

**COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE**



**FY 2016-17 STAFF BUDGET BRIEFING
DEPARTMENT OF LAW**

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

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TABLE OF CONTENTS

Department Overview	1
Department Budget: Recent Appropriations.....	2
Department Budget: Graphic Overview	3
General Factors Driving the Budget	5
Summary: FY 2015-16 Appropriation and FY 2016-17 Request.....	9
Issues:	
Major Litigation Pending Against the State.....	13
Request R2 Departmental Growth and Carr Center Leased Space.....	19
Request R3 Senior AAG Special Prosecution	22
Appendices:	
A - Numbers Pages	
B - Recent Legislation Affecting Department Budget	
C - Update on Long Bill Footnotes & Requests for Information	
D – SMART Act Annual Performance Report	
E - Recent Legislation Impacting Legal Services to State Agencies (FY 2012-13 through FY 2015-16)	
F - FY 2015-16 Appropriations for the Purchase of Legal Services from the Department of Law, by Agency	
G - Hours of Legal Services Provided, by Agency (FY 2005-06 through FY 2015-16)	

DEPARTMENT OF LAW

Department Overview

The Attorney General is one of five independently elected constitutional officers of the State, whose powers and duties are prescribed by the General Assembly¹. 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, with the exception of the legislative branch², serves as the legal counsel and advisor to all state agencies. The statutory responsibilities of the Department are summarized below.

Legal Counsel and Advice to the State

- Provide state agencies and elected officials with legal services such as legal representation, legal advice and opinions, contract review, and rule writing assistance.

Civil Enforcement

- Protect Colorado consumers against fraud and enforce state and federal consumer protection, antitrust, charitable solicitation, consumer lending, and fair debt collection laws.
- Represent the State's interests in interstate and federal water cases.
- Lead enforcement actions at sites contaminated with hazardous substances under the federal Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA).
- Pursue civil recoveries and damages from Medicaid providers for fraud and over billing.
- Enforce provisions of the tobacco master settlement agreements and protect the State's interests under the settlement payment calculation provision.

Criminal Enforcement

- Investigate and prosecute certain complex and multi-jurisdictional cases, environmental crimes, election fraud, and foreign fugitives.
- Provide investigative and prosecutorial support to district attorneys in complex homicides, cold cases, human trafficking cases, and large-scale drug conspiracies.
- Investigate and prosecute securities, insurance, and workers' compensation fraud.
- Represent the State in criminal appeal cases in state and federal courts.
- Investigate and prosecute Medicaid provider fraud and patient abuse.
- Oversee the Peace Officers Standards and Training (P.O.S.T.) Board, which manages the training and certification of peace officers.
- Assure that the constitutional and statutory rights of victims are preserved in criminal cases being prosecuted or defended by the Department.

¹ See Article IV, Section 1 of the Colorado Constitution and Article 31 of Title 24, C.R.S.

² Under certain circumstances the Legislative Branch does purchase legal services from the Department of Law, including requests for a legal opinion from the Attorney General or for legal representation when the interests of the Executive Branch and the Legislative Branch are consistent.

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JBC Staff Working Document – Does Not Represent Committee Decision

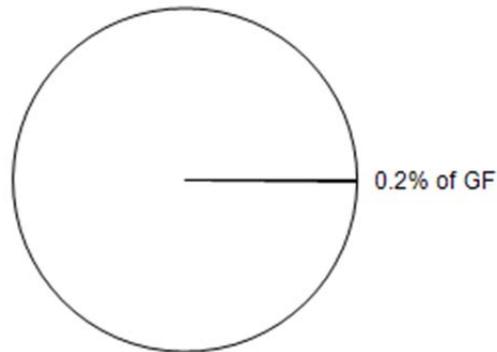
Department Budget: Recent Appropriations

Funding Source	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17 *
General Fund	\$12,168,714	\$13,575,405	\$15,058,065	\$14,987,291
Cash Funds	12,833,181	15,578,104	15,796,431	17,058,549
Reappropriated Funds	42,227,639	43,867,145	44,863,650	44,254,298
Federal Funds	<u>1,770,364</u>	<u>1,747,272</u>	<u>1,793,877</u>	<u>1,784,230</u>
Total Funds	\$68,999,898	\$74,767,926	\$77,512,023	\$78,084,368
Full Time Equiv. Staff	452.5	469.0	477.6	480.4

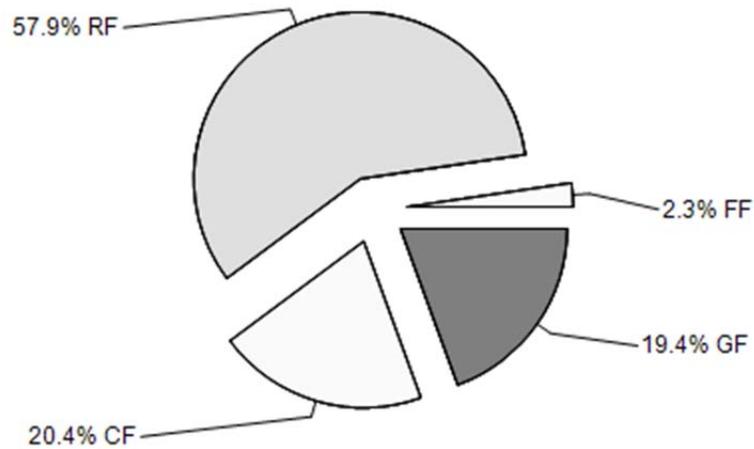
*Requested appropriation.

Department Budget: Graphic Overview

**Department's Share of Statewide
General Fund**

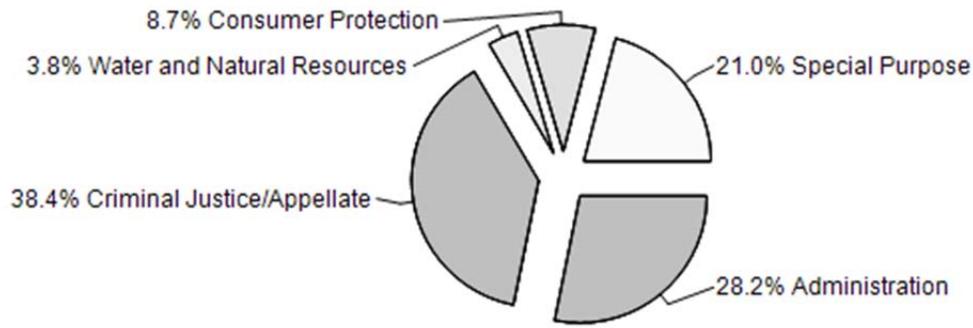


Department Funding Sources

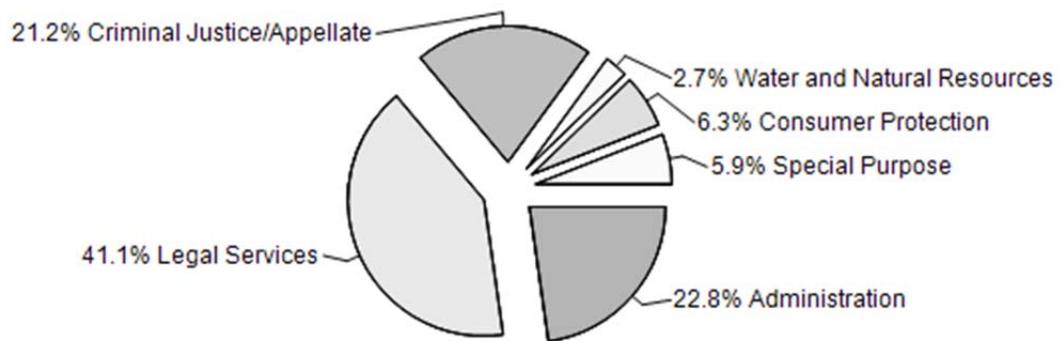


All charts are based on the FY 2015-16 appropriation.

Distribution of General Fund by Division



Distribution of Total Funds by Division



General Factors Driving the Budget

The FY 2016-17 request consists of 19.2 percent General Fund, 21.8 percent cash funds, 56.7 percent reappropriated funds, and 2.3 percent federal funds. Cash funds include: fees and fines paid by regulated entities; funds awarded to the Department; a statewide vehicle registration fee that supports peace officer training programs; tobacco settlement moneys; fees paid by applicants seeking peace officer certification; the Colorado Water Conservation Board's Litigation Fund; and the Marijuana Tax Cash Fund. Reappropriated funds primarily include: moneys transferred from other state agencies for the purchase of legal services, for the prosecution and enforcement of the federal Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), and for the prosecution of securities fraud cases; indirect cost recoveries; and grants from other state agencies. Three significant factors driving the Department's budget are described 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 of the assistant solicitors into the Department of Law, and prohibited any state agency from employing a person to perform legal services. As a trade-off, the Department of Law became subject to the "Oregon Plan", whereby the General Assembly appropriates moneys for legal services to the various state agencies, who in turn purchase services from the Department of Law at hourly rates (one rate for attorneys and one rate for legal assistants). The Department of Law's budget includes appropriations authorizing the receipt and expenditure of moneys received from other state agencies.

For FY 2015-16, the General Assembly has authorized the Department of Law to spend up to \$39.9 million providing legal services to state agencies (including associated central appropriations). This amount represents 54.0 percent of the Department's total appropriation. As shown in the table on the following page, eight state 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 average hourly rates charged by the Department of Law for the past four years.

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

Three appendices provide data related to the provision of legal services. Appendix E lists legislation passed from 2012 through 2015 that affected state agencies' need for legal services. Appendix F details appropriations for the purchase of legal services from the Department of Law for FY 2015-16, by state agency. Appendix G details the hours of legal services provided (or anticipated to be provided) for FY 2005-06 through FY 2015-16, by state agency.

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JBC Staff Working Document – Does Not Represent Committee Decision

Legal Services to State Agencies: FY 2012-13 to FY 2015-16					
State Department	FY 12-13 Actual	FY 13-14 Actual	FY 14-15 Actual	FY 15-16 Approp./ Estim.	% of Total
Regulatory Agencies	\$7,383,603	\$8,969,467	\$9,965,585	\$10,458,308	26.8%
Natural Resources	3,514,961	4,563,407	5,105,845	4,842,850	12.4%
Revenue	2,740,083	3,409,251	3,971,975	4,183,656	10.7%
Personnel	2,379,484	3,504,482	4,262,304	4,636,956	11.9%
Public Health and Environment	2,393,330	2,840,844	2,958,702	3,249,247	8.3%
Human Services	1,401,843	1,680,642	2,122,858	1,751,889	4.5%
Transportation	956,102	1,265,248	1,488,468	1,561,205	4.0%
Corrections	1,273,306	1,240,836	1,985,056	1,876,733	4.8%
Other agencies 1/	<u>4,446,571</u>	<u>5,674,798</u>	<u>6,068,147</u>	<u>6,513,187</u>	16.7%
Total Expenditures/ Appropriation	\$26,489,283	\$33,148,975	\$37,928,939	\$39,074,031	100.0%
<i>% change of total from prior year</i>	<i>(2.3%)</i>	<i>25.1%</i>	<i>14.4%</i>	<i>3.0%</i>	
<i>% of total Department of Law appropriations</i>	<i>45.3%</i>	<i>48.0%</i>	<i>50.7%</i>	<i>50.4%</i>	
<i>% of total state operating appropriations</i>	<i>0.1%</i>	<i>0.1%</i>	<i>0.2%</i>	<i>0.1%</i>	
Blended Legal Rate	\$77.25	\$91.08	\$99.01	\$95.01	
<i>% change from prior year</i>	<i>2.0%</i>	<i>17.9%</i>	<i>8.7%</i>	<i>(4.0%)</i>	
Total Hours	363,602	411,267	383,082	411,267	
<i>% change from prior year</i>	<i>6.4%</i>	<i>13.1%</i>	<i>(6.9%)</i>	<i>7.4%</i>	

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

Criminal Justice and Appellate

The largest allocation of General Fund in the Department is for the Criminal Justice and Appellate section, which accounts for more than 38.0 percent of General Fund appropriations to the Department for FY 2015-16. 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.

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JBC Staff Working Document – Does Not Represent Committee Decision

Appellate Unit Data: FY 2011-12 to FY 2015-16					
	FY 11-12 Actual	FY 12-13 Actual	FY 13-14 Actual	FY 14-15 Actual	FY 15-16 Approp.
Expenditures/Appropriations (excluding central appropriations)	\$2,603,619	\$2,709,335	\$3,230,248	\$3,692,658	\$3,782,761
FTE	30.9	31.3	37.0	37.7	39.0
Opening briefs received	1,171	1,018	911	952	n/a
Answer briefs filed	894	885	1,149	1,017	n/a
Case backlog	608	564	272	168	n/a

District Attorneys' Salaries

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

While DAs' office budgets are primarily set and provided by 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 18.0 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

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JBC Staff Working Document – Does Not Represent Committee Decision

State Expenditures for District Attorney Salaries: FY 2007-08 to FY 2015-16			
Fiscal Year	Expenditures/ Appropriations	Annual Increase	Cumulative Increase
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 (approp.)	2,718,249	20,609	1,402,264

JBC Staff Budget Briefing: FY 2016-17
JBC Staff Working Document – Does Not Represent Committee Decision

