	0	0.0
<b>HB 16-1405</b>	<b>\$2,345,974</b>	<b>\$1,086,429</b>	<b>\$1,259,545</b>	<b>\$0</b>	<b>\$0</b>	<b>17.4</b>
<b>TOTAL</b>	<b>\$2,345,974</b>	<b>\$1,086,429</b>	<b>\$1,259,545</b>	<b>\$0</b>	<b>\$0</b>	<b>17.4</b>
<b>INCREASE/(DECREASE)</b>	<b>\$65,597</b>	<b>\$51,666</b>	<b>\$13,931</b>	<b>\$0</b>	<b>\$0</b>	<b>1.0</b>
Percentage Change	2.9%	5.0%	1.1%	n/a	n/a	6.1%

### FY 2015-16 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 16-1251 modifies the FY 2015-16 General Fund appropriation as a result of the purchase of a more cost-effective investment tool.

### FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

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

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes an increase of \$28,917 total funds for the second year impact of legislation.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes a number of changes to the out-year impact of funding decisions made through the FY 2015-16 appropriation including salary survey and merit pay.

**INVESTMENT TOOLS – BLOOMBERG AND S&P:** The appropriation includes an increase of \$4,480 General Fund for costs associated with the Bloomberg and S&P investment tools used by the Department's investment officers.

**FTE INCREASE:** The appropriation includes an increase in the Department’s FTE in the Administration division to accurately reflect FTE usage.

**INVESTMENT TOOLS – BONDEDGE:** The appropriation includes a decrease of \$26,770 General Fund to replace BondEdge with a more efficient and cost effective system and to provide training for transitioning investment staff.

## UNCLAIMED PROPERTY PROGRAM

Pursuant to the Unclaimed Property Act, the State takes possession of dormant properties held by a wide range of institutions and attempts to return the properties to their rightful owners. The Department deposits recovered money in the Unclaimed Property Trust Fund (UPTF), using the principal and interest to pay claims as well as the costs of operating the program. The remaining principal and interest earnings in the fund support the Medicaid Adult Dental Program and provide a reserve against future unclaimed property claims. The Department holds recovered securities for at least a year and then sells those that have not been returned, depositing sales proceeds in the Unclaimed Property Tourism Promotion Trust Fund (UPTPTF). The State uses the interest earned on the UPTPTF fund to promote economic development, 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
<b>FY 2015-16 APPROPRIATION:</b>						
SB 15-234	\$2,321,887	\$0	\$2,321,887	\$0	\$0	15.5
<b>TOTAL</b>	<b>\$2,321,887</b>	<b>\$0</b>	<b>\$2,321,887</b>	<b>\$0</b>	<b>\$0</b>	<b>15.5</b>
<b>FY 2016-17 APPROPRIATION:</b>						
FY 2015-16 Appropriation	\$2,321,887	\$0	\$2,321,887	\$0	\$0	15.5
Unclaimed Property leased office space	1,733	0	1,733	0	0	0.0
Annualize prior year budget actions	(61,014)	0	(61,014)	0	0	0.0
<b>HB 16-1405</b>	<b>\$2,262,606</b>	<b>\$0</b>	<b>\$2,262,606</b>	<b>\$0</b>	<b>\$0</b>	<b>15.5</b>
<b>TOTAL</b>	<b>\$2,262,606</b>	<b>\$0</b>	<b>\$2,262,606</b>	<b>\$0</b>	<b>\$0</b>	<b>15.5</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$59,281)</b>	<b>\$0</b>	<b>(\$59,281)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	(2.6%)	n/a	(2.6%)	n/a	n/a	0.0%

## FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

**UNCLAIMED PROPERTY LEASED OFFICE SPACE:** The appropriation includes an increase of \$1,733 cash funds from the Unclaimed Property Trust Fund for leased space in the CIO Logan Tower.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes a number of changes to the out-year impact of funding decisions made through the FY 2015-16 appropriation including salary survey and merit pay.

## SPECIAL PURPOSE

This section of the Long Bill reflects various disbursements and transfers the Treasurer is required to make, including the following: (1) reimbursements to local governments for property tax revenues foregone due to the senior citizen and disabled veteran property tax exemption; (2) allocations of Highway Users Tax Fund (HUTF) revenues to local governments; and (3) property tax reimbursements for real or business property listed on a single

schedule that was destroyed by a natural cause, pursuant to H.B. 14-1001. The General Fund appropriation for the senior citizen property tax exemption is not subject to the statutory restrictions on General Fund appropriations. The source of cash funds is the Highway Users Tax Fund.

SPECIAL PURPOSE						
	TOTAL FUNDS	GENERAL FUND <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2015-16 APPROPRIATION:						
SB 15-234	\$477,046,164	\$134,002,903	\$343,043,261	\$0	\$0	0.0
<b>TOTAL</b>	<b>\$477,046,164</b>	<b>\$134,002,903</b>	<b>\$343,043,261</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
FY 2016-17 APPROPRIATION:						
FY 2015-16 Appropriation	\$477,046,164	\$134,002,903	\$343,043,261	\$0	\$0	0.0
Highway Users Tax Fund adjustment	19,679,238	0	19,679,238	0	0	0.0
Senior Citizen and Disabled Veteran Property Tax Exemption adjustment	16,700,000	16,700,000	0	0	0	0.0
Federal mineral lease adjustment	2,125	(5,781,075)	(11,991,975)	17,775,175	0	0.0
<b>HB 16-1405</b>	<b>\$513,427,527</b>	<b>\$144,921,828</b>	<b>\$350,730,524</b>	<b>\$17,775,175</b>	<b>\$0</b>	<b>0.0</b>
<b>TOTAL</b>	<b>\$513,427,527</b>	<b>\$144,921,828</b>	<b>\$350,730,524</b>	<b>\$17,775,175</b>	<b>\$0</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$36,381,363</b>	<b>\$10,918,925</b>	<b>\$7,687,263</b>	<b>\$17,775,175</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	7.6%	8.1%	2.2%	n/a	n/a	n/a

<sup>1</sup> Includes \$126,000,000 in FY 2015-16 and \$142,700,000 in FY 2016-17 that is 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 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

**HIGHWAY USERS TAX FUND (HUTF) ADJUSTMENT:** The appropriation includes an increase of \$19,679,238 cash funds for distribution of HUTF revenues to counties and municipalities, based on the Legislative Council September 2015 forecast. The amount is shown for informational purposes only.

**SENIOR CITIZEN AND DISABLED VETERAN PROPERTY TAX EXEMPTION ADJUSTMENT:** The appropriation includes an increase of \$16,700,000 General Fund for reimbursements to local governments for lost property tax revenues, based on the Legislative Council March 2016 forecast. The amount is shown for informational purposes only.

**FEDERAL MINERAL LEASE ADJUSTMENT:** The appropriation includes an increase of \$2,125 total funds for the refinance of funding for certificates of participation for academic facilities.

## RECENT LEGISLATION

### 2015 SESSION BILLS

**S.B. 15-234 (LONG BILL):** General appropriations act for FY 2015-16.

**S.B. 15-288 (COMPENSATION PAID TO ELECTED OFFICIALS):** Effective January 2019, replaces the existing fixed dollar salaries listed in statute for certain state officials and state legislators with a new method for determining salaries that aligns them to certain judicial officers' salaries. The State Treasurer's salary will be equal to 58.0 percent of the salary paid to most county court judges. For additional information, see the "Recent Legislation" section at the end of the Governor – Lieutenant Governor – State Planning and Budgeting.

## 2016 SESSION BILLS

**H.B. 16-1161 (ALLOCATE SENIOR PROPERTY TAX EXEMPTION MONEY):** Allocates the amount by which the value indicated in the Senior Citizen and Disabled Veteran Property Tax Exemption line item of the Long Bill exceeds the total amount of all warrants issued by the state treasurer to reimburse local governmental entities for property tax revenues lost as a result of the application of the exemption as follows: 95.0 percent to the Senior Services Account within the Older Coloradans Cash Fund, and 5.0 percent to the Veterans Assistance Grant Program Cash Fund.

**H.B. 16-1175 (PROPERTY TAX EXEMPTION ADMINISTRATION):** Makes various administrative changes to help identify applicants who do not meet the legal requirements for the Senior Citizen and Disabled Veteran Property Tax Exemption. Please see Recent Legislation in the Department of Local Affairs for additional information.

**H.B. 16-1251 (SUPPLEMENTAL APPROPRIATION DEPARTMENT OF THE TREASURY):** Modifies the FY 2015-16 Long Bill (S.B. 15-234) appropriation to the Department of the Treasury.

**H.B. 16-1405 (LONG BILL):** General appropriations act for FY 2016-17.

**H.B. 16-1444 (DEFINITION QUALIFYING DISABLED VETERAN PROPERTY TAX):** Aligns the statutory definition of "qualifying disabled veteran," as it relates to a property tax exemption for qualifying seniors and disabled veterans, with the language established in section 3.5 of article X of the Colorado Constitution.

# Details

## CAPITAL CONSTRUCTION

### FY 2015-16 AND FY 2016-17 APPROPRIATIONS BY DEPARTMENT AND BILL

CAPITAL CONSTRUCTION						
	TOTAL FUNDS	CAPITAL CONSTRUCTION FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2015-16 TOTAL APPROPRIATION:</b>	<b>\$399,921,392</b>	<b>\$252,223,287</b>	<b>\$118,350,701</b>	<b>\$13,911,135</b>	<b>\$15,436,269</b>	<b>0.0</b>
<b>BREAKDOWN OF TOTAL APPROPRIATION BY DEPARTMENT</b>						
Agriculture	\$860,000	\$0	\$860,000	\$0	\$0	0.0
Corrections	20,746,163	20,086,163	660,000	0	0	0.0
Education	8,645,100	8,645,100	0	0	0	0.0
Governor	27,844,799	13,933,664	0	13,911,135	0	0.0
Higher Education	197,224,811	120,686,081	76,538,730	0	0	0.0
Human Services	38,979,245	23,735,914	0	0	15,243,331	0.0
Military and Veterans Affairs	5,000,000	5,000,000	0	0	0	0.0
Natural Resources	23,997,372	0	23,804,434	0	192,938	0.0
Personnel	18,465,352	4,054,217	14,411,135	0	0	0.0
Public Safety	5,307,717	3,231,315	2,076,402	0	0	0.0
Revenue	52,350,833	52,350,833	0	0	0	0.0
Transportation	500,000	500,000	0	0	0	0.0
<b>BREAKDOWN OF TOTAL APPROPRIATION BY BILL</b>						
SB 15-234	\$396,231,034	\$249,945,429	\$116,938,201	\$13,911,135	\$15,436,269	0.0
HB 15-1310	552,500	0	552,500	0	0	0.0
HB 15-1333	730,510	730,510	0	0	0	0.0
HB 16-1252	2,407,348	1,547,348	860,000	0	0	0.0
<b>FY 2016-17 TOTAL APPROPRIATION:</b>	<b>\$239,086,768</b>	<b>\$115,569,901</b>	<b>\$108,931,647</b>	<b>\$0</b>	<b>\$14,585,220</b>	<b>0.0</b>
<b>BREAKDOWN OF TOTAL APPROPRIATION BY DEPARTMENT</b>						
Corrections	\$4,111,377	\$3,451,377	\$660,000	\$0	\$0	0.0
Education	7,600,185	7,600,185	0	0	0	0.0
Governor	11,388,707	11,388,707	0	0	0	0.0
Higher Education	104,907,595	65,631,467	39,276,128	0	0	0.0
Human Services	30,829,272	16,656,787	979,884	0	13,192,601	0.0
Labor and Employment	25,263,480	0	25,263,480	0	0	0.0
Military and Veterans Affairs	1,334,260	667,130	0	0	667,130	0.0
Natural Resources	40,391,672	0	39,990,036	0	401,636	0.0
Personnel	11,099,248	9,674,248	1,425,000	0	0	0.0
Public Health and Environment	515,972	0	192,119	0	323,853	0.0
Public Safety	1,145,000	0	1,145,000	0	0	0.0
Transportation	500,000	500,000	0	0	0	0.0
<b>BREAKDOWN OF TOTAL APPROPRIATION BY BILL</b>						
HB 16-1405	\$239,086,768	\$115,569,901	\$108,931,647	\$0	\$14,585,220	0.0
<b>INCREASE/(DECREASE)</b>	<b>(\$160,834,624)</b>	<b>(\$136,653,386)</b>	<b>(\$9,419,054)</b>	<b>(\$13,911,135)</b>	<b>(\$851,049)</b>	<b>0.0</b>
Percentage Change	(40.2%)	(54.2%)	(8.0%)	(100.0%)	(5.5%)	n/a

**INFORMATIONAL FUNDS:** The FY 2016-17 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	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2016-17 Appropriations containing an (I) notation	\$22,258,564	\$0	\$7,673,344	\$0	\$14,585,220

## 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
<b>FY 2015-16 Total Appropriations and Transfers:</b>	<b>\$272,129,429</b>	<b>\$271,129,429</b>	<b>\$1,000,000</b>	<b>\$0</b>	<b>\$0</b>
General Fund transfer to the Capital Construction Fund (S.B. 15-250)	143,951,639	143,951,639	0	0	0
General Fund transfer to the Information Technology Capital Account in the Capital Construction Fund (S.B. 15-250)	76,877,790	76,877,790	0	0	0
General Fund transfer to the Capital Construction Fund (replaces S.B. 09-228 estimated transfers) (H.B. 16-1416)	49,800,000	49,800,000	0	0	0
State Historical Fund transfer to the Capital Construction Fund (S.B. 15-250)	1,000,000	0	1,000,000	0	0
General Fund Exempt transfer to the Capital Construction Fund (S.B. 15-250)	500,000	500,000	0	0	0
Appropriations to the Capital Construction Fund	0	0	0	0	0
5-year sentencing bill transfers to the Capital Construction Fund	0	0	0	0	0
<b>FY 2016-17 Total Appropriations and Transfers:</b>	<b>\$86,483,807</b>	<b>\$84,483,807</b>	<b>\$2,000,000</b>	<b>\$0</b>	<b>\$0</b>
General Fund transfer to the Capital Construction Fund (replaces S.B. 09-228 estimated transfers) (H.B. 16-1416)	52,700,000	52,700,000	0	0	0
General Fund transfer to the Capital Construction Fund (H.B. 16-1417)	20,586,398	20,586,398	0	0	0
General Fund transfer to the Information Technology Capital Account in the Capital Construction Fund (H.B. 16-1417)	10,697,409	10,697,409	0	0	0
Transfer of interest earned on the principal of the Controlled Maintenance Trust Fund to the Capital Construction Fund for controlled maintenance (H.B. 16-1417)	1,000,000	0	1,000,000	0	0
Transfer from the Preservation Grant Program Account of the State Historical Fund to the Capital Construction Fund for renovation of House and Senate chambers (H.B. 16-1417)	1,000,000	0	1,000,000	0	0
General Fund Exempt transfer to the Capital Construction Fund for transportation projects (H.B. 16-1417)	500,000	500,000	0	0	0
Appropriations to the Capital Construction Fund	0	0	0	0	0
5-year sentencing bill transfers to the Capital Construction Fund	0	0	0	0	0
<b>INCREASE/DECREASE</b>	<b>(\$185,645,622)</b>	<b>(\$186,645,622)</b>	<b>\$1,000,000</b>	<b>\$0</b>	<b>\$0</b>
Percentage Change	(68.2%)	(68.8%)	100.0%	n/a	n/a

## GENERAL FUND EXEMPT

Referendum C, passed by Colorado voters in November 2005, allows the State to retain and spend all revenue that is collected in excess of the TABOR limit for FY 2005-06 through FY 2009-10. For FY 2010-11 and subsequent fiscal years, Referendum C allows the State to retain all revenues that are in excess of the TABOR limit, but less than the excess state revenues cap, for that fiscal year. This revenue must be placed in the General Fund Exempt Account. The following table shows the amount of General Fund Exempt that is appropriated for FY 2015-16 and FY 2016-17 from the General Fund Exempt Account for strategic transportation projects pursuant to Section 24-77-103.6 (2) (d), C.R.S.

GENERAL FUND SUMMARY	TOTAL GENERAL FUND	GENERAL FUND	GENERAL FUND EXEMPT
FY 2015-16	\$271,129,429	\$270,629,429	\$500,000
FY 2016-17	\$84,483,807	\$83,983,807	\$500,000

## RECENT LEGISLATION

### 2015 SESSION BILLS

**S.B. 15-170 (GENERAL FUND TRANSFER TO CAPITAL CONSTRUCTION FUND):** Transfers \$23,008,332 General Fund to the Capital Construction Fund for FY 2014-15 supplemental appropriations, which are available for up to three years.

**S.B. 15-211 (AUTOMATIC FUNDING FOR CAPITAL ASSETS):** Specifies that for every capital construction building project beginning in FY 2015-16, state agencies and higher education institutions must set aside reserve funds intended for future capital construction based on depreciation.

- *State-funded* capital construction projects funded by General Fund, the Capital Construction Fund, or the Controlled Maintenance Trust Fund, for state agencies and higher education institutions, will require an annual payment through a *depreciation-lease equivalent* line item in the operating budget equal to the depreciation amount for the length of the depreciation period to be paid with General Fund. An amount equal to one percent of the project cost of the *depreciation-lease equivalent* payment will be credited to the Controlled Maintenance Trust Fund and the balance of the *depreciation-lease equivalent* payment will be credited to the Capital Construction Fund.
- *Cash-funded* capital construction projects for state agencies only, must set aside depreciation in a *capital reserve* within the cash fund, equal to the depreciation amount for the length of the depreciation period.

Capital construction building projects financed with an annual lease-purchase payment agreement (certificates of participation or COPs) must set aside one percent of project cost annually for controlled maintenance. The one percent will be paid in a *controlled maintenance* line item in the operating budget.

- *Controlled maintenance* payments for state-funded capital projects financed with a COP will be paid by General Fund and credited to the Controlled Maintenance Trust Fund.
- *Controlled maintenance* payments for cash-funded capital projects financed with a COP will be set aside in a *capital reserve* within the cash fund.

**S.B. 15-234 (LONG BILL):** General appropriations act for FY 2015-16.

**S.B. 15-250 (CAPITAL RELATED TRANSFERS):** For FY 2015-16, transfers:

- \$143,951,639 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;
- \$76,877,790 from the General Fund to the Information Technology Capital Account in the Capital Construction Fund; and
- \$1,000,000 from the Preservation Grant Program Account of the State Historical Fund to the Capital Construction Fund.

**S.B. 15-251 (EXCLUDE LEASE-PURCHASE PAYMENTS FROM GENERAL FUND RESERVE):** Excludes appropriations for lease-purchase payments from the amount used to calculate the necessary General Fund reserve. Beginning in FY 2015-16, lease-purchase payments for capital construction projects that are completed and no longer under construction were moved from the capital construction budget to the operating budget. In the capital construction budget, these appropriations were not included in the amount used to calculate the General Fund reserve. This exclusion preserves treatment of these appropriations as they relate to the General Fund reserve calculation.

**S.B. 15-270 (CREATE THE OFFICE OF THE STATE ARCHITECT):** Codifies in statute the Office of the State Architect in the Department of Personnel. Adds to the Office the responsibility for statewide capital construction planning and making recommendations on real property capital construction budget requests.

**S.B. 15-278 (CAPITOL DOME RESTORATION MONEYS EXPANDED SCOPE):** Amends the FY 2013-14 Long Bill to allow the money originally appropriated for the capitol dome restoration project to be used more generally for state capitol restoration. These appropriations remain available for three years through FY 2015-16.

