

# MEMORANDUM



## JOINT BUDGET COMMITTEE

TO Joint Budget Committee  
FROM Eric Kurtz, JBC Staff (303-866-4952)  
DATE June 19, 2019  
SUBJECT "(M)" and "(H)" notes

---

Some line items in the Long Bill include notations, “(M)” and “(H)” notes, that make General Fund appropriations contingent on federal matching funds. The “(M)” and “(H)” note restrictions are not currently being enforced in a manner consistent with the instructions in the headnotes to the Long Bill. However, due to interactions between the “(M)” and “(H)” notes and statutes governing overexpenditures, proper enforcement of the “(M)” and “(H)” notes might not result in a desirable policy outcome. This memo provides background on the “(M)” and “(H)” notes and recommendations for changes for the 2020 legislative session.

This memo is being presented at the June meeting in part because the fiscal year is not yet closed and there is theoretically time to implement some stricter controls to improve enforcement for FY 2018-19, although the JBC staff is not recommending that course of action. Also, this is a technical issue that might be difficult to find time to consider after the Governor's November 1 budget request is submitted.

### “(M)” AND “(H)” NOTE DEFINITIONS AND PURPOSE

The headnotes to the Long Bill explain that when an “(M)” appears next to a General Fund appropriation, then the General Fund is being used to match federal funds, and if the actual federal funds received is more or less than the amount that appears in the Long Bill for that line item, then the General Fund spending authority is reduced. The rarely used “(H)” note works the same as the “(M)” note, but for cash or reappropriated funds.

Legislators and executive branch staff are sometimes surprised that the “(M)” and “(H)” notes restrict General Fund appropriations whether federal funds are higher or lower than anticipated. The “(M)” note is designed to force decisions about what to do with more or less federal funds back to the General Assembly. If more federal funds than expected become available for a program, the legislature might want to take advantage of the windfall to reduce the General Fund while providing the same level of service. On the other hand, the legislature might want to maintain the General Fund and use the additional federal funds to expand the level of service. If there are less federal funds than expected for a program, then the legislature might want to reduce or eliminate services, since the buying power of each General Fund dollar committed to the program is reduced. On the other hand, the legislature might want to maintain or even increase the General Fund to provide some level of services to partially or fully compensate for the loss of federal funds. How the General Assembly approaches an excess or shortfall of federal funds in a given fiscal year might change based on overall budget conditions in that year. A properly implemented “(M)” note forces a General Fund savings to come back to the legislature to make a decision, rather than leaving the decision to the executive branch.

### LACK OF COMPLIANCE

According to the State Controller's Office, it was difficult to implement centralized controls to enforce the “(M)” and “(H)” notes using the old state accounting system (the Colorado Financial Reporting

System, known as COFRS). As a result, the responsibility for compliance with the "(M)" and "(H)" notes was delegated to the accounting staff for each affected department. The new state accounting system (the Colorado Operations Resource Engine, known as CORE), which was put in place in 2014, includes tools that would potentially allow the State Controller's Office to implement more centralized controls to enforce the "(M)" and "(H)" notes, but that has not occurred to date.

An analysis of FY 2017-18 actual expenditures, completed with significant assistance from the State Controller's Office, indicates that of the 57 line items with an "(M)" or "(H)" note 46 should have been adjusted due to receiving more or less federal funds than the amount indicated in the Long Bill. The spending authority was actually adjusted by the accounting staff of the relevant department for only 7 line items, and one of the adjustments was calculated incorrectly. The only department that made any adjustments was the Department of Health Care Policy and Financing and adjustments were made on only a fraction of the line items within that department that required an adjustment.

Had the "(M)" and "(H)" notes been implemented correctly and expenditures remained unchanged, then departments would have overexpended the appropriation in FY 2017-18 by \$72.7 million total funds, including \$72.4 million General Fund. This sounds egregious, but most of the overexpenditures would have occurred on Medicaid program line items with separate statutory authority to overexpend the appropriation.

#### INTERACTIONS WITH OVEREXPENDITURE STATUTES

Of the \$72.7 million in overexpenditures that would have occurred with proper enforcement of the "(M)" and "(H)" notes, \$69.0 million was for non-administrative Medicaid programs. Pursuant to Section 24-75-109 (1)(a), C.R.S., the Governor may approve unlimited overexpenditures of appropriations for Medicaid programs when the appropriations are not in the Executive Director's Office of the Department of Health Care Policy and Financing.

