

**COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE**



**SUPPLEMENTAL REQUESTS FOR FY 2014-15 and
FY 2015-16**

DEPARTMENT OF HIGHER EDUCATION

**JBC Working Document - Subject to Change
Staff Recommendation Does Not Represent Committee Decision**

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DEPARTMENT OF HIGHER EDUCATION

Department Overview

This department is responsible for higher education and vocational training programs in the state. The Colorado Commission on Higher Education (CCHE) serves as the central policy and coordinating board for the Department.

Summary: FY 2015-16 Appropriation and Recommendation

Department of Higher Education: Recommended Changes for FY 2015-16						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2015-16 Appropriation						
S.B. 15-234 (Long Bill)	\$3,731,739,272	\$856,871,803	\$2,150,856,183	\$701,516,735	\$22,494,551	23,856.2
Other legislation	<u>817,803</u>	<u>544,192</u>	<u>(13,349)</u>	<u>286,960</u>	<u>0</u>	<u>0.1</u>
Current FY 2015-16 Appropriation	\$3,732,557,075	\$857,415,995	\$2,150,842,834	\$701,803,695	\$22,494,551	23,856.3
Recommended Changes						
Current FY 2015-16 Appropriation	\$3,732,557,075	857,415,995	\$2,150,842,834	\$701,803,695	\$22,494,551	23,856.3
S1 Cost-neutral technical correction for CU	0	0	0	0	0	0.0
HC S1 Technical footnote request for Cumbres & Toltec	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
Recommended FY 2015-16 Appropriation	\$3,732,557,075	\$857,415,995	\$2,150,842,834	\$701,803,695	\$22,494,551	23,856.3
Recommended Increase/(Decrease)	\$0	\$0	\$0	\$0	\$0	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FY 2015-16 Executive Request	\$3,732,557,075	\$857,415,995	\$2,150,842,834	\$701,803,695	\$22,494,551	23,856.3
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	(0.0)

Request/Recommendation Descriptions

S1 Cost neutral technical correction for CU: Makes a technical adjustment to the allocation between different fee-for-service contracts for the University of Colorado. The impact is cost-neutral.

HC S1 Technical footnote request for Cumbres and Toltec: Adds a footnote to the appropriation for the Cumbres and Toltec Railroad to specify that unexpended amounts may be

rolled-forward to FY 2016-17. The Department has also requested a footnote be added for FY 2014-15.

Prioritized Supplemental Requests

FY 2015-16 SUPPLEMENTAL REQUEST, DEPARTMENT PRIORITY #1 COST-NEUTRAL TECHNICAL CORRECTION FOR CU

	Request	Recommendation
Total	<u>\$0</u>	<u>\$0</u>
FTE	0.0	0.0
General Fund	0	0
Cash Funds	0	0
Reappropriated Funds	0	0
Federal Funds	0	0

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]	YES
The Department has requested the supplemental on the basis that its FY 2015-16 request included a technical error. Staff agrees that there was a technical error in calculating the original requested and recommended appropriation.	

Department Request: The Department requests a technical correction to the FY 2015-16 Long Bill appropriation with a cost-neutral fiscal impact. When calculating the initial amounts in the FY 2015-16 request for the University of Colorado’s (CU) fee-for-service contracts, the Department incorrectly included \$250,000 funding appropriated to CU’s Specialty Education Program for the S.B. 14-211 Alzheimer’s Program in the line item for Fee-for-service Contracts Pursuant to Section 23-18-303, C.R.S. Including adjustments for the overall increase from FY 2014-15 to FY 2015-16, a total of \$277,495 was appropriated in the wrong line item. The Department requests that this error be corrected.

Specifically, the College Opportunity Fund (COF) line item for Fee-for-service Contracts Pursuant to Section 23-18-303, C.R.S., line item should be reduced by \$277,495 General Fund and the COF line item for Specialty Education Fee-for-service Contracts should be increased by the same amount. In addition, the letter note that reappropriates COF moneys to the University of Colorado should be adjusted to mirror this change. The net impact of these changes is \$0.

Staff Recommendation: JBC staff concurs that the original request and appropriation was incorrect and recommends the proposed change. This change was incorporated in the base for the Department’s November 2015 request for FY 2016-17.

**SUPPLEMENTAL REQUEST, DEPARTMENT PRIORITY #HC1:
 TECHNICAL FOOTNOTE REQUEST FOR CUMBRES & TOTEC
 (FY 2014-15 AND FY 2015-16)**

	Request	Recommendation
Total	<u>\$0</u>	<u>\$0</u>
FTE	0.0	0.0
General Fund	0	0
Cash Funds	0	0
Reappropriated Funds	0	0
Federal Funds	0	0

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? [An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.]	YES
The Department has requested the supplemental on the basis that a footnote was inadvertently omitted from the FY 2014-15 Long Bill due to a technical error and that its FY 2015-16 request and legislative action continued this error for a second year. Staff agrees that there was a technical error for both FY 2014-15 and FY 2015-16.	

Department Request: History Colorado requests a footnote be added to amend H.B. 14-1336 (the FY 2014-15 Long Bill) as well as the FY 2015-16 Long Bill to continue the roll forward provisions for the Cumbres and Toltec Scenic Railroad that were included in Footnote 19 of S.B. 13-230 (the FY 2013-14 Long Bill). The JBC approved the continuation of the FY 2013-14 roll-forward footnote for FY 2014-15, but the footnote was inadvertently omitted from the FY 2014-15 Long Bill. Because the footnote did not appear in the FY 2014-15 Long Bill, it was also not requested or considered for inclusion for FY 2015-16.

The Department requests the addition of a footnote to the Cumbres Toltec line item for FY 2014-15 that reads as follows: “Amounts in this line item that are not expended by June 30, 2014 may be rolled forward for expenditure in FY 2015-16”. It requests a similar footnote in the FY 2015-16 Long Bill to allow amounts not expended by June 30, 2015 to be rolled forward for expenditure in FY 2016-17.

Staff Recommendation: Staff recommends that the footnotes be added in both FY 2014-15 and FY 2015-16 but recommends that the new footnotes reflect the full language included in the FY 2013-14 Long Bill and originally approved by the JBC for FY 2014-15.

Specifically, for FY 2014-15, the footnote should read as follows:

26a Department of Higher Education, History Colorado, Cumbres and Toltec Railroad Commission -- The amount in this line item is calculated based on the following assumptions: (1) This line item includes \$202,500 for annual Commission operating

expenses and other routine ongoing costs including controlled maintenance; (2) the balance of this appropriation is for capital projects including locomotive boiler repair, passenger car upgrades, and track, bridge and tunnel upgrades; and (3) amounts above the \$202,500 ongoing operating support are based on an analysis of the Railroad's capital outlay needs over a three year period and are not assumed to continue after FY 2015-16. Amounts in this line item that are not expended by June 30, 2015 may be rolled forward for expenditure in FY 2015-16.

For FY 2015-16, it should read:

- 23a Department of Higher Education, History Colorado, Cumbres and Toltec Railroad Commission -- The amount in this line item is calculated based on the following assumptions: (1) This line item includes \$202,500 for annual Commission operating expenses and other routine ongoing costs including controlled maintenance; (2) the balance of this appropriation is for capital projects including locomotive boiler repair, passenger car upgrades, and track, bridge and tunnel upgrades; and (3) amounts above the \$202,500 ongoing operating support are based on an analysis of the Railroad's capital outlay needs over a three year period and are not assumed to continue after FY 2015-16. Amounts in this line item that are not expended by June 30, 2016 may be rolled forward for expenditure in FY 2016-17.

This footnote was originally added in FY 2013-14 as Footnote 19 to reflect the staff and JBC understanding that much of the appropriation for Cumbres and Toltec Railroad was a quasi-capital construction appropriation, i.e., it was to be used for activities that had historically been funded in the capital budget. Consistent with this, the request and recommendation was that the authorized funding be allowed to roll-forward for three years in the same way that capital construction appropriations are authorized for three years.

This footnote was included in the staff packet for FY 2014-15 figure setting as footnote recommended for continuation. This recommendation was approved by the JBC. However, the footnote was then inadvertently left out of the FY 2014-15 introduced Long Bill. The Department and JBC staff only became aware of the problem this summer when the Department needed to roll forward FY 2014-15 amounts to FY 2015-16. Staff understands that the Controller has already authorized the roll-forward of FY 14-15 funds to FY 2015-16 and has treated the funds as “encumbered”. Nonetheless, the Department has requested a retroactive correction to the FY 2014-15 Long Bill to correct the record, as well as the addition of the footnote for FY 2015-16. Staff believes this is appropriate.

JBC Staff Supplemental Recommendations - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

Appendix A: Number Pages

	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2015-16 Requested Change	FY 2015-16 Rec'd Change	FY 2015-16 Total w/Rec'd Change
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DEPARTMENT OF HIGHER EDUCATION
Joseph Garcia, Executive Director/Lt. Governor

S1 Technical adjustment to CU fee-for-service contracts

(4) COLLEGE OPPORTUNITY FUND PROGRAM

(B) Fee-for-service Contracts with State Institutions

Fee-for-service Contracts with State Institutions

Pursuant to Section 23-18-303, C.R.S.	0	<u>235,868,831</u>	<u>(277,495)</u>	<u>(277,495)</u>	<u>235,591,336</u>
General Fund	0	15,172,132	(277,495)	(277,495)	14,894,637
General Fund Exempt	0	220,696,699	0	0	220,696,699

Fee-for-service Contracts with State Institutions for

Specialty Education Programs	0	<u>116,133,797</u>	<u>277,495</u>	<u>277,495</u>	<u>116,411,292</u>
General Fund	0	11,732,099	277,495	277,495	12,009,594
General Fund Exempt	0	104,401,698	0	0	104,401,698

(5) GOVERNING BOARDS

(G) Regents of the University of Colorado

Regents of the University of Colorado	<u>1,055,261,427</u>	<u>1,148,537,561</u>	0	0	<u>1,148,537,561</u>
FTE	7,821.7	7,825.2	0.0	0.0	7,825.2
Cash Funds	888,163,616	963,921,894	0	0	963,921,894
Reappropriated Funds	167,097,811	184,615,667	0	0	184,615,667

JBC Staff Supplemental Recommendations - FY 2015-16
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	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2015-16 Requested Change	FY 2015-16 Rec'd Change	FY 2015-16 Total w/Rec'd Change
Total for S1 Technical adjustment to CU fee-for-					
service contracts	1,055,261,427	1,500,540,189	0	0	1,500,540,189
<i>FTE</i>	<u>7,821.7</u>	<u>7,825.2</u>	<u>0.0</u>	<u>0.0</u>	<u>7,825.2</u>
General Fund	0	26,904,231	0	0	26,904,231
General Fund Exempt	0	325,098,397	0	0	325,098,397
Cash Funds	888,163,616	963,921,894	0	0	963,921,894
Reappropriated Funds	167,097,811	184,615,667	0	0	184,615,667
Totals Excluding Pending Items					
HIGHER EDUCATION					
TOTALS for ALL Departmental line items	3,419,544,434	3,732,557,075	0	0	3,732,557,075
<i>FTE</i>	<u>23,885.3</u>	<u>23,856.3</u>	<u>0.0</u>	<u>0.0</u>	<u>23,856.3</u>
General Fund	9,223,455	69,415,995	0	0	69,415,995
General Fund Exempt	752,053,939	788,000,000	0	0	788,000,000
Cash Funds	2,001,073,177	2,150,842,834	0	0	2,150,842,834
Reappropriated Funds	633,396,309	701,803,695	0	0	701,803,695
Federal Funds	23,797,554	22,494,551	0	0	22,494,551