**H.B. 15-1266 (INFORMATION TECHNOLOGY BUDGET REQUEST PROCESS):** Creates the Information Technology Capital Account in the Capital Construction Fund for the purpose of funding Information Technology Capital Projects from the Capital Construction Fund. Requires that information technology budget requests clearly identify and quantify anticipated administrative and operating efficiencies or program enhancements and service expansion through cost-benefit analyses and return on investment calculations. Provides access to the interim supplemental process for information technology budget items.

**H.B. 15-1280 (CAPITAL RESERVE IN CERTAIN CASH FUNDS):** Requires state agencies to create a *capital reserve* in any cash fund which consists of accumulated depreciation related to capital outlay in the operating budget or capital construction in the capital budget. Specifies that the capital reserve is subject to annual appropriation in the Long Bill. Defines the capital reserve as a long-term asset, which is excluded from the definition of *uncommitted reserves* in the cash funds excess reserves statute, Section 24-75-402, C.R.S. Requires the State Controller to include in the annual report on excess uncommitted reserves the amount of the capital reserve excluded from uncommitted reserves for cash funds included in the report.

**H.B. 15-1310 (DIVISION OF PARKS AND WILDLIFE ACQUIRE REAL PROPERTY):** Appropriates \$552,500 cash funds from the Wildlife Cash Fund to the Division of Parks and Wildlife in the Department of Natural Resources for FY 2015-16 to purchase property in Garfield County.

**H.B. 15-1333 (REGIONAL CENTER DEPRECIATION ACCOUNT IN THE CAPITAL CONSTRUCTION FUND):** Creates the Regional Center Depreciation Account (account) within the Capital Construction Fund. The account consists of all money received by the Department of Health Care Policy and Financing (HCPF) for the annual calculated depreciation of the state's regional centers, which are operated by the Department of Human Services (DHS). Spending from the account is subject to appropriation and approval by the Capital Development

Committee. Funds in the account may be spent for regional center controlled maintenance, capital renewal, or capital construction. The bill also requires DHS to annually report the total calculated depreciation amount credited to the account to the Joint Budget Committee no later than 45 days after the close of a fiscal year. Appropriates \$730,510 from the account for improvements to the security perimeter fence at Kipling Village located at the Wheat Ridge Regional Center for FY 2015-16. Also appropriates \$594,750 from the account for heat-detection fire alarm systems at regional center group homes for FY 2014-15.

## 2016 SESSION BILLS

**S.B. 16-020 (CLARIFY CALCULATION ISSUES OF AUTOMATIC CAPITAL FUNDING):** Clarifies the timing of depreciation equivalent payments that will be made pursuant to Senate Bill 15-211. Also clarifies the role of the Department of Higher Education in coordinating the reporting of depreciation equivalent payment calculations from institutions of higher education.

**H.B. 16-1252 (SUPPLEMENTAL BILL):** Supplemental appropriations bill for capital construction.

**H.B. 16-1405 (LONG BILL):** General appropriations act for FY 2016-17.

**H.B. 16-1416 (STATE INFRASTRUCTURE GENERAL FUND TRANSFERS):** Replaces the transfer formula required by S.B. 09-228 with set amounts to be transferred to the Highway Users Tax Fund and to the Capital Construction Fund for FY 2015-16 and FY 2016-17. The bill does not change the formula for the remaining three years of S.B. 09-228 transfers. Requires the State Treasurer to transfer from the General Fund to the:

- Capital Construction Fund, \$49.8 million on June 30, 2016, and \$52.7 million on June 30, 2017; and
- Highway Users Tax Fund, \$199.2 million on June 30, 2016, and \$158.0 million on June 30, 2017.

**H.B. 16-1417 (CAPITAL-RELATED TRANSFERS OF MONEYS):** The bill makes transfers to the Capital Construction Fund to pay for Capital Construction appropriations included in the FY 2016-17 Long Bill. For FY 2016-17, the bill transfers to the Capital Construction Fund:

- \$20,586,398 from the General Fund for capital construction and controlled maintenance projects;
- \$10,697,409 from the General Fund to the Information Technology Capital Account of the Capital Construction Fund for information technology capital projects;
- \$500,000 from the General Fund Exempt Account of the General Fund for capital construction transportation projects;
- \$1,000,000 of interest earned on the principal of the Controlled Maintenance Trust Fund for controlled maintenance projects; and
- \$1,000,000 from the Preservation Grant Program Account of the State Historical Fund for renovation of the House and Senate chambers.

**H.B. 16-1459 (SUBMISSION THRESHOLD FOR HIGHER ED CASH PROJECTS):** Increases the threshold for projects reviewed through two-year cash lists from \$2 million to \$10 million for everything but acquisitions, new construction, and projects financed using the State's credit rating.

**H.B. 16-1460 (DOA AUTHORITY TO SELL & BUY PROPERTY FOR CONSOLIDATION):** Gives the Department of Agriculture, in consultation with the Office of the State Architect within the Department of Personnel, the authority to sell and acquire real property specified in the bill. The bill directs the proceeds from the sale of the real property to be deposited in the Agriculture Management Fund and allows the proceeds to be spent for expenses related to the Department's ongoing office consolidation.

# APPENDICES

# A. GLOSSARY OF TERMS

## **CAPITAL CONSTRUCTION FUND**

A fund that receives transfers from the General Fund for capital construction purposes. Moneys in this fund are appropriated to: construct, repair, and renovate state facilities; purchase major equipment; and acquire land. Appropriations from this fund are exempt from the fiscal year spending limit imposed by 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**

Full-time equivalent (FTE) means the budgetary equivalent of one permanent position continuously filled full-time for an entire fiscal year by elected officials or by state employees who are paid for at least 2,080 hours. For example, two employees in two different positions whose combined hours equal 2,080 for a fiscal year equal one FTE.

## **GENERAL FUND**

A fund that consists of general tax revenues, such as state sales and income tax revenues, as well as any other revenues and moneys not legally required to be credited and paid into a special fund. The General Fund is used to pay for a variety of state programs and services.

## **GENERAL FUND EXEMPT**

TABOR places restrictions on the amount of General Fund and cash fund revenues that can be collected, and subsequently spent, by the State. Certain General Fund revenues are exempt from these provisions: (1) tobacco tax revenues received pursuant to Amendment 35, which contained a voter-approved tax increase that specified that some of the resulting tax revenue be deposited in the General Fund; and (2) General Fund revenues that exceed the TABOR limit but are less than the revenue cap established by Referendum C. The latter source of funds must be deposited in the General Fund Exempt Account and can be appropriated only for health care, education, retirement plans for firefighters and police officers, and strategic transportation projects.

## **GENERAL FUND MONEYS EXEMPT FROM THE STATUTORY RESTRICTION ON GENERAL FUND APPROPRIATIONS**

The total annual State General Fund appropriation is 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**

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 federally-funded and cash-funded programs reduce General Fund expenditures for administrative overhead costs attributable to services provided to those non-General Fund programs. Indirect cost recoveries from federally-funded and cash-funded programs are calculated to cover statewide overhead costs and departmental overhead costs.

## **LONG BILL**

Colorado's annual general appropriation act, which provides most of the appropriations 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 from July 1, 2005 through June 30, 2010. For FY 2010-11 and subsequent fiscal years, Referendum C allows the State to retain all revenues that are in excess of the TABOR fiscal year spending limit, but less than the "excess state revenues cap." The excess state revenues cap is equal to the highest total state revenues for a fiscal year from FY 2005-06 through FY 2009-10, adjusted for each subsequent fiscal year for inflation, the percentage change in state population, enterprises, and debt service changes. These revenues must be deposited in the General Fund Exempt Account and appropriated by the General Assembly for the following purposes: (a) health care; (b) education, including capital construction projects related thereto; (c) retirement plans for firefighters and police officers, if the General Assembly determines funding is needed; and (d) strategic transportation projects.

**SUPPLEMENTAL APPROPRIATION**

Legislation authorizing changes in appropriations for the current fiscal year or a previous fiscal year.

**TAXPAYER'S BILL OF RIGHTS (TABOR)**

Colorado voters adopted a citizen-initiated amendment to the 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' abilities 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 all departments. For many line items affected by a common policy, amounts are initially appropriated in individual departments and then transferred to another department such as the Department of Personnel, the Governor's Office of Information Technology, or the Department of Law, where they appear a second time as reappropriated funds. A brief explanation for each common policy and the associated line items is provided below.

### **ADMINISTRATIVE LAW JUDGE SERVICES**

Funds for Administrative Law Judge (ALJ) services are appropriated to the 13 departments that use these services and then transferred to the Department of Personnel. Department allocations are calculated by identifying the prior fiscal year's actual costs, then distributing the costs for the upcoming fiscal year according to the prior percentage use. For FY 2016-17, statewide spending authority for ALJ services totals approximately \$5.3 million, the same amount provided for FY 2015-16.

### **CAPITOL COMPLEX LEASED SPACE**

This line item is for departments that occupy space in the Capitol Complex, the North Campus facility, the Pierce Street Building, the Grand Junction State Office Building, and Camp George West. This line item appears in each department's Executive Director's Office, 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 2016-17, statewide agency allocations total approximately \$15.0 million, the same amount provided for FY 2015-16.

### **COMMUNITY PROVIDER RATES**

Community provider rate adjustments are applied to programs and services which, if not provided by contracted provider organizations or county staff, would need to be provided by state staff. For FY 2016-17 the common policy is to hold community provider rates constant. Primary care providers and hospitals will see provider rate reductions as a result of the end of a primary care rate bump and a restriction on revenue from the Hospital Provider Fee respectively. See the Department of Health Care Policy and Financing for more information.

### **HEALTH, LIFE, AND DENTAL**

This line item pays the State's share of the cost of health, life, and dental insurance for state employees and appears in each department's Executive Director's Office, with some exceptions. The state contribution is set at 80.0 percent of state employee cost for FY 2016-17, consistent with the state contribution rate for FY 2015-16. Statewide health, life, and dental appropriations total \$215.3 million total funds (including \$123.8 million General Fund) in FY 2016-17, compared to \$212.8 million total funds (including \$121.7 million General Fund) in FY 2015-16.

### **INDIRECT COSTS**

Indirect costs are the overhead costs associated with the operation of general State government functions and departmental administrative duties. Indirect cost recoveries are intended to offset the costs of providing central services for cash-funded and federally-funded programs that otherwise would be supported by the General Fund. For FY 2016-17, the statewide indirect cost recovery plan is estimated to recover \$14.0 million compared to \$16.2 million for FY 2015-16.

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 reappropriated to the Executive Director's Office, reducing the need for General Fund.

#### **LEGAL SERVICES**

This line item appears in the Executive Director's Office of most departments. The appropriations allow departments to purchase legal services from the Department of Law, similar to how legal services are purchased from a private-sector law firm. For FY 2016-17, agencies will pay a blended legal rate of \$95.05 per hour for legal services, which are provided by both attorneys and legal assistants. This compares to a rate of \$95.01 per hour for FY 2015-16. 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 409,265 hours of legal services to client agencies in FY 2016-17.

#### **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 information technology services provided by the Governor's Office of Information Technology (OIT). For FY 2016-17, the appropriation includes recoverable costs totaling \$126.7 million total funds, including \$55.1 million General Fund.

#### **PAYMENT TO RISK MANAGEMENT AND PROPERTY FUNDS**

This line item appears in each department's Executive Director's Office. 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. For FY 2016-17, the appropriation for the Risk Management and Property programs is \$20.6 million, comprised of \$8.1 million for property and \$12.5 million for liability. This compares to \$17.3 million for FY 2015-16, comprised of \$6.8 million for property and \$10.5 million for liability.

#### **PERSONAL SERVICES**

For most agencies, FY 2016-17 appropriations fund personal services at a continuation level plus base adjustments that include salary survey and merit pay increases awarded in FY 2015-16.

#### **S.B. 04-257 AMORTIZATION EQUALIZATION DISBURSEMENT (AED)**

Pursuant to S.B. 04-257 (Amortization Equalization Disbursement), the State contributes additional funds to assist in the amortization of the Public Employees' Retirement Association's (PERA's) 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 4.6 percent for calendar year 2016, and 5.0 percent for calendar year 2017. Appropriations for FY 2016-17 total \$77.1 million (including \$41.7 million General Fund) compared to \$70.1 million total funds (including \$37.7 million General Fund) in FY 2015-16.

#### **S.B. 06-235 SUPPLEMENTAL AMORTIZATION EQUALIZATION DISBURSEMENT (SAED)**

In addition to the AED contribution amounts, S.B. 06-235 (Supplemental Amortization Equalization Disbursement) provides a supplemental PERA contribution. The intended fund source is money that would otherwise be available for, but not yet awarded as employee salary increases. The appropriation amount is based on employees' base salaries including shift differential pay. SAED 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 4.5 percent for calendar year 2016, and 5.0 percent for calendar year 2017. Appropriations for FY 2016-17 total \$75.8 million (including \$40.8 million General Fund) compared to \$67.3 million (including \$36.1 million General Fund) in FY 2015-16.

### **SALARY SURVEY AND MERIT PAY AWARDS**

Salary survey line item appropriations total \$8.6 million statewide (including \$2.6 million General Fund) for a 2.0 percent range adjustment for all state employee occupational classifications and no across-the-board increase in FY 2016-17. This compares to \$26.2 million (including \$16.1 million General Fund) in FY 2015-16, which provided a 1.0 percent across-the-board increase.

There is no merit pay appropriation for FY 2016-17. This compares to \$16.9 million statewide (including \$9.3 million General Fund) in FY 2015-16, for an average 1.0 percent increase. The weighted average increase provided funding for raises according to a formula that rewarded performance, but also gave greater percentage increases to employees at the lower end of the pay range.

### **SHIFT DIFFERENTIAL**

Shift differential payments provide higher wages for evening and night shifts. The FY 2016-17 appropriations are calculated based on actual shift differential expenditures for FY 2014-15. The FY 2016-17 appropriations total \$14.9 million (including \$12.0 million General Fund) primarily for the Departments of Corrections and Human Services, compared to \$13.9 million (including \$11.4 million General Fund) in FY 2015-16.

### **SHORT-TERM DISABILITY**

All state employees are eligible for employer-paid, short-term disability insurance. The appropriations are calculated based on 0.19 percent of employees' base salaries, including shift differential pay, for FY 2016-17. This compares to 0.22 percent in FY 2015-16. Statewide short-term disability appropriations for FY 2016-17 total approximately \$2.9 million (including \$1.6 million General Fund) which compares to \$3.4 million (including \$1.8 million General Fund) in FY 2015-16.

### **VEHICLE LEASE PAYMENTS**

This line item appears in each department's Executive Director's Office, with some exceptions. Pursuant to Section 24-30-1117, C.R.S., state agency motor vehicles may only be purchased through the Fleet Management Program in the Department of Personnel. The appropriations are based on the amount necessary for each department's vehicle lease payments, which vary according to vehicle model and type. For FY 2016-17, the appropriation includes funding to replace 573 vehicles (including no compressed natural gas vehicles) compared to the FY 2015-16 appropriation which funded the replacement of 634 vehicles (including up to 221 compressed natural gas vehicles). Appropriations to department Vehicle Lease Payments line items for FY 2016-17 total \$22.1 million in comparison to \$22.9 million for FY 2015-16. The appropriation for the Department of Personnel's Fleet Management Vehicle Replacement Lease/Purchase line item for FY 2016-17 is \$17.0 million compared to \$18.2 million for FY 2015-16.

### **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). For FY 2016-17, the appropriation for the workers' compensation program totals \$36.3 million in comparison to \$38.5 million for FY 2015-16.

# C. 2016 SUPPLEMENTAL ADJUSTMENTS TO APPROPRIATIONS FOR FY 2014-15 AND PRIOR FISCAL YEARS

2016 SESSION SUPPLEMENTAL ADJUSTMENTS TO FY 2013-14 AND FY 2014-15 APPROPRIATIONS					
DEPARTMENT/DIVISION	TOTAL	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
<b>Changes to FY 2013-14 Operating Budget</b>					
Department of Health Care Policy and Financing					
<i>House Bill 16-1240</i>					
Medical Services Premiums	\$30,211,136	\$30,211,136	\$0	\$0	\$0
<b>TOTAL FY 2013-14 Changes</b>	<b>\$30,211,136</b>	<b>\$30,211,136</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Changes to FY 2014-15 Operating Budget</b>					
Department of Education					
<i>House Bill 16-1405</i>					
State Share of Districts Total Program Funding	\$836,508	\$0	\$836,508	\$0	\$0
Department of Health Care Policy and Financing					
<i>House Bill 16-1240</i>					
Medical Services Premiums	\$2,787,826	\$489,536	\$2,298,290	\$0	\$0
County Administration	<u>2,224,426</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,224,426</u>
Subtotal - Health Care Policy and Financing	\$5,012,252	\$489,536	\$2,298,290	\$0	\$2,224,426
Department of Higher Education					
<i>House Bill 16-1241</i>					
Cumbres and Toltec Railroad Commission	\$0	\$0	\$0	\$0	\$0
Department of Human Services					
<i>House Bill 16-1405</i>					
Child Care Automated Tracking	\$0	\$0	\$0	\$0	\$0
Department of Personnel					
<i>House Bill 16-1246</i>					
Legal Services	\$250,367	\$0	\$0	\$250,367	\$0
Operating Expenses	<u>134,643</u>	<u>0</u>	<u>0</u>	<u>134,643</u>	<u>0</u>
Subtotal - Personnel	\$385,010	\$0	\$0	\$385,010	\$0
<b>TOTAL FY 2014-15 Changes</b>	<b>\$6,233,770</b>	<b>\$489,536</b>	<b>\$3,134,798</b>	<b>\$385,010</b>	<b>\$2,224,426</b>
<b>2016 SESSION SUPPLEMENTAL ADJUSTMENTS TO FY 2014-15 CAPITAL APPROPRIATIONS</b>					
DEPARTMENT/DIVISION	TOTAL	CAPITAL CONSTRUCTION FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
<i>House Bill 16-1252</i>					
Meyer Hall replacement	\$38,120,788	\$0	\$38,120,788	\$0	\$0
Park infrastructure and facilities	0	0	0	0	0
<i>House Bill 16-1405</i>					
Upgrade elevators, Legislative Services	321,427	0	321,427	0	0
<b>TOTAL FY 2014-15 Changes</b>	<b>\$38,442,215</b>	<b>\$0</b>	<b>\$38,442,215</b>	<b>\$0</b>	<b>\$0</b>

# 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 equal to one-third of 1.0 percent on federal taxable income of every individual, estate, trust, and corporation<sup>1</sup>, as well as any interest earned on the fund balance. Revenues to the SEF are not subject to the constitutional Taxpayer's Bill of Rights (TABOR) limitation on fiscal year spending, and SEF appropriations are not subject to the statutory limitation on state General Fund appropriations. The General Assembly may annually appropriate 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, on the next page, summarizes appropriations and transfers from the SEF for FY 2001-02 through FY 2013-14 and details appropriations from the SEF for FY 2014-15 through FY 2016-17. To date, over \$6.0 billion has been appropriated from the SEF specifically for the state share of districts' total program funding (which is distributed based on the school finance formula), representing 73.7 percent of all SEF appropriations. To date, appropriations for categorical programs (\$1.2 billion) comprise another 14.2 percent of SEF appropriations.

Appropriations and transfers from the SEF increased from \$740.4 million in FY 2013-14 to \$966.2 million in FY 2014-15 and \$943.7 million in FY 2015-16, largely as a result of \$1.1 billion in one-time funding transferred from the General Fund to the SEF pursuant to H.B. 12-1338. However, the one-time funds will be depleted by the end of FY 2016-17, allowing for total appropriations and transfers from the SEF of \$774.0 million in FY 2016-17 while maintaining a projected year-end balance approximately \$100.0 million. Barring additional transfers to the SEF, appropriations and transfers from the SEF will reflect annual revenues to the fund in FY 2017-18 and beyond.

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<sup>1</sup> Given the current state income tax rate of 4.63 percent, this equates to 7.13 percent of state income tax revenues (0.0033/0.0463). However, due to certain state tax credits that reduce income tax revenue, deposits to the State Education Fund actually represent a slightly higher percentage of state income tax revenues (e.g., 7.37 percent in FY 2014-15).

TABLE 1: HISTORY OF APPROPRIATIONS FROM THE STATE EDUCATION FUND

DESCRIPTION	CUMULATIVE FY 2001-02 THRU FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
<b>PUBLIC SCHOOL FINANCE</b>				
Funding for the State Share of Districts' Total Program Funding (including Colorado Preschool Program and full-day kindergarten funding)	\$4,243,834,470	\$667,587,322	\$630,328,949	\$467,218,161
Facility school funding (HB 08-1388)	98,774,387	17,051,972	16,794,666	16,604,845
Hold-harmless full-day kindergarten funding (HB 08-1388)	43,261,095	7,496,012	7,806,468	7,922,486
District per pupil reimbursements for juveniles held in jail (SB 10-054)	125,000	25,000	25,000	10,000
Public school finance administration	40,836	84,372	81,760	83,329
Small rural districts additional funding	0	0	10,000,000	0
Declining enrollment study (H.B. 08-1388)	200,000	0	0	0
Mid-year appropriation adjustments	12,919,562	0	0	0
<b>SUBTOTAL: SCHOOL FINANCE</b>	<b>\$4,399,155,350</b>	<b>\$692,244,678</b>	<b>\$665,036,843</b>	<b>\$491,838,821</b>
<i>Percent of Total Appropriations</i>	<i>80.4%</i>	<i>71.6%</i>	<i>70.5%</i>	<i>63.6%</i>
<b>CATEGORICAL PROGRAMS</b>				
	<b>\$732,475,522</b>	<b>\$136,525,196</b>	<b>\$144,317,335</b>	<b>\$147,750,329</b>
<i>Percent of Total Appropriations</i>	<i>13.4%</i>	<i>14.1%</i>	<i>15.3%</i>	<i>19.1%</i>
<b>SCHOOL CAPITAL CONSTRUCTION</b>				
Charter school capital construction	\$75,219,995	13,500,000	20,000,000	20,000,000
School capital construction expenditures reserve	25,471,112	0	0	0
School construction and renovation fund	7,500,000	0	0	0
Charter school debt reserve fund	1,000,000	6,500,000	0	0
<b>SUBTOTAL: CAPITAL CONSTRUCTION</b>	<b>\$109,191,107</b>	<b>\$20,000,000</b>	<b>\$20,000,000</b>	<b>\$20,000,000</b>
<i>Percent of Total Appropriations</i>	<i>2.0%</i>	<i>2.1%</i>	<i>2.1%</i>	<i>2.6%</i>
<b>PROFESSIONAL DEVELOPMENT AND INSTRUCTIONAL SUPPORT</b>				
ELL professional development and student support (HB 14-1298)	\$0	\$27,000,000	\$27,000,000	\$27,000,000
Quality teacher recruitment program (SB 13-260)	3,000,000	3,000,000	3,000,000	3,000,000
School turnaround leaders development (SB 14-124)	0	2,000,000	2,000,000	2,000,991
Stipends for nationally board certified teachers (HB 08-1384)	2,222,400	1,580,800	1,580,800	1,384,000
English language proficiency excellence award program (HB 14-1298)	0	500,000	500,000	500,000
Content specialists	2,623,477	463,652	460,698	469,900
A.P. Incentives pilot program (HB 14-1118)	0	261,561	260,519	260,931
Teaching and learning conditions survey (HB 08-1384)	85,000	0	0	0
English language learners technical assistance (HB 14-1298)	0	53,228	50,876	51,797
Closing the achievement gap	5,301,000	0	0	0
Teacher pay incentive program	12,630,000	0	0	0
Science and technology education center grant program	1,400,000	0	0	0
Civic education	602,305	0	0	0
National credential fee assistance	493,000	0	0	0
Financial literacy	201,757	0	0	0
School leadership academy program (HB 08-1386)	162,983	0	0	0
Colorado history day	60,000	0	0	0
<b>SUBTOTAL: PROFESSIONAL DEVELOPMENT AND INSTRUCTIONAL SUPPORT</b>	<b>\$28,781,922</b>	<b>\$34,859,241</b>	<b>\$34,852,893</b>	<b>\$34,667,619</b>
<i>Percent of Total Appropriations</i>	<i>0.5%</i>	<i>3.6%</i>	<i>3.7%</i>	<i>4.5%</i>
<b>OTHER GRANTS, DISTRIBUTIONS, AND ASSISTANCE</b>				
Transfer to Early Literacy Fund (SB 13-260)	\$16,000,000	\$34,000,000	\$34,000,000	\$34,000,000
School counselor corps grant program (HB 08-1370)	29,996,654	8,002,716	10,000,000	10,000,000
Assistance to BOCES (HB 12-1345)	2,600,000	3,302,785	3,306,260	3,308,255
Child nutrition school lunch protection program (SB 08-123)	5,100,000	850,000	850,000	850,000
Colorado student leaders institute pilot program	0	0	218,825	218,825
Transfer to Colorado Teacher of the Year Fund (HB 14-1298)	0	24,800	24,800	24,800

TABLE 1: HISTORY OF APPROPRIATIONS FROM THE STATE EDUCATION FUND

DESCRIPTION	CUMULATIVE FY 2001-02 THRU FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
Interstate compact on educational opportunities for military children (HB 08-1317)	162,463	23,217	22,826	20,619
Funding for new textbooks	14,144,066	0	0	0
Summer school grant program	2,988,563	0	0	0
Regional service cooperatives (SB 08-038)	1,224,877	0	0	0
Facility summer school grant program	1,000,000	0	0	0
Aid for declining enrollment districts with new charter schools	1,000,000	0	0	0
Hold-harmless facility school student funding (HB 08-1388)	587,504	0	0	0
Family literacy education grant program	400,000	0	0	0
First responder school mapping (HB 08-1267)	150,000	0	0	0
<b>SUBTOTAL: OTHER GRANTS, DISTRIBUTIONS, AND ASSISTANCE</b>	<b>\$75,354,127</b>	<b>\$46,203,518</b>	<b>\$48,422,711</b>	<b>\$48,422,499</b>
<i>Percent of Total Appropriations</i>	<i>1.4%</i>	<i>4.8%</i>	<i>5.1%</i>	<i>6.3%</i>
<b>ACCOUNTABILITY/REFORM</b>				
Colorado student assessment program	\$103,930,128	\$29,058,189	\$26,882,161	\$26,268,932
Transfer to Financial Reporting Fund (HB 14-1292)	0	3,000,000	0	0
Preschool to postsecondary alignment (SB 08-212)	3,813,020	579,323	586,509	594,753
Division of on-line learning (SB 07-215)	1,476,971	344,383	352,273	359,549
Basic skills placement or assessment tests (HB 12-1345)	1,320,917	320,917	50,000	50,000
Transfer to Great Teachers and Leaders Fund (SB 13-260)	200,000	0	0	0
Educator effectiveness unit administration (HB 13-1257)	120,093	115,390	125,962	129,253
Educator effectiveness implementation (SB 10-191)	6,426,830	0	0	0
Early literacy assessment tool (HB 12-1345)	3,000,000	2,679,484	2,795,767	2,987,226
School improvement grant program	5,350,000	0	0	0
Facility schools unit and facility schools board (HB 08-1204)	523,568	0	0	0
Review and update of non-English assessments	411,953	0	0	0
Longitudinal assessment data analyses	388,000	298,000	298,000	298,000
Modifications to accountability reports	75,000	0	0	0
Study non-English assessments	50,000	0	0	0
Study administration of ACT	50,000	0	0	0
<b>SUBTOTAL: ACCOUNTABILITY/REFORM</b>	<b>\$127,136,480</b>	<b>\$36,395,686</b>	<b>\$31,090,672</b>	<b>\$30,687,713</b>
<i>Percent of Total Appropriations</i>	<i>2.3%</i>	<i>3.8%</i>	<i>3.3%</i>	<i>4.0%</i>
<b>TOTAL</b>	<b>\$5,472,094,508</b>	<b>\$966,228,319</b>	<b>\$943,720,454</b>	<b>\$773,366,981</b>
<i>Annual Dollar Change</i>		<i>\$225,818,277</i>	<i>(\$22,507,865)</i>	<i>(\$170,353,473)</i>
<i>Percent Annual Change</i>		<i>30.5%</i>	<i>(2.3%)</i>	<i>(18.1%)</i>

Table 2 summarizes SEF revenues and expenditures/appropriations for FY 2014-15 through FY 2016-17, including the ending fund balances for each year.

TABLE 2: COMPARISON OF STATE EDUCATION FUND REVENUES AND EXPENDITURES/APPROPRIATIONS (\$ MILLIONS)

DESCRIPTION	FY 2014-15	FY 2015-16	FY 2016-17
Beginning fund balance	\$1,048.9	\$686.4	\$297.4
Actual/projected revenues <sup>1</sup>	540.5	530.1	551.0
Appropriations/transfers to the SEF <sup>2</sup>	63.9	25.3	25.3
Actual expenditures/appropriation /transfers to other cash funds <sup>3</sup>	(966.9)	(944.4)	(774.0)
<b>Ending Fund Balance<sup>4</sup></b>	<b>\$686.4</b>	<b>\$297.4</b>	<b>\$99.7</b>

<sup>1</sup> Projected State Education Fund revenues for FY 2015-16 and FY 2016-17 are based on the amount of General Fund revenues anticipated to be directed or transferred to the Fund pursuant to the *March 2016* Legislative Council Staff Revenue Forecast, as well as projections of interest earnings based on the State Education Fund model utilized by Legislative Council and Joint Budget Committee staff.

<sup>2</sup> Transfers from the General Fund to the State Education Fund for are based on H.B. 12-1338, S.B. 13-260, and S.B. 13-234.

<sup>3</sup> Actual expenditures are reflected for FY 2014-15; appropriations are reflected for FY 2015-16 and FY 2016-17. Amounts include the following transfers to other cash funds: \$34.0 million per year to the Early Literacy Fund pursuant to H.B. 14-1292; and \$24,800 per year to the Colorado Teacher of the Year Fund pursuant to H.B. 14-1298.

<sup>4</sup> Totals may not sum due to rounding.

# 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. Section 18 of Article X of the Colorado Constitution limits expenditures from gas taxes and license and registration fees exclusively to the construction, maintenance, and supervision of state highways. HUTF off-the-top refers to the portion of the HUTF that is appropriated for highway supervision by the Colorado State Patrol. This amount is taken 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 can only be used by the Colorado State Patrol in the Department of Public Safety and for related capital projects. Section 43-4-201 (3) (a) (I) (C), C.R.S., limits the annual growth of HUTF off-the-top appropriations to no more than 6.0 percent of the off-the-top appropriation from the previous fiscal year, regardless of any increase or decrease in overall highway-related revenues. The following table shows the off-the-top appropriations from the HUTF for FY 2016-17 compared to FY 2015-16, and the limit for FY 2016-17.

HUTF "OFF-THE-TOP" APPROPRIATIONS COMPARISON		
	APPROPRIATIONS COMPARISON	PERCENT CHANGE
FY 2015-16 HUTF "Off-the-Top" Appropriation Base	\$135,998,385	
6.0 Percent Allowable Growth	<u>8,159,903</u>	
FY 2016-17 HUTF "Off-the-Top" Appropriation Limit	\$144,158,288	6.0%
FY 2016-17 HUTF "Off-the-Top" Appropriations:		
Department of Public Safety, Colorado State Patrol (Long Bill Operating Budget)	\$139,697,639	
Department of Public Safety, Colorado State Patrol (Long Bill Capital Budget)	<u>1,145,000</u>	
<b>Total FY 2016-17 HUTF "Off-the-Top" Appropriations</b>	<b>\$140,842,639</b>	3.6%
Over / (Under) FY 2016-17 "Off-the-Top" Appropriation Limit	(\$3,315,649)	

# F. SEVERANCE TAX TRUST FUND OPERATIONAL FUND OVERVIEW

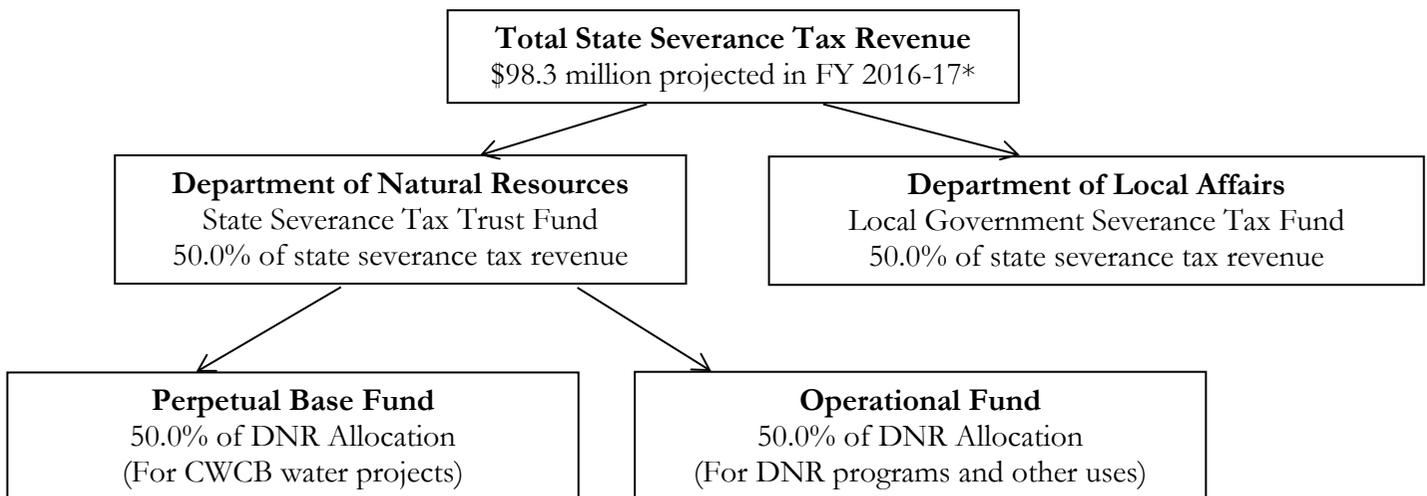
This appendix describes the allocation of state severance tax revenues and anticipated expenditures from the Severance Tax Operational Fund.

## SEVERANCE TAX REVENUE ALLOCATION

Pursuant to Section 39-29-108 (2), C.R.S., 50.0 percent of severance tax revenue is credited to the State Severance Tax Trust Fund, primarily for programs in the Department of Natural Resources (DNR), and the remaining 50.0 percent is credited to the Local Government Severance Tax Fund to be used by the Department of Local Affairs (DOLA) for grants and distributions to local governments affected by mining activities. Revenue in the State Severance Tax Trust Fund is further distributed as follows:

- Section 39-29-109 (2) (a) (II), C.R.S., provides that 50.0 percent of revenue deposited into the State Severance Tax Trust Fund (or 25.0 percent of total severance tax revenue) shall be allocated to the Severance Tax Perpetual Base Fund and used by the Colorado Water Conservation Board (CWCB) for water construction projects.
- Section 39-29-109 (2) (b), C.R.S., provides that the remaining 50.0 percent of State Severance Tax Trust Fund revenue (or 25.0 percent of total severance tax revenue) shall be allocated to the Severance Tax Operational Fund (Operational Fund) for programs that "promote and encourage sound natural resource planning, management, and development related to minerals, energy, geology, and water" and "programs to reduce the burden of increasing home energy costs on low-income households" (see also Section 39-29-109 (1), C.R.S.).

The following figure illustrates the statutory distribution of severance tax revenue:



\* Based on the March 2016 Legislative Council Staff revenue forecast. Does not include interest earnings on individual funds.

## SUMMARY OF THE SEVERANCE TAX OPERATIONAL FUND

The Operational Fund expenditures are divided into two tiers of programs. Tier I expenditures support the day-to-day operations of divisions within the Department of Natural Resources, including salaries and benefits for employees. Tier II programs support grants, loans, research, and construction. The required reserve for Tier I

programs is equal to the total annual appropriation for Tier I programs, while the required reserve for Tier II programs is equal to 15.0 percent of the annual authorized expenditures for those programs. Please note, however, that S.B. 16-167 (Severance Tax Operational Fund Reserve Reduction) made a one-time exclusion of \$2.98 million from the Tier I reserve requirement for FY 2016-17.

The distribution of funding for all Tier II programs is staggered with 40.0 percent released on July 1, 30.0 percent released on January, and the remaining 30.0 percent released on April 1 each year. Tier II programs are subject to proportional reductions if revenue projections indicate there will be insufficient revenue to support appropriations and authorized expenditures within a given fiscal year. In FY 2015-16, Tier II programs are expected to absorb a total of \$3.8 million in proportional reductions, a reduction of 9.0 percent from the authorized disbursement amounts. Based on the March 2016 Legislative Council Staff revenue forecast, after accounting for \$10.0 million in funds restricted by S.B. 16-218 (State Severance Tax Refunds) and reductions associated with payments to BP America following the April 2016 Colorado Supreme Court decision in *BP America vs. Colorado Department of Revenue*, Tier II transfers will be completely eliminated for FY 2016-17. See the section after the table below for additional information.

The following table provides an overview of projected revenues and expenditures from the Operational Fund based on the March 2016 Legislative Council Staff revenue forecast:

SEVERANCE TAX OPERATIONAL FUND							
	STATUTORY CITE (C.R.S.)	FY 2014-15 ACTUAL		FY 2015-16 ESTIMATED		FY 2016-17 ESTIMATED	
Beginning balance		\$34,935,927		\$52,247,465		\$7,028,207	
Revenue <sup>1,2</sup>		68,307,732		19,192,146		24,658,270	
<b>TOTAL Available for Expenditure</b>		<b>\$103,243,659</b>	100.0%	<b>\$71,439,611</b>	100.0%	<b>\$31,686,477</b>	100.0%
<b>S.B. 16-218 RESTRICTED FUNDS<sup>3</sup></b>		\$0		\$10,000,000		\$0	
<b>ROLL-FORWARDS<sup>4</sup></b>		0		828,217		TBD	
<b>OFF-THE-TOP EXPENDITURES</b>							
Colorado Energy Office <sup>5</sup>	39-29-108 (2)	0		375,000		375,000	
Public School Energy Efficiency Fund <sup>4</sup>	39-29-109.5	64,305		TBD		TBD	
<b>SUBTOTAL</b>		<b>\$64,305</b>		<b>\$11,203,217</b>		<b>\$375,000</b>	
<b>TIER 1 APPROPRIATIONS</b>	39-29-109.3 (1)						
Oil and Gas Conservation Commission	(a)	\$2,863,742	2.8%	\$4,576,745	6.4%	\$7,376,784	23.3%
Colorado Geological Survey	(b)	1,342,243	1.3%	1,408,265	2.0%	1,408,265	4.4%
Avalanche Information Center	(b.5)	397,481	0.4%	504,492	0.7%	550,899	1.7%
Div. of Reclamation, Mining, and Safety	(c)	4,344,195	4.2%	4,515,358	6.3%	4,523,264	14.3%
Colorado Water Conservation Board	(d)	1,310,800	1.3%	1,319,250	1.8%	1,319,250	4.2%
Division of Parks and Wildlife	(e) & (f)	2,422,356	2.3%	2,577,926	3.6%	2,562,218	8.1%
<b>TIER 1 SUBTOTAL</b>		<b>\$12,680,817</b>	12.3%	<b>\$14,902,036</b>	20.9%	<b>\$17,740,680</b>	56.0%
<b>Tier 2 Distributions<sup>6</sup></b>	39-29-109.3 (2)						
Water Infrastructure Development	(a)	\$10,000,000		\$9,103,590		\$0	
Soil Conservation Districts Matching Grants	(b)	450,000		409,662		0	
Water Efficiency Grants	(c)	550,000		500,697		0	
Species Conservation Trust Fund	(e)	6,500,000		4,551,795		0	
Low-income Energy Assistance (LEAP)	(f)	13,000,000		11,834,667		0	
Renewable Energy - Agriculture	(h)	500,000		455,179		0	
Interbasin Water Compacts	(i)	745,067		678,278		0	
Forest Restoration Grants	(k) and (n)	2,500,000		2,275,897		0	

SEVERANCE TAX OPERATIONAL FUND							
	STATUTORY CITE (C.R.S.)	FY 2014-15 ACTUAL		FY 2015-16 ESTIMATED		FY 2016-17 ESTIMATED	
Aquatic Nuisance Species Fund	(m)	4,006,005		3,646,903		0	
Forfeited Mine Site Reclamation <sup>7</sup>	(o)	0		115,616		0	
Wildfire Risk Reduction Grants <sup>8</sup>	(p)	0		910,359		0	
Watershed Restoration <sup>8</sup>	(q)	0		910,359		0	
Dam Spillway Analysis <sup>8</sup>	(r)	0		1,092,431		0	
Phreatophyte Control Grants <sup>9</sup>	(s)	0		1,820,718		0	
<b>TIER 2 SUBTOTAL</b>		<b>\$38,251,072</b>	37.0%	<b>\$38,306,151</b>	53.6%	<b>\$0</b>	0.0%
<b>TOTAL EXPENDITURES</b>							
		<b>\$50,996,194</b>		<b>\$64,411,404</b>		<b>\$18,115,680</b>	
<b>ENDING BALANCE</b>							
		<b>\$52,247,465</b>		<b>\$7,028,207</b>		<b>\$13,570,797</b>	
Tier 1 Reserve (100% of T1 Appropriations) <sup>10</sup>	39-29-109.3 (3)	\$12,680,817		\$14,902,036		\$14,761,963	
Tier 2 Reserve (15% of Authorized T2 \$)	39-29-109.3 (3)	5,737,661		6,311,711		5,531,711	
<b>TOTAL Reserve Requirement</b>		<b>\$18,418,478</b>	17.8%	<b>\$21,213,747</b>	29.7%	<b>\$20,293,674</b>	64.0%
<b>UNOBLIGATED BALANCE</b>							
		<b>\$33,828,987</b>		<b>(\$14,185,540)</b>		<b>(\$6,722,877)</b>	

<sup>1</sup> Revenue for FY 2015-16 and FY 2016-17 is estimated based on the March 2016 Legislative Council Staff revenue forecast and includes projected interest.

<sup>2</sup> Estimated revenue for FY 2015-16 is \$604,235 less than the March 2016 LCS revenue forecast to reflect the reduction for the Operational Fund's share of the \$2.4 million owed to BP America as a result of the Colorado Supreme Court decision issued in April 2016. The decision is also projected to reduce future severance tax revenues by anywhere between 4.0 and 12.0 percent starting in FY 2016-17. However, these estimates remain uncertain and are under constant revision as of the writing of this report. Therefore, this appendix does not make any assumptions about potential revenue reductions in FY 2016-17 and simply uses the March 2016 LCS revenue forecast as a starting point for calculations in the upcoming fiscal year. If a revenue reduction is realized, there would be less revenue available for Operational Fund programs and Tier II funding would still be eliminated for FY 2016-17.

<sup>3</sup> Senate Bill 16-218 (State Severance Tax Refunds) includes a provision restricting \$10.0 million in the Operational Fund from being expended for any purpose unless released by a majority vote of the Joint Budget Committee.

<sup>4</sup> TBD = amounts to be determined, treated as zero in calculations.

<sup>5</sup> Reflects Operational Fund's share of the transfer of \$1.5 million to the Innovative Energy Fund, administered by the Colorado Energy Office pursuant to Section 24-38.5-102.5, C.R.S.

<sup>6</sup> Tier II programs established in paragraphs (d), (g), (j) and (l) of Section 39-29-109.3 (2), C.R.S., have been repealed and no longer receive transfers from the Operational Fund.

<sup>7</sup> Funding for reclamation projects at forfeited mine sites was moved from Tier I to Tier II by H.B. 15-1150. The authorized distribution to the program is ongoing.

<sup>8</sup> These transfers were authorized for one year only by the following legislation: S.B. 15-022 for Wildfire Risk Reduction Grants and S.B. 15-253 for Watershed Restoration Projects and Dam Spillway Analysis (2015 CWCB Projects Bill).

<sup>9</sup> Tier II transfers for the Phreatophyte Control Program were authorized for two years by H.B. 15-1006, starting in FY 2015-16. However, the bill included a provision to eliminate the second year transfer in FY 2016-17 if any proportional reductions were required.

<sup>10</sup> Senate Bill 16-167 (Severance Tax Operational Fund Reserve Reduction) excluded \$2.98 million from the Tier I reserve requirement for FY 2016-17. The Tier I reserve requirement is normally 100.0 percent of Tier I appropriations, pursuant to Section 39-29-109.3 (3) (a), C.R.S.

## BP AMERICA V. COLORADO DEPARTMENT OF REVENUE AND S.B. 16-218

On April 25, 2016, the Colorado Supreme Court issued a decision in *BP America v. Colorado Department of Revenue*, in which BP America sought to deduct the cost of capital from revenue in valuing oil and gas resources for state tax purposes. The Court held that the plain language of Colorado severance tax statute authorizes a deduction for any transportation, manufacturing, and processing costs, including the cost of capital. While the case dealt specifically with "Return on Investment (ROI)" deductions for things like the cost of capital, the Court's broad interpretation of the language in Section 39-29-102 (3) (a), C.R.S., implies that other deductions may be authorized as well. These other deductions could potentially cover a wide range of transportation, manufacturing, and processing expenses that the Department of Revenue has not previously allowed oil and gas companies to deduct. As a result, the decision requires the State to make refunds to oil and gas companies for tax deductions that should have been allowed during the period covered by the three-year statute of limitations, as well as re-evaluate and possibly expand allowable deductions in the future.

In response to the *BP America* decision, the General Assembly passed S.B. 16-218 (State Severance Tax Refunds) to specify the mechanism by which refunds for past deductions are made. In FY 2015-16, refunds will be made from severance tax collected during June 2016. If the amount of required refunds exceeds severance tax collections, the remainder will be made from the General Fund reserve. For FY 2016-17, refunds will be made from severance tax collections up to a cap of 15.0 percent of gross monthly severance tax revenues. If the amount required for refunds exceeds 15.0 percent of gross severance tax revenues in a month, the additional amount will be refunded from income tax revenue diverted from the General Fund.

As of the writing of this report, the total refund liability to the State has not yet been finalized. The most recent official estimate of the amount owed in refunds to date is \$115.1 million (see the LCS Revised Fiscal Note for S.B. 16-218 dated May 10, 2016), but the only known payment that will need to be made in FY 2015-16 on a cash accounting basis is the \$2.4 million specifically owed to BP America as a result of the Colorado Supreme Court decision. Since the Operational Fund receives 25.0 percent of total severance tax revenue, it will see a commensurate reduction of \$604,235 in revenue for its share of the payment to BP America in FY 2015-16. The magnitude and timing of all other potential refunds, and thus the impact on programs supported by severance tax revenue, has yet to be fully determined. Additionally, by expanding allowable deductions, the decision is projected to reduce future severance tax revenue by between 4.0 and 12.0 percent per year starting in FY 2016-17, but these estimates are still preliminary.

Senate Bill 16-218 also included provisions restricting a total of \$72.9 million within the three cash funds that receive severance tax revenue, as follows:

- Severance Tax Operational Fund (Department of Natural Resources) = \$10.0 million
- Severance Tax Perpetual Base Fund (Department of Natural Resources) = \$19.1 million
- Local Government Severance Tax Fund (Department of Local Affairs) = \$43.8 million from the portion of revenue allocated for grants.

These funds are restricted from being expended for any purpose unless released in whole or in part by a majority vote of the Joint Budget Committee. For the Operational Fund, the \$10.0 million in restricted funds is shown as an expenditure in FY 2015-16 in the table above. If the Joint Budget Committee votes to release the restricted funds, they will be distributed through Tier I and Tier II according to the normal statutory distribution formula and Tier II may receive some level of funding in FY 2016-17.

# G. TOBACCO REVENUE ALLOCATIONS

This appendix describes the allocation of revenues that Colorado receives from the Tobacco Master Settlement Agreement and from tobacco taxes imposed by Section 21 of Article X of the Colorado Constitution (often called Amendment 35).

## TOBACCO MASTER SETTLEMENT AGREEMENT REVENUE ALLOCATION

The payments that Colorado receives from tobacco manufacturers that participate in the 1998 Tobacco 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 due to an ongoing dispute concerning Colorado's enforcement of its laws governing tobacco manufacturers that do not participate in the MSA. This disagreement has led most participating manufacturers to annually withhold a portion of their payments. The core MSA funding allocation process is described in Section 24-75-1104.5, C.R.S. In brief:

- The total amount of tobacco settlement funds allocated to programs equals 98.5 percent of the total settlement payments received by the State during the prior fiscal year. Annual allocations are based on Colorado's base and Strategic Contribution Fund payments, but do not include disputed amounts that have been withheld by tobacco companies.
- Annual allocations include money received during the prior fiscal year and the current fiscal year.
- Most programs cannot spend their allocation without an appropriation. In most cases, the appropriation equals or approximates the annual allocation.

Allocation formula procedures are described in more detail below.

### AMOUNT TO BE ALLOCATED

Colorado's annual revenue from the MSA is comprised of a base 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 2014-15) determine total funding allocations for the current year (e.g., FY 2015-16). However, special (disputed) payments received as legal issues are resolved are not allocated to programs and are used to reduce the share of MSA expenditures made from current year revenue. These accelerated payments are described below.

**COLORADO TOBACCO MASTER SETTLEMENT AGREEMENT PAYMENTS AND DISPUTED PAYMENTS  
2007 TO 2017**

YEAR OF DISTRIBUTION	FISCAL YEAR EXPENDED	COLORADO ANNUAL PAYMENT AFTER WITHHOLDINGS	DISPUTED AMOUNT WITHHELD	RELEASE OF PRIOR WITHHOLDINGS
2007	FY 2007-08	\$82,005,568	(\$12,113,579)	
2008	FY 2008-09	103,640,385	(7,711,843)	
2009	FY 2009-10	105,419,647	(7,062,223)	\$7,411,531
2010	FY 2010-11	95,709,303	(8,714,641)	
2011	FY 2011-12	89,065,763	(13,614,015)	
2012	FY 2012-13	90,809,964	(11,574,809)	
2013	FY 2013-14	90,769,997	(12,362,477)	
2014	FY 2014-15	89,037,053	(11,756,684)	11,367,403
2015	FY 2015-16	88,079,225	(12,500,634)	
Forecast 2016	FY 2016-17	87,573,562	(12,400,000)	
Forecast 2017	FY 2017-18	86,953,541	(12,300,000)	
Forecast 2018	FY 2018-19	71,648,954	(10,200,000)	

**USE OF CURRENT AND PRIOR-YEAR REVENUE TO SUPPORT ALLOCATIONS - ACCELERATED PAYMENTS**

Since FY 2008-09, allocations during a given year have been a combination of current-year and prior-year revenue. Prior to FY 2007-08, all allocations were based on revenue received in the prior year. Pursuant to H.B. 07-1359, for FY 2008-09, the General Assembly began to rely on current year receipts 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 MSA-funded programs. Pursuant to S.B. 09-269, for FY 2010-11, the General Assembly expanded the use of current year revenue, using this mechanism to access \$65.0 million in one-time funding without reducing support for MSA programs. Because of these acts, MSA-funded programs operate for most of the fiscal year before the majority of the tobacco settlement revenue arrives. To do so, the programs receive advances from the Treasury which are repaid in April.

House Bill 12-1247 began to gradually reduce the use of such advances from the Treasury by reducing the use of current year revenue and increasing the use of prior year revenue for MSA allocations. This act requires spending from current year revenue to be reduced each year by any unallocated MSA funds and other residual funds in the Tobacco Litigation Settlement Cash Fund (approximately \$1.4 million per year 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 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.

**ALLOCATIONS TO PROGRAMS**

House Bill 16-1408 redesigned how revenues are allocated to programs. Prior to FY 2016-17 revenues were distributed according to a two-tier system. Starting in FY 2016-17 revenues will be allocated on a percentage basis. The following table summarizes the changes made to revenue distribution starting in FY 2016-17. Marijuana funds in the table below represent programs which, starting in FY 2016-17, will be funded with money in the Marijuana Tax Cash Fund (MCTF) and no longer funded with MSA money.

SUMMARY OF DISTRIBUTION CHANGES		
	CURRENT DISTRIBUTION TIERS	NEW DISTRIBUTION NO TIERS
<b>Tier 1 Programs</b>		
Children's Basic Health Plan Trust	25.0%	18.0%
Nurse Home Visitor	19.0%	26.7%
Fitzsimons Trust Fund	8.0%	8.0%
Early Literacy	5.0%	Marijuana Funds
Tony Gramscas Youth Services	4.0%	7.5%
Drug Assistance Program (Ryan White)	3.5%	5.0%
AIDS and HIV Prevention Grants	2.0%	3.5%
Tobacco Litigation Settlement Cash Fund	2.0%	2.5%
State Veterans	1.0%	1.0%
Dental Loan Repayment	\$200,000	1.0%
Child Mental Health Treatment Act	\$300,000	Marijuana Funds
Cancer Program	0	2.0%
Autism Treatment	\$1,000,000	2.0%
<b>% of Remainder After Tier 1 programs</b>		
<b>Tier 2 Programs</b>		
CU Health Sciences	49.00%	15.5%
Children's Basic Health Plan Trust	14.50%	Eliminated
Offender Mental Health Services	12.00%	Marijuana Funds
Alcohol & Drug Abuse	3.00%	Marijuana Funds
Local Public Health Agencies	7.00%	Marijuana Funds
Supplemental State Contribution	4.50%	2.3%
CO Immunization Fund	4.00%	2.5%
Health Services Corps (Loan Repayment)	\$250,000	1.0%
State Auditor's Office	\$89,000	Eliminated
Unallocated amount		1.5%

The table below summarizes the combined total allocations by department and program for FY 2015-16 and FY 2016-17 as changed by H.B. 16-1408. Programs refinanced with Marijuana Tax Cash Fund (MCTF) were funded at the level shown in the FY 2016-17 Allocation prior to H.B. 16-1408 column with Marijuana Tax Cash Fund instead of MSA revenue.

TOBACCO MASTER SETTLEMENT AGREEMENT REVENUE ALLOCATIONS				
	FY 2015-16 Actual Revenue	FY 2016-17 Allocation prior to H.B. 16-1408	FY 2016-17 Allocation as amended by H.B. 16-1408	FY 2016-17 Change from FY 2015-16 with H.B. 16-1408
<b>Education</b> - Early Literacy Grant Program	\$4,403,961	\$4,378,678	\$0	Refinanced with MCTF
<b>Health Care Policy and Financing</b>				
Children's Basic Health Plan Trust	27,459,195	25,548,832	15,763,241	(11,695,954)
Children with Autism	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,751,471</u>	<u>751,471</u>
<i>Subtotal - Health Care Policy and Financing</i>	<i>28,459,195</i>	<i>26,548,832</i>	<i>17,514,712</i>	<i>(10,944,483)</i>
<b>Higher Education</b> -				
University of Colorado Health Sciences Center	12,428,440	12,352,869	13,573,902	1,145,462
Cancer Program	<u>0</u>	<u>0</u>	<u>1,751,471</u>	<u>1,751,471</u>
<i>Subtotal - Higher Education</i>	<i>12,428,440</i>	<i>12,352,869</i>	<i>15,325,373</i>	<i>2,896,933</i>

**TOBACCO MASTER SETTLEMENT AGREEMENT REVENUE ALLOCATIONS**

	FY 2015-16 Actual Revenue	FY 2016-17 Allocation prior to H.B. 16-1408	FY 2016-17 Allocation as amended by H.B. 16-1408	FY 2016-17 Change from FY 2015-16 with H.B. 16-1408
<b>Human Services</b>				
Nurse Home Visitor Program	15,735,053	16,638,977	23,382,141	7,647,088
Tony Gramscas Youth Services Program	3,523,169	3,502,942	6,568,017	3,044,848
Offender Mental Health Services	3,043,700	3,025,192	0	Refinanced with MTCF
Treatment, Detoxification, and Prevention	760,925	756,298	0	Refinanced with MTCF
Residential Mental Health Treatment for Youth	<u>300,000</u>	<u>300,000</u>	<u>0</u>	<u>Refinanced with MTCF</u>
<i>Subtotal - Human Services</i>	<i>23,362,847</i>	<i>24,223,409</i>	<i>29,950,158</i>	<i>6,587,311</i>
<b>Law - Tobacco Settlement Defense Account</b>	1,000,000	1,751,471	2,189,339	1,189,339
<b>Legislature - Office of the State Auditor</b>	89,000	89,000	0	Removed from formula
<b>Military and Veterans Affairs - State Veterans Trust Fund</b>	880,792	875,736	875,736	(5,056)
<b>Personnel - Supplemental State Contribution Fund</b>	1,141,387	1,134,447	2,014,192	872,805
<b>Public Health and Environment</b>				
Drug Assistance Program	3,082,773	3,065,075	4,378,678	1,295,905
Local Public Health Agencies	1,775,491	1,764,696	0	Refinanced with MTCF
AIDS and HIV Prevention Grants (CHAPP)	1,761,585	1,751,471	3,065,075	1,303,490
Immunizations	1,014,567	1,008,397	2,189,339	1,174,772
Health Services Corps Fund	250,000	250,000	875,736	625,736
Dental Loan Repayment Program	<u>200,000</u>	<u>200,000</u>	<u>875,736</u>	<u>675,736</u>
<i>Subtotal Public Health and Environment</i>	<i>8,084,416</i>	<i>8,039,639</i>	<i>11,384,564</i>	<i>3,300,148</i>
<b>Capital Construction - Department of Higher Education - Fitzsimons Lease Purchase Payments</b>	7,046,338	7,005,885	7,005,885	(40,453)
Amount not allocated - used to reduce accelerated payments	1,182,850	1,173,596	1,313,603	130,753
<b>TOTAL</b>	<b>\$88,079,226</b>	<b>\$87,573,562</b>	<b>\$87,573,562</b>	<b>\$0</b>

Amounts shown represent actual and anticipated allocations to program cash funds supported with Tobacco Master Settlement Revenue based on statutory formulas and settlement payments received in April 2015. Appropriations for individual programs from program cash funds typically differ from these amounts for various reasons, including 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.

# CONSTITUTIONAL (AMENDMENT 35) TOBACCO TAX REVENUE ALLOCATION

Amendment 35 was approved by the voters in 2004 and added the following two cigarette and tobacco taxes to Section 21 of Article X of the Colorado Constitution:

- An additional \$0.64 tax on each pack of cigarettes sold in Colorado (a pack equals twenty cigarettes); and
- A statewide tobacco products tax equal to 20.0 percent of the manufacturer's list price, on the sale, use, consumption, handling, or distribution of tobacco products by distributors.

Amendment 35 was also codified in Section 24-22-117, C.R.S. This provision outlines how revenue from Amendment 35 is allocated to various state agencies including: the Departments of Health Care Policy and Financing (HCPF), Public Health and Environment (DPHE), and Revenue (DOR). The following table summarizes the allocation of Amendment 35 funds for FY 2015-16 and FY 2016-17.

**FY 2016-17 DISTRIBUTION OF AMENDMENT 35 MONEYS**

DEPT.	PROGRAM AND/OR FUND	REVISED FY 15-16	REVISED FY 16-17	CHANGE FROM FY 2015-16
HCPF	Health Care Expansion Fund	\$66,058,167	\$66,330,466	\$272,299
HCPF	Primary Care Fund	27,284,895	27,397,366	112,471
DPHE	Tobacco Education Programs Fund	22,976,754	23,071,466	94,712
DPHE	Breast and Cervical Cancer Screening Program	4,595,351	4,614,293	18,942
DPHE	Health Disparities Program Fund	3,446,513	3,460,720	14,207
DPHE	Center for Health and Environmental Information	283,884	283,884	0
DPHE	Prevention, Early Detection and Treatment Fund	14,651,006	14,712,569	61,563
HCPF	Old Age Pension Fund	2,154,071	2,162,950	8,879
DOR	Local governments, to compensate for lost revenue from tobacco taxes	1,292,442	1,297,770	5,328
DPHE	Immunizations performed by small local public health agencies.	430,814	432,590	1,776
HCPF	Children's Basic Health Plan	430,814	432,590	1,776
<b>TOTAL Amendment 35 Appropriations</b>		<b>\$143,604,711</b>	<b>\$144,196,664</b>	<b>\$591,953</b>
Total by Department				
Health Care Policy and Financing (HCPF)		\$95,927,947	\$96,323,372	\$395,425
Department of Public Health and Environment (DPHE)		46,384,322	46,575,522	191,200
Department of Revenue (DOR)		1,292,442	1,297,770	5,328

## RECENT LEGISLATION

### 2015 SESSION BILLS

**S.B. 15-188 (TIER 1 TOBACCO SETTLEMENT MONEY ALLOCATION):** Makes a new annual statutory allocation of 2.0 percent of tobacco litigation settlement money to the Tobacco Settlement Defense Account (Account) of the Litigation Settlement Cash Fund and an offsetting 2.0 percent reduction in the annual statutory allocation of such money to the Children's Basic Health Plan Trust. Authorizes the Department of Revenue to also use money in the Account to help administer, coordinate, and support the activities of the Departments of Revenue and Law, including the investigation of and response to settlement agreement manufacture and distribution reporting irregularities identified by the Department of Law. Appropriates \$69,453 cash funds and 1.0 FTE to the Department of Revenue for FY 2015-16.

**S.B. 15-189 (REPEAL CONSOLIDATED TOBACCO PROGRAM REPORTING REQUIREMENTS):** Repeals requirements that the State Board of Health and the Department of Public Health and Environment annually report on the operation and effectiveness of tobacco settlement programs. Reduces the Department's FY 2015-16 appropriation by \$25,000 reappropriated funds from various Tobacco Master Settlement Agreement-supported programs.

### 2016 SESSION BILLS

**H.B. 16-1408 (CASH FUND ALLOCATIONS FOR HEALTH-RELATED PROGRAMS):** Establishes a new formula for the allocation of the annual payment received by the state as part of the Tobacco Master Settlement Agreement (Tobacco MSA). The new formula allocates all Tobacco MSA revenue by percentage shares, rather than the hybrid scheme of fixed dollar amounts and capped percentage shares in multiple tiers. The formula increases annual allocations to most programs receiving funding under the current distribution, while eliminating dedicated funding for the six purposes:

- Early Literacy Fund in the Department of Education;
- Public Health Services Support Fund in the Department of Public Health and Environment;
- Offender Mental Health Services Program in the Department of Human Services;
- Alcohol and Drug Abuse Prevention Program in the Department of Human Services;
- Children's Mental Health Treatment Program in the Department of Human Services; and
- The annual audit of Tobacco MSA-funded programs by the Office of the State Auditor.

For the purposes listed above except the audit, the bill makes FY 2016-17 appropriations from the Marijuana Tax Cash Fund in the amounts that the programs are expected to receive under the current law allocation formula. Repeals the Public Health Services Support Fund and the Tobacco Litigation Settlement Trust Fund. Requires the State Treasurer to transfer any remaining balance in the Public Health Services Support Fund and the Offender Mental Health Services Fund to the Tobacco Litigation Settlement Cash Fund at the end of FY 2015-16.

Creates a new Primary Care Provider Sustainability Fund in the Department of Health Care Policy and Financing to fund increased access to primary care office visits, immunization administration, health screening services, and newborn care, including neonatal critical care. Transfers \$20.0 million on July 1, 2016 from the Children's Basic Health Plan Trust to this new fund. Modifies statute concerning higher education fee-for-service contracts paid to the University of Colorado for specialty education services, specifying that these contracts include care provided by faculty of the University of Colorado Health Sciences Center and are eligible for payment under the State's Medicaid

provider reimbursement. Makes the following appropriation changes related to funds from the Tobacco Master Settlement revenues and Marijuana Tax Cash Fund dollars.

SUMMARY OF TOBACCO MASTER SETTLEMENT AGREEMENT DISTRIBUTION FORMULA APPROPRIATION CHANGES				
BILL SECTION	PROGRAM	GENERAL FUND	TOBACCO MASTER SETTLEMENT CASH FUNDS	MARIJUANA TAX CASH FUND
27	Early Literacy	\$0	(\$4,378,678)	\$4,378,678
28	Mental Health Services for Juvenile and Adult Offenders	0	(3,025,192)	3,025,192
28	Mental Health Services for Youth (H.B. 99-1116)	0	(300,000)	300,000
28	Community Prevention Treatment - Alcohol and Drug Abuse	0	(756,298)	756,298
29	Local Public Health Agencies	0	(1,767,584)	1,767,584
30	Tony Gramscas Youth Services	0	(2,626,328)	2,626,328
31	Autism Treatment Fund	(6,451,471)	6,451,471	0
32a	Higher Education - Cancer Program	0	1,751,471	0
32b	Higher Education - Health Sciences Center Programs	0	1,221,033	0
333	Nurse Home Visitor Program	0	6,743,164	0
34	Supplemental State Contribution Fund	0	879,745	0
35	Drug Assistance Program	0	1,313,603	0
36	AIDS and HIV Prevention Grants	0	1,313,604	0
37	Immunization Program	0	1,180,942	0
38	Oral Health Programs	0	675,736	0
39	Health Service Corps within the Primary Care Office	0	625,736	0

Appropriates \$55,694,236 total funds, of which \$20,000,000 is cash funds from the Primary Care Provider Sustainability Fund, \$556,859 is cash funds from the Hospital Provider Fee Cash Fund, and \$35,137,377 is federal funds to the Department of Health Care Policy and Financing for FY 2016-17 rate enhancements.

# H. GENERAL FUND APPROPRIATIONS EXEMPT FROM STATUTORY AND CONSTITUTIONAL RESTRICTIONS

This appendix provides information concerning General Fund amounts that are described or categorized as "exempt" in this document.

## 1. APPROPRIATIONS EXEMPT FROM THE CONSTITUTIONAL RESTRICTION

The annual General Appropriation Act includes two categories of General Fund appropriations: General Fund and General Fund Exempt. Items that appear in the "General Fund Exempt" column are exempt from the state fiscal year spending limit in Section 20 of Article X of the Colorado Constitution (the Taxpayer's Bill of Rights or TABOR). There are currently two types of appropriations that are categorized as General Fund Exempt:

- Appropriations from the General Fund Exempt Account:** Referendum C, which was referred to and passed by voters in November 2005, authorizes the State to retain and spend moneys in excess of the TABOR state fiscal year spending limit, but less than the excess state revenues cap. This measure also established the General Fund Exempt Account, which consists of the amount of state revenues in excess of the TABOR state fiscal year spending limit that would have been refunded had Referendum C not passed. Money in the General Fund Exempt Account may only be appropriated or transferred for four purposes: health care; education; retirement plans for firefighters and police officers; and strategic transportation projects. For more information about Referendum C, see the section concerning Statutory and Constitutional Restrictions in Part I-A.
- Appropriations from Tobacco Tax Revenues:** Amendment 35, which was approved by voters in November 2004, imposed new cigarette and tobacco taxes through the addition of Section 21 in Article X of the Colorado Constitution. The new tobacco tax revenues authorized by Amendment 35 are exempt from the TABOR state fiscal year spending limit, and General Fund appropriations from these revenues are also exempt from the statutory restriction on General Fund appropriations (this exemption is discussed later in this section). Amendment 35 requires that a portion of the new tobacco tax revenues be appropriated to the General Fund and made available to the Department of Public Health and Environment for immunization services and to the Department of Health Care Policy and Financing for the Children's Basic Health Plan. For more information about Amendment 35, see Appendix G.

The following table details General Fund Exempt appropriations for FY 2015-16 and FY 2016-17.

GENERAL FUND APPROPRIATIONS EXEMPT FROM CONSTITUTIONAL RESTRICTIONS			
DEPARTMENT	FY 2015-16	FY 2016-17	EXPLANATION
APPROPRIATIONS FROM THE GENERAL FUND EXEMPT ACCOUNT (REFERENDUM C):			
Education	\$809,024,467	\$873,835,000	Appropriations for preschool through twelfth grade education pursuant to Sections 24-77-103.6 (2) (b) and 24-77-104.5 (3), C.R.S.
Health Care Policy and Financing	809,024,467	873,835,000	Appropriations for health care funding for Colorado's elderly, low-income, and disabled populations pursuant to Sections 24-77-103.6 (2) (a) and 24-77-104.5 (2), C.R.S.
Higher Education	748,900,000	813,700,000	Appropriations for higher education pursuant to Sections 24-77-

GENERAL FUND APPROPRIATIONS EXEMPT FROM CONSTITUTIONAL RESTRICTIONS			
DEPARTMENT	FY 2015-16	FY 2016-17	EXPLANATION
			103.6 (2) (b) and 24-77-104.5 (4), C.R.S.
Local Affairs	4,251,065	4,230,000	Appropriations for volunteer firefighter retirement plans and death and disability insurance, pursuant to Section 24-77-103.6 (2) (c), C.R.S.
Transportation	500,000	500,000	Appropriations for strategic transportation projects pursuant to Section 24-77-103.6 (2) (d), C.R.S.
<b>SUBTOTAL</b>	<b>\$2,371,699,999</b>	<b>\$2,566,100,000</b>	
<b>APPROPRIATIONS FROM TOBACCO TAX REVENUES (AMENDMENT 35):</b>			
Health Care Policy and Financing	\$427,593	\$432,590	Appropriations for the Children's Basic Health Plan pursuant to Section 24-22-117 (1) (c) (I) (B.5), C.R.S.
Public Health and Environment	427,593	432,590	Appropriations for immunizations performed by county or district public health agencies pursuant to Section 24-22-117 (1) (c) (I) (B.5), C.R.S.
<b>SUBTOTAL</b>	<b>\$855,186</b>	<b>\$865,180</b>	
<b>TOTAL</b>	<b>\$2,372,555,185</b>	<b>\$2,566,965,180</b>	

## 2. APPROPRIATIONS EXEMPT FROM THE STATUTORY RESTRICTION

From FY 1991-92 through FY 2008-09, Section 24-75-201.1, C.R.S., restricted annual state General Fund appropriations to the lesser of: (1) an amount equal to 5.0 percent of Colorado personal income, or (2) 6.0 percent over the total General Fund appropriations for the previous fiscal year. During this time period, the lesser amount was 6.0 percent over the previous year's General Fund appropriations, so this restriction was commonly called the "6.0 percent limit". Senate Bill 09-228 amended Section 24-75-201.1, C.R.S., to simply restrict annual state General Fund appropriations to an amount equal to 5.0 percent of Colorado personal income. Therefore, beginning in FY 2009-10, the 6.0 percent limit is no longer applicable.

Section 24-75-201.1 (1) (a) (III), C.R.S., specifies that the statutory restriction on General Fund appropriations shall not apply to:

- A. Any General Fund appropriation which, as a result of any requirement of *federal law*, is made for any new program or service or for any increase in the level of service for an existing program beyond the existing level of service;
- B. Any General Fund appropriation which, as a result of any requirement of a final state or federal *court order*, is made for any new program or service or for any increase in the level of service for an existing program beyond the existing level of service; or
- C. Any General Fund appropriation of any 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 restriction for reasons other than the exceptions listed above. For example, pursuant to Section 24-75-302 (2), C.R.S., General Fund transfers to the Capital Construction Fund are not subject to the statutory restriction; and the General Fund

appropriation related to the senior citizen and disabled veteran property tax exemption is not subject to the statutory restriction because the enactment of Section 3.5 (3) of Article X of the Colorado Constitution constitutes voter approval of a weakening of the restriction. These other exceptions are noted in the relevant department sections of this report.

The following table lists the General Fund appropriations that are exempt from or are not subject to the statutory restriction on General Fund appropriations for FY 2015-16 and FY 2016-17. These amounts are organized into three sections, which are described following the table.

GENERAL FUND APPROPRIATIONS DEEMED EXEMPT FROM STATUTORY RESTRICTIONS			
	DEPARTMENT	AMOUNT	REASON
<b>FY 2015-16</b>			
SECTION 1 - REBATES AND EXPENDITURES			
Children's Basic Health Plan (Amendment 35) <sup>1</sup>	Health Care Policy and Financing	\$427,593	Voter Approved
Volunteer Firefighter Benefit Plans <sup>1</sup>	Local Affairs	4,700,000	Other
Immunizations (Amendment 35) <sup>1</sup>	Public Health and Environment	427,593	Voter Approved
Cigarette Tax Rebate <sup>1</sup>	Revenue	10,600,000	Other
Retail Marijuana Sales Tax Distribution <sup>1</sup>	Revenue	6,300,000	Other
Old Age Heat and Fuel and Property Tax Assistance Grant <sup>1</sup>	Revenue	6,600,000	Other
<b>SUBTOTAL: REBATES AND EXPENDITURES</b>		<b>\$29,055,186</b>	
SECTION 2 - HOMESTEAD EXEMPTION			
Senior Citizen and Disabled Veteran Property Tax Exemption <sup>1</sup>	Treasury	\$126,000,000	Voter Approved
SECTION 3 - AMOUNTS DEEMED EXEMPT			
Total Amounts Deemed Exempt		\$0	
<b>FY 2015-16 TOTAL</b>		<b>\$155,055,186</b>	
<b>FY 2016-17</b>			
SECTION 1 - REBATES AND EXPENDITURES			
Children's Basic Health Plan (Amendment 35) <sup>2</sup>	Health Care Policy and Financing	\$432,590	Voter Approved
Volunteer Firefighter Benefit Plans <sup>2</sup>	Local Affairs	4,230,000	Other
Immunizations (Amendment 35) <sup>2</sup>	Public Health and Environment	432,590	Voter Approved
Cigarette Tax Rebate <sup>2</sup>	Revenue	10,900,000	Other
Old Age Heat and Fuel and Property Tax Assistance Grant <sup>2</sup>	Revenue	6,900,000	Other
Retail Marijuana Sales Tax Distribution <sup>2</sup>	Revenue	11,200,000	Other
<b>SUBTOTAL: REBATES AND EXPENDITURES</b>		<b>\$34,095,180</b>	
SECTION 2 - HOMESTEAD EXEMPTION			
Senior Citizen and Disabled Veteran Property Tax Exemption <sup>2</sup>	Treasury	\$142,700,000	Voter Approved

**GENERAL FUND APPROPRIATIONS DEEMED EXEMPT FROM STATUTORY RESTRICTIONS**

	DEPARTMENT	AMOUNT	REASON
SECTION 3 - AMOUNTS DEEMED EXEMPT			
Total Amounts Deemed Exempt		\$0	
<b>FY 2016-17 TOTAL</b>		<b>\$176,795,180</b>	

<sup>1</sup> These amounts are included in S.B. 15-234 (the 2015 General Appropriation Act).

<sup>2</sup> These amounts are included in H.B. 16-1405 (the 2016 General Appropriation Act).

## SECTION 1 – REBATES AND EXPENDITURES

The quarterly revenue forecasts prepared by the Legislative Council Staff and the Office of State Planning and Budgeting include dollar amounts referred to as "rebates and expenditures". These amounts reflect various expenditures or diversions of funds from the General Fund, which are exempt from or are not subject to the statutory restriction on General Fund appropriations pursuant to statutory or constitutional provisions. These statutory and constitutional obligations are listed below. Please note that some of these items are not reflected in General Fund appropriations, and the amounts that are reflected in General Fund appropriations are not routinely adjusted to reflect changes in the quarterly revenue forecasts. For purposes of developing and adjusting the overall General Fund budget, the most recent projected amounts are utilized rather than the appropriated amounts. The above table reflects the actual appropriations for rebates and expenditures.

*Items that are included in annual General Fund appropriations include:*

- fire and police pension payments for local governments [Section 31-30-1112 (2), C.R.S.];
- cigarette tax rebates to local governments [Section 39-22-623 (1) (a) (II) (A), C.R.S.];
- retail marijuana sales tax distributions to local governments [Section 39-28.8-203 (1) (a), C.R.S.];
- Old Age Heat and Fuel and Property Tax Assistance Grants [Section 39-31-102 (1), C.R.S.]; and
- General Fund appropriations related to certain tobacco tax revenues [Section 21 of Article X of the Colorado Constitution, often referred to as "Amendment 35"].

*Items that are not included in annual General Fund appropriations include:*

- sales and use taxes that are credited to the Old Age Pension Fund [Article XXIV of the Colorado Constitution and Section 39-26-123 (3), C.R.S.];
- sales and use taxes that are credited to the Older Coloradans Cash Fund [Section 39-26-123 (3), C.R.S.]; and
- earnings related to cash flow loans to school districts [Sections 22-54-110 and 29-15-112, C.R.S.].

## SECTION 2 – SENIOR AND DISABLED VETERAN PROPERTY TAX HOMESTEAD EXEMPTION

In the 2000 general election, Colorado voters approved a constitutional amendment (Section 3.5 of Article X) that reduces property taxes for qualifying senior citizens and disabled veterans. The property tax reduction, or "homestead exemption", is available to senior citizens 65 years of age or older who have owned and lived in their homes for at least ten years. In the 2006 general election, Colorado voters approved a constitutional amendment extending the homestead exemption to honorably discharged veterans who are 100 percent disabled as a result of a service-connected disability. The cost of the exemption is borne by the State rather than by local governments or other property owners.

## SECTION 3 – AMOUNTS DEEMED EXEMPT

These amounts are appropriated for purposes that are exempt from the statutory limitation on General Fund appropriations as reflected in Section 24-75-201.1, C.R.S.

# 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), the Secretary of State (Department of State), and the Treasurer (Department of the Treasury) follow in that order.

Responses to these requests for information are typically summarized in Joint Budget Committee staff briefing documents (available at [http://www.tornado.state.co.us/gov\\_dir/leg\\_dir/jbc/jbchome.htm](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](mailto:lcs.ga@state.co.us); or telephone: (303) 866-4011).

# STATE OF COLORADO

## REPRESENTATIVES

Millie Hamner, Chair  
Dave Young  
Bob Rankin

## SENATORS

Kent Lambert, Vice-Chair  
Kevin Grantham  
Pat Steadman



## STAFF DIRECTOR

John Ziegler

## JOINT BUDGET COMMITTEE

200 East 14th Avenue, 3rd Floor  
LEGISLATIVE SERVICES BUILDING  
Denver, CO 80203  
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[www.tornado.state.co.us/gov\\_dir/leg\\_dir/jbc/jbchome.htm](http://www.tornado.state.co.us/gov_dir/leg_dir/jbc/jbchome.htm)

April 26, 2016

Hon. John Hickenlooper, Governor  
136 State Capitol  
Denver, CO 80203-1792

Dear Governor Hickenlooper:

The General Assembly recently finalized the FY 2016-17 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 4<sup>th</sup> if the Executive Branch does not intend to comply with any requests.

Sincerely,

A handwritten signature in cursive script that reads "Millie Hamner".