Summary: FY 2015-16 Appropriation & FY 2016-17 Request

Department of Law						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2015-16 Appropriation						
SB 15-234 (Long Bill)	\$77,257,689	\$14,963,624	\$15,796,431	\$44,703,757	\$1,793,877	476.1
Other legislation	<u>254,334</u>	<u>94,441</u>	<u>0</u>	<u>159,893</u>	<u>0</u>	<u>1.5</u>
TOTAL	\$77,512,023	\$15,058,065	\$15,796,431	\$44,863,650	\$1,793,877	477.6
FY 2016-17 Requested Appropriation						
FY 2015-16 Appropriation	\$77,512,023	15,058,065	\$15,796,431	\$44,863,650	\$1,793,877	477.6
R1 Safe2Tell software	60,000	60,000	0	0	0	0.0
R2 Carr building additional leased space	113,406	31,535	12,730	66,062	3,079	0.0
R3 Senior AAG special prosecution	163,243	163,243	0	0	0	0.9
R4 Consumer protection compliance investigator	92,891	0	92,891	0	0	1.0
R5 Accounting tech III	73,127	0	0	73,127	0	1.0
BR1 POST marijuana reduction	(418,000)	0	(418,000)	0	0	0.0
NP1 Vehicle lease payment	(23,797)	(13,096)	(1,111)	(8,088)	(1,502)	0.0
NP2 Colorado River 0.5 FTE	64,314	0	64,314	0	0	0.5
NP3 Payments to OIT	15,706	4,367	1,763	9,149	427	0.0
Centrally appropriated line item adjustments	671,670	107,367	129,481	461,799	(26,977)	0.0
Indirect cost assessment adjustments	406,574	0	1,368,640	(977,392)	15,326	0.0
Change in anticipated grant funding	9,882	0	0	9,882	0	0.0
Fund source adjustments	0	(271,223)	0	271,223	0	0.0
LSSA appropriation adjustment	(544,034)	0	0	(544,034)	0	0.0
Annualize prior year budget actions	(97,273)	(170,906)	11,410	62,223	0	(0.7)
Annualize prior year legislation	<u>(15,364)</u>	<u>17,939</u>	<u>0</u>	<u>(33,303)</u>	<u>0</u>	<u>0.1</u>
TOTAL	\$78,084,368	\$14,987,291	\$17,058,549	\$44,254,298	\$1,784,230	480.4
Increase/(Decrease)	\$572,345	(\$70,774)	\$1,262,118	(\$609,352)	(\$9,647)	2.8
Percentage Change	0.7%	(0.5%)	8.0%	(1.4%)	(0.5%)	0.6%

Description of Requested Changes

R1 Safe2Tell software: The request includes an increase of \$60,000 General Fund in FY 2016-17 to support the contract for anonymous tip reporting software used by the Safe2Tell program. The Department signed the contract for new software on May 27, 2015, and began using the software on July 1, 2015. (Note: Because of the timing of the contract process, the additional

JBC Staff Budget Briefing: FY 2016-17
JBC Staff Working Document – Does Not Represent Committee Decision

cost for FY 2015-16 was not known when the General Assembly set the FY 2015-16 appropriation. As a result, the Department also anticipates a request for a supplemental appropriation of \$62,500 General Fund in FY 2015-16, to be addressed during the FY 2015-16 supplemental process.)

R2 Carr building additional leased space: The request includes an increase of \$113,406 total funds (including \$31,535 General Fund) in FY 2016-17 to support additional leased space in the Ralph L. Carr Colorado Judicial Center and accommodate the Department's growing staff. The request also anticipates a supplemental request for \$91,878 total funds (including \$31,535 General Fund) for FY 2015-16 because the Department secured the space effective July 1, 2015. The supplemental request will be addressed during the FY 2015-16 supplemental process. For additional discussion of this request, see the second issue paper in this document.

R3 Senior AAG special prosecution: The request includes an increase of \$163,243 General Fund and 0.9 attorney FTE in FY 2016-17 (annualizing to \$163,295 and 1.0 FTE in FY 2017-18) to add a senior assistant attorney general to the Special Prosecutions Unit to focus on complex drug trafficking cases. The request responds to an increasing drug trafficking prosecution workload, in part driven by increasing use and complexity of wiretap investigations for drug trafficking prosecutions. For additional discussion of this request, see the third issue paper in this document.

R4 Consumer protection compliance investigator: The request includes an increase of \$92,891 custodial cash funds spending authority and 1.0 FTE in FY 2016-17 (annualizing to \$82,894 custodial funds and 1.0 FTE in FY 2017-18) to add another compliance investigator supporting the Consumer Fraud Unit and the Antitrust, Tobacco and Consumer Protection Unit. The request responds to an increasing investigative workload related to consumer protection efforts. Because the funds are custodial funds under the control of the Attorney General, the appropriation would be reflected in the Long Bill for informational purposes only.

R5 Accounting tech III: The request includes an increase of \$73,127 reappropriated funds from indirect cost recoveries and 1.0 FTE in FY 2016-17 (annualizing to \$63,130 reappropriated funds in FY 2017-18) to hire an additional accounting technician within the Administration section. The Department indicates that the position is necessary to accommodate increasing accounting workload associated with growth in the Department, particularly recent increases related to workers' compensation and the Peace Officers Standards and Training (P.O.S.T.) Board marijuana grant distributions.

BR1 POST marijuana reduction: The request includes a decrease of \$418,000 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. Senate Bill 14-215 appropriated \$1,168,000 cash funds from the Marijuana Tax Cash Fund to the Department of Law for marijuana training programs in FY 2014-15, and that amount was continued in the FY 2015-16 Long Bill. Over the past year, the Department has assessed the marijuana-related workload and the ongoing need for training programs. The Department believes that \$750,000 per year will be sufficient to meet the training needs of the law enforcement community in FY

JBC Staff Budget Briefing: FY 2016-17
JBC Staff Working Document – Does Not Represent Committee Decision

2016-17 and subsequent years and is requesting a reduction of \$418,000 in FY 2016-17 to reach that amount.

NP1 Vehicle lease payment: The request includes a net decrease in vehicle lease payments. *This request will be addressed in a separate staff briefing for the Department of Personnel scheduled for December 9, 2015.*

NP2 Colorado River 0.5 FTE: The request includes an increase of \$64,314 cash funds from the Colorado Water Conservation Board (CWCB) Litigation Fund to support an additional 0.5 attorney FTE focused on defense of the Colorado River Compact. The request responds to an increasing workload associated with Colorado River counsel, representation, and litigation. The Department's efforts related to the Colorado River are funded from the CWCB Litigation Fund, which is continuously appropriated to the Department of Natural Resources. Please note that although the Department of Law submitted the request as a non-prioritized item, the Department of Natural Resources has not submitted a request for the additional legal costs because the fund source is continuously appropriated to the Department of Natural Resources and the funding for the Department of Natural Resources is not reflected in the Long Bill.

NP3 Payments to OIT: The request includes an increase of \$15,706 total funds (including \$4,367 General Fund) for an adjustment to the Department's Payments to OIT. *This request will be addressed in a separate staff briefing for the Office of the Governor scheduled for November 20, 2015.*

Centrally appropriated line item adjustments: The request includes an increase of \$671,670 total funds (including \$107,367 General Fund) related to employee benefits and other centrally appropriated line items. This total includes the following major changes:

- An increase of \$447,139 total funds (including \$96,251 General Fund) for supplemental PERA payments.
- An increase of \$356,351 total funds (including \$27,804 General Fund) for various types of insurance (health, life, and dental; short-term disability; workers' compensation; and risk management/property funds).
- A net decrease of \$131,820 total funds (including \$16,688 General Fund) for other centrally appropriated items.

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

Change in anticipated grant funding: The request reflects an anticipated \$9,882 increase 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, and the Department does not require a decision item for changes in spending authority.

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

JBC Staff Budget Briefing: FY 2016-17
JBC Staff Working Document – Does Not Represent Committee Decision

LSSA appropriation adjustment: The request includes a decrease of \$544,034 reappropriated funds from the Legal Services Cash Fund to align with preliminary estimates of legal services expenditures in FY 2016-17.

Annualize prior year budget actions: The request includes adjustments related to prior year budget actions. The \$170,906 reduction in General Fund is largely driven by a reduction of \$84,959 and 1.0 FTE from the Appellate Unit to eliminate 1.0 attorney FTE added through a FY 2013-14 decision item. The FY 2013-14 decision item added 6.0 attorney FTE to reduce a backlog of appeals and anticipated eliminating 1.0 FTE at the end of FY 2015-16 and eliminating an additional 3.0 FTE at the end of FY 2016-17.

Annualize prior year legislation: The request includes adjustments to reflect the FY 2016-17 impact of legislation that was passed in 2015, including the following acts: S.B. 15-106; S.B. 15-110; S.B. 15-239; S.B. 14-123; H.B. 15-1063; H.B. 15-1309; and H.B. 15-1367. Appendix B provides a short description of each of these acts.

Issue: Major Litigation Pending Against the State

The Department of Law submits an annual report to the State Controller discussing pending litigation against the State that could have a significant financial impact. The draft report for 2015 includes cases involving: the Department of Health Care Policy and Financing related to the hospital provider fee; the Department of Revenue related to tax collections; the Department of State related to the financing of elections; and multiple state entities related to the Lower North Fork fire.

SUMMARY:

The following ongoing legal cases involving the State could have a significant financial impact:

Health Care Policy and Financing

- *TABOR Foundation v. Colorado Department of Health Care Policy and Financing, et al.*

Revenue

- *Agilent Technologies v. Department of Revenue*
- *Oracle Corp. & Subsidiaries v. Department of Revenue*

State

- *National Federation of Independent Business v. Williams*

Risk Management Fund

- *American Family Insurance, et al. v. State of Colorado, et al.* [Colorado State University, Colorado State Forest Service, Department of Public Safety]

RECOMMENDATION:

Staff recommends that the Committee ask the Department to discuss the status of the various cases listed in the report, as well as any other cases the Attorney General believes warrant the Committee's attention.

DISCUSSION:

The Department of Law submits an annual report to the State Controller concerning pending or threatened litigation, claims, and assessments involving significant dollar amounts, brought against the State and to which the Department has devoted substantial attention on behalf of the State. The Department's annual report describes the nature and status of each case, the claims asserted by the plaintiff and the objectives and/or damages sought, how management is responding to the litigation, the Attorney General's evaluation of the likelihood of an unfavorable outcome, and an estimate as to the amount or range of potential loss. This annual report does not, however, include information about two types of cases or claims:

JBC Staff Budget Briefing: FY 2016-17
JBC Staff Working Document – Does Not Represent Committee Decision

- As the Department does not represent the General Assembly (except in cases under the Risk Management Fund) or the University of Colorado Board of Regents, this report excludes information about cases brought against these two entities.
- Although notices of claims in the nature of tort must be filed with the Attorney General pursuant to the Colorado Governmental Immunity Act (CGIA)³, the Department of Personnel's State Risk Management Office and the State Claims Board have the responsibility to investigate, adjust, and settle such claims before they become lawsuits⁴. All tort and federal claims alleging damages against state agencies and employees, if settled, are to be paid out of the Risk Management Fund to the limits of the CGIA. Thus, the report excludes information about claims that have not resulted in lawsuits.

The Department has not yet submitted the 2015 annual report to the State Controller but has provided a draft report for purposes of discussion with the Committee. Based on the draft report, as well as additional information from the Department of Law, staff has provided below a brief summary of unresolved cases in which the potential financial impact, either through damages, attorneys' fees and costs, or the cost of state compliance with court orders, exceeds \$5 million. The cases are organized by department, in the same order as they are listed on the previous page.

Health Care Policy and Financing

TABOR Foundation v. Colorado Department of Health Care Policy and Financing, et. al.

Case. In June 2015, the TABOR Foundation sued the Department of Health Care Policy and Financing claiming that the hospital provider fee is a tax rather than a fee and thus requires a vote of the Colorado electorate before it may be levied or increased. According to the Department, the plaintiffs are challenging the fee imposed in FY 2010-11, FY 2011-12, and FY 2012-13 and seek a refund of all revenue collected, kept, or spent unconstitutionally, plus interest.

Status. The plaintiffs filed the complaint in Denver District Court on June 26, 2015. The Department filed a motion to dismiss on September 2, 2015, the plaintiffs responded, and the Department filed a reply on October 16, 2015.

Financial Impact. According to the Department, the estimated range of potential losses exceeds \$2.65 billion, plus 10 percent annual simple interest, although the refund mechanism is unknown.

Revenue

Agilent Technologies, Inc. v. Department of Revenue

Case. In June 2014, Agilent Technologies, Inc. appealed the Department of Revenue's Notice of Final Determination to the Denver District Court, challenging the Department's determination of income tax, penalties, and interest for the period from June 3, 2000 through October 31, 2007. At issue in the case is the State income tax treatment of dividends paid to a holding company by

³ See Section 24-10-109, C.R.S.

⁴ See Section 24-30-1501, *et seq.*, C.R.S.

foreign subsidiaries and whether the income of the holding company must be combined and included in the parent company's return and apportioned.

Status. The Department of Revenue prevailed after an administrative hearing, and Agilent appealed the Notice of Final Determination to the Denver District Court. The matter is scheduled for a four-day trial in Denver District court beginning December 7, 2015. The Department reports that the issues in this case are novel issues in Colorado and that authorities across the country are split on many of the controlling issues.

Financial Impact. The amount at issue is \$13,345,601. The taxpayer has paid this tax pending the outcome of the proceedings. In the event of a loss the State would pay interest on this amount in the form of a refund of the amount at issue plus statutory interest.

Oracle Corp. & Subsidiaries v. Department of Revenue

Case. In April 2015, the Oracle Corporation and subsidiaries appealed the Department of Revenue's Notice of Final Determination to the Denver District Court, challenging the Department's determination of income tax, penalties, and interest for the period from June 1, 1999 through May 31, 2005. At issue in the case is the State income tax treatment of proceeds from the sale of stock received by Oracle's subsidiaries and whether the income of these subsidiaries must be combined and included in the parent company's return and apportioned.

Status. The Department of Revenue prevailed after an administrative hearing and Oracle appealed the Notice of Final Determination to the Denver District Court. The matter is scheduled for a four-day trial in Denver District Court commencing on February 16, 2016. Similar to the Agilent Technologies case discussed above, the Department reports that the issues in this case are novel issues in Colorado and that authorities across the country are split on many of the controlling issues.

Financial Impact. The amount at issue is \$22,243,358, including \$20,448,602 assessed by the Department of Revenue's Final Determination and \$1,794,756 that Oracle alleges as overpayment (although the Department of Revenue disputes a portion of the overpayment). In the event of a loss the State would pay interest on the total amount in the form of a refund of the amounts plus statutory interest.

State

National Federation of Independent Business v. Williams

Case. In December 2014, the National Federation of Independent Business (NFIB) sued the Secretary of State alleging that the use of business filing fees to support elections violates the Taxpayers Bill of Rights (TABOR).

Status. The parties filed cross-motions for summary judgement in Denver District Court in June 2015 and argued those motions in September 2015. On November 3, 2015, the Denver District Court issued an order granting summary judgement for the State. However, the Department indicates that an appeal is likely.

Financial Impact. The plaintiffs seek a refund of allegedly unconstitutionally collected registration fees and the imposition of penalties, interest, fees, and costs. The complaint does not seek a precise monetary award but the Department estimates potential exposure of approximately \$20 million.