When an overexpenditure occurs, the State Controller must restrict a similar appropriation to the department in the next fiscal year by the amount of the overexpenditure, unless a supplemental appropriation is enacted to release the restriction. However, for non-administrative Medicaid overexpenditures a restriction on the next fiscal year appropriation is largely meaningless, because the Governor can approve another overexpenditure. Had the "(M)" and "(H)" notes been properly implemented for non-administrative Medicaid programs, there would have been extra accounting entries, the total overexpenditures for the year would have appeared \$69.0 million larger, and the General Assembly would have needed to run a larger supplemental to release the overexpenditure restrictions. There would have been additional administrative work and some turbulence in the data comparing actuals to appropriations, but no change to the bottom line. The total spent on non-administrative Medicaid programs would have been the same and the end of year General Fund balance brought forward to FY 2018-19 would have been the same.

The remaining meaningful overexpenditures that would have been triggered by proper enforcement of the "(M)" and "(H)" notes total \$3,695,339 and there are three different applicable statutory limits on the particular overexpenditures that would have occurred in FY 2017-18. The first category is General Fund expenditures for the Children's Basic Health Plan (CHP+). Pursuant to Section 24-75-109 (1)(a.5), C.R.S., the Governor may approve up to \$250,000 in General Fund overexpenditures for this category and the actual overexpenditure had the "(M)" and "(H)" notes been implemented correctly would have been \$181,276. The next category is non-Medicaid expenditures for the

Department of Human Services, where the Governor may approve overexpenditures of up to \$1,000,000 annually pursuant to Section 24-75-109 (1)(b), C.R.S. The total Human Services overexpenditures with proper implementation of the "(M)" and "(H)" notes would have been \$691,811. This would have been problematic, because in FY 2017-18 the Governor already approved all of the allowable \$1,000,000 in overexpenditures for Human Services for purposes other than "(M)" and "(H)" note adjustments. The final relevant category is non-Human Services and non-Medicaid executive branch expenditures, where the Governor may approve overexpenditures of up to \$3.0 million annually pursuant to Section 24-75-109 (1)(c), C.R.S. The total non-Human Services and non-Medicaid overexpenditures with proper implementation of the "(M)" and "(H)" notes would have been \$2,828,470, which is 94.3 percent of the \$3.0 million annual statewide limit. It happens that there were no other overexpenditures in this category in FY 2017-18 and so proper enforcement of the "(M)" and "(H)" notes would not have exceeded the statewide annual limit in that fiscal year.

### CAUSES OF VARIATIONS IN FEDERAL FUNDS

An "(M)" or "(H)" note adjustment is triggered any time the federal funds received for a program varies from the amount that appears in the appropriation bill and the reasons for the variations in federal funds are idiosyncratic to each program, but there are three common themes that explain a large portion of the variations.

- **PROJECTIONS:** For non-administrative Medicaid programs the federal funds that appear in appropriation bills are based on projections of enrollment and utilization and federal fund variations occur when those projections are off. Complicating matters, some populations and services receive different federal match rates, and so even if overall enrollment and utilization matches the projection a different caseload or service mix can cause a federal funds variation. These characteristics also apply to a handful of programs in the Department of Human Services with an "(M)" or "(H)" note.
- **DIFFERENCES IN FEDERAL MATCH RATES FOR DIFFERENT SERVICES:** Many of the administrative Medicaid line items and non-Medicaid line items with an "(M)" or "(H)" note fund activities that receive multiple different federal match rates. For example, the Administrative Review Unit in the Department of Human Services pays for case reviews of children and certain adults in out-of-home residential care and depending on the client and type of facility where they reside the federal match rate might be different or there might be no federal match. The appropriation is based on a projection, but the actual case mix in a given year might vary.
- **TIMING OF FEDERAL PAYMENTS:** There are frequently issues when the timing of federal payments over the course of a federal fiscal year or federal authorization period do not align as initially expected with the state fiscal year. For example, the Vocational Rehabilitation Services in the Department of Labor receives a 78.7 percent federal match over two federal fiscal years, but to comply with federal rules all of the state funds must be obligated in the first federal fiscal year, resulting in strangely fluctuating federal payments by state fiscal year. As another example, the Medicaid Management Information System in the Department of Health Care Policy and financing pays for multiple projects with each initiative typically phased and mapped out over approximately three years, give or take. The timing of when contractors bill for services and meet deliverable obligations could cause variations in the federal funds received by state fiscal year, even if the state funds are encumbered on the expected timeline and final delivery of a project is completed on time and on budget.