Representative Millie Hamner  
Chair

cc:  
Executive Agency Directors  
Henry Sobanet, Office of State Planning and Budgeting  
John Ziegler, 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: One (1) hard copy should be delivered by the requested due-date to the Joint Budget Committee (JBC) offices at 200 East 14th Ave., Denver, 3rd Floor.
- Electronic copies: An electronic copy of all paper submissions should also be submitted. This should be sent by email to:
  - The JBC analyst(s) responsible for the specified budget area(s)
  - Jessi Neuberg ([jessi.neuberg@state.co.us](mailto:jessi.neuberg@state.co.us)) at the JBC offices
  - Legislative Council Staff at the following address: [lcs.ga@state.co.us](mailto:lcs.ga@state.co.us)

The Legislative Council Staff ([lcs.ga@state.co.us](mailto:lcs.ga@state.co.us)) will include the report in an electronic database (part of the Legislative Council Library) and will also ensure the report is distributed to other legislative committees, as specified in some of the RFIs.

- All submissions should include the following information:
  - Name of Department
  - Long Bill fiscal year to which the RFI is attached (FY 2016-17 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 2016-17 RFI #5**

# LEGISLATIVE REQUESTS FOR INFORMATION FROM THE EXECUTIVE BRANCH FOR FY 2016-17

## REQUESTS AFFECTING MULTIPLE DEPARTMENTS

1. Department of **Health Care Policy and Financing**, Medical Services Premiums; Indigent Care Program, Children's Basic Health Plan Medical and Dental Costs; Department of **Higher Education**, Colorado Commission on Higher Education, Special Purpose, University of Colorado, Lease Purchase of Academic Facilities at Fitzsimons; Governing Boards, Regents of the University of Colorado; Department of **Human Services**, Division of Child Welfare, Tony Grampas Youth Services Program; Office of Early Childhood, Division of Community and Family Support, Nurse Home Visitor Program; Department of **Military and Veterans Affairs**, Division of Veterans Affairs, Colorado State Veterans Trust Fund Expenditures; Department of **Personnel**, Division of Human Resources, Employee Benefits Services, H.B. 07-1335 Supplemental State Contribution Fund; Department of **Public Health and Environment**, Disease Control and Environmental Epidemiology Division, Administration, General Disease Control, and Surveillance, Immunization Operating Expenses; Special Purpose Disease Control Programs, Sexually Transmitted Infections, HIV and AIDS Operating Expenses, and Ryan White Act Operating Expenses; Prevention Services Division, Chronic Disease Prevention Programs, Oral Health Programs; Primary Care Office -- Each Department is requested to provide the following information to the Joint Budget Committee by November 1, 2016, for each program funded with Tobacco Master Settlement moneys: the name of the program; the amount of Tobacco Master Settlement moneys received for the program for the preceding fiscal year; a description of the program including the actual number of persons served and the services provided through the program; information evaluating the operation of the program, including the effectiveness of the program in achieving its stated goals; and a recommendation regarding the amount of Tobacco Master Settlement funds the program requires for FY 2017-18 and why.

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 2015-16 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 2014-15 and actual district expenditures for each program in fiscal year 2014-15. 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 2014-15 and actual district expenditures in fiscal year 2014-15.
3. Department of **Health Care Policy and Financing**, Office of Community Living; Department of **Human Services**, Services for People with Disabilities, Regional Centers; and Department of Public Health and Environment, Health Facilities and Emergency Medical Services Division, Health Facilities Division -- The Departments are requested to provide by July 15, 2016, the implementation plan for Regional Center Task Force Recommendations.
4. Department of **Corrections**; Department of **Human Services**; **Judicial** Department; Department of **Public Safety**; and Department of **Transportation** -- State agencies involved in multi-agency programs requiring separate appropriations to each agency are requested to designate one lead agency to be responsible for submitting a comprehensive annual budget request for such programs to the Joint Budget Committee, including prior year, request year, and three year forecasts for revenues into the fund and expenditures from the fund by agency. The requests should be sustainable for the length of the forecast based on anticipated revenues. Each agency is still requested to submit its portion of such request with its own budget document. This applies to requests for appropriation from: the Alcohol and Drug Driving Safety Program Fund, the Law Enforcement Assistance Fund, the Offender Identification Fund, the Persistent Drunk Driver Cash Fund, and the Sex Offender Surcharge Fund, among other programs.

5. **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, 2016, concerning revenues credited to and expenditures made from the Disaster Emergency Fund in fiscal years 2014-15, 2015-16, and 2016-17 year-to-date. The report is requested to include the following: (a) amounts authorized to be transferred to the Disaster Emergency Fund, by Executive Order and fund source; (b) amounts actually transferred to the Fund, by date and fund source; (c) actual expenditures from the Fund, by declared disaster emergency; (d) reimbursements credited to the Fund, by date and source; and (e) total fund balance and unencumbered fund balance.
6. Department of **Corrections**, Management; and Department of **Human Services**, Services for People with Disabilities, Regional Centers -- The Departments are requested to provide by November 1, 2016, the assessments the Department of Corrections uses to identify individuals with intellectual and developmental disabilities, including who administers the assessment, what specific assessments are used, and in what setting the assessment is administered. The Departments are also requested to include how many individuals in the corrections system received services from the Regional Centers prior to entering the corrections system.
7. Department of **Health Care Policy and Financing**, Executive Directors Office; and Department of **Public Health and Environment**, Health Facilities and Emergency Medical Services Division -- The Departments are requested to report, on a quarterly basis starting September 1, 2016, on the status of hiring new site surveyors, the number of surveys done, the types of providers surveyed, and the time required for each survey. The Departments are also requested to include the estimated cost estimates of provider compliance with the final settings rule and the types of support and technical assistance the Departments are providing.

## DEPARTMENT OF AGRICULTURE

1. Department of Agriculture, Colorado State Fair, Program Costs – The Department is requested to provide on November 1, 2016, a strategic business plan for the Colorado State Fair Authority. The plan should include specific actions and a schedule for those actions that the Authority plans to implement in response to the Colorado State Fair Facility Management Consulting Study that was delivered to the Authority on March 1, 2016. The plan should also include: potential decisions the General Assembly should consider and a time frame in which those decisions should be made; an updated mission statement for the Authority; a staffing plan; a rental fee increase plan for the Colorado State Fairgrounds; and any actions already implemented by the Authority.

2. Department of Agriculture, Colorado State Fair, State Fair Facilities Maintenance – The Department is requested to provide on November 1, 2016, a report on facility maintenance projects for the Colorado State Fairgrounds. The report should include the following for each facility with planned maintenance: facility name; the type and nature of maintenance; the anticipated cost of the maintenance; the expenditures to-date on the maintenance; and the anticipated completion date.

## **DEPARTMENT OF CORRECTIONS**

1. Department of Corrections, Institutions, Mental Health Subprogram -- It is requested that the Department of Corrections submit a report to the House Judiciary Committee and the Senate Judiciary Committee by January 31, 2017, detailing progress related to the mental health unit at the Centennial Correctional Facility.

## **DEPARTMENT OF EDUCATION**

1. Department of Education, Assistance to Public Schools, Public School Finance, State Share of Districts' Total Program Funding -- The Department is requested to provide to the Joint Budget Committee, on or before November 1, 2016, information concerning the Colorado Preschool Program. The information provided is requested to include the following for fiscal year 2015-16: (a) data reflecting the ratio of the total funded pupil count for the Program to the total funded pupil count for kindergarten; (b) data indicating the number of three-year-old children who participated in the Program; (c) data indicating the number of children who participated in the Program for a full-day rather than a half-day; and (d) the state and local shares of total program funding that are attributable to the Program.
2. Department of Education, Assistance to Public Schools, Grant Programs and Other Distributions -- The Department is requested to provide information to the Joint Budget Committee by November 1, 2016, 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 2014-15 and 2015-16.

## **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, 2016. At a minimum, the report shall specify the following information with regard to the programs administered by the Office in FY 2015-16: (1) the amount of moneys expended in FY 2015-16 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).

## **DEPARTMENT OF HEALTH CARE POLICY AND FINANCING**

1. Department of Health Care Policy and Financing, Executive Director's Office – The Department is requested to submit a report by November 1 each year estimating the total savings, total cost, and net cost effectiveness of fraud detection efforts.
2. Department of Health Care Policy and Financing, Executive Director's Office -- The Department is requested to submit monthly Medicaid expenditure and caseload reports on the Medical Services Premiums, behavioral health capitation, and the intellectual and developmental disabilities line items to the Joint Budget Committee, by the fifteenth or first business day following the fifteenth of each month. The Department is requested to include in the report the managed care organization caseload by aid category. The Department is also requested to provide caseload and expenditure data for the Children's Basic Health Plan, the Medicare Modernization Act State Contribution Payment, and the Old Age Pension State Medical Program within the monthly report. The Department is also requested to include in the report the number of applications and the number of approvals for new intermediate care facilities for individuals with intellectual disabilities, including the number of beds and the cost of those beds.
3. Department of Health Care Policy and Financing, Medical Services Premiums -- The Department is requested to submit a report by November 1 each year to the Joint Budget Committee providing information on the implementation of the Accountable Care Collaborative project. In the report, the Department is requested to inform the Committee on how many Medicaid clients are enrolled in the program, the current administrative fees and costs for the program, and performance results with an emphasis on the fiscal impact.
4. 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.

5. 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.
6. Department of Health Care Policy and Financing, Office of Community Living -- The Department is requested to provide by November 1, 2016, a written report detailing the continued implementation of the recommendations made by the Community Living Advisory Group, Colorado's Community Living Plan developed to comply with the United States Supreme Court's ruling in *Olmstead v. L.C.*, 527 U.S. 14 581 (1999), and the final federal rule setting forth requirements for home- and community-based services, 79 FR 2947. The report shall include: an update on the detailed project plan which includes the timeline for implementing the recommendations and requirements, an explanation of any recommendations or requirements not included in the plan, and an explanation of how outcome measures will be tracked in the future to better understand how changes impact clients. The Department is also requested to provide a financial analysis of the costs of implementing recommendations. Additionally, the report shall include a description of any FY 2017-18 budget requests that align with the plan.

## **DEPARTMENT OF HIGHER EDUCATION**

1. Department of Higher Education, Colorado Commission on Higher Education, Administration -- As part of its FY 2017-18 budget request, the Department is requested to consider including mandatory fees, as well as tuition, in any proposed restrictions on institutional rate increases.
2. Department of Higher Education, Colorado Commission on Higher Education, Special Purpose, Tuition/Enrollment Contingency -- The Department is requested to provide information on the amount of Tuition Enrollment Contingency funds distributed to any governing board and whether the governing board complied with Colorado Commission on Higher Education tuition policy and intended limits on undergraduate rates expressed in Long Bill footnotes. This information, as it applies to actual expenditures in FY 2016-17, should be provided by November 1, 2017.
3. Colorado Department of Higher Education, Colorado Commission on Higher Education, Administration; and Governing Boards -- The Department is requested to coordinate the following annual data submissions to the Joint Budget Committee and Legislative Council Staff to support tuition, fee, and stipend revenue estimates used for appropriations and informational amounts included in the Long Bill.

By November 1, 2016: Submit budget data books for each of the governing boards that provide detail on education and general revenue and expenditures for each institution for

the most recent actual year (FY 2015-16) and the current estimate year (FY 2016-17). In a change from prior years:

- Include estimate-year FY 2016-17 full time equivalent (FTE) enrollment data for resident undergraduate and graduate students and non-resident undergraduate and graduate students, in addition to actual year FY 2015-16 student FTE data. The FY 2016-17 student FTE estimates should be those used to develop the FY 2016-17 revenue and expenditure estimates in the data books.
- Identify actual FY 2015-16 and budgeted FY 2016-17 student FTE eligible for the College Opportunity Fund (COF) stipend in the budget data book submission.
- Include actual and estimated revenue from mandatory fees using the definitions established by the Department of Higher Education for mandatory fees.

By December 15, 2016: Submit fall 2016 student FTE census data. This should include resident undergraduate and graduate and non-resident undergraduate and graduate FTE figures for each governing board and institutional break-outs for those governing boards that oversee multiple institutions. Also include actual year-to-date COF FTE from the most recent accounting records by governing board and institution.

By February 15, 2017: Submit revised estimate year FY 2016-17 and request year FY 2017-18 revenue and enrollment data for each governing board, along with the comparable FY 2015-16 actual data for context. If available, also include data at the institutional level for the University of Colorado and Colorado State University Systems.

- For each year, include FTE enrollment for resident undergraduate and graduate students and non-resident undergraduate and graduate students.
- Include annotations explaining assumptions, including tuition and fee rate and enrollment assumptions for the FY 2017-18 request year.
- Consistent with the requirements of Section 23-18-202 (2) (a) (I), C.R.S., also include an update on the number of student FTE estimated to be eligible for COF stipends in FY 2016-17 based on the most recent data available (different from the figures used to establish initial stipend appropriations).
- Include actual and estimated revenue from mandatory fees using the definitions established by the Department of Higher Education for mandatory fees.

4. Department of Higher Education, Colorado Commission on Higher Education, Administration -- The Department should continue its efforts to provide data on the efficiency and effectiveness of state financial aid in expanding access to higher education for Colorado residents. The Department is requested to provide to the Joint Budget Committee by December 1 of each year an evaluation of financial aid programs, which should include, but not be limited to: (1) an estimate of the amount of federal, institutional, and private resources (including tax credits) devoted to financial aid; (2) the number of recipients from all sources; (3) information on typical awards; and (4) the typical debt loads of graduates. The Department is requested to provide more in-depth data on the financial aid awarded at the state's public institutions, by institution. To the extent feasible, this should include further information on the use of institutional aid, including the extent to which such aid is awarded to residents versus non-residents, for financial need versus merit, and the extent to which merit-based aid is awarded to students who qualify on the basis of need, whether or not the aid was classified as merit-based.
5. Department of Higher Education, Colorado Commission on Higher Education, Administration -- The Department is requested to submit, as part of the annual request for common policy benefits adjustments, templates that reflect the benefit selection for each member of the Department's staff in a manner that will enable health benefits for these staff to be calculated consistent with common policy. The templates are expected to contain July 2016 data on health benefits actually selected by Department staff.

## **DEPARTMENT OF HUMAN SERVICES**

1. Department of Human Services, Behavioral Health Services, Community Behavioral Health Administration -- The Department is requested to provide, by November 1, 2016, a report concerning the feasibility of developing and implementing a real time statewide data system for tracking the availability of psychiatric beds that have been designated or approved by the Department to evaluate and treat a person who has been placed on an involuntary 72-hour mental health hold pursuant to Section 27-65-105, C.R.S. The Department is requested to work with key stakeholders and service providers, as well as the Governor's Office of Information Technology, to: (1) identify the system features that would be necessary to allow law enforcement and other relevant professionals to efficiently determine what facilities have an available bed and facilitate the process of requesting a facility with an available bed to accept the patient for admission; (2) identify the features that would be necessary to allow the Department to track the availability of beds and evaluate the adequacy of the number of designated beds for various regions and populations; (3) identify examples of data systems that have been developed by other states that could potentially serve as a model for Colorado; and (4) develop an estimate of the cost of developing, implementing, and maintaining a system that includes the desired features.

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, 2016, 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 who were trained and the number of educators, first responders, and military service personnel who were certified as a result of FY 2015-16 expenditures. The Department is also requested to provide information about planned expenditures for FY 2016-17.
3. Department of Human Services, Division of Youth Corrections, Institutional Programs -- The Department is requested to submit a report by November 1, 2016, that includes the following monthly data for each State-owned and operated facility for FY 2015-16:
  - Number of assaults by type (e.g. juvenile on staff, staff on juvenile, juvenile on juvenile);
  - Number of homicides;
  - Number of suicides;
  - Number of youth in a facility that have charges filed against them district court;
  - Number of new crimes reported to local police;
  - Ratio of direct care staff (CYSO I, II, and III) to youth;
  - Direct care staffing vacancies by type (e.g. CYSO I);
  - Average length of service for direct care staff (CYSO II, II, and II);
  - Number of hours of missed work by all direct care facility staff and reason for absence (e.g. injury on the job, sick leave, planned absence, unplanned absence, vacation);
  - Amount of overtime hours worked by direct care staff and purpose (e.g. covering a shift for an absent co-worker) at each facility; and
  - Amount of temporary help hours used for direct care purposes.
4. Department of Human Services, Services for People with Disabilities, Regional Centers for People with Developmental Disabilities -- The Department is requested to provide by January 15, 2017, the monthly census for each Regional Center by licensure type since the beginning of the fiscal year, and annual cost per capita for each Regional Center by licensure type, including the Regional Center costs for utilities, depreciation, indirect costs, and centrally appropriated personnel items.

5. Department of Human Services, Totals -- The Department is requested to submit a report concerning the status of federal Temporary Assistance for Needy Families (TANF) funds. The requested report should include the following: (a) an analysis of the TANF Long Term Reserve, including estimated TANF funds available for appropriation, estimated TANF appropriations by Long Bill line item, and the estimated closing Long Term Reserve balance, for the most recent actual fiscal year, the current fiscal year, and the request fiscal year; (b) an analysis of the TANF maintenance of effort (MOE) payments, showing the actual and forecasted MOE expenditures, by program, for the most recent actual fiscal year, the current fiscal year, and the request fiscal year; and (c) an analysis of the counties' TANF reserve balances that includes, for each county, for the most recent actual fiscal year, the starting TANF Reserve Account balances for the Works Program, Title XX, and Child Care Development Fund accounts, the annual TANF allocation, the total expenditures, the net transfers to child care and child welfare, any amounts remitted to the state, and the closing reserve balance for all county TANF accounts. The report should be provided to the Joint Budget Committee annually on or before November 1. An update to this information reflecting data at the close of the federal fiscal year should be provided to the Joint Budget Committee annually on or before January 1.
6. Department of Human Services, Adult Assistance Programs, Community Services for the Elderly -- The Department is requested to submit a report by November 1 of each year on Older Americans Act Funds received and anticipated to be received, and the match requirements for these funds. The report should also specify the amount of funds, if any, that were transferred between the State Funding for Senior Services line item and the Older Americans Act Programs line item in the prior actual fiscal year to comply with federal match requirements.
7. Department of Human Services, Division of Youth Corrections, Administration -- The Division is requested to continue its efforts to provide outcome data on the effectiveness of its programs. The Division is requested to provide to the Joint Budget Committee, by January 1 of each year, a report evaluating Division placements, community placements, and nonresidential placements. The evaluation should include, but not be limited to, the number of juveniles served, length of stay, and recidivism data per placement.
8. Department of Human Services, Division of Youth Corrections, Community Programs, S.B. 91-094 Programs -- The Department is requested to submit to the Joint Budget Committee no later than November 1 of each year a report that includes the following information by judicial district and for the state as a whole: (1) comparisons of trends in detention and commitment incarceration rates; (2) profiles of youth served by S.B. 91-094; (3) progress in achieving the performance goals established by each judicial district; (4) the level of local funding for alternatives to detention; and (5) identification and discussion of potential policy issues with the types of youth incarcerated, length of stay, and available alternatives to incarceration.

9. Department of Human Services, Office of Early Childhood – The Department is requested to work with the Department of Education, Community Centered Boards, and other relevant stakeholders and provide to the Joint Budget Committee, by November 1 of each fiscal year, regional data on children and child care facilities, including but not limited to:
- Number of children, by age, identified as candidates for early childhood services provided by programs funded through appropriations to the Office of Early Childhood, disaggregated by program;
  - Types of challenging behavior and frequency of each that resulted in referral for services;
  - Number of identified children at risk for suspension or expulsion prior to and after receiving services;
  - Disaggregated data of the above based on age, gender, race/ethnicity, income, presence of an intellectual or developmental disability;
  - Longitudinal data, by program, on educational success of children who received early childhood services;
  - Classroom data on suspensions and expulsions from licensed child care facilities, by programmatic category (for example, in the Early Childhood Mental Health Services Program, include data for classrooms receiving embedded services, services on a referral basis, and no services).
10. Department of Human Services, Office of Early Childhood, Division of Early Care and Learning, Micro Loans to Increase Access to Child Care and Micro Grants to Increase Access Child Care -- The Department is requested to provide to the Joint Budget Committee, by November 1 of each fiscal year, a report on the micro loan and micro grant programs including the number of applicants for each program by county; the number of loans and grants awarded by county; the value, term, and interest rate (if applicable) of each award; and the proposed use of each award.
11. Department of Human Services, Office of Early Childhood, Division of Community and Family Support, Early Intervention Services -- The Department is requested to work with the Department of Education, Community Centered Boards, and other relevant stakeholders and provide to the Joint Budget Committee, by November 1 of each fiscal year, aggregate data on all children aging out of early intervention services in each community centered board region each year, including:
- The number of 3-, 4-, and 5-year olds who are identified as needing ongoing support services, and who are:
    - Receiving Part B of the Individuals with Disabilities Education Act (IDEA) Services through a Part B child care provider;
    - Receiving child care services from a non-Part B provider;
    - Being cared for by a parent, guardian, or other family member and not receiving Part B services;
    - The types and cost of services delivered to those children; and
    - The types of services that those children need but are not receiving.
12. In addition, the Department is requested to provide information on:

- the number of 3-, 4-, and 5-year-old children who did not receive early intervention services prior to turning 3 years of age, but who have been identified by a Part B provider as needing similar supports as children aging out of early intervention services; and
  - the number of those children who received a Child Find evaluation prior to the age of 3, including the number of evaluations resulting in a referral for early intervention services and the number of evaluations that indicated ineligibility for services.
13. Department of Human Services, Services for People with Disabilities, Regional Centers for People with Developmental Disabilities -- The Department is requested to provide by November 1, 2016, information regarding transitions and readmissions to the Regional Centers for each of the past eighteen months. As part of the response, the Department should include: the number of individuals that have been transitioned from each Regional Center and the setting to which they were transitioned for each month, how many of these individuals have been readmitted to a Regional Center and when, the number of monthly admissions to each Regional Center, the definition of a successful transition, and the monthly number of successful transitions.
  14. Department of Human Services, Division of Child Welfare -- The Department is requested to provide to the Joint Budget Committee, by November 1, 2016, information on county child welfare worker hiring practices, including county data on: (1) appropriate minimum staffing levels; (2) actual staffing levels; (3) new hires funded by the child welfare block grant; (4) new hires funded through new county child welfare staffing funding (new legislation); (5) new hires that were previously employed and trained by another county; (6) training hours provided to each new and existing employee; and (7) staff turnover, totals and reasons for vacating position.
  15. Department of Human Services, Division of Child Welfare, Hotline for Child Abuse and Neglect -- The Department is requested to provide to the Joint Budget Committee, by November 1 of each fiscal year, a report containing fiscal year comparisons of appropriate workload indicators for the child abuse and neglect hotline reporting system.
  16. 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.

17. 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.
18. 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.
19. 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.
20. Department of Human Services, Office of Operations -- The Department is requested to provide to the Joint Budget Committee, by November 1, 2016, information on which programs use capitol complex leased space, including how many square feet are used by each program. Additionally the Department is request to identify the funding for capitol complex leased space by program and fund source.

## **DEPARTMENT OF LABOR AND EMPLOYMENT**

1. Department of Labor and Employment, Division Of Vocational Rehabilitation and Independent Living Services, Vocational Rehabilitation Programs -- 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 Labor and Employment, Division of Vocational Rehabilitation and Independent Living Services, Office of Independent Living Services -- The Department is request to provide as of November 1, 2016, the number of clients served by each Independent Living Center for the past six months, the status of development of a new Independent Living Center, and the distribution of funds by Independent Living Center.
3. Department of Labor and Employment, Division of Vocational Rehabilitation and Independent Living Services, Vocational Rehabilitation Programs -- The Department is requested to provide by November 1, 2016, a listing of the current leased spaces for Workforce Centers and a listing of the current leased spaces used by the Vocational Rehabilitation Programs, including costs. The Department is also requested to provide the status of consolidation of leased spaces, including locations that can be consolidated and estimated cost savings.

## **DEPARTMENT OF LOCAL AFFAIRS**

1. Department of Local Affairs, Division of Housing -- The Department is requested to submit a report by November 1, 2016, on its affordable housing programs. The report should specifically address:
  - the projects funded with the affordable housing construction moneys provided;
  - the per-unit costs of these projects identifying specifically state funds and other funds;
  - how the projects funded align with the goals outlined in the Department's FY 2014-15 budget request to "end homelessness for veterans and chronically homeless" and "ensure sufficient affordable housing for persons with the lowest incomes"; and
  - what progress the State has made in achieving each of these goals.
2. Department of Local Affairs, Division of Local Government -- The Department of Local Affairs is requested to submit a report by November 1, 2016, on the Rural Economic Development Initiative program. The report should explain the goals of the "2.0" version of the program first funded in FY 2015-16, what entities are eligible to participate, the administrative structure for the program, and any recommendations for program changes, including any recommendations for creating the program in statute. The Department is also requested to submit a list of grants awarded for FY 2015-16.

## **DEPARTMENT OF NATURAL RESOURCES**

1. Department of Natural Resources, Oil and Gas Conservation Commission, Program Costs -- The Department of Natural Resources is requested to include in its annual budget request a report on the performance of the risk-based inspection program. The report should provide information on the development of the Facilities Integrity group, the inspection of process piping and flowlines, and the metrics used to measure the performance and effectiveness of the Facilities Integrity program.
2. Department of Natural Resources, Division of Parks and Wildlife -- The Division of Parks and Wildlife is requested to provide the Joint Budget Committee with a report on Parks and Outdoor Recreation and Wildlife sources of revenue, as well as the expenditures of revenues by revenue type. The report should provide an analysis of lottery funds Great Outdoors Colorado Board Grants used for operations and capital projects. The report is requested to be submitted by November 1, 2016.
3. Department of Natural Resources, Oil and Gas Conservation Commission, Emergency Response -- The Oil and Gas Conservation Commission is requested to include in its annual budget request a report detailing all expenditures made in the previous year from this line item.
4. Department of Natural Resources, Division of Reclamation, Mining and Safety, Emergency Response Costs -- The Division of Reclamation, Mining, and Safety is requested to include in its annual budget request a report detailing all expenditures made in the previous year from this line item.
5. 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.

## **DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT**

1. Department of Public Health and Environment, Laboratory Services, Certification -- The Department is requested to provide on November 1, 2016, an update on the development of the Marijuana Proficiency Testing Program. The update should include what issues the Department has identified that must be resolved, what solutions the Department has explored, whether the solutions are viable, what additional appropriations the Department requires to have a fully functional Proficiency Testing Program, and why. The Department is also requested to provide information on how the data collected by the Department of Agriculture through the cannabinoid content and homogeneity testing will be incorporated into the development of the proficiency testing protocols.

2. Department of Public Health and Environment, Water Quality Control Division, Clean Water Sectors -- The Department is requested to submit a quarterly report for expenditures by fund source for each of the clean water sectors.
3. 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, 2016.
4. Department of Public Health and Environment, Division of Environmental Health and Sustainability, Recycling Resources Economic Opportunity Program -- The Department is requested to provide by November 1, 2016 the number of grant applications received for FY 2016-17, the number and dollar amount of grants awarded for FY 2016-17, the year-to-date expenditure of those grants, and what actions the Department is taking to ensure full expenditure of the awarded grant amounts.
5. Department of Public Health and Environment, Administration and Support -- The Department is requested to submit to the Joint Budget Committee by November 1, 2016, an updated strategic plan to most efficiently manage the grant programs administered by the Department. The plan should include an overview of the grant programs and the current methods used to track applications, make grant decisions, pay out grants 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.
6. Department of Public Health and Environment, Disease Control and Environmental Epidemiology, Environmental Epidemiology, Oil and Gas Health Activities -- The Department is requested to submit to the Joint Budget Committee by November 1, 2016, a summary of the status of the Health Concern Information Line and website, as well as the Mobile Air Quality Monitoring Unit. The report should include a summary of the activity on the website, the information line, and the mobile unit.

## DEPARTMENT OF PUBLIC SAFETY

1. Department of Public Safety, Division of Fire Prevention and Control, Fire Safety Grant -  
- The Division of Fire Prevention and Control is requested to provide a report to the Joint Budget Committee by November 1, 2016, concerning the status of the Local Firefighter Safety and Disease Prevention Grant Program created in Section 24-33.5-1231, C.R.S. The report should include the following: (a) an update on the demand for the grants and the ability of the program to satisfy that demand; (b) goals for the program for fiscal year 2016-17; and (c) the level and type of funding that could be used to fund the program and recommendations for how the program should be funded.
2. Department of Public Safety, Division of Criminal Justice, Community Corrections, Community Corrections Placements -- As part of its FY 2017-18 budget request, the Department is requested to report actual average daily community corrections placements for recently completed fiscal years with a level of detail compatible with the table in Long Bill footnote 86. This document should also report condition of probation placements. The Department is requested to update the report with year-to-date community corrections placements shortly after January 1, 2017.
3. Department of Public Safety, Division of Criminal Justice, Community Corrections, Community Corrections Placements -- The Department is requested to report the following information for FY 2015-16 for community corrections facilities of different sizes: (1) the average number of total staff, security staff, and 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 length of employment for security staff and for case managers; and (5) average case manager caseloads for resident and non-resident offenders. The Department is 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. To reduce data collection costs, the Department may ask programs to provide aggregate data. The Department does not need to sample all providers every year. The Department is requested to submit the report by January 1, 2017.

4. Department of Public Safety, Division of Criminal Justice, Community Corrections, Community Corrections Placements -- As part of its FY 2016-17 budget request, the Department is requested to report the estimated impact on community corrections facilities and community corrections boards of any standards or rules that the Department issued or revised during the most recently concluded fiscal year and the estimated impact of any evidence-based-practice initiatives from the Department that community corrections facilities or boards are implementing. This report should include a summary of the evidence-based-practice initiatives, 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, including additional FTE necessary for initial and ongoing training, 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.
5. Department of Public Safety, Division of Homeland Security and Emergency Management, Office of Preparedness -- The Office of Preparedness is requested to provide an annual report to the Joint Budget Committee by November 1 of each year concerning the status of the Statewide Alert Notification System. The report is requested to include the following: (a) a list of departments participating in the program; (b) the number of licenses issued to each department; (c) the status of training provided to users of the system; and (d) how the system is being used for actual operations within the participating departments.
6. 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.

## **DEPARTMENT OF REVENUE**

1. Department of Revenue, Division of Motor Vehicles, Driver Services, Operating Expenses -- The Department is requested to continue to submit, to the Joint Technology Committee and Joint Budget Committee, quarterly reports about the progress of installation of the Wait Less technology the Department is implementing in 31 of its offices.

2. Department of Revenue, Division of Motor Vehicles, Driver Services, Personal Services -  
- The Department is requested to submit to the Joint Budget Committee by the first of every month a report about the progress made on meeting the demand for services offered under S.B. 13-251, which was estimated at 66,000 individuals. For individuals served who are not lawfully present, the report should include the number of appointments made available, the number of “no shows” for appointments, the number of appointments that resulted in no document issuance, the number of documents issued, and a justification based in data for why there is a continued need to offer services for individuals who cannot demonstrate a lawful presence in the United States at more than one location.

# STATE OF COLORADO

REPRESENTATIVES  
Millie Hamner, Chair  
Dave Young  
Bob Rankin



STAFF DIRECTOR  
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SENATORS  
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## JOINT BUDGET COMMITTEE

200 East 14th Avenue, 3rd Floor  
LEGISLATIVE SERVICES BUILDING  
Denver, CO 80203  
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[www.tornado.state.co.us/gov\\_dir/leg\\_dir/jbc/jbchome.htm](http://www.tornado.state.co.us/gov_dir/leg_dir/jbc/jbchome.htm)

April 26, 2016

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 2016-17 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 4<sup>th</sup> if the department does not intend to comply with any requests.

Sincerely,

Representative Millie Hamner  
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: One (1) hard copy should be delivered by the requested due-date to the Joint Budget Committee (JBC) offices at 200 East 14th Ave., Denver, 3rd Floor.
- Electronic copies: An electronic copy of all paper submissions should also be submitted. This should be sent by email to:
  - The JBC analyst(s) responsible for the specified budget area(s)
  - Jessi Neuberger ([jessi.neuberger@state.co.us](mailto:jessi.neuberger@state.co.us)) at the JBC offices
  - Legislative Council Staff at the following address: [lcs.ga@state.co.us](mailto:lcs.ga@state.co.us)

The Legislative Council Staff ([lcs.ga@state.co.us](mailto:lcs.ga@state.co.us)) will include the report in an electronic database (part of the Legislative Council Library) and will also ensure the report is distributed to other legislative committees, as specified in some of the RFIs.

- All submissions should include the following information:
  - Name of Department
  - Long Bill fiscal year to which the RFI is attached (FY 2016-17 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 2016-17 RFI #5**

# LEGISLATIVE REQUESTS FOR INFORMATION FROM THE JUDICIAL DEPARTMENT FOR FY 2016-17

## REQUESTS AFFECTING MULTIPLE DEPARTMENTS

*[Requests 1-3 do not include the Judicial Department]*

4. Department of **Corrections**; Department of **Human Services**; **Judicial** Department; Department of **Public Safety**; and Department of **Transportation** -- State agencies involved in multi-agency programs requiring separate appropriations to each agency are requested to designate one lead agency to be responsible for submitting a comprehensive annual budget request for such programs to the Joint Budget Committee, including prior year, request year, and three year forecasts for revenues into the fund and expenditures from the fund by agency. The requests should be sustainable for the length of the forecast based on anticipated revenues. Each agency is still requested to submit its portion of such request with its own budget document. This applies to requests for appropriation from: the Alcohol and Drug Driving Safety Program Fund, the Law Enforcement Assistance Fund, the Offender Identification Fund, the Persistent Drunk Driver Cash Fund, and the Sex Offender Surcharge Fund, among other programs.

## JUDICIAL DEPARTMENT

1. Judicial Department, Office of the State Public Defender -- The State Public Defender is requested to provide by November 1, 2016, a report concerning the Appellate Division's progress in reducing its case backlog, including the following data for FY 2015-16: 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, 2016.
2. Judicial Department, Probation and Related Services -- The State Court Administrator's Office is requested to provide by November 1 of each year a report on pre-release rates of recidivism and unsuccessful terminations and post-release recidivism rates among offenders in all segments of the probation population, including the following: adult and juvenile intensive supervision; adult and juvenile minimum, medium, and maximum supervision; and the female offender program. The Office is requested to include information about the disposition of pre-release failures and post-release recidivists, including how many offenders are incarcerated (in different kinds of facilities) and how many offenders return to probation as the result of violations.

3. Judicial Department, Trial Courts, District Attorney Mandated Costs -- District Attorneys in each judicial district shall be responsible for allocations made by the Colorado District Attorneys' Council's Mandated Cost Committee. Any increases in this line item shall be requested and justified in writing by the Colorado District Attorneys' Council, rather than the Judicial Department, through the regular appropriation and supplemental appropriation processes. The Colorado District Attorneys' Council is requested to submit an annual report by November 1 detailing how the District Attorney Mandated Costs appropriation is spent, how it is distributed, and the steps taken to control these costs.
4. Judicial Department, Probation and Related Services, Offender Treatment and Services -- The State Court Administrator's Office is requested to provide by November 1 of each year a detailed report on how this appropriation is used, including the amount spent on testing, treatment, and assessments for offenders.

# STATE OF COLORADO

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April 26, 2016

Hon. Cynthia Coffman, Attorney General  
Colorado Department of Law  
Ralph L. Carr Colorado Judicial Center  
1300 Broadway, 10th Floor  
Denver, CO 80203

Dear Attorney General Coffman:

The General Assembly recently finalized the FY 2016-17 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 4<sup>th</sup> if the department does not intend to comply with any requests.

Sincerely,

A handwritten signature in cursive script that reads "Millie Hamner".

Representative Millie Hamner  
Chair

cc:

Melanie Snyder, Chief of Staff, Colorado Department of Law  
Jon Reitan, Budget Director, Colorado Department of Law  
John Ziegler, Joint Budget Committee Staff

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  - Jessi Neuberger ([jessi.neuberger@state.co.us](mailto:jessi.neuberger@state.co.us)) at the JBC offices
  - Legislative Council Staff at the following address: [lcs.ga@state.co.us](mailto:lcs.ga@state.co.us)

The Legislative Council Staff ([lcs.ga@state.co.us](mailto:lcs.ga@state.co.us)) will include the report in an electronic database (part of the Legislative Council Library) and will also ensure the report is distributed to other legislative committees, as specified in some of the RFIs.

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  - Name of Department
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# **LEGISLATIVE REQUESTS FOR INFORMATION FROM THE DEPARTMENT OF LAW FOR FY 2016-17**

## **DEPARTMENT OF LAW**

1. Department of Law, Criminal Justice and Appellate, Appellate Unit -- The Department is requested to provide by November 1, 2016, a report concerning the Appellate Unit's progress in reducing its case backlog, including the following data for FY 2015-16: the number of opening briefs received; the number of answer briefs filed; and the case backlog as of June 30, 2016. In addition, the Department is requested to summarize the tasks completed by the inter-agency 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, District Attorney Training -- Pursuant to Section 20-1-111 (4) (b), C.R.S., the Colorado District Attorneys' Council (CDAC) allocated these dollars to provide prosecution training, seminar, continuing education programs, and other prosecution related services on behalf of District Attorneys who are members of the CDAC. The CDAC is requested to submit an annual report by November 1 detailing how the District Attorney Training appropriation is spent, including the number and type of training activities provided, the number of district attorney offices served by each type of training activity, the number of deputy district attorneys trained, and detail of the costs categorized by personnel, operating, and travel, for each training effort.

# STATE OF COLORADO

REPRESENTATIVES  
Millie Hamner, Chair  
Dave Young  
Bob Rankin

SENATORS  
Kent Lambert, Vice-Chair  
Kevin Grantham  
Pat Steadman



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

April 26, 2016

Hon. Wayne W. Williams  
Colorado Secretary of State  
1700 Broadway, Suite 200  
Denver, CO 80290

Dear Secretary Williams:

The General Assembly recently finalized the FY 2016-17 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 4<sup>th</sup> if the department does not intend to comply with any requests.

Sincerely,

Representative Millie Hamner  
Chair

cc:

Brad Lang, Controller, Colorado Secretary of State  
John Ziegler, 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: One (1) hard copy should be delivered by the requested due-date to the Joint Budget Committee (JBC) offices at 200 East 14th Ave., Denver, 3rd Floor.
- Electronic copies: An electronic copy of all paper submissions should also be submitted. This should be sent by email to:
  - The JBC analyst(s) responsible for the specified budget area(s)
  - Jessi Neuberg ([jessi.neuberg@state.co.us](mailto:jessi.neuberg@state.co.us)) at the JBC offices
  - Legislative Council Staff at the following address: [lcs.ga@state.co.us](mailto:lcs.ga@state.co.us)

The Legislative Council Staff ([lcs.ga@state.co.us](mailto:lcs.ga@state.co.us)) will include the report in an electronic database (part of the Legislative Council Library) and will also ensure the report is distributed to other legislative committees, as specified in some of the RFIs.

- All submissions should include the following information:
  - Name of Department
  - Long Bill fiscal year to which the RFI is attached (FY 2016-17 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 2016-17 RFI #5**

# **LEGISLATIVE REQUESTS FOR INFORMATION FROM THE DEPARTMENT OF STATE FOR FY 2016-17**

## **DEPARTMENT OF STATE**

1. Department of State, Business and Licensing Division, Business Intelligence Center Personal Services -- The Department is requested to submit a report with its annual budget request detailing donations received by the Business Intelligence Center, either directly or through the 501(c)(3) organization designated by the Department. The report should include data on the receipt and expenditure of both financial and in-kind donations for the prior fiscal year and year-to-date data on donations made in the current fiscal year.

# STATE OF COLORADO

REPRESENTATIVES  
Millie Hamner, Chair  
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STAFF DIRECTOR  
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April 26, 2016

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 2016-17 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 4<sup>th</sup> if the department does not intend to comply with any requests.

Sincerely,

Representative Millie Hamner  
Chair

cc:

Jon Forbes, Deputy Treasurer  
Clare Jozwiak, Controller, State Treasury  
John Ziegler, Joint Budget Committee Staff

**Attachment**  
**Requested Format for Responses to Legislative Requests for Information**

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  - The JBC analyst(s) responsible for the specified budget area(s)
  - Jessi Neuberger ([jessi.neuberger@state.co.us](mailto:jessi.neuberger@state.co.us)) at the JBC offices
  - Legislative Council Staff at the following address: [lcs.ga@state.co.us](mailto:lcs.ga@state.co.us)

The Legislative Council Staff ([lcs.ga@state.co.us](mailto:lcs.ga@state.co.us)) will include the report in an electronic database (part of the Legislative Council Library) and will also ensure the report is distributed to other legislative committees, as specified in some of the RFIs.

- All submissions should include the following information:
  - Name of Department
  - Long Bill fiscal year to which the RFI is attached (FY 2016-17 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 2016-17 RFI #5**

# **LEGISLATIVE REQUESTS FOR INFORMATION FROM THE DEPARTMENT OF THE TREASURY FOR FY 2016-17**

## **DEPARTMENT OF THE TREASURY**

1. Department of the Treasury, Administration -- The State Treasurer is requested to submit an annual report to the Joint Budget Committee concerning the performance of the State's investments. The report should include comparisons to relevant benchmarks and a detailed discussion of the benchmarks. This report should be submitted as a part of the State Treasurer's annual budget request.
  
2. Department of the Treasury, Unclaimed Property Program -- The State Treasurer is requested to submit an annual report to the Joint Budget Committee concerning the Department's progress in implementing the new information systems (KAPS, LexisNexis) for which the Department has received funding; and on the workload measures these systems are intended to improve. The report should be submitted as a part of the State Treasurer's annual budget request and should include but need not be limited to annual comparisons of the following:
  - Average number of claims processed per year, by claim type (A, B, C, and D);
  - Average number of contacts per claim;
  - Average time per contact; and
  - Total value of each claim type (A, B, C, and D) per year.

# 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:

Where the letter "(I)" appears directly to the right of a figure or in a letternote referencing a figure, that amount is not an appropriation, nor does it limit the expenditure of such money. The figure is included for informational purposes only. It provides a record of funds anticipated to be expended and, in some instances, may indicate assumptions used relative to those funds in developing appropriated amounts.

The amounts that are annotated with an (I) in the FY 2016-17 Long Bill and other legislation are described below, followed by a table detailing these amounts by department and fund source.

**GENERAL FUND:** The (I) notation applies to a General Fund or General Fund Exempt amount when the amount is continuously appropriated to a state agency, or the agency is otherwise authorized by law to spend the money. This includes General Fund amounts annotated with the (I) in three departments:

- Local Affairs: Payments for Volunteer Firefighter Retirement Plans;
- Revenue: Old Age Heat and Fuel and Property Tax Assistance, and Cigarette Tax Rebate and Retail Marijuana Sales Tax Distributions to Local Governments; and
- Treasury: Senior Citizen and Disabled Veteran Property Tax Exemption.

**CASH FUNDS:** The (I) notation applies to a cash funds amount when the amount is continuously appropriated to a state agency, or the agency is otherwise authorized by law to spend the money. The most significant amounts that are annotated with the (I) include:

- Fees collected by state institutions of the higher education;
- Cash funds overseen by the State Transportation Commission;
- 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 funding for various social services programs in the Department of Human Services.

Tuition amounts for most higher education governing boards were annotated with an (I) from FY 2011-12 through FY 2015-16, but these amounts are again appropriated in FY 2016-17.

**REAPPROPRIATED FUNDS:** The (I) notation applies to a reappropriated funds amount when it is continuously appropriated to a state agency, the agency is otherwise authorized by law to spend the money, or when the underlying federal funds source is informational. The largest amount that is annotated with the (I) is for workers compensation claims in the Department of Personnel.

**FEDERAL FUNDS:** Most federal funds in the Long Bill are annotated with an (I). However, some federal grants that are administered by the Departments of Human Services and Public Health and Environment are appropriated by the General Assembly pursuant to federal law. In addition, there are federal funds that require state matching funds (*e.g.*, the Medicaid program), and the associated General Fund or cash funds amounts are annotated with an "(M)" or "(H)" in the Long Bill. These annotations require the associated state funding to be reduced if the amount of available federal funding changes. Thus, these federal amounts are not considered informational.

The table below summarizes, by department and bill, those appropriations annotated with the (I).

FY 2016-17 INFORMATIONAL "(I)" NOTATIONS BY DEPARTMENT							
	BILL	TOTAL FUNDS	GENERAL FUND <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS <sup>2</sup>	% OF TOTAL OPERATING BUDGET (I) NOTATIONS
<b>FY 2016-17 OPERATING BUDGET (I) NOTATIONS</b>							
Agriculture	H.B. 16-1405	\$6,061,886	\$0	\$1,951,433	\$0	\$4,110,453	0.1%
Corrections	H.B. 16-1405	\$16,399,002	0	15,041,361	0	1,357,641	0.3%
Education	H.B. 16-1405	\$668,664,116	0	3,403,844	16,931,760	648,328,512	13.6%
Governor	H.B. 16-1405	\$29,550,524	0	23,038,657	0	6,511,867	0.6%
Health Care Policy	H.B. 16-1405	\$249,004,204	0	5,859,623	0	243,144,581	5.1%
Higher Education	H.B. 16-1405	\$422,693,278	0	400,130,169	50,592	22,512,517	8.6%
Human Services	H.B. 16-1405	\$499,522,618	0	255,647,755	1,340,200	242,534,663	10.1%
Judicial	H.B. 16-1405	\$45,956,081	0	41,221,691	309,390	4,425,000	0.9%
Labor and Employment	H.B. 16-1405	\$111,666,283	0	8,175,010	0	103,491,273	2.3%
Law	H.B. 16-1405	\$3,349,851	0	1,270,269	296,548	1,783,034	0.1%
Legislature	H.B. 16-1405	\$0	0	0	0	0	0.0%
Local Affairs	H.B. 16-1405	\$259,215,768	4,230,000	179,900,000	0	75,085,768	5.3%
Military and Veterans Affairs	H.B. 16-1405	\$215,094,209	0	0	0	215,094,209	4.4%
Natural Resources	H.B. 16-1405	\$51,289,619	0	24,648,397	0	26,641,222	1.0%
Personnel	H.B. 16-1405	\$56,362,746	0	1,134,447	55,228,299	0	1.1%
Public Health	H.B. 16-1405	\$268,236,101	0	600,000	0	267,636,101	5.4%
Public Safety	H.B. 16-1405	\$72,574,115	0	7,078,417	3,987,119	61,508,579	1.5%
Regulatory Agencies	H.B. 16-1405	\$3,518,460	0	2,134,542	0	1,383,918	0.1%
Revenue	H.B. 16-1405	\$66,803,530	29,000,000	36,979,142	0	824,388	1.4%
State	H.B. 16-1405	\$10,000	0	10,000	0	0	0.0%
Transportation	H.B. 16-1405	\$1,370,431,288	0	715,567,548	3,980,941	650,882,799	27.8%
Treasury	H.B. 16-1405	\$512,010,699	142,700,000	351,535,524	17,775,175	0	10.4%
<b>OPERATING BUDGET TOTAL</b>		<b>\$4,928,414,378</b>	<b>\$175,930,000</b>	<b>\$2,075,327,829</b>	<b>\$99,900,024</b>	<b>\$2,577,256,525</b>	<b>100.0%</b>
<b>FY 2016-17 CAPITAL CONSTRUCTION (I) NOTATIONS</b>							
<b>CAPITAL TOTAL</b>	<b>H.B. 16-1405</b>	<b>\$22,258,564</b>	<b>\$0</b>	<b>\$7,673,344</b>	<b>\$0</b>	<b>\$14,585,220</b>	
<b>GRAND TOTAL (I) NOTATIONS: OPERATING AND CAPITAL BUDGETS</b>							
<b>GRAND TOTAL</b>		<b>\$4,950,672,942</b>	<b>\$175,930,000</b>	<b>\$2,083,001,173</b>	<b>\$99,900,024</b>	<b>\$2,591,841,745</b>	

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

<sup>2</sup> Includes correct summation of line item detail.

The table below reflects operating budget appropriations with (I) notations as a percentage of the total state operating budget for FY 2016-17. For FY 2016-17, informational funds represent 18.2 percent of all operating appropriations, consisting primarily of cash funds and federal funds. This percentage is lower than it has been in recent years because most higher education tuition amounts are appropriated, rather than informational amounts, starting in FY 2016-17.

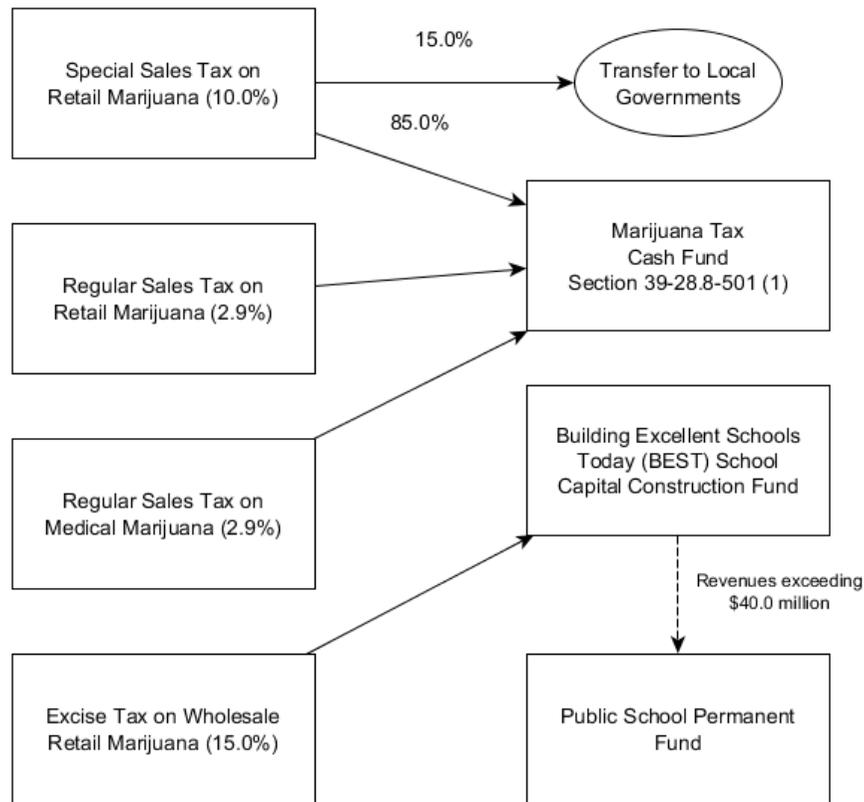
FY 2016-17 OPERATING BUDGET APPROPRIATIONS AND INFORMATIONAL "(I)" NOTATIONS			
	OPERATING BUDGET APPROPRIATIONS	(I) NOTATION OPERATING BUDGET TOTALS	(I) NOTATION AMOUNTS AS PERCENT OF OPERATING APPROPRIATIONS
General Fund and General Fund Exempt	\$9,990,118,468	\$175,930,000	1.8%
Cash Funds	7,473,131,518	2,075,327,829	27.8%
Reappropriated Funds	1,542,774,055	99,900,024	6.5%
Federal Funds	8,143,601,110	2,577,256,525	31.6%
<b>TOTAL</b>	<b>\$27,149,625,151</b>	<b>\$4,928,414,378</b>	<b>18.2%</b>

# K. MARIJUANA REVENUE OVERVIEW

This appendix describes the allocation of state marijuana tax revenues and anticipated expenditures from the Marijuana Tax Cash Fund.

## MARIJUANA TAX REVENUE AND APPROPRIATIONS FROM THE MARIJUANA TAX CASH FUND

House Bill 13-1318, as approved by Colorado voters in Proposition AA, established a special sales tax and an excise tax on the sale of retail marijuana. As amended by S.B. 14-215, Sections 39-28.8-203 and 39-28.8-302, C.R.S., control the amount of tax levied on these activities. Section 39-28.8-501 (1), C.R.S., creates the Marijuana Tax Cash Fund (MTCF) and describes the allowable uses of revenue that is transferred to it. The majority of appropriations authorized by statute may only be made in the fiscal year following the year in which the taxes were collected. The following diagram illustrates all of the statutorily required transfers for each source of marijuana tax revenues.



The first statutory transfer occurs on the fifteenth day of the second month after the tax was collected by the retail marijuana operator. This transfer is often referred to as the “local share” of the *special sales tax* on retail marijuana and equals 15.0 percent of the special sales tax on retail marijuana. The remaining 85.0 percent is credited to the MTCF. In addition to the new taxes authorized by Proposition AA, the state already has continuing authority to levy a 2.9 percent sales tax on many consumer goods, including retail and medical marijuana. The *regular sales tax* on both types of marijuana is also transferred to the MTCF. Finally, Proposition AA also authorized the state to levy an *excise tax* on wholesale marijuana transfers. The marijuana excise tax is calculated at 15.0 percent of the average

market wholesale price of the product being transferred. The most recent average market wholesale prices were set by the Marijuana Enforcement Division (MED) of the Department of Revenue on January 1, 2016, and are described below:

MED ESTABLISHED AVERAGE MARKET WHOLESALE PRICE FOR RETAIL MARIJUANA			
PRODUCT CATEGORY	DETAILED DESCRIPTION	PRICE	MEASUREMENT
Flower	The most potent part of the plant, consumed primarily by smoking	\$1,876	pound
Trim	Sugar leaves, typically used for concentrates and edibles	\$296	pound
Immature plant	Nonflowering plant no larger than 8 inches	\$9	plant

Generally, due to the statutory limitation on the timing of appropriations from the MTCF, the General Assembly makes its appropriations based on the most recent available revenue projections from either the Legislative Council Staff or Department of Revenue Staff. Appropriations for FY 2016-17 were premised on the March 2016 Revenue Forecast prepared by Legislative Council Staff. Projected collections for FY 2015-16 from each of the marijuana taxes and the transfers to the MTCF are summarized below. This is the revenue that was available for appropriation in FY 2016-17.

SUMMARY OF REVENUE AVAILABLE FOR FY 2016-17 APPROPRIATIONS		
	DEPARTMENT	REVENUE
<b>Remaining Previous Year Balance (could be appropriated in FY 2015-16 or later)</b>		<b>\$8,811,063</b>
FY 2015-16 Projected Revenue for FY 2016-17 Appropriation (March 2016 Leg Council Forecast)		
State Share of 10% Special Sales Tax		55,151,148
Regular Sales Tax on Retail Marijuana		11,596,232
Regular Sales Tax on Medical Marijuana		<u>18,204,759</u>
<b>Total FY 2015-16 Revenue to Marijuana Tax Cash Fund</b>		<b>84,952,139</b>
Less		
FY 2015-16 Appropriations from FY 2015-16 Revenue for Regulatory Enforcement	Revenue	(7,829,269)
<b>Marijuana Tax Cash Fund Revenue Available for FY 2016-17 Appropriation</b>		<b>\$85,933,933</b>

The following appropriations or transfers were made from the MTCF through the FY 2016-17 Long Bill (H.B. 16-1405) and other 2016 bills. Unless otherwise noted in the description below, appropriations were made through the Long Bill.

FY 2016-17 MARIJUANA TAX CASH FUND APPROPRIATION SUMMARY		
Program	Department	Appropriation
Pesticide Control and Regulation	Agriculture	\$314,633
Colorado State Fair Authority: FFA and 4-H Programming	Agriculture	300,000
Hemp Regulatory and Seed Certification	Agriculture	254,863
Pesticide Laboratory Augmentation	Agriculture	64,643
Pesticide Applicator Inspection Enforcement	Agriculture	1,209,954
Behavioral Health Treatment in Schools	Education	2,280,833
School Bullying Prevention and Education Cash Fund	Education	900,000
Student Re-engagement Grant Program Fund	Education	900,000
H.B. 16-1408 Cash Fund Allocations for Health-related Programs	Education	4,378,678
Governor's Office of Marijuana Coordination	Governor	216,944
SBIRT for Medicaid-eligible Individuals at Risk for Substance Abuse	Health Care Policy and Financing	750,000
Institute of Cannabis Research at CSU-Pueblo	Higher Ed	900,000
Tony Gramsas for the Prevention of Youth Marijuana Use	Human Services	373,672
Mental Health (Circle Program)	Human Services	1,852,824

**FY 2016-17 MARIJUANA TAX CASH FUND APPROPRIATION SUMMARY**

<b>Program</b>	<b>Department</b>	<b>Appropriation</b>
Enhancement of SB 91-94 Programs that Fund Alternatives to Incarceration	Human Services	2,000,000
Youth Mentoring Services Cash Fund	Human Services	1,000,000
Behavioral Health Services for Individuals with Co-occurring Disorders	Human Services	500,000
S.B. 16-202 Substance Use Disorder Services	Human Services	6,000,000
Adult Jail Based Behavioral Health Services	Judicial	1,550,000
Develop In-House Legal Expertise and Training	Law	286,766
Local Law Enforcement Training for DUID through the POST Board	Law	750,000
H.B. 15-1367 Local Government Marijuana Impact Program	Local Affairs	180,695
Local Government Retail Marijuana Impact Grant Program	Local Affairs	1,000,000
Study Health Effects of Marijuana (S.B. 13-283)	Public Health and Environment	320,388
Public Awareness Campaign	Public Health and Environment	7,025,000
Healthy Kids Colorado Survey	Public Health and Environment	745,124
Marijuana Lab Certification	Public Health and Environment	294,141
Enhanced Marijuana Data Collection through Rocky Mountain Poison and Drug	Public Health and Environment	123,383
Health Survey Data Collection	Public Health and Environment	238,000
H.B. 16-1408 Cash Fund Allocations for Health-related Programs	Public Health and Environment	1,767,584
Substance Abuse Prevention	Public Health and Environment	7,217,162
Retail Marijuana Health Research Grants	Public Health and Environment	343,622
S.B. 13-283 Data Collection and Analysis	Public Health and Environment	79,992
S.B. 15-014 Include Medical Marijuana Info in Law Enforcement Questionnaires	Public Health and Environment	61,940
Public Safety Intelligence Support	Public Health and Environment	56,998
Jail-based Survey on Homelessness	Public Health and Environment	159,983
Juvenile Diversion Programs	Public Safety	400,000
Marijuana Impaired Driving Campaign	Transportation	450,000
Impaired Driving Campaign	Transportation	500,000
Centrally Appropriated Line Items Not Otherwise Accounted For	Various	131,750
Transfer to General Fund Pursuant H.B. 16-1418 (Concerning MTCF Transfer to GF)		26,277,661
<b>Total Appropriations from Marijuana Tax Cash Fund</b>		<b>\$74,157,233</b>
Required 6.5% Reserve		<b>5,585,706</b>
<b>Estimated Revenue Accounted for in Budget</b>		<b>\$79,742,939</b>

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