Risk Management Fund

American Family Insurance, et al. v. State of Colorado, et al. [Colorado State University, Colorado State Forest Service]

Background Information. On March 22, 2012, the Colorado State Forest Service (CSFS) conducted a prescribed burn on property owned by the Denver Water Board to mitigate wildfire potential near the town of Foxton, southeast of Conifer, in Jefferson County. The prescribed burn was done pursuant to a contract with the Denver Water Board and according to a program of forest management by the CSFS intended to thin forests and reduce fuel buildup that contributes to wildfire danger. The prescribed burn was complete by the end of the day on March 22, 2012. On March 23 and 24, 2012, the CSFS conducted mopping-up operations on the perimeter of the burn area, and by the end of the day on March 24, 2012, the only fire activity was in isolated stumps, logs, and pockets of decaying leaves and branches within the burn unit, surrounded by a 200 foot perimeter. The Burn Boss and the CSFS District Forester determined based on conditions within the burn area at the end of the day on March 24, 2012, that no patrol would be necessary for the next day.

On Sunday, March 25, 2012, the burn area was unstaffed. However, at 12:15 p.m. on Sunday, the National Weather Service issued a "Red Flag Warning" for wind and low relative humidity from 10:00 a.m. to 8:00 p.m. on Monday, March 26, 2012. The Weather Service warning was for sustained winds of 20 to 30 mph and gusts to 50 mph. On Monday, March 26, 2012, because of the Weather Service warning, CSFS put a three person patrol on the burn area. At the time the patrol arrived at the burn area, they observed the same basic conditions that had existed on the evening of March 24, 2012, with two isolated smokes in the interior of the burn area. By 12:45 p.m., winds had increased to approximately 10 to 15 mph and were fanning hot spots within the burn area resulting in increased smoke and embers spreading within the burn area and reigniting available fuels. The patrol called for additional assistance at 1:00 p.m., at which time the patrol was fighting two "desk-sized" burns. Winds continued to increase, and fuels within the burn area continued to reignite hot spots. The Elk creek Fire Department arrived between 2:00 p.m. and 2:15 p.m. At 2:30 p.m. the fire was declared escaped. The fire grew very rapidly in size and intensity. Homeowners in the area reportedly received conflicting information on evacuation, but evacuations were eventually declared and put into effect. Before the fire was brought under control, approximately 26 homes were damaged or destroyed, and three persons were killed when their homes burned, in what became known as the Lower North Fork wildfire.

In response to the Lower North Fork fire, the General Assembly passed a pair of bills, H.B. 12-1283 and H.B. 12-1361, which shifted fire mitigation and control functions of CSFS to the Department of Public Safety, along with all liabilities for prescribed fires accrued as of July 1, 2012, and retroactively waived the State's sovereign immunity for negligence claims arising from prescribed fires.

JBC Staff Budget Briefing: FY 2016-17
JBC Staff Working Document – Does Not Represent Committee Decision

Case. On July 2, 2012, a group of five insurance companies brought suit in Jefferson County district court to recover amounts paid or to be paid on claims of their insureds for damage resulting from the Lower North Fork wildfire. Plaintiffs named the State of Colorado, Colorado State University (CSU), and CSFS as Defendants. The Plaintiffs asserted claims under new provisions of the Colorado Governmental Immunity Act (CGIA), as well as claims for inverse condemnation and "takings" under Article II, Section 15 of the Colorado Constitution.

Status. On July 23, 2012, the State filed an Answer, Counterclaims and Petition in Interpleader on behalf of Department of Public Safety due to legislation that shifted responsibility for the fire from CSU and CSFS to the Department of Public Safety. The State did not dispute claims of negligence under the newly-adopted waiver of the State's immunity in Section 24-10-106.1, C.R.S. However, the State has vigorously defended against claims for inverse condemnation or on "takings" theories. Upon the State's request, the Court granted a stay of proceedings to permit the notice period to expire before litigation got underway. Meanwhile, between the date of the fire and September 25, 2012, the Department received more than 100 notices of claims for property damage and wrongful death resulting from the fire.

On October 9, 2012, the original insurance company Plaintiffs filed an Amended Complaint, and the Department simultaneously responded to the Amended Complaint with an interpleader of all those who had filed claims within the claim notice period. On April 23, 2013, the Department filed motions to dismiss all non-CGIA claims, including claims under "inverse condemnation" theories, civil rights theories under 42 U.S.C. § 1983, and theories of willful and wanton conduct.

In early 2014, the Court granted the State's motions to dismiss all non-CGIA claims, including claims asserted by insurers under theories of inverse condemnation. Nearly all of the involved insurers appealed the order dismissing inverse condemnation claims and the appeals were consolidated before the Colorado Court of Appeals. The Court of Appeals ruled in favor of the State on September 24, 2015, although the Department expects the Plaintiffs to petition the Colorado Supreme Court for certiorari.

Meanwhile, factual findings of damages were made by the Judicial Arbiter Group (JAG) and judgments were provided to property owners. After following the process set up in Section 24-10-114 (5) (a), C.R.S., all property owners were compensated under special appropriations passed by the General Assembly during the 2013 and 2014 Sessions.

Financial Impact. Liability under new provisions of the CGIA for negligence in conducting a controlled fire is limited to \$600,000, and is covered by the Risk Management Fund. The State has conceded this liability and \$600,000 will be paid to insurers from the fund held in the court's registry.

In addition, the State has paid a total of \$24,917,674 General Fund in compensation to property owners from special appropriations approved during the 2013 and 2014 Sessions. With respect to insurers, there has as yet been no discovery into the insurer plaintiff claims, and the total amount of claims paid by insurers, which would represent the ceiling on the State's potential liability, is unknown, but potentially in the low tens of millions. Finally, the Department has

JBC Staff Budget Briefing: FY 2016-17
JBC Staff Working Document – Does Not Represent Committee Decision

indicated that the State may still be drawn into litigation with property owners who previously settled their claims but are seeking to reopen those claims to receive payment consistent with the General Assembly's treatment of non-settling property owners.

Issue: R2 – Departmental Growth and Carr Center Leased Space

Driven by growth in the Department's staff and a consequent need for additional office space, the Department's FY 2016-17 budget request includes an increase of \$113,406 total funds (including \$31,535 General Fund) to support additional leased space within the Ralph L. Carr Judicial Center (Carr Center). Because the Department has secured and occupied much of the additional space as of July 1, 2015, and the increased costs were not anticipated in the original FY 2015-16 appropriation, the Department also anticipates requesting a supplemental appropriation for FY 2015-16 during the supplemental process.

SUMMARY:

- The Department moved into the Carr Center in FY 2012-13 and has occupied floors six through 10 and roughly 5,530 square feet of storage space since that time. Based on anticipated staffing levels, the Department did not anticipate needing additional space for many years. However, the Department has grown by 44.9 appropriated FTE (10.4 percent) from FY 2012-13 through FY 2015-16 and has determined that it requires additional space to accommodate current and anticipated staff.
- The Office of Attorney Regulation Counsel, an entity within the Judicial Branch, had occupied a portion of the second floor of the Carr Center since the opening of the building but elected to leave the building as of July 1, 2015. Based on the Department's current and anticipated staffing needs and the availability of additional space, the Department assumed the vacant space as of July 1, 2015, and has relocated 14 information technology support employees to the new space.
- The Department's FY 2016-17 request includes an increase of \$113,406 total funds (including \$31,535 General Fund) above the *current* FY 2015-16 appropriation to support the additional leased space costs. The request also anticipates a need for a supplemental appropriation of \$91,878 total funds (including \$25,446 General Fund) for FY 2015-16.

RECOMMENDATION:

Staff recommends that the Committee discuss the Department's current and anticipated leased space needs at the FY 2016-17 budget hearing.

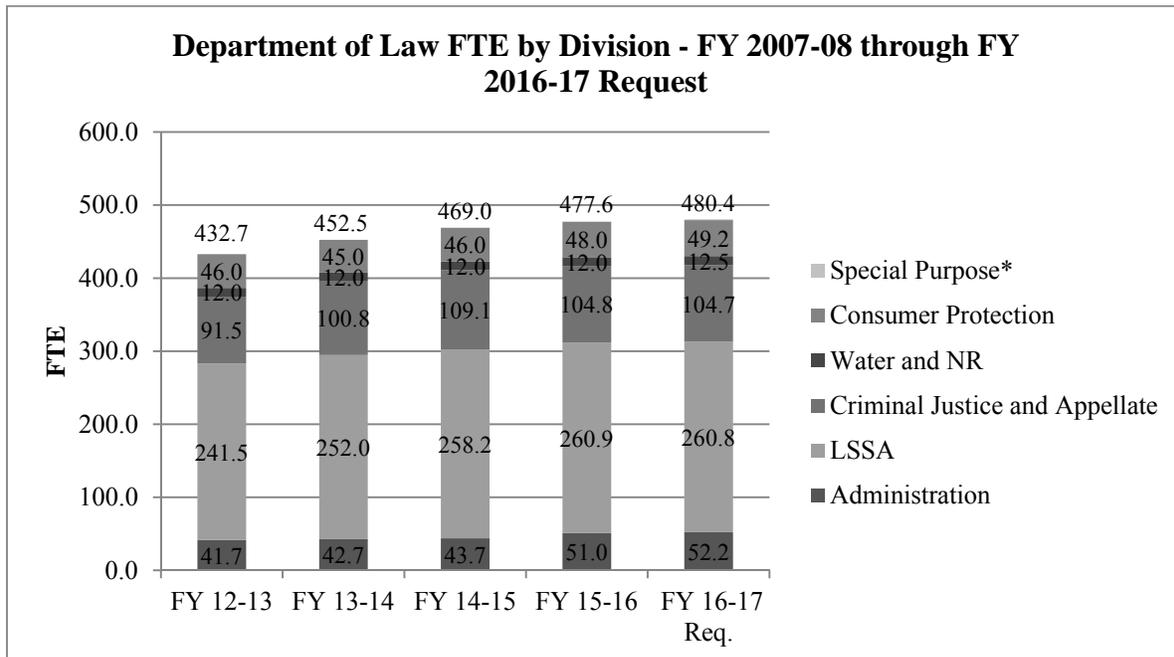
DISCUSSION:

Background

The Department of Law moved into the Carr Center when the building opened in January 2013. Since that time, the Department has occupied floors six through 10 (a total of approximately 200,161 square feet of office space) and 5,529 square feet of storage space in the building. When the Department moved into the building, management anticipated that this amount of

JBC Staff Budget Briefing: FY 2016-17
JBC Staff Working Document – Does Not Represent Committee Decision

space would be sufficient for many years to come. However, the Department has grown from 432.7 appropriated FTE in FY 2012-13 to 477.6 FTE in FY 2015-16, an increase of 44.9 FTE (10.4 percent) in three years (see chart below).⁵ As indicated in the chart, 19.4 of the additional FTE (43.2 percent of the increase) are in the Legal Services to State Agencies section of the Long Bill and are driven by legal services needs in client agencies, while the Criminal Justice and Appellate section has experienced an increase of 13.3 FTE over that period.



*The Special Purpose section includes 0.9 FTE in FY 2015-16 and 1.0 FTE in the FY 2016-17 request for the Colorado Open Records and Open Meetings Law attorney added in the FY 2015-16 Long Bill.

Given current staffing levels and additional anticipated future growth, particularly in the Civil Litigation Unit (within the Legal Services to State Agencies section) associated with workers' compensation and Corrections legal support, the Department determined that additional space was necessary. In March 2015, the Department learned that the Office of Attorney Regulation Counsel intended to leave the Carr Center at the end of FY 2014-15, making space available as of July 1, 2015. In May 2015, the Department elected to take over the newly available space as of July 1, 2015, to acquire the new space and retain all departmental staff in the Carr Center. At that time, the Department notified JBC Staff of the intent to add office space understanding that the new space would require a supplemental request in FY 2015-16 as well as a decision item in FY 2016-17.

FY 2015-16 Anticipated Supplemental Request

The Department added 6,154 square feet of office space as of July 1, 2015, and has now relocated 14 information technology support positions to the new space on the second floor of the Carr Center. The additional space will cost \$91,878 total funds (including \$25,446 General

⁵ For additional context, the Department added 99.2 appropriated FTE (26.2 percent) from FY 2007-08 to FY 2015-16, and the earlier growth was one reason for the move to the Carr Center in FY 2012-13.

JBC Staff Budget Briefing: FY 2016-17
JBC Staff Working Document – Does Not Represent Committee Decision

Fund) in FY 2015-16. At present, after adding the new space, the Department reports that it has nine empty cubicles and five internal offices on the tenth floor to accommodate future growth.

FY 2016-17 Request R2

For FY 2016-17, the request includes an increase of 7,461 square feet above the *current* FY 2015-16 *appropriation* and 1,307 square feet above the square footage now occupied for FY 2015-16. The Department is requesting the 1,307 additional square feet in FY 2016-17, at an estimated cost of \$19,866 total funds, to build out a dedicated computer training room to support a variety of training activities, including: new employee orientation; continuing legal education (CLE) and professional development requirements; Department of Law Training Program classes on a variety of topics; monthly software training programs; and a variety of other training activities.

The following table shows the impact of the anticipated FY 2015-16 supplemental request as well as the FY 2016-17 decision item.

R2 - Carr Center Leased Space						
	Square Footage*	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
<u>Anticipated FY 2015-16 Supplemental Request</u>						
Current FY 2015-16 Appropriation	205,690	\$3,034,238	\$840,388	\$354,368	\$1,755,344	\$84,138
Anticipated Supplemental	<u>6,154</u>	<u>91,878</u>	<u>25,446</u>	<u>10,731</u>	<u>53,153</u>	<u>2,548</u>
Total Anticipated Request/Appropriation	211,844	\$3,126,116	\$865,834	\$365,099	\$1,808,497	\$86,686
<u>FY 2016-17 Department Request</u>						
Current FY 2015-16 Appropriation	205,690	\$3,034,238	\$840,388	\$354,368	\$1,755,344	\$84,138
Anticipated Carr Center Adjustment	0	54,873	18,575	(7,625)	44,171	(248)
R2 - Carr Center Leased Space	<u>7,461</u>	<u>113,406</u>	<u>31,535</u>	<u>12,730</u>	<u>66,062</u>	<u>3,079</u>
Total FY 2016-17 Request	213,151	\$3,202,517	\$890,498	\$359,473	\$1,865,577	\$86,969

* Includes 5,529 square feet of storage space each year, at a cost of \$8.29 per square foot in FY 2015-16 and estimated cost of \$8.44 per square foot in FY 2016-17.

Issue: R3 – Senior AAG Special Prosecution

The Department is requesting an increase of \$163,243 General Fund and 0.9 attorney FTE for the Special Prosecutions Unit in FY 2016-17 to add a senior assistant attorney general in response to an increasing workload associated with multi-jurisdictional drug trafficking and gang prosecutions.

SUMMARY:

- The Department’s Special Prosecutions Unit investigates and prosecutes a variety of complex and multi-jurisdictional crimes in conjunction with local law enforcement and prosecutorial authorities, federal partners, and task forces. The Special Prosecutions Unit currently has one senior assistant attorney general specifically dedicated to multi-jurisdiction drug trafficking cases.
- The workload associated with the prosecution of national and international drug trafficking operations is growing, in part driven by an increasing use of complex wiretap investigations requiring significant work and specific expertise.
- The Department is requesting an increase of \$163,243 General Fund and 0.9 FTE for FY 2016-17 to hire an additional senior assistant attorney general to accommodate the increasing workload associated with drug trafficking prosecutions.

RECOMMENDATION:

Staff recommends that the Committee discuss this request with the Department at the upcoming hearing, including the unit’s increasing workload and the need for additional resources going forward.

DISCUSSION:

Background

In Colorado, criminal prosecution is generally the responsibility of locally elected district attorneys. However, statute (Section 24-31-105, C.R.S.) establishes a criminal enforcement section within the Department of Law and allows the Department to prosecute criminal cases for the Attorney General. The Special Prosecutions Unit within the Department of Law directly prosecutes a variety of crimes, including multi-jurisdictional cases such as drug trafficking and human trafficking, gang activities, environmental crimes, foreign prosecutions (in which a foreign national commits a crime in Colorado and is subsequently tried in another country), and certain violent crimes prosecuted by the Violent Crime Assistance Team (VCAT).

The Special Prosecutions Unit currently has four attorneys and three investigators focused on complex crimes, with one senior assistant attorney general focused exclusively on drug trafficking cases. The Department works in conjunction with federal prosecutors, local district

JBC Staff Budget Briefing: FY 2016-17
JBC Staff Working Document – Does Not Represent Committee Decision

attorneys, and various law enforcement entities and task forces to investigate and prosecute international and national drug rings operating within Colorado.

Increasing Workload

The Department reports that the workload related to drug trafficking cases, and particularly cases involving complex wiretap investigations, has increased enough to require the support of an additional senior assistant attorney general. The Department has discussed several drivers for the increase in workload:

- The Department entered into an agreement with the United States Department of Justice, Drug Enforcement Administration (DEA), in the spring of 2014 that directs the Department to dedicate a criminal investigator within the Special Prosecution Unit to the Denver Organized Crime Drug Enforcement Task Force. The dedicated resources have allowed the task force to investigate more potential crimes, increasing the prosecution workload.
- The Department points specifically to an increase in the workload associated with complex wiretap investigations, which require specific expertise from prosecutors and investigators. The Department indicates that there are several drivers for the increase in the number of wiretaps, including the increasing use of disposable cell phones (“burners”) by drug traffickers because each new phone generally requires a new wiretap application and warrant. For example, the Department worked on four complex drug trafficking cases in calendar year 2014 with a total of 87 wiretaps used in those four cases. The efforts have been successful. For example, the 2014 cases included “Operation Chump Change,” a two year investigation that culminated in multiple arrests and the confiscation of 273 pounds of heroin in 2015. Based on the ongoing agreement with the DEA, the increase in investigative resources, and the Department’s demonstrated expertise and success in assisting major prosecutions, the Department expects the increased wiretap workload to continue. The following table shows statistics related to the number of wiretaps in Colorado for the past several years, including a spike in wiretap involvement in 2014.

Calendar Year	Wiretaps Statewide	Number of Judicial Districts	Dept. of Law Wiretaps	Law Percentage of Statewide
1997	4	3	0	0.0%
2010	102	8	17	16.7%
2011	74	7	12	16.2%
2012	91	8	11	12.1%
2013	95	8	22	23.2%
2014	185	11	87	47.0%

- The Department has also seen more multi-state marijuana activity, potentially associated with the legalization of marijuana.

In 2014, the Department supplemented the dedicated senior assistant attorney general’s efforts with assistance from two other attorneys within the Special Prosecution Unit but does not see

JBC Staff Budget Briefing: FY 2016-17
JBC Staff Working Document – Does Not Represent Committee Decision

that as a sustainable solution going forward. The Department also reports that the Special Prosecution Unit had to decline involvement in at least seven additional cases from October 2014 to October 2015 because of an inability to take on the additional work.

FY 2016-17 Request

The Department is requesting an increase of \$163,243 General Fund and 0.9 FTE in FY 2016-17 (annualizing to \$163,295 and 1.0 FTE in subsequent years) to hire an additional senior assistant attorney general to support drug trafficking prosecutions. The Department believes that the individual must have prosecuting experience, specifically including experience with wiretap investigations and the statewide grand jury. Based on those requirements, the Department is requesting funding for a midpoint salary for a senior assistant attorney general. The following table shows the components of the Department’s request (the total shown does not match the official request because staff has corrected a calculation error in the Department’s submission).

Request R3 - Senior AAG Special Prosecution				
	FY 2016-17 Request		FY 2017-18 Impact	
	GF	FTE	GF	FTE
Criminal Justice and Appellate, Special Prosecutions Unit				
Personal Services Costs				
Salary/Personal Services	\$102,223	0.9	\$111,516	1.0
PERA (10.15%)	10,376		11,319	
Medicare (1.45%)	1,482		1,617	
AED (4.4%) /1	4,907		5,353	
SAED (4.25%) /1	4,856		5,297	
STD (0.022%) /1	225		245	
Estimated HLD /1	<u>11,088</u>		<u>11,088</u>	
Subtotal, Personal Services	\$135,156	0.9	\$146,435	1.0
Operating Expenses				
Supplies (\$500)	\$500		\$500	
Computer (\$900)	900		0	
Office Suite Software (\$330)	330		0	
Office Equipment (\$8,767)	8,767		0	
Telephone (\$450/FTE)	450		450	
Cell phone (\$80 per month)	960		960	
Mileage on State Vehicle (6,000 miles)	1,272		1,272	
Hotel (4 nights/month at \$75 per night)	3,600		3,600	
Per Diem (4 nights/month at \$66)	3,168		3,168	
Litigation Expenses (\$5,000)	<u>5,000</u>		<u>5,000</u>	
Subtotal, Operating Expenses	\$24,947		\$14,950	
Total, Request R3	\$160,103	0.9	\$161,385	1.0

/1 These amounts would be addressed through centrally appropriated line items rather than within the Special Prosecutions Unit line item.

JBC Staff Budget Briefing: FY 2016-17
Staff Working Document - Does Not Represent Committee Decision

Appendix A: Number Pages

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
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DEPARTMENT OF LAW
Cynthia Coffman, Attorney General

(1) ADMINISTRATION

This section includes funding for the Attorney General, the Solicitor General, and other management staff, as well as the Department's human resources, accounting/budgeting, information technology, and legal support services units. These units are supported by General Fund and indirect cost recoveries. This section also includes central appropriations for the entire Department, including funding for employee benefits, facilities, vehicles, and information technology. Cash funds appropriations include moneys received by the Attorney General as an award of attorney fees or costs, and various other sources. Reappropriated funds derive from indirect cost recoveries and moneys transferred from a variety of other appropriations. For FY 2014-15 through FY 2016-17, federal funds are from the Medicaid Fraud Control Program. Prior years included federal funding from the Colorado Justice Review Project.

Personal Services	<u>3,074,899</u>	<u>3,361,926</u>	<u>3,687,299</u>	<u>3,821,108</u> *
FTE	38.2	37.0	45.2	46.2
General Fund	0	0	0	0
Cash Funds	0	45,985	0	0
Reappropriated Funds	3,074,899	3,315,941	3,687,299	3,821,108
Office of Community Engagement	<u>0</u>	<u>0</u>	<u>595,381</u>	<u>657,116</u> *
FTE	0.0	0.0	5.8	6.0
General Fund	0	0	580,381	642,116
Cash Funds	0	0	15,000	15,000
Health, Life, and Dental	<u>2,817,584</u>	<u>2,878,006</u>	<u>3,555,133</u>	<u>3,789,903</u>
General Fund	742,890	791,193	1,020,527	1,014,768
Cash Funds	281,594	344,575	382,756	450,192
Reappropriated Funds	1,697,754	1,642,380	2,040,181	2,234,782
Federal Funds	95,346	99,858	111,669	90,161

JBC Staff Budget Briefing: FY 2016-17
Staff Working Document - Does Not Represent Committee Decision

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
Short-term Disability	<u>60,761</u>	<u>79,509</u>	<u>84,714</u>	<u>75,164</u>	
General Fund	14,917	20,973	23,392	20,214	
Cash Funds	6,023	9,067	8,611	8,464	
Reappropriated Funds	38,675	47,051	50,245	44,602	
Federal Funds	1,146	2,418	2,466	1,884	
S.B. 04-257 Amortization Equalization Disbursement	<u>1,233,515</u>	<u>1,445,612</u>	<u>1,694,290</u>	<u>1,898,869</u>	
General Fund	298,320	381,335	467,856	510,666	
Cash Funds	120,194	164,849	172,221	213,828	
Reappropriated Funds	776,652	855,466	1,004,900	1,126,779	
Federal Funds	38,349	43,962	49,313	47,596	
S.B. 06-235 Supplemental Amortization Equalization					
Disbursement	<u>1,112,660</u>	<u>1,355,263</u>	<u>1,636,530</u>	<u>1,879,090</u>	
General Fund	268,385	357,502	451,906	505,347	
Cash Funds	108,507	154,546	166,350	211,601	
Reappropriated Funds	701,147	802,000	970,642	1,115,042	
Federal Funds	34,621	41,215	47,632	47,100	
Salary Survey for Classified Employees	<u>337,857</u>	<u>295,496</u>	<u>119,650</u>	<u>8,276</u>	
General Fund	73,571	91,353	40,723	1,861	
Cash Funds	70,627	74,976	30,754	857	
Reappropriated Funds	167,876	106,793	38,897	5,558	
Federal Funds	25,783	22,374	9,276	0	

JBC Staff Budget Briefing: FY 2016-17
Staff Working Document - Does Not Represent Committee Decision

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
Salary Survey for Exempt Employees	<u>4,115,142</u>	<u>358,827</u>	<u>965,318</u>	<u>0</u>	
General Fund	880,758	83,586	235,874	0	
Cash Funds	125,575	19,197	38,990	0	
Reappropriated Funds	3,057,736	252,482	680,763	0	
Federal Funds	51,073	3,562	9,691	0	
Merit Pay for Classified Employees	<u>153,103</u>	<u>104,360</u>	<u>114,830</u>	<u>0</u>	
General Fund	47,536	36,984	37,379	0	
Cash Funds	27,435	22,483	29,845	0	
Reappropriated Funds	65,178	36,301	39,991	0	
Federal Funds	12,954	8,592	7,615	0	
Merit Pay for Exempt Employees	<u>388,765</u>	<u>263,836</u>	<u>295,260</u>	<u>0</u>	
General Fund	90,935	62,917	71,154	0	
Cash Funds	10,972	11,284	11,730	0	
Reappropriated Funds	282,623	186,740	209,337	0	
Federal Funds	4,235	2,895	3,039	0	
Workers' Compensation	<u>74,775</u>	<u>104,477</u>	<u>83,973</u>	<u>107,511</u>	
General Fund	20,002	28,278	23,257	29,895	
Cash Funds	8,804	12,196	9,807	12,068	
Reappropriated Funds	43,798	61,053	48,580	62,628	
Federal Funds	2,171	2,950	2,329	2,920	
Attorney Registration and Continuing Legal Education	<u>98,138</u>	<u>78,930</u>	<u>129,913</u>	<u>135,280</u>	
General Fund	21,769	18,248	31,041	32,680	
Cash Funds	3,000	2,475	4,275	4,275	
Reappropriated Funds	72,525	57,604	93,528	96,900	
Federal Funds	844	603	1,069	1,425	

JBC Staff Budget Briefing: FY 2016-17
Staff Working Document - Does Not Represent Committee Decision

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
Operating Expenses	<u>190,629</u>	<u>193,457</u>	<u>206,603</u>	<u>208,144</u>	*
General Fund	0	0	0	0	
Cash Funds	0	0	0	0	
Reappropriated Funds	190,629	193,457	206,603	208,144	
Federal Funds	0	0	0	0	
Legal Services	<u>0</u>	<u>5,931</u>	<u>39,049</u>	<u>39,518</u>	
General Fund	0	5,931	19,002	19,230	
Cash Funds	0	0	20,047	20,288	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Administrative Law Judge Services	<u>4,362</u>	<u>30,254</u>	<u>6,749</u>	<u>1,609</u>	
General Fund	0	0	0	0	
Cash Funds	4,362	30,254	6,749	1,609	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Payment to Risk Management and Property Funds	<u>128,371</u>	<u>153,905</u>	<u>169,910</u>	<u>277,503</u>	
General Fund	0	0	47,059	77,162	
Cash Funds	0	0	19,845	31,148	
Reappropriated Funds	128,371	153,905	98,295	161,657	
Federal Funds	0	0	4,711	7,536	
Vehicle Lease Payments	<u>62,019</u>	<u>52,904</u>	<u>70,416</u>	<u>46,619</u>	
General Fund	18,377	22,757	34,669	21,573	
Cash Funds	19,889	10,345	7,255	6,144	
Reappropriated Funds	21,138	17,595	26,290	18,202	
Federal Funds	2,615	2,207	2,202	700	

JBC Staff Budget Briefing: FY 2016-17
Staff Working Document - Does Not Represent Committee Decision

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
Information Technology Asset Maintenance	<u>445,807</u>	<u>608,783</u>	<u>645,206</u>	<u>645,206</u>	
General Fund	21,754	171,927	174,663	174,663	
Cash Funds	63,299	55,045	75,291	75,291	
Reappropriated Funds	359,373	368,574	377,036	377,036	
Federal Funds	1,381	13,237	18,216	18,216	
Ralph L. Carr Colorado Judicial Center Leased Space	<u>2,926,487</u>	<u>2,981,368</u>	<u>3,034,238</u>	<u>3,202,517</u> *	
General Fund	760,611	804,128	840,388	890,498	
Cash Funds	359,753	348,331	354,368	359,473	
Reappropriated Funds	1,718,514	1,743,005	1,755,344	1,865,577	
Federal Funds	87,609	85,904	84,138	86,969	
Payments to OIT	<u>0</u>	<u>343,938</u>	<u>444,965</u>	<u>239,771</u> *	
General Fund	0	94,169	123,241	66,669	
Cash Funds	0	39,958	51,968	26,914	
Reappropriated Funds	0	199,951	257,417	139,676	
Federal Funds	0	9,860	12,339	6,512	
CORE Operations	<u>46,431</u>	<u>67,404</u>	<u>59,075</u>	<u>63,718</u>	
General Fund	0	0	16,362	17,718	
Cash Funds	0	0	6,898	7,152	
Reappropriated Funds	46,431	67,404	34,177	37,118	
Federal Funds	0	0	1,638	1,730	
Attorney General Discretionary Fund	<u>5,000</u>	<u>2,680</u>	<u>5,000</u>	<u>5,000</u>	
General Fund	5,000	2,680	5,000	5,000	

JBC Staff Budget Briefing: FY 2016-17
Staff Working Document - Does Not Represent Committee Decision

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
Purchase of Services from Computer Center	<u>55,762</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	55,762	0	0	0	0
Federal Funds	0	0	0	0	0
Colorado State Network	<u>166,319</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	166,319	0	0	0	0
Federal Funds	0	0	0	0	0
Communication Services Payments	<u>8,988</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	3,598	0	0	0	0
Cash Funds	2,019	0	0	0	0
Reappropriated Funds	1,226	0	0	0	0
Federal Funds	2,145	0	0	0	0
Information Technology Security	<u>2,328</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	2,328	0	0	0	0
Federal Funds	0	0	0	0	0
Leased Space	<u>27,789</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	4,580	0	0	0	0
Cash Funds	3,052	0	0	0	0
Reappropriated Funds	19,985	0	0	0	0
Federal Funds	172	0	0	0	0

JBC Staff Budget Briefing: FY 2016-17
Staff Working Document - Does Not Represent Committee Decision

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
TOTAL - (1) Administration	17,537,491	14,766,866	17,643,502	17,101,922	(3.1%)
<i>FTE</i>	<u>38.2</u>	<u>37.0</u>	<u>51.0</u>	<u>52.2</u>	<u>2.4%</u>
General Fund	3,273,003	2,973,961	4,243,874	4,030,060	(5.0%)
Cash Funds	1,215,105	1,345,566	1,412,760	1,444,304	2.2%
Reappropriated Funds	12,688,939	10,107,702	11,619,525	11,314,809	(2.6%)
Federal Funds	360,444	339,637	367,343	312,749	(14.9%)

JBC Staff Budget Briefing: FY 2016-17
Staff Working Document - Does Not Represent Committee Decision

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
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(2) LEGAL SERVICES TO STATE AGENCIES

The Department provides legal services on a fee-for-service basis to state agencies and enterprises. This section includes appropriations for the attorneys, legal assistants, and support personnel who provide these services. In most cases, the appropriations in this section are reflected as reappropriated funds because a duplicate appropriation for the purchase of legal services appears in the client agency's budget. Cash funds reflect payments the Department receives from state agencies that are not duplicated in appropriations elsewhere in the budget.

Personal Services	<u>19,442,071</u>	<u>24,312,388</u>	<u>26,790,537</u>	<u>27,145,203</u>	
FTE	228.5	243.4	260.9	260.8	
Cash Funds	0	0	0	0	
Reappropriated Funds	19,442,071	24,312,388	26,790,537	27,145,203	
Federal Funds	0	0	0	0	
Operating and Litigation	<u>1,089,188</u>	<u>1,098,715</u>	<u>1,944,996</u>	<u>1,942,517</u>	
Cash Funds	0	0	0	0	
Reappropriated Funds	1,089,188	1,098,715	1,944,996	1,942,517	
Indirect Cost Assessment	<u>3,264,492</u>	<u>3,211,050</u>	<u>3,134,783</u>	<u>3,459,161</u>	
Cash Funds	1,186,099	848,945	982,904	2,300,000	
Reappropriated Funds	2,078,393	2,362,105	2,151,879	1,159,161	
TOTAL - (2) Legal Services to State Agencies	23,795,751	28,622,153	31,870,316	32,546,881	2.1%
FTE	<u>228.5</u>	<u>243.4</u>	<u>260.9</u>	<u>260.8</u>	(0.0%)
Cash Funds	1,186,099	848,945	982,904	2,300,000	134.0%
Reappropriated Funds	22,609,652	27,773,208	30,887,412	30,246,881	(2.1%)
Federal Funds	0	0	0	0	0.0%

JBC Staff Budget Briefing: FY 2016-17
Staff Working Document - Does Not Represent Committee Decision

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
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(3) CRIMINAL JUSTICE AND APPELLATE

This division investigates and prosecutes fraud involving insurance, securities, Medicaid, and workers' compensation. It also handles foreign prosecutions, certifies peace officers, provides support to district attorneys in certain cases, and represents the state in criminal appeals. When the Department is involved in criminal appeals or in trial court criminal prosecution, this division is responsible for keeping crime victims informed about the case. Cash fund sources include moneys paid by insurance companies for the investigation and prosecution of insurance fraud, fees paid by peace officers for P.O.S.T. Board certification, the Marijuana Tax Cash Fund, and a statewide vehicle registration fee to support training for peace officers. Reappropriated funds are transferred from the Department of Regulatory Agencies and the Department of Public Safety. Federal funds are from the U.S. Department of Health and Human Services' Medicaid Fraud Control Program.

Special Prosecutions Unit	<u>3,222,813</u>	<u>3,744,427</u>	<u>4,204,018</u>	<u>4,487,792</u> *
FTE	0.0	34.9	37.8	38.7
General Fund	1,607,134	1,826,279	1,871,430	2,096,383
Cash Funds	1,054,122	1,276,824	1,641,126	1,678,836
Reappropriated Funds	561,524	641,324	691,462	712,573
Auto Theft Prevention Grant	<u>278,271</u>	<u>260,252</u>	<u>286,666</u>	<u>296,548</u>
FTE	2.3	2.0	2.0	2.0
Reappropriated Funds	278,271	260,252	286,666	296,548
Appellate Unit	<u>3,230,248</u>	<u>3,692,658</u>	<u>3,782,761</u>	<u>3,854,792</u>
FTE	37.0	37.7	39.0	38.0
General Fund	2,589,243	3,201,247	3,481,795	3,282,603
Reappropriated Funds	641,005	491,411	300,966	572,189
Medicaid Fraud Control Unit	<u>2,020,026</u>	<u>1,575,133</u>	<u>1,697,877</u>	<u>1,737,371</u>
FTE	16.6	15.8	17.0	17.0
General Fund	1,859,531	393,978	424,465	434,338
Federal Funds	160,495	1,181,155	1,273,412	1,303,033

JBC Staff Budget Briefing: FY 2016-17
Staff Working Document - Does Not Represent Committee Decision

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
Peace Officers Standards and Training Board Support	<u>2,832,236</u>	<u>4,214,878</u>	<u>5,946,971</u>	<u>5,536,725</u> *	
FTE	6.0	7.6	9.0	9.0	
Cash Funds	2,832,236	4,214,878	5,946,971	5,536,725	
Indirect Cost Assessment	<u>520,638</u>	<u>484,762</u>	<u>489,509</u>	<u>538,504</u>	
Cash Funds	263,029	257,145	261,634	287,821	
Reappropriated Funds	82,780	80,929	74,753	82,235	
Federal Funds	174,829	146,688	153,122	168,448	
Safe2Tell	<u>94,261</u>	<u>371,727</u>	<u>0</u>	<u>0</u>	
FTE	1.0	2.7	0.0	0.0	
General Fund	94,261	367,187	0	0	
Cash Funds	0	4,540	0	0	
TOTAL - (3) Criminal Justice and Appellate	12,198,492	14,343,837	16,407,802	16,451,732	0.3%
FTE	<u>62.9</u>	<u>100.7</u>	<u>104.8</u>	<u>104.7</u>	<u>(0.1%)</u>
General Fund	6,150,169	5,788,691	5,777,690	5,813,324	0.6%
Cash Funds	4,149,387	5,753,387	7,849,731	7,503,382	(4.4%)
Reappropriated Funds	1,563,580	1,473,916	1,353,847	1,663,545	22.9%
Federal Funds	335,324	1,327,843	1,426,534	1,471,481	3.2%

JBC Staff Budget Briefing: FY 2016-17
Staff Working Document - Does Not Represent Committee Decision

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
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(4) 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, the proper storage or disposal of hazardous waste, and protection of the state's air and water. Cash fund sources include the Colorado Water Conservation Board's Litigation Fund and moneys received by the Attorney General as an award of attorney fees or costs. Reappropriated funds are transferred from the Department of Public Health and Environment from the Hazardous Substance Response Fund.

Federal and Interstate Water Unit	<u>457,066</u>	<u>576,723</u>	<u>578,087</u>	<u>596,349</u>	
FTE	5.3	5.5	5.5	5.5	
General Fund	457,066	576,723	578,087	596,349	
Defense of the Colorado River Basin Compact	<u>286,873</u>	<u>334,627</u>	<u>351,685</u>	<u>428,639</u>	*
FTE	2.8	3.0	3.0	3.5	
General Fund	0	0	0	0	
Cash Funds	286,873	334,627	351,685	428,639	
Defense of the Republican River Compact	<u>221,385</u>	<u>54,826</u>	<u>110,000</u>	<u>110,000</u>	
Cash Funds	221,385	54,826	110,000	110,000	
Consultant Expenses	<u>80,735</u>	<u>118,578</u>	<u>400,000</u>	<u>400,000</u>	
Cash Funds	80,735	118,578	400,000	400,000	
Comprehensive Environmental Response, Compensation and Liability Act	<u>278,835</u>	<u>315,861</u>	<u>488,170</u>	<u>495,577</u>	
FTE	2.8	2.9	3.5	3.5	
Reappropriated Funds	278,835	315,861	488,170	495,577	

JBC Staff Budget Briefing: FY 2016-17
Staff Working Document - Does Not Represent Committee Decision

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
Comprehensive Environmental Response, Compensation and Liability Act Contracts	<u>127,924</u>	<u>0</u>	<u>100,000</u>	<u>100,000</u>	
Reappropriated Funds	127,924	0	100,000	100,000	
Natural Resource Damage Claims at Rocky Mountain Arsenal	<u>0</u>	<u>0</u>	<u>50,000</u>	<u>50,000</u>	
Cash Funds	0	0	0	0	
Reappropriated Funds	0	0	50,000	50,000	
Indirect Cost Assessment	<u>46,731</u>	<u>45,686</u>	<u>42,199</u>	<u>46,423</u>	
Reappropriated Funds	46,731	45,686	42,199	46,423	
Federal Funds	0	0	0	0	
TOTAL - (4) Water and Natural Resources	1,499,549	1,446,301	2,120,141	2,226,988	5.0%
<i>FTE</i>	<u>10.9</u>	<u>11.4</u>	<u>12.0</u>	<u>12.5</u>	<u>4.2%</u>
General Fund	457,066	576,723	578,087	596,349	3.2%
Cash Funds	588,993	508,031	861,685	938,639	8.9%
Reappropriated Funds	453,490	361,547	680,369	692,000	1.7%
Federal Funds	0	0	0	0	0.0%

JBC Staff Budget Briefing: FY 2016-17
Staff Working Document - Does Not Represent Committee Decision

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
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(5) CONSUMER PROTECTION

This section provides funding for department staff who protect Colorado consumers against fraud and enforce state and federal consumer protection, antitrust, charitable solicitation, consumer lending, and fair debt collection laws. This section also provides funding to support one attorney who is responsible for enforcing the tobacco master settlement agreements and protecting the State's interests under the settlement payment calculation provision. Cash fund sources include fees paid by regulated entities, custodial moneys awarded to the Attorney General in consumer protection lawsuits, and tobacco settlement moneys. Reappropriated funds are transferred from the Department of Regulatory Agencies for consumer protection activities related to mortgage brokers.

Consumer Protection and Antitrust	<u>1,981,645</u>	<u>2,493,524</u>	<u>2,741,172</u>	<u>2,935,399</u> *	
FTE	23.8	25.8	28.0	29.2	
General Fund	931,023	1,106,625	1,302,530	1,368,420	
Cash Funds	812,275	1,141,733	1,152,316	1,269,707	
Reappropriated Funds	238,347	245,166	286,326	297,272	
Consumer Credit Unit	<u>1,495,275</u>	<u>1,605,601</u>	<u>1,674,691</u>	<u>1,714,816</u>	
FTE	19.8	19.4	20.0	20.0	
Cash Funds	1,495,275	1,605,601	1,674,691	1,714,816	
Indirect Cost Assessment	<u>467,308</u>	<u>451,364</u>	<u>448,515</u>	<u>477,492</u>	
Cash Funds	427,253	412,205	412,344	437,701	
Reappropriated Funds	40,055	39,159	36,171	39,791	
Federal Funds	0	0	0	0	
TOTAL - (5) Consumer Protection	3,944,228	4,550,489	4,864,378	5,127,707	5.4%
FTE	<u>43.6</u>	<u>45.2</u>	<u>48.0</u>	<u>49.2</u>	<u>2.5%</u>
General Fund	931,023	1,106,625	1,302,530	1,368,420	5.1%
Cash Funds	2,734,803	3,159,539	3,239,351	3,422,224	5.6%
Reappropriated Funds	278,402	284,325	322,497	337,063	4.5%
Federal Funds	0	0	0	0	0.0%

JBC Staff Budget Briefing: FY 2016-17
Staff Working Document - Does Not Represent Committee Decision

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
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(6) SPECIAL PURPOSE

The section includes funding to cover 80 percent of the statutory minimum salary for Colorado's twenty-two district attorneys, for unanticipated legal and technology expenses, and for litigation expenses associated with significant lawsuits. Cash fund sources include tobacco settlement moneys, moneys received from State Board of Land Commissioners from its Investment and Development Fund, and moneys received by the Attorney General as an award of attorney fees or costs. Reappropriated funds are transferred from the Office of the Governor.

District Attorneys' Salaries	<u>2,676,960</u>	<u>2,697,640</u>	<u>2,718,249</u>	<u>2,738,841</u>	
General Fund	2,676,960	2,697,640	2,718,249	2,738,841	
Federal Funds	0	0	0	0	
Deputy District Attorney Training	<u>0</u>	<u>350,000</u>	<u>350,000</u>	<u>350,000</u>	
General Fund	0	350,000	350,000	350,000	
Litigation Management and Technology	<u>263,135</u>	<u>119,583</u>	<u>200,000</u>	<u>200,000</u>	
Cash Funds	263,135	119,583	200,000	200,000	
Tobacco Litigation	<u>321,831</u>	<u>612,808</u>	<u>1,250,000</u>	<u>1,250,000</u>	
General Fund	0	0	0	0	
Cash Funds	321,831	612,808	1,250,000	1,250,000	
CORA OML Attorney	<u>0</u>	<u>0</u>	<u>87,635</u>	<u>90,297</u>	
FTE	0.0	0.0	0.9	1.0	
General Fund	0	0	87,635	90,297	
Lobato Litigation Expenses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	0	0	0	0	
Reappropriated Funds	0	0	0	0	

JBC Staff Budget Briefing: FY 2016-17
Staff Working Document - Does Not Represent Committee Decision

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	Request vs. Appropriation
Lowry Range Litigation Expenses	<u>1,361,127</u>	<u>285,760</u>	<u>0</u>	<u>0</u>	
Cash Funds	1,361,127	285,760	0	0	
TOTAL - (6) Special Purpose	4,623,053	4,065,791	4,605,884	4,629,138	0.5%
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.9</u>	<u>1.0</u>	<u>11.1%</u>
General Fund	2,676,960	3,047,640	3,155,884	3,179,138	0.7%
Cash Funds	1,946,093	1,018,151	1,450,000	1,450,000	0.0%
Reappropriated Funds	0	0	0	0	0.0%
Federal Funds	0	0	0	0	0.0%
TOTAL - Department of Law	63,598,564	67,795,437	77,512,023	78,084,368	0.7%
<i>FTE</i>	<u>384.1</u>	<u>437.7</u>	<u>477.6</u>	<u>480.4</u>	<u>0.6%</u>
General Fund	13,488,221	13,493,640	15,058,065	14,987,291	(0.5%)
Cash Funds	11,820,480	12,633,619	15,796,431	17,058,549	8.0%
Reappropriated Funds	37,594,063	40,000,698	44,863,650	44,254,298	(1.4%)
Federal Funds	695,768	1,667,480	1,793,877	1,784,230	(0.5%)

Appendix B: Recent Legislation Affecting Department Budget⁶

2014 Session Bills

S.B. 14-002 (Safe2Tell Program in Department of Law): Repeals the existing Safe2Tell program, managed by a nonprofit organization, and recreates the program within the Department of Law. Specifies the terms of the transfer to the Department of Law and adds additional duties concerning training and dissemination of educational materials for school districts and law enforcement. For FY 2014-15: (1) reduces the Long Bill appropriation to the Controlled Maintenance Trust Fund by \$266,952 General Fund; and (2) appropriates \$281,952 total funds (including \$266,952 General Fund and \$15,000 cash funds) and 2.5 FTE to the Department of Law.

S.B. 14-005 (Wage Protection Act): Authorizes the Department of Labor and Employment (DOLE) to establish an administrative process to handle wage claim cases received and requires the division to investigate and adjudicate all wage claim cases up to \$7,500 per employee after January 1, 2015. For FY 2014-15, provides \$23,225 reappropriated funds to the Department of Law for the provision of legal services to the DOLE.

S.B. 14-029 (Architectural Paint Stewardship Program): Creates a statewide paint stewardship program within the Department of Public Health and Environment (DPHE) for the recycling, reuse, and disposal of post-consumer architectural paint. For FY 2014-15, provides \$9,108 reappropriated funds to the Department of Law for the provision of legal services to DPHE.

S.B. 14-099 (Provisional Physical Therapy License): Provides for provisional physical therapy licensing, to be administered by the Department of Regulatory Agencies (DORA). For FY 2014-15, provides \$18,216 reappropriated funds and 0.1 FTE to the Department of Law for the provision of legal services to DORA.

S.B. 14-123 (P.O.S.T. Board Rule Authority Training Suspensions): Authorizes the Peace Officers Standards and Training (P.O.S.T.) Board to promulgate rules for: the certification of inspectors of vehicle identification numbers; annual in-service training requirements for certified peace officers; and any rules necessary for the functions of the P.O.S.T. Board. Allows the P.O.S.T. Board to increase certification fees from \$125 to \$150. Allows the P.O.S.T. Board to make grants to nonprofit organizations. Allows the P.O.S.T. Board to deny certification to any person convicted of a municipal violation that is the equivalent of a state law violation for which denial is allowed. Increases the registration fee (P.O.S.T. fee) paid by owners of Class A, B, or

⁶ Appendix F provides a complete listing of legislation that included appropriations for departments to purchase legal services from the Department of Law for the period: FY 2011-12 through FY 2014-15.

JBC Staff Budget Briefing: FY 2016-17
JBC Staff Working Document – Does Not Represent Committee Decision

C vehicles from \$0.60 to \$1.00. For FY 2014-15, appropriates \$1,612,467 cash funds and 1.4 FTE to the Department of Law.

S.B. 14-125 (Transportation Network Companies Regulation): Authorizes the Public Utilities Commission (PUC), within the Department of Regulatory Agencies (DORA), to regulate transportation network companies, which are companies that match drivers and passengers through a digital network, such as a mobile phone application, for transportation from an agreed-upon point of origin to an agreed-upon destination. For FY 2014-15, provides \$9,108 reappropriated funds and 0.1 FTE to the Department of Law for the provision of legal services to the PUC.

S.B. 14-133 (Mandatory Licensure Private Investigators): Repeals the existing voluntary licensure program for private investigators managed by the Department of Regulatory Agencies (DORA) and replaces it with a mandatory licensure program. For FY 2014-15, provides \$9,057 reappropriated funds to the Department of Law for the provision of legal services to DORA.

S.B. 14-172 (Firefighter Heart Circulatory Malfunction Benefits): Requires any municipality, special district, fire authority, or county improvement district (employer) employing one or more firefighters to provide benefits for heart and circulatory malfunctions for full-time firefighters, as long as the state provides sufficient funding to cover the cost. For FY 2014-15, provides \$182 reappropriated funds to the Department of Law for the provision of legal services to the Department of Local Affairs (DOLA).

S.B. 14-188 (Species Conservation Trust Fund Project List): Transfers \$6.5 million from the Severance Tax Operational Fund to the Species Conservation Trust Fund in FY 2014-15. Appropriates the same amount from the Species Conservation Trust Fund to the Department of Natural Resources (DNR) for programs to conserve native species that have been listed as threatened or endangered under state or federal law, or are likely to become candidate species as determined by the United States Fish and Wildlife Services. Reappropriates \$163,944 of the authorized expenditures from the Species Conservation Trust Fund and 1.0 FTE to the Department of Law For Endangered Species Act Litigation legal expenses in FY 2014-15.

S.B. 14-215 (Disposition of Legal Marijuana Related Revenue): Creates the Marijuana Tax Cash Fund (MTCF) and directs that all sales tax moneys collected by the state starting in FY 2014-15 from retail and medical marijuana be deposited in the MTCF instead of the Marijuana Cash Fund. Specifies permissible uses of moneys in the MTCF, including the following purposes relevant to the Department of Law:

- To increase the expertise and knowledge among prosecutors and law enforcement officials regarding the legal and regulatory issues surrounding the legalization of marijuana; and
- To advance roadside impaired driving enforcement training and drug recognition expert training for peace officers.

Reduces the Long Bill appropriation to the Peace Officers Standards and Training (P.O.S.T.) Board by \$76,000 cash funds from the Marijuana Cash Fund and appropriates that amount from the MTCF. Appropriates an additional \$1,624,760 cash funds from the Marijuana Tax Cash Fund and 3.0 FTE to the Department of Law for the following purposes:

JBC Staff Budget Briefing: FY 2016-17
JBC Staff Working Document – Does Not Represent Committee Decision

- \$1,168,000 and 1.0 FTE to the P.O.S.T. Board for expanded impaired driving enforcement training and drug recognition training for peace officers; and
- \$456,760 and 2.0 FTE to the Special Prosecutions Unit to increase the expertise and knowledge among prosecutors and law enforcement officials regarding the legal and regulatory issues surrounding the legalization of marijuana.

H.B. 14-1144 (Deputy District Attorney Training): Requires the General Assembly to appropriate \$350,000 per year to the Department of Law beginning in FY 2014-15, to be transferred to the statewide organization representing district attorneys to provide prosecution training, seminars, continuing education programs, and other prosecution-related services. For FY 2014-15: (1) reduces the Long Bill appropriation to the Controlled Maintenance Trust Fund by \$350,000 General Fund; and (2) appropriates \$350,000 General Fund to the Department of Law.

H.B. 14-1199 (Consumer Goods Service Contracts Regulatory Changes): Provides for changes to the regulation of consumer goods service contracts based on the model act of the National Association of Insurance Commissioners. For FY 2014-15, provides \$3,643 reappropriated funds to the Department of Law for the provision of legal services to the Department of Regulatory Agencies (DORA).

H.B. 14-1202 (Local Accountability Requirements for School Districts): Creates the Standards and Assessment Task Force to study how the statewide assessment system is administered, how data are used, and the impact of statewide student assessments on local testing systems, instructional time, and administrative workload for school districts and public schools. For FY 2014-15, provides \$20,000 reappropriated funds to the Department of Law for the provision of legal services to the Department of Education (DOE).

H.B. 14-1227 (Sunset Review: Continue Dental Examiners Board): Continues the State Board of Dental Examiners as the Colorado Dental Board until September 1, 2023. For FY 2014-15, provides \$56,925 reappropriated funds and 0.3 FTE to the Department of Law for the provision of legal services to the Department of Regulatory Agencies (DORA).

H.B. 14-1240 (Supplemental Bill): Supplemental appropriations to the Department of Law to modify FY 2013-14 appropriations included in the FY 2013-14 Long Bill (S.B. 13-230).

H.B. 14-1319 (Outcomes-based Funding for Higher Education): Creates a new mechanism for allocating state funds to institutions of higher education. For FY 2014-15, provides \$18,216 reappropriated funds to the Department of Law for the provision of legal services to the Department of Higher Education (DHE).

H.B. 14-1328 (Connect Colorado Broadband Act): Creates the 16-member Broadband Deployment Board (BDB) in the Department of Regulatory Agencies (DORA) and the Broadband Fund, administered by the BDB, from which grants are awarded for broadband development in unserved areas of the state. For FY 2014-15, provides \$55,471 total funds (including \$27,324 cash funds and \$28,417 reappropriated funds) and 0.4 FTE to the Department of Law for the provision of legal services to DORA.

H.B. 14-1329 (Deregulate Internet Protocol Emerging Technology Telecommunications): Deregulates certain telecommunication products, services, and providers and modifies the regulatory authority of the Colorado Public Utilities Commission (PUC) within the Department of Regulatory Agencies (DORA). For FY 2014-15, provides \$18,216 reappropriated funds and 0.1 FTE to the Department of Law for the provision of legal services to DORA.

H.B. 14-1331 (Regulate Basic Local Exchange Service): Modifies the statutory framework for the regulation of local telephone service. For FY 2014-15, provides a total of \$105,653 reappropriated funds and 0.6 FTE to the Department of Law for the provision of legal services to the Department of Regulatory Agencies (DORA).

H.B. 14-1336 (Long Bill): General appropriations act for FY 2014-15.

H.B. 14-1380 (Colorado Coroners Standards and Training Board): Makes changes to the Colorado Coroners Standards and Training Board within the Department of Public Health and Environment (DPHE). For FY 2014-15, provides \$3,643 cash funds from the Coroners Training Fund to the Department of Law for the provision of legal services to DPHE.

H.B. 14-1398 (Authorize Marijuana Financial Service): Allows for the creation and regulation of marijuana financial services cooperatives, to be regulated by the Division of Financial Services in the Department of Regulatory Agencies (DORA). For FY 2014-15, provides a total of \$14,573 reappropriated funds to the Department of Law for the provision of legal services to DORA.

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.

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).

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).

S.B. 15-152 (Supplemental Bill): Supplemental appropriations to the Department of Law to modify FY 2014-15 appropriations included in the FY 2014-15 Long Bill (H.B. 14-1336).

JBC Staff Budget Briefing: FY 2016-17
JBC Staff Working Document – Does Not Represent Committee Decision

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.

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.

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.

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.

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.

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.

JBC Staff Budget Briefing: FY 2016-17
JBC Staff Working Document – Does Not Represent Committee Decision

Appropriations to Department of Law That Are Contingent on Voter Approval		
Division and Line Item	Fund Source	Dollar Amount
<u>Criminal Justice and Appellate</u>		
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	<u>2,835</u>
Total Appropriations		\$202,835

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.

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.

Appendix C: **Update on Long Bill Footnotes & Requests for Information**

Long Bill Footnotes

- 39 Department of Law, Legal Services to State Agencies** -- In making this appropriation, it is the intent of the General Assembly that hourly billing rates charged by the Department for legal services to state agencies not exceed \$97.95 per hour for attorneys and not exceed \$78.85 per hour for legal assistants, which equates to a blended rate of \$95.01 per hour.

Comment: As expected, the Department is billing client agencies at the stated rates.

- 40 Department of Law, Special Purpose, Litigation Management** -- It is the intent of the General Assembly to grant the Department of Law additional flexibility by allowing the Department to use moneys appropriated in this line item to address unanticipated state legal needs that arise during FY 2015-16. It is also the intent of the General Assembly that moneys spent from this line item shall not require the appropriation of additional FTE and will not be used for any type of salary increase, promotion, reclassification, or bonus related to any present or future FTE employed by the Department of Law. It is furthermore the intent of the General Assembly that moneys spent from this line item will not be used to offset present or future personal services deficits in any division in the Department.

Comment: The Department is complying with this footnote.