In a few cases the actual federal match rate for a program, rather than merely the case mix or timing of payments, unexpectedly changes during the state fiscal year from the assumptions used for the budget. For example, a few years ago the federal government started paying an enhanced federal match rate for certain Medicaid eligibility services that had previously received a 50 percent match, based on a revised interpretation of federal law. As another example, the Department of Health Care Policy and Financing has received funding on a couple occasions in recent years for information technology projects where the Department assumed a particular federal match rate, but the federal Centers for Medicare and Medicaid Services evaluated the purpose or phases of the project differently and awarded a different federal match rate that was higher or lower than anticipated, in part because federal rules offer different match rates for information technology development versus maintenance and federal guidance on what qualifies is evolving. A change in the federal match rate for a program in the middle of a state fiscal year is probably the type of event the "(M)" and "(H)" notes were originally designed to address, but it is relatively uncommon due to the pace of change in federal policies and federal notification timelines. Nevertheless, a mid-fiscal year change in the federal match rate could involve significant state and federal dollars. For example, a couple years ago the JBC assumed a continuing federal match rate for the Children's Basic Health Plan in the Long Bill, but there was some question about whether Congress would reauthorize federal funding, and if so at what match rate.

## POLICY OPTIONS

### **OPTION 1 - ENFORCE THE CURRENT "(M)" AND "(H)" NOTES**

Absent a change in legislative policy, the State Controller should implement centralized accounting controls to properly enforce the "(M)" and "(H)" notes, but the JBC staff is recommending a change in policy, and so this is not the JBC staff's preferred option. The State Controller is aware of the current lack of centralized accounting controls, agrees that the lack of controls is problematic, and as of the implementation of CORE the State Controller has accounting technology tools that would make implementing centralized controls reasonable and feasible.

Proper enforcement of the "(M)" and "(H)" notes could potentially begin in FY 2018-19. It is too late in the fiscal year for proper enforcement to change expenditure behavior in FY 2018-19, but to the extent proper enforcement of the "(M)" and "(H)" notes causes overexpenditures in FY 2018-19, the State Controller could impose the corresponding restrictions called for by statute on appropriations for FY 2019-20.

However, for non-administrative Medicaid programs, which is the vast majority of expenditures affected by the "(M)" and "(H)" notes, properly implementing the "(M)" and "(H)" notes would not provide any additional control over expenditures to the General Assembly, due to the unlimited overexpenditure authority provided in Section 24-75-109 (1)(a), C.R.S. At the same time, proper implementation of the "(M)" and "(H)" notes for non-administrative Medicaid programs would increase administrative work for both the executive and legislative branches and arguably cloud the expenditure versus appropriation data (or at least interrupt trend lines). For these reasons, the JBC staff does not see much value in properly implementing the "(M)" and "(H)" notes in their current format, at least for the non-administrative Medicaid programs.

**OPTION 2 – REPLACE THE "(M)" AND "(H)" NOTE REDUCTIONS WITH REPORTING**

This is not the recommended option, because some JBC staff raised concerns that it cedes a portion of the General Assembly's control over the budget. However, if the legislature is primarily concerned about changes to a federal match rate in the middle of the state fiscal year, and less concerned about forecast errors and case mix or timing issues, then replacing the "(M)" and "(H)" note reductions with a reporting requirement might be attractive. In this scenario, the "(M)" and "(H)" notes would indicate that the state funds are used to match federal funds. The "(M)" or "(H)" note would require that a department notify the Joint Budget Committee as soon as the department becomes aware of any change in the federal match rate for a program from the assumptions used in the November 1 budget request, if the change would take effect prior to the next fiscal year. As part of the notification, departments would need to provide an estimate of the fiscal and programmatic impact. This would give the JBC time to react to the change and provide any necessary guidance to the department. Alternatively, the department could also send notification to the State Controller who would then be charged with implementing a restriction on the appropriation similar to the current "(M)" and "(H)" note restrictions, but more narrowly tailored to only circumstances where there is a change in the federal match in the middle of a state fiscal year.

**OPTION 3 – EXCLUDE NON-ADMINISTRATIVE MEDICAID PROGRAMS AND ADD REPORTING**

This is the option recommended by the JBC staff. As described above, proper implementation of "(M)" and "(H)" note restrictions on non-administrative Medicaid programