

# JOINT BUDGET COMMITTEE



## STAFF BUDGET BALANCING FY 2019-20 & FY 2020-21

## OFFICE OF THE GOVERNOR

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

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## HOW TO USE THIS DOCUMENT

The **first section** of this document includes a summary table showing:

- Committee action on Long Bill appropriations through March 16, 2020; and
- Staff recommended changes to Long Bill appropriations, assuming that General Fund appropriations in FY 2020-21 must be kept at approximately the same level as FY 2019-20 to bring the budget into balance. This recommendation is based on the Legislative Council Staff March 16, 2020, revenue forecast, assumes that the statutory General Fund reserve will be increased in FY 2020-21 as proposed by the Governor, and assumes that only the federal increase in the Medicaid matching funds rate will be available to help cover shortfalls.

The table is followed by descriptions of each change recommended by staff.

A **second section** of the document (if applicable) summarizes staff recommendations that require statutory changes. This may include appropriation reductions that cannot be implemented without a statutory change, changes that affect the amount of available General Fund (e.g., a transfer from a cash fund), or any other items that are not captured in the Long Bill appropriations table. The recommendations in the second section are also based on the assumption that General Fund appropriations in FY 2020-21 must be kept at approximately the level of FY 2019-20 to bring the budget into balance.

A **third section** (omitted) of the document includes additional staff recommendations and options for the Committee to consider if deeper cuts are required. For purposes of this section, staff has assumed additional reductions of 10.0 to 20.0 percent in General Fund appropriations and transfers will be required to bring the budget into balance in FY 2020-21.

## SUMMARY OF STAFF BUDGET BALANCING RECOMMENDATIONS FOR LONG BILL

GOVERNOR - LIEUTENANT GOVERNOR - STATE PLANNING AND BUDGETING						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2019-20 APPROPRIATION</b>						
SB 19-207 (Long Bill)	\$392,560,806	\$43,065,857	\$51,422,681	\$291,174,828	\$6,897,440	1,152.7
HB 20-1245 (Supplemental Bill)	863,656	800,099	25,000	83,710	(45,153)	4.7
Other legislation	12,591,137	10,032,537	130,065	2,428,535	0	4.3
<b>TOTAL</b>	<b>\$406,015,599</b>	<b>\$53,898,493</b>	<b>\$51,577,746</b>	<b>\$293,687,073</b>	<b>\$6,852,287</b>	<b>1,161.7</b>
<b>FY 2020-21 RECOMMENDED APPROPRIATION</b>						
FY 2019-20 Appropriation	\$406,015,599	\$53,898,493	\$51,577,746	\$293,687,073	\$6,852,287	1,161.7
R1 (GOV) Move education leadership funds	0	0	0	0	0	0.0
Staff-initiated (GOV) Continue Mansion Maintenance appropriation	25,000	0	25,000	0	0	0.0
R1 (CEO) Legal services for Energy Office	191,592	191,592	0	0	0	0.0
R1 (OEDIT) Extend procurement technical assistance program	0	0	0	0	0	0.0
R2 (OEDIT) Small business development center	140,000	140,000	0	0	0	0.0
R3 (OEDIT) Extend rural jump start	0	0	0	0	0	0.0
R4 (OEDIT) Add Outdoor Recreation Office line item	0	0	0	0	0	3.0
R5 (OEDIT) PTAC technical	129,657	(220,000)	0	349,657	0	2.0
R6 (OEDIT) Administrative funds technical	(4,585)	0	(2,435)	0	(2,150)	0.0
R7 (OEDIT) Creative district interest spending authority	10,786	0	10,786	0	0	0.0
R1 (OIT) Colorado Digital Services	1,240,560	1,240,560	0	0	0	7.0
R2 (OIT) myColorado App	0	0	0	0	0	0.0
R3 (OIT) Statewide data sharing pilot	241,738	0	0	241,738	0	2.0
R4 (OIT) Customer-focused tools for common policy	679,188	0	0	679,188	0	0.0
R6 (OIT) Improve network stability and connectivity	1,130,900	0	0	1,130,900	0	0.0
R7 (OIT) IT service and support management	1,250,000	0	0	1,250,000	0	0.0
R8 (OIT) Mainframe services budget efficiencies	(222,714)	0	0	(222,714)	0	0.0
R9 (OIT) Central admin budget efficiencies	(473,729)	0	0	(473,729)	0	(2.0)
R10 (OIT) Network services budget efficiencies	(209,002)	0	0	(209,002)	0	0.0
R11 (OIT) Long Bill reorganization	(541,802)	(67,098)	(31,938)	(442,766)	0	(1.0)
R13 (OIT) Server management budget efficiencies	(1,945,120)	0	0	(1,945,120)	0	0.0
R14 (OIT) Voice and data budget efficiencies	(2,200,000)	0	(1,200,000)	(1,000,000)	0	0.0
Nonprioritized requests	10,980,666	7,624	0	10,973,042	0	3.0
Centrally appropriated line items	6,690,857	1,374,201	(347,091)	5,965,001	(301,254)	0.0
Indirect cost assessment	97,177	0	(1,481)	99,908	(1,250)	0.0
Prior year budget action	(9,277,386)	(855,686)	(245,000)	(8,221,853)	45,153	11.0
Prior year legislation	(2,099,221)	(1,018,526)	212,687	(1,293,382)	0	(1.0)
<b>SUBTOTAL AS OF 3/16/2020</b>	<b>\$411,850,161</b>	<b>\$54,691,160</b>	<b>\$49,998,274</b>	<b>\$300,567,941</b>	<b>\$6,592,786</b>	<b>1,185.7</b>
(CEO) Remove R1 Legal services for Energy Office	(191,592)	(191,592)	0	0	0	0.0