Background Information on the Litigation Management and Technology appropriation. This line item was added to the Long Bill in FY 1994-95 to pay for unanticipated legal costs that arise over the course of the fiscal year (especially when the General Assembly is not in session), and technology costs that would otherwise require a General Fund appropriation. This appropriation has reduced the need for legal services supplemental requests related to the Legal Services to State Agencies program (LSSA) and other unanticipated litigation.

Moneys for this appropriation come from two sources:

1. Excess revenues earned by the LSSA program during the previous fiscal year and retained in the Legal Services Cash Fund pursuant to H.B. 12-1248 (a Joint Budget Committee bill which created the Legal Services Cash Fund). This line item appropriation allows the Department to retain and roll forward a portion of any excess revenues to the next fiscal year. Please note that excess earnings fluctuate substantially from year to year and the amount is not known with certainty until after the close of the fiscal year. The following table provides a history of excess LSSA revenues, and the portion that reverted to the General Fund.

JBC Staff Budget Briefing: FY 2016-17
JBC Staff Working Document – Does Not Represent Committee Decision

Excess Legal Services to State Agencies (LSSA) Revenues					
Fiscal Year	Excess LSSA Revenues Earned	Excess Revenues as Percent of Total LSSA Revenues	Fiscal Year	Expenditures of Excess LSSA Revenues	Excess LSSA Revenues Credited to the General Fund
2005-06	\$532,673	2.8%	2006-07	(\$180,221)	\$352,452
2006-07	362,515	1.8%	2007-08	(216,577)	145,938
2007-08	267,456	1.2%	2008-09	(267,456)	0
2008-09	496,834	2.0%	2009-10	(145,258)	351,576
2009-10	367,965	1.5%	2010-11	(262,256)	105,709
2010-11	491,912	1.9%	2011-12	(250,894)	241,018
2011-12	93,489	0.3%	2012-13	93,489	0
2012-13	16	0.0%	2013-14	0	n/a
2013-14	681,382	2.1%	2014-15	0	n/a
2014-15	3,355,613	8.8%	2015-16	n/a	n/a

2. Various court awards that are deposited into the Attorneys Fees and Costs Account, which is established in Section 24-31-108 (2), C.R.S. This account consists of any moneys received by the Attorney General as an award of attorney fees or costs that are not considered custodial moneys. Moneys in the Account are subject to annual appropriation by the General Assembly for legal services provided by the Department. For purposes of this appropriation, this source of funding serves as a backup, filling in the remainder of the appropriation to the Litigation Management and Technology appropriation when excess LSSA earnings come up short. The following table details revenues and expenditures for this account.

Attorney Fees and Costs Account				
Fiscal Year	Beginning Fund Balance	Revenues	Expenditures	Ending Fund Balance
2005-06	\$208,794	\$23,276	(\$100,477)	\$131,593
2006-07	131,593	244,420	(71,333)	304,680
2007-08	304,680	267,118	(142,251)	429,547
2008-09	429,547	105,671	(94,595)	440,623
2009-10	440,623	202,185	(54,021)	588,787
2010-11	588,787	123,861	(22,417)	690,231
2011-12	690,231	442,207	(7,426)	1,125,012
2012-13	1,125,012	438,169	(385,881)	1,177,299
2013-14	1,177,299	191,126	(263,135)	1,105,290
2014-15	1,105,290	805,396	(119,583)	1,791,104

Any excess legal services revenues that are earned in FY 2015-16 will be retained in the Legal Services Cash Fund. In order to provide the Department flexibility to spend those revenues, the FY 2016-17 Long Bill appropriation for this line item will consist of two

JBC Staff Budget Briefing: FY 2016-17
JBC Staff Working Document – Does Not Represent Committee Decision

fund sources: excess revenues credited to the Legal Services Cash Fund in FY 2015-16 and various court awards that are deposited into the Attorneys Fees and Costs Account.

Expenditure Update. The Department has been utilizing the spending authority provided through the Litigation Management (formerly Litigation Management and Technology) appropriation in the manner designated in this footnote. The Department’s budget request reflects actual expenditures for this line item in FY 2013-14 and FY 2014-15. The majority of the expenditures reported for FY 2013-14 were related to the purchase of information technology equipment and software and grand jury document scanning. The majority of expenditures for FY 2014-15 were related to internal and contracted legal analysis and litigation support.

Requests for Information

Requests Applicable to Department of Law Only

1. Department of Law, Criminal Justice and Appellate, Appellate Unit -- The Department is requested to provide by November 1, 2015, a report concerning the Appellate Unit's progress in reducing its case backlog, including the following data for FY 2014-15: the number of opening briefs received; the number of answer briefs filed; the number of cases resolved through the expedited docket; and the case backlog as of June 30, 2015. 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.

Comment: The Department provided the report on October 30, 2015.

Case Backlog

The case backlog decreased from 564 cases at the end of FY 2012-13 to 272 at the end of FY 2013-14, a reduction of 292 cases (51.8 percent). At the end of FY 2014-15, the backlog stood at 168 cases, a reduction of 396 cases (70.2 percent) since FY 2012-13 and 104 cases (35.6 percent) since FY 2013-14. This represents a reduction of 440 cases from the backlog’s peak of 608 cases at the end of FY 2011-12. The following table summarizes the relevant data for each year since FY 2010-11.

Appellate Unit Data: FY 2010-11 to FY 2014-15					
	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15
	Actual	Actual	Actual	Actual	Actual
Opening Briefs Received	1,050	1,171	1,018	911	952
Answer Briefs Filed	1,021	894	885	1,149	1,017
Cases Resolved Via Expedited Docket*	62	64	72	62	35
Cases Resolved Via Experimental Docket**	0	1	91	87	0
Case Backlog	398	608	564	272	168

JBC Staff Budget Briefing: FY 2016-17
JBC Staff Working Document – Does Not Represent Committee Decision

Appellate Unit Data: FY 2010-11 to FY 2014-15					
	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15
	Actual	Actual	Actual	Actual	Actual
Change in Case Backlog	(36)	210	(44)	(292)	(104)

*The Court of Appeals terminated the expedited docket in the fall of 2014 and all of the cases on the expedited docket were resolved by the end of FY 2014-15.

**The experimental docket started in April 2012. The Court of Appeals terminated the experimental docket as of December 31, 2013, and all cases on that docket were resolved by the end of FY 2013-14.

The Department attributes the decrease in the backlog to a lower number of initial cases compared to the average over the past several years, the use of the expedited and experimental dockets, and the efforts of the unit’s staff, including the 6.0 new appellate attorney FTE that the General Assembly approved for FY 2013-14 (please note that the Department’s request eliminates 1.0 attorney FTE in FY 2016-17, as anticipated in the FY 2013-14 decision item. The Department’s response notes that because the Court of Appeals has eliminated both the expedited docket and the experimental docket, all cases now receive a full briefing.

The Department’s response raises two concerns about the prognosis for future reductions to the Appellate backlog. First, the elimination of the expedited and experimental dockets requires a full briefing for all cases, increasing attorney time for cases that would formerly have been eligible for the streamlined dockets. Second, the FY 2014-15 budget added eleven appellate positions in the Office of the State Public Defender (OSPD). The Department anticipates additional workload generated by the new staff at OSPD that will impact the Department’s ability to keep pace with current cases and/or reduce the backlog.

Interagency Working Group on Postconviction Appeals

The working group includes members from the Judicial Branch, the Attorney General’s Office, the Public Defender’s Office, and the Office of Alternative Defense Counsel. The Department reports that the group has agreed that the Judicial Branch would propose a decision item for a statewide pilot project for expediting postconviction appeals in several judicial districts. The proposal has been delayed by the departure of specific individuals in the Judicial Department, and the working group has not been able to complete the proposal for the FY 2016-17 budget process.

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.

JBC Staff Budget Briefing: FY 2016-17
JBC Staff Working Document – Does Not Represent Committee Decision

Comment: The Department plans to include as part of its statutorily required January 2016 report the requested information about expenditures and recoveries related to the Unit's criminal investigations.

Appendix D: SMART Act Annual Performance Report

Pursuant to Section 2-7-205 (1) (b), C.R.S., the Department of Law is required to publish an Annual Performance Report by November 1 of each year. This report is to include a summary of the Department's performance plan and most recent performance evaluation. For consideration by the Joint Budget Committee in prioritizing the Department's budget request, the FY 2014-15 report dated November 1, 2015, can be found at the following link:

<https://www.coloradoattorneygeneral.gov/sites/default/files/uploads/budgets/SMARTActDocuments/DepartmentofLawNov12015PerformanceReport.pdf>

Pursuant to Section 2-7-204 (3) (a) (I), C.R.S., the Department of Law is required to develop a performance plan and submit that plan to the Joint Budget Committee and appropriate Joint Committee of Reference by July 1 of each year. For consideration by the Joint Budget Committee in prioritizing the Department's budget request, the FY 2015-16 plan dated July 1, 2015, can be found at the following link:

http://www.coloradoattorneygeneral.gov/sites/default/files/uploads/BL/Administration/Budget/SMARTAct/DOL_SMART_Strategic_Plan_Final.pdf

JBC Staff Budget Briefing: FY 2016-17
Staff Working Document - Does Not Represent Committee Decision

Appendix E: Recent Legislation Impacting Legal Services to State Agencies (FY 2012-13 to FY 2015-16)

Department Bill (Description)	FY 2012-13		FY 2013-14		FY 2014-15		FY 2015-16	
	Approp. to LSSA /1	Original Funding Source						
APPROPRIATION/ BUDGET BILLS:								
Long Bill Appropriation for Legal Services to State Agencies' section (excludes central appropriations)	25,131,930		26,129,383		30,644,538		31,710,423	
Supplemental Bill(s)	477,711		982,777		810,595			
S.B. 11-076 (PERA contribution rates)								
SUBTOTAL: Appropriation/ Budget Bills	25,609,641		27,112,160		31,455,133		31,710,423	
SEPARATE LEGISLATION:								
Agriculture								
S.B. 13-241 (Registration of Industrial Hemp Growers)			13,905	GF				
S.B. 15-196 (Industrial Hemp Certified Seed Concentration Test)							3,780	CF
H.B. 15-1367 (Retail Marijuana Taxes)							<u>24,703</u>	CF
Subtotal			13,905				28,483	
Corrections								
None								
Education								
H.B. 14-1202 (Local Accountability Requirements for School Districts)					20,000	GF		
Governor-Lt. Governor-State Planning and Budgeting								
None								
Health Care Policy and Financing								
S.B. 13-200 (Expand Medicaid Eligibility)			24,910	CF				
Higher Education								
H.B. 14-1319 (Outcomes-based Funding for Higher Education)					18,216	GF		
Human Services								
None								
Judicial Branch								
None								
Labor and Employment								
H.B. 13-1292 (Keep Jobs in Colorado Act)			34,762	GF				

JBC Staff Budget Briefing: FY 2016-17
Staff Working Document - Does Not Represent Committee Decision

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Department Bill (Description)	FY 2012-13		FY 2013-14		FY 2014-15		FY 2015-16	
	Approp. to LSSA /1	Original Funding Source	Approp. to LSSA /1	Original Funding Source	Approp. to LSSA /1	Original Funding Source	Approp. to LSSA /1	Original Funding Source
S.B. 14-005 (Wage Protection Act) S.B. 15-239 (Transfer Vocational Rehab from DHS to CDLE)					23,225	GF	18,902	GF
Law None								
Legislative Branch None								
Local Affairs S.B. 14-172 (Firefighter Heart Circulatory Malfunction Benefits) H.B. 15-1367 (Retail Marijuana Taxes)					182	CF	1,890	CF
Military and Veterans Affairs None								
Natural Resources H.B. 12-1330 (Hunting/Fishing License Suspension) S.B. 14-188 (Species Conservation Trust Fund Project List)	3,028	CF			163,944	CF		
Personnel and Administration H.B. 13-1292 (Keep Jobs in Colorado Act)			11,588	GF				
Public Health and Environment S.B. 13-219 (Methamphetamine Laboratory Remediation) S.B. 14-029 (Architectural Paint Stewardship Program) H.B. 14-1380 (Coroners Standards and Training Board) Subtotal			15,450	CF		9,108 3,643	CF CF	
Public Safety S.B. 13-083 (Creation of Prescribed Burn Program)			4,635	FF				
Regulatory Agencies H.B. 12-1300 (Sunset: Professional Review Committee) H.B. 12-1303 (Certify Speech-language Pathologists) H.B. 12-1311 (Sunset: Pharmacy Board) S.B. 13-014 (Use of Opiate Antagonists) S.B. 13-026 (Update Michael Skolnik Medical Transparency Act)	2,271 16,656 23,092	CF CF CF			2,318 7,725	CF CF		

JBC Staff Budget Briefing: FY 2016-17
Staff Working Document - Does Not Represent Committee Decision

Appendix E: Recent Legislation Impacting Legal Services to State Agencies (FY 2012-13 to FY 2015-16)

Department Bill (Description)	FY 2012-13		FY 2013-14		FY 2014-15		FY 2015-16	
	Approp. to LSSA /1	Original Funding Source						
S.B. 13-039 (Regulation of Audiologists)			11,294	CF				
S.B. 13-151 (Sunset: Regulation of Massage Therapists)			21,244	CF				
S.B. 13-162 (Sunset: Examining Board of Plumbers)			5,794	CF				
S.B. 13-172 (Sunset: Regulation of Acupuncturists)			5,021	CF				
S.B. 13-180 (Sunset: Regulation of Occupational Therapists)			12,746	CF				
S.B. 13-207 (Auricular Acudetox)			6,180	CF				
S.B. 13-221 (Conservation Easement Tax Credit Certification Application)			69,525	CF				
S.B. 13-238 (Regulation of Hearing Aid Providers)			5,794	CF				
H.B. 13-1111 (Regulation of Naturopathic Doctors)			16,995	CF				
S.B. 14-099 (Provisional Physical Therapy License)					18,216	CF		
S.B. 14-125 (Transportation Network Companies Regulation)					9,108	CF		
S.B. 14-133 (Mandatory Licensure Private Investigators)					9,057	CF		
H.B. 14-1199 (Consumer Goods Service Contracts Regulation Changes)					3,643	CF		
H.B. 14-1227 (Sunset: Dental Examiners Board)					56,925	CF		
H.B. 14-1328 (Connect Colorado Broadband Act)					55,741	CF		
H.B. 14-1329 (Deregulate Internet Protocol Emerging Technology Telecommunications)					18,216	CF		
H.B. 14-1331 (Regulate Basic Local Exchange Service)					105,653	CF		
H.B. 14-1398 (Authorize Marijuana Financial Service)					14,573	GF		
S.B. 15-106 (Sunset Barber and Cosmetologist Act)							8,506	CF
S.B. 15-110 (Sunset Mortuary Science Regulation)							4,726	CF
H.B. 15-1309 (Protective Restorations by Dental Hygienists)							<u>7,426</u>	CF
Subtotal	42,019		164,636		291,132		20,658	
Revenue								
S.B. 13-251 (Driver's License and Identification Documentation)			7,725	GF				

JBC Staff Budget Briefing: FY 2016-17
Staff Working Document - Does Not Represent Committee Decision

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Department Bill (Description)	FY 2012-13		FY 2013-14		FY 2014-15		FY 2015-16	
	Approp. to LSSA /1	Original Funding Source						
H.B. 13-1317 (Implementation of Amendment 64 - Majority Recommendations)			70,684	CF				
S.B. 15-014 (Medical Marijuana)							56,706	CF
H.B. 15-1379 (Marijuana Permitted Economic Interest)							33,254	CF
Subtotal			78,409				89,960	
State								
None								
Transportation								
None								
Treasury								
None								
SUBTOTAL: Separate legislation	45,047		348,295		529,450		159,893	
Number of Bills	4		19		16		10	
TOTAL	25,654,688		27,460,455		31,984,583		31,870,316	
Total FTE Appropriated	241.5		252.0		258.2		260.9	

1/ This table lists appropriations to the Department of Law for the Legal Services to State Agencies section (which excludes centrally appropriated line items such as employee benefits and leased space), as well as appropriations to other state agencies in separate legislation for the purchase of legal services from the Department of Law. The fiscal impacts of the above bills on each department's need for legal services in subsequent fiscal years are reflected in the annual Long Bill appropriations at the top of the table. This table excludes acts that included appropriations impacting other divisions within the Department of Law.

JBC Staff Budget Briefing: FY 2016-17
Staff Working Document - Does Not Represent Committee Decision

Appendix F: FY 2015-16 Appropriations for the Purchase of Legal Services from the Department of Law, by Agency

Department/ Line Item	Hours Per Appropriation/ Fiscal Note				Non-appropriated Sources	Total Client Agency Funds
		General Fund	Cash Funds	Reapprop. Funds		
Agriculture						
Commissioner's Office and Administrative Services, Legal Services	4,653.0	\$148,412	\$278,670		\$15,000	\$442,082
Colorado State Fair, Program Costs	180.0		17,102			17,102
S.B. 15-196	40.0		3,780			3,780
H.B. 15-1367	<u>260.0</u>		<u>24,703</u>			<u>24,703</u>
Agriculture - Total	5,133.0	148,412	324,255		15,000	487,667
Corrections						
Services	19,753.0	1,812,981	63,752			1,876,733
Education						
Management and Administration, Administration and Centrally-Appropriated Line Items, Legal Services	<u>6,071.0</u>	<u>264,318</u>	<u>293,486</u>	<u>19,002</u>		<u>576,806</u>
Education - Total	6,071.0	264,318	293,486	19,002		576,806
Governor						
Office of the Governor, Special Purpose, Legal Services (general)	5,051.0	351,781		128,115		479,896
Colorado Energy Office, Legal Services	1,100.0		70,135		34,376	104,511
Office of Information Technology, Management and Administration of OIT, Legal Services	<u>489.0</u>			<u>46,460</u>		<u>46,460</u>
Governor - Total	6,640.0	351,781	70,135	174,575	34,376	630,867
Health Care Policy and Financing						
Executive Director's Office, General Administration, Legal Services	<u>14,406.0</u>	<u>442,869</u>	<u>241,489</u>		<u>684,356</u>	<u>1,368,714</u>
Health Care Policy and Financing - Total	14,406.0	442,869	241,489		684,356	1,368,714
Higher Education						
Department Administrative Office, Legal Services	448.0		11,747	30,818		42,565
Estimated legal services purchased by institutions	<u>10,313.0</u>				<u>979,838</u>	<u>979,838</u>
Higher Education - Total	10,761.0	0	11,747	30,818	979,838	1,022,403
Human Services						
Executive Director's Office, General Administration, Legal Services	18,439.0	1,672,032	79,857			1,751,889
Judicial Branch						
Courts Administration, Central Appropriations, Legal Services	2,000.0	190,020				190,020

JBC Staff Budget Briefing: FY 2016-17
Staff Working Document - Does Not Represent Committee Decision

Appendix F: FY 2015-16 Appropriations for the Purchase of Legal Services from the Department of Law, by Agency

Department/ Line Item	Hours Per Appropriation/ Fiscal Note	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	Non- appropriated Sources	Total Client Agency Funds
Office of the Respondent Parents' Counsel	500.0	47,505					47,505
Independent Ethics Commission, Legal Services	<u>1,800.0</u>	<u>171,018</u>					<u>171,018</u>
Judicial - Total	4,300.0	408,543					408,543
Labor and Employment							
Executive Director's Office, Legal Services	8,415.0	76,486	184,908		538,115		799,509
Division of Workers' Compensation, Major Medical Insurance and Subsequent Injury Funds, Major Medical Legal Services	100.0		9,501				9,501
Division of Workers' Compensation, Major Medical Insurance and Subsequent Injury Funds, Subsequent Injury Legal Services	100.0		9,501				9,501
S.B. 15-239	<u>199.0</u>	<u>18,902</u>					<u>18,902</u>
Labor - Total	8,814.0	95,388	203,910	0	538,115	0	837,413
Law	<u>411.0</u>	<u>19,002</u>	<u>20,047</u>				<u>39,049</u>
Law - Total	411.0	19,002	20,047	0	0	0	39,049
Legislative Branch							
General Assembly, Legal Services	188.0	17,862					17,862
Local Affairs							
Executive Director's Office, Legal Services	1,790.0	154,583	7,832	2,142	5,511		170,068
H.B. 15-1367	<u>20.0</u>		<u>1,890</u>				<u>1,890</u>
Local Affairs - Total	1,810.0	154,583	9,722	2,142	5,511	0	171,958
Military and Veterans Affairs							
Executive Director and Army National Guard	110.0	10,451					10,451
Natural Resources							
Executive Director's Office, Legal Services	<u>50,972.0</u>	<u>1,242,161</u>	<u>3,487,568</u>	<u>49,595</u>	<u>63,526</u>		<u>4,842,850</u>
Natural Resources - Total	50,972.0	1,242,161	3,487,568	49,595	63,526	0	4,842,850
Personnel							
Services	2,563.0	177,061	11,267	55,183			243,511
Division of Human Resources, Risk Management Services, Liability Legal Services	29,553.0			2,807,823			2,807,823
Division of Human Resources, Risk Management Services, Workers' Compensation Legal Services	16,359.0			1,554,269			1,554,269

JBC Staff Budget Briefing: FY 2016-17
Staff Working Document - Does Not Represent Committee Decision

Appendix F: FY 2015-16 Appropriations for the Purchase of Legal Services from the Department of Law, by Agency

Department/ Line Item	Hours Per Appropriation/ Fiscal Note						Total Client Agency Funds
		General Fund	Cash Funds	Reapprop. Funds	Federal Funds	Non-appropriated Sources	
Constitutionally Independent Entities, Personnel Board, Legal Services	<u>330.0</u>						<u>31,353</u>
Personnel and Administration - Total	48,805.0	208,414	11,267	4,417,275	0	0	4,636,956
PERA							
Estimated legal services purchased by PERA	29.0					2,755	2,755
Public Health and Environment							
Administration and Support, Administration, Legal Services	28,427.0			2,700,849			2,700,849
Toxicology Unit Legal Services	265.0	25,178					25,178
Hazardous Materials and Waste Management Division, Administration, Legal Services	5,232.0		342,352	455	154,285		497,092
Hazardous Materials and Waste Management Division, Contaminated Site Cleanups and Remediation Programs, Rocky Flats Legal Services	<u>275.0</u>				<u>26,128</u>		<u>26,128</u>
Public Health and Environment - Total	34,199.0	25,178	342,352	2,701,304	180,413		3,249,247
Public Safety							
Executive Director's Office, Administration, Legal Services	<u>4,005.0</u>	<u>16,138</u>	<u>215,264</u>	<u>149,113</u>	<u>0</u>		<u>380,515</u>
Public Safety - Total	4,005.0	16,138	215,264	149,113	0		380,515
Regulatory Agencies							
Executive Director's Office and Administrative Services, Legal Services	109,858.0	206,764	9,946,384	103,547	180,955		10,437,650
S.B. 15-106	90.0		8,506				8,506
S.B. 15-110	50.0		4,726				4,726
H.B. 15-1309	<u>78.6</u>		<u>7,426</u>				<u>7,426</u>
Regulatory Agencies - Total	110,076.6	206,764	9,967,042	103,547	180,955		10,458,308
Revenue							
Executive Director's Office, Legal Services (includes Gaming and Lottery)	43,087.0	2,494,963	1,598,733				4,093,696
S.B. 15-014	600.0		56,706				56,706
H.B. 15-1379	<u>350.0</u>		<u>33,254</u>				<u>33,254</u>
Revenue - Total	44,037.0	2,494,963	1,688,693	0	0	0	4,183,656

JBC Staff Budget Briefing: FY 2016-17
Staff Working Document - Does Not Represent Committee Decision

Appendix F: FY 2015-16 Appropriations for the Purchase of Legal Services from the Department of Law, by Agency

Department/ Line Item	Hours Per Appropriation/ Fiscal Note						Non-appropriated Sources	Total Client Agency Funds
		General Fund	Cash Funds	Reapprop. Funds	Federal Funds			
State								
Administration, Legal Services	5,300.0		503,553				503,553	
Transportation								
Administration	6,580.0		625,166				625,166	
Construction, Maintenance, and Operations	<u>9,852.0</u>		<u>936,039</u>				<u>936,039</u>	
Transportation - Total	16,432.0		1,561,205				1,561,205	
Treasury								
Administration, Legal Services	575.0	27,316	27,315				54,631	
GRAND TOTAL	411,266.6	\$9,619,156	\$19,032,699	\$7,647,371	\$1,702,252	\$982,593	\$39,074,031	
		24.6%	48.7%	19.6%	4.4%	2.5%	100.0%	
Legislation Other Than Long Bill	1,688	\$18,902	\$140,991	\$0	\$0	\$0	\$159,893	
LONG BILL ONLY	409,579.0	\$9,600,254	\$18,891,708	\$7,647,371	\$1,702,252	\$982,593	\$38,914,138	
		24.7%	48.5%	19.7%	4.4%	2.5%	100.0%	

JBC Staff Budget Briefing: FY 2016-17
Staff Working Document - Does Not Represent Committee Decision

Appendix G: Hours of Legal Services Provided, by Agency (FY 2005-06 to FY 2015-16)

Hours of Legal Services Provided to State Agencies, by Agency											FY 15-16 (Approp./ Estim.)
DEPARTMENT	FY 05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	
Regulatory Agencies	81,361	84,589	90,369	98,008	99,427	100,781	95,895	94,212	96,755	99,183	110,077
Natural Resources	38,521	37,763	40,010	41,237	43,305	44,614	43,856	45,423	50,353	51,430	50,972
Revenue	8,943	11,133	12,630	12,789	12,836	23,227	37,466	35,215	36,795	39,408	44,037
Personnel	39,831	38,261	41,171	34,711	31,710	35,295	34,336	31,354	39,410	44,079	48,805
Public Health and Environment	24,462	23,608	26,495	28,816	28,245	27,475	29,745	31,103	30,845	29,410	34,199
Human Services	20,663	20,416	19,849	21,072	21,015	19,639	18,862	18,471	18,982	22,022	18,439
Transportation	17,159	16,467	16,902	18,242	15,846	14,894	15,143	12,392	13,875	15,000	16,432
Corrections	15,508	13,830	11,748	14,619	18,647	14,619	13,337	16,451	13,800	20,367	19,753
Health Care Policy and Financing	11,642	11,132	10,249	11,682	10,147	10,982	11,885	11,198	10,152	11,605	14,406
Higher Education	11,549	11,475	10,142	13,402	13,114	12,879	13,002	11,875	11,794	12,547	10,761
Labor and Employment	7,144	7,125	7,926	8,338	8,169	8,881	9,406	7,498	7,007	8,382	8,814
State	3,034	4,963	4,125	3,066	4,187	5,058	6,645	3,700	3,179	3,275	5,300
Governor	1,509	1,718	1,268	2,653	6,442	15,003	9,292	5,552	10,113	4,322	6,640
Education	4,792	4,827	4,786	5,712	4,610	4,080	3,685	3,142	4,799	6,552	6,071
Agriculture	3,079	3,460	4,315	4,501	4,129	3,841	4,712	4,325	5,508	4,824	5,133
Judicial Branch	3,990	2,838	2,698	2,949	2,458	1,700	2,145	2,309	3,025	3,057	4,300
Public Safety	1,971	2,040	1,953	2,146	1,682	2,161	3,856	4,156	4,375	3,717	4,005
Local Affairs	1,427	1,671	2,462	980	1,917	1,657	1,493	1,588	1,613	1,538	1,810
Treasury	576	599	756	1,220	1,675	1,635	2,186	1,697	1,051	1,068	575
Legislative Branch	225	55	264	152	106	98	66	70	19	34	188
Military and Veterans Affairs	107	24	15	43	131	510	124	78	17	44	110
PERA	27	10	5	13	29	2	2	7	7	0	29
Law	<u>521</u>	<u>289</u>	<u>249</u>	<u>227</u>	<u>77</u>	<u>154</u>	<u>0</u>	<u>0</u>	<u>129</u>	<u>132</u>	<u>411</u>
GRAND TOTAL	298,041	298,291	310,387	326,576	329,907	349,184	357,139	341,814	363,602	381,996	411,267
Annual change	5,082	250	12,096	16,189	3,331	19,277	7,955	(15,325)	21,788	18,394	29,271
Annual % change	1.7%	0.1%	4.1%	5.2%	1.0%	5.8%	2.3%	-4.3%	6.4%	5.1%	8.1%