GOVERNOR - LIEUTENANT GOVERNOR - STATE PLANNING AND BUDGETING						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
(OEDIT) Suspend GF for Destination Development program	(500,000)	(500,000)	0	0	0	0.0
(OEDIT) Suspend GF for Colorado Film Office	(500,000)	(500,000)	0	0	0	0.0
(OEDIT) Suspend GF for Colorado Tourism Office promotion	(2,000,000)	(2,000,000)	0	0	0	0.0
Remove (OIT) R1 Colorado Digital Services	(1,240,560)	(1,240,560)	0	0	0	(7.0)
(OIT) Remove Salary Survey for common policy	(2,701,298)	0	0	(2,701,298)	0	0.0
(OIT) Remove 2.5 percent of salary from base for common policy	(4,254,068)	0	0	(4,254,068)	0	0.0
<b>TOTAL</b>	<b>\$400,462,643</b>	<b>\$50,259,008</b>	<b>\$49,998,274</b>	<b>\$293,612,575</b>	<b>\$6,592,786</b>	<b>1,178.7</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$5,552,956)</b>	<b>(\$3,639,485)</b>	<b>(\$1,579,472)</b>	<b>(\$74,498)</b>	<b>(\$259,501)</b>	<b>17.0</b>
Percentage Change	(1.4%)	(6.8%)	(3.1%)	(<0.1%)	(3.8%)	1.5%

Note: Changes to staff recommendations for common policy items, including salary survey and provider rates, will be addressed in statewide policy packets.

### → (CEO) REMOVE R1 LEGAL SERVICES FOR ENERGY OFFICE

*JBC ACTION AS OF 3/16/20:* The Committee approved the Office's request to increase the legal services appropriation for the Energy Office by \$191,592 General Fund to account for the workload of the Public Utilities Commission and the Air Quality Control Commission that impact the Energy Office.

*RECOMMENDATION:* Staff recommends the Committee deny the Department's request for additional General Fund appropriations.

#### *ANALYSIS:*

*Key Considerations:* New proposal for FY 2020-21)/ Refinance, so no program impact. This decision is unlikely to change the workload of the Energy Office and will require the Attorney General's Office to provide services without remuneration.

*Additional Background:* The Colorado Energy Office regularly intervenes in dockets before the Public Utilities Commission to ensure success in its mission of delivering reliable, cost-effective and innovative energy solutions. At present, the Air Quality Unit at the Department of Law (DOL) employs two attorneys to serve as CEO legal counsel on a part-time basis. Each of them split time roughly equally between representing CDPHE and the CEO. Both are now occupied fully, with no capacity to provide additional legal services to CEO. Under the current administration, the CEO is engaged in the select dockets that advance its mission. However, utilities are bringing more dockets before the Commission, which is increasing the number of cases the CEO is involved in and requiring more time and effort from CEO's attorneys. DOL attorneys cannot maintain the level of legal support required by CEO to fulfill its mission. CEO regularly incurs legal services hours and expenditures beyond the amount appropriated.

While the DOL's rate structure accounts for fluctuations in use between years, it is slow to compensate the DOL for pure growth in the use of its services directed by one of its user agencies. Between the CEO's statutory right to intervene in dockets at Public Utilities Commission and the Air Quality Control Division and the DOL's duty to provide services to the CEO for these proceedings, truing up the CEO's legal services appropriation will ensure the DOL is properly funded and has sufficient staff resources. Approving the request will prevent the CEO's appropriation from lagging behind anticipated expenditures required by the DOL to perform the tasks the CEO utilizes.

**→ (OEDIT) SUSPEND GENERAL FUND FOR DESTINATION DEVELOPMENT PROGRAM**

*JBC ACTION AS OF 3/16/20:* The Committee approved continuation funding, which is \$500,000 General Fund and \$600,000 from the Travel and Tourism Promotion Fund.

*RECOMMENDATION:* Given the potential impact the pandemic will have on tourism and leisure travel generally, JBC staff recommends the Committee temporarily eliminate the \$500,000 General Fund for the Destination Development Program. Funding would return as part of the base budget in FY 2021-22 to attract tourism revenue once the general population is able to travel with more freedom.

*ANALYSIS:*

*Key Considerations:* No immediate health, life, or safety impact. Affects an industry that is likely to be severely affected by the current crisis but is unlikely to benefit from short-term advertising and promotion expenditures.

*Additional Background:* The Destination Development Program exists to address the need to drive economic growth in rural Colorado by providing tourism-related education, funding, and support with the goals of increasing visitor spending, strengthening local economies and bolstering community pride. Goals of the Destination Development Program include:

- Increase traveler spending through creation and branding of new traveler experiences in less visited areas of Colorado
- Empower rural destination partners to develop and promote tourism assets
- Be inclusive of all industry segments
- Provide Assistance for Culinary & Agritourism
- Provide Assistance for Heritage & Cultural Tourism
- Provide Assistance for Rural Adventure Tourism

In the current public health crisis, many Americans are canceling plans to take vacations in 2020 due to economic uncertainty or job loss. Even once states and local governments have decided it is time to reopen for business there may be temporary public health closures or just a fear of visiting destinations the draw crowds of visitors.

JBC staff recognizes how much support in terms of tax revenue that OEDIT provides to local governments by fulfilling the goals of the Destination Development program and is therefore only recommending a temporary reduction to the General Fund appropriated, making \$500,000 available for another purpose. Given the anticipated impact on tourism generally, JBC staff does not anticipate any critical repercussions for adopting this recommendation.

→ (OEDIT) SUSPEND GENERAL FUND APPROPRIATION FOR COLORADO OFFICE OF FILM, TELEVISION, AND MEDIA

*JBC ACTION AS OF 3/16/20:* The Committee approved continuation funding, which is \$750,000 General Fund and \$519,525 from the Travel and Tourism Promotion Fund and 4.5 FTE.

*RECOMMENDATION:* Given the potential impact the pandemic will have on tourism and leisure travel generally, JBC staff recommends the Committee temporarily eliminate \$500,000 General Fund appropriated for the Colorado Office of Film, Television, and Media. Funding would return as part of the base budget in FY 2021-22.

*ANALYSIS:*

*Key Considerations:* Does not affect a vulnerable population.

*Additional Background:* The Colorado Film Incentive program offers a 20 percent cash rebate for eligible production costs. The incentive program covers feature films, television pilots, television series, television commercials, music videos, industrials, documentaries, and video game design and creation, as well as other forms of content creation.

The funding represents the State's effort to keep pace with states like New Mexico and Michigan, that offer up to \$50 million of incentives, or states like Georgia and North Carolina, that do not have a cap on the amount of incentives offered each year. It is staff's opinion that the comparatively meager investment made by Colorado, in comparison to other states, coupled with the crowded field of states providing incentives for film production, indicates that Colorado should not compete in this industry by expending more moneys. If an expansion of this program is funded, the appetite for financial incentives will not subside (nor will other states' appetites for providing them), forcing the State to continually invest more and more State revenue to keep the program viable. Each dollar spent on providing financial incentives results in less funding available for education, public safety, public welfare safety nets for vulnerable citizens, and infrastructure, eventually resulting in deficiencies in these core programs.

→ (OEDIT) SUSPEND GENERAL FUND FOR COLORADO TOURISM OFFICE

*JBC ACTION AS OF 3/16/20:* The Committee approved continuation funding for the Colorado Promotion – Other Program Costs line item, which is \$4.0 million General Fund and \$14.5 million from the Travel and Tourism Promotion Fund and 4.0 FTE.

*RECOMMENDATION:* Given the potential impact the pandemic will have on tourism and leisure travel generally, JBC staff recommends the Committee temporarily eliminate \$2,000,000 General Fund appropriated to market Colorado to a wider audience in an effort to increase the number of visitors to the state.

*ANALYSIS:*

*Key Considerations:* Program added since FY 2015-16. No immediate health, life, or safety impact. Affects an industry that is likely to be severely affected by the current crisis but is unlikely to benefit from short-term advertising and promotion expenditures.

*Additional Background:* In a similar discussion as the one related to the Destination Development Program between stay-at-home orders and personal travel preferences changing in light of adjusting to living in a more pandemic resistant world, leisure travel is anticipated to be impacted severely in FY 2020-21. While funding to promote tourism will be critical to reinvigorate travel among those still weary, redirecting the \$2.0 million General Fund to another program for FY 2020-21 is low risk. The recommendation includes only adjustments for FY 2020-21 and would be included in the base again for continuation funding in FY 2021-22.

### → (OIT) REMOVE R1 COLORADO DIGITAL SERVICES

*JBC ACTION AS OF 3/16/20:* The Committee tabled action on Colorado Digital Services. The figure in the table for the initial JBC Action represents the JBC staff recommendation as presented before 3/16/2020, to highlight the new recommendation to deny the request.

*RECOMMENDATION:* Staff recommends the Committee deny the Department's request for a second year of funding for Colorado Digital Services for \$1,240,560 General Fund and 7.0 FTE. While JBC staff is supportive of the digital services initiative, it is difficult to prioritize this new program while asking other agencies that may provide direct benefits or services to Coloradans to reduce budgets in their programs.

*ANALYSIS:*

*Key Considerations:* Program not yet fully implemented in FY 2020-21) and no immediate health, life, or safety impact.

*Additional Background:*

#### **RECENT ACTIVITY OF COLORADO DIGITAL SERVICES**

Between announcing the Colorado Digital Services program and January 1, 2020, the Office of Information Technology received 366 inquiries from software engineers, product managers, and designers through its online portal at Colorado.gov/digitalservice. Over 100 candidates for the talent pipeline also expressed interest through the government job board.

One thing OIT has highlighted is the difficulty it and other executive branch agencies have in hiring and retaining its IT staff. For example, the US Digital Service cites 2,000 contacts for every one candidate they hire. The Colorado pipeline funnel shows that of the 366 persons interested, 58 (22 percent) actually completed the State's hiring process. Of those, seven have been offered positions and four have accepted, giving a conversion rate of less than one percent. This attrition is partly ascribed to the unique qualification the team is seeking: senior-level talent with a depth of experience and expertise. The talent pipeline CDS has established is a state-wide asset, and is currently being used to find application developers for a separate OIT job opening, and other product manager roles across

state agencies, facilitated by the OIT HR team. We will track the successful handoff and placement rate of CDS candidates into other roles as OIT continues to invest in recruitment and hiring.

The Digital Service Program works with the Governor’s Chief Operating Officer and the State’s Chief Information Officer to prioritize projects that would benefit immediately from the attention of the Digital Services team. Thus far, JBC staff has only heard positive reactions from program staff that have worked with Colorado Digital Services.

### **CHILD WELFARE SYSTEM DISCOVERY SPRINT**

In January 2020, Colorado Digital Services partnered with the Office of Children, Youth and Families of the Colorado Department of Human Services for a discovery sprint to understand how financial data is collected and processed across the state’s decentralized child welfare systems. This is a great example of how Colorado Digital Services can recognize an area where its expertise can immediately begin work to improve shortcomings of programs reliant upon a mixture of legacy and transitional technology. If the Digital Services program was reliant upon common policy allocations to fund its activities, it would likely have to plan what projects it would be working on during the formulation of its budget each year. This type of planning would likely postpone action on projects for several months if not an entire fiscal year.

Human Services software systems are composed of benefit systems of record. Trails is this system of record for child welfare services. There are also secondary support systems, including the County Financial Management System, which serves to reimburse providers, collect payroll expenditure data, and aggregate data into CORE. Each system is fulfilling its original purpose, however, no single system currently provides a holistic view of expenditures across child welfare. Translation and aggregation of data between layers of the system make it difficult to decode expenditures to a granular level of detail.

Some of the outcomes from discovery sprints undertaken by Colorado Digital Services may include future budget requests for new development if new development is the solution to barriers or problems identified by the Digital Services team during its initial sprints. New budget requests would only be made if the Digital Services team is unable to implement solutions itself. For example, one recommendation made at the conclusion of the discovery sprint for child welfare was for the Department of Human Services to hire a product manager for the County Financial Management System (CFMS). The Digital Services pipeline can also be leveraged to help select a product manager if the Department does not already have an internal candidate that is appropriate.

JBC staff found the report provided by Colorado digital services a very thorough but pointed analysis of the data collected by which system and why and how that data could be better utilized to make future funding decisions in Colorado child welfare system. JBC staff looks forward to future reports from the Colorado Digital Services team. In many ways, the report looks at IT systems the way the State Auditor’s review programs run by state agencies. While the outcomes of the Digital Services team will vary depending on the shortcomings or future needs of IT systems it reviews, the outcomes provide a path to move forward and solve problems it faces.

The following items were left separate for purposes of creating the summary table, however, they have been combined into one issue because the justification for recommending the change is the same.



→ (OIT) REMOVE SALARY SURVEY COMMON POLICY

→ (OIT) REMOVE 2.5 PERCENT OF SALARY FROM BASE FOR COMMON POLICY

*JBC ACTION AS OF 3/16/20:* The Committee approved funding for personal services costs for OIT FTE including base salary appropriation and an increase of \$5.7 million reappropriated funds for 1027.5 FTE, which is allocated among user agencies through the common policy and includes a portion of which that originates as General Fund.

*RECOMMENDATION:* Staff recommends the Committee eliminate the salary survey approved for the Office of Information Technology and to reduce the personal services base appropriations by 2.5 percent. This item is somewhat technical in nature but allows staff to recalculate the common policy allocations.

*ANALYSIS:*

*Key Considerations:* Incorporates statewide compensation balancing recommendations made by Mr. Kemm into the OIT common policy.

*Other Items of Note:* Another item in this packet provides a recommendation for total common policy appropriations and estimated fund splits.

*Additional Background:* The Office of Information Technology manages 1027.5 FTE, the majority of whom are funded through reappropriated funds and allocated to state agencies on a statewide common policy. With such a large volume of state employees, compensation decisions that affect all state employees affects the OIT budget enough to need to recalculate the statewide common policy allocation. While this item only reflects reappropriated funds, a portion of those funds originate in agencies as General Fund dollars. For this item and the one following, the estimated combined impact to the General Fund is \$3.0 million.

→ (OIT) ADJUST INFORMATION TECHNOLOGY COMMON POLICY ALLOCATIONS

*JBC ACTION AS OF 3/16/20:* The Committee approved a common policy for information technology that allocates \$193.4 million expenses for OIT to its user agencies.

*RECOMMENDATION:* Staff recommends the Committee reduce the amount allocated through the OIT common policy by just less than \$7.0 reappropriated funds. The recommendation allocates \$186.5 million to user agencies and estimates the General Fund impact to be \$3.0 million. The General Fund amount is estimated based on prior year ratios of fund appropriations and therefore, JBC staff requests permission to allow individual analysts to work with agencies to arrive at the correct fund splits for the Payments to OIT line item.

*ANALYSIS:*

*Key Considerations:* Does not affect vulnerable population.

*Additional Background:* The following table summarizes the OIT common policy allocation as approved by the Committee before 3/16/20:

IT COMMON POLICY BASE PAYMENTS TO OIT LINE ITEMS	
<b>FY 2018-20 PAYMENTS TO OIT LINE ITEM APPROPRIATIONS</b>	
SB 19-207 (Long Bill)	\$189,078,543
Other legislation	1,525,705
Supplemental bill changes	83,710
<b>TOTAL FY 2019-20 PAYMENTS TO OIT LINE ITEM APPROPRIATIONS</b>	<b>\$190,687,958</b>
<b>FY 2019-20 RECOMMENDED PAYMENTS TO OIT LINE ITEM APPROPRIATIONS</b>	
FY 2018-19 Payments to OIT Line Item Appropriations	\$190,687,958
Centrally appropriated line items (includes salary survey)	5,690,605
Prior year forecasted costs true-up	4,751,121
Contract changes	810,791
Indirect cost assessment	99,908
Annualize prior year budget actions	(7,121,183)
Annualize prior year legislation	(1,102,329)
Compensated absences	(226,776)
Depreciation	(156,482)
Common policy billing additions	(21,187)
<b>SUBTOTAL AS OF 3/16/2020</b>	<b>\$193,412,426</b>
Remove salary survey for FY 2020-21	(2,701,298)
Reflect 2.5 percent reduction to base salary	(4,254,068)
<b>TOTAL</b>	<b>\$186,457,060</b>
<b>INCREASE/(DECREASE) FROM FY 2019-20 APPROPRIATION</b>	<b>(\$4,578,615)</b>
Percentage Change	(2.4%)

Staff recommends an appropriation of \$186,457,060 total funds across all state agencies to cover OIT’s recoverable costs for FY 2020-21. These appropriations will appear in each agencies’ Payments to OIT line item.

Additionally, the fund source allocations shown in the table below are based on estimates of available funds from the four sources. Staff requests permission to adjust these fund sources on an agency-by-agency basis during the Long Bill drafting process. Historically, these adjustments are made to account for fund source availability, an agency’s ability to offset General Fund appropriations with other fund sources, or other financing structures that may be in place within an agency for financing centrally appropriated line items.

Note, the following recommended appropriations do not include other decision items that impact the Payments to OIT line item in each agency. The appropriations shown below cover only the base information technology common policy for FY 2020-21 that is included in agency Payments to OIT line items. The following tables summarize the recommended appropriations by agency.

TOTAL RECOMMENDED COMMON POLICY ALLOCATIONS AND ESTIMATED FUND SPLITS						
	FY 2019-20 ALLOCATION	FY 20-2021 RECOMMENDATION	GENERAL FUND	CASH FUNDS	REAPPROPRIAT ED FUNDS	FEDERAL FUNDS
Agriculture	\$1,928,401	\$1,882,133	\$1,353,506	\$528,628	\$0	\$0
Corrections	27,792,630	27,120,899	26,979,388	141,510	0	0
Education	1,222,783	1,184,555	510,052	176,416	498,088	0

TOTAL RECOMMENDED COMMON POLICY ALLOCATIONS AND ESTIMATED FUND SPLITS						
	FY 2019-20 ALLOCATION	FY 20-2021 RECOMMENDATION	GENERAL FUND	CASH FUNDS	REAPPROPRIAT ED FUNDS	FEDERAL FUNDS
General Assembly	(23,572)	(22,453)	(22,453)	0	0	0
Governor	1,028,656	1,002,528	100,300	0	902,229	0
Health Care Policy and Finance	8,672,613	8,432,748	3,438,834	906,651	0	4,087,262
Higher Education (appropriated)	604,467	590,699	590,699	0	0	0
Higher Education (unappropriated)	275,597	269,868	269,868	0	0	0
Human Services	37,654,159	36,728,631	14,224,990	0	22,503,641	0
Judicial	8,038,836	7,790,289	7,790,289	0	0	0
Labor and Employment	13,929,614	13,609,219	3,335,911	6,312,613	0	3,960,695
Law	937,308	909,591	253,586	129,439	500,115	26,452
Local Affairs	1,911,205	1,875,431	586,864	252,527	710,059	325,981
Military and Veterans Affairs	306,283	299,838	299,838	0	0	0
Natural Resources	14,486,416	14,175,516	2,924,516	10,722,148	404,595	124,256
Personnel and Administration	6,148,020	6,019,054	1,766,446	244,883	4,007,725	0
Public Health and Environment	9,288,648	9,099,929	1,197,162	1,197,046	5,776,779	928,943
Public Safety	12,597,538	12,301,932	3,234,142	2,301,960	6,718,608	47,222
Regulatory Agencies	3,528,601	3,456,527	181,824	3,274,702	0	0
Revenue	20,764,137	20,243,027	12,329,842	4,355,204	3,557,980	0
State	431,724	419,913	0	419,913	0	0
Transportation	19,429,955	18,987,535	0	18,987,535	0	0
Treasury	81,657	79,652	39,827	39,825	0	0
<b>TOTAL</b>	<b>\$191,035,675</b>	<b>\$186,457,060</b>	<b>\$81,385,431</b>	<b>\$49,991,000</b>	<b>\$45,579,819</b>	<b>\$9,500,811</b>
<b>TOTAL COMMON POLICY AND ESTIMATED FUND SPLITS APPROVED AS OF 3/16/2020</b>						
		<b>\$193,412,426</b>	<b>\$83,962,132</b>	<b>\$52,253,720</b>	<b>\$47,341,356</b>	<b>\$9,855,218</b>

## SUMMARY OF RECOMMENDATIONS REQUIRING STATUTORY CHANGE

### INCREASE AVAILABLE GENERAL FUND - STATUTORY CHANGE REQUIRED

FY 2020-21 REVENUE	NET GF IMPACT	OTHER FUNDS	TOTAL FUNDS
Eliminate transfer for S.B. 11-057 Advanced Industries	\$7,600,000	\$0	\$9,200,000

### → ELIMINATE TRANSFER FOR SB 11-047 ADVANCED INDUSTRIES

*JBC ACTION AS OF 3/16/20:* Senate Bill 11-047 (Bioscience & Clean Tech Reinvestment) created an annual statutory transfer of General Fund equal to one-half of income tax withholding growth from the bioscience and clean technology industries to the advanced industries acceleration cash fund from FY 2013-14 until FY 2022-23. For FY 2020-21, a transfer of \$7.6 million is estimated to be made based on the March Legislative Council revenue forecast.

*RECOMMENDATION:* Staff recommends run legislation to repeal Section 39-22-604.3, C.R.S., which will eliminate the \$7.6 million transfer for FY 2020-21. Transfers are made annually on February 1, meaning the transfer of \$7.1 million for the current fiscal year occurred on February 1, 2020.

*ANALYSIS:*

*Key Considerations:* Program added since FY 2011-12 and is set to repeal after the FY 2023-24 transfer. Program also receives transfer from limited gaming revenue.

*Additional Background:* The transfer enacted by S.B. 11-047 (Advanced Industries) augments the funding available for grant making for the Clean Technology Research Program. The *Clean Technology Research Program*, created in 2009, makes grant specifically to companies in renewable energy, electric motors, and lighting, among other related areas. Grants can be awarded up to \$50,000 to an office of technology transfer, and up to \$150,000 for an early stage clean technology company. The annual transfers made since enactment total \$39.6 million and range from \$4.4 million to \$7.3 million.

The transfer augments grant funding the program administers that originates as revenue from gaming sources and repealing this annual transfer will not eliminate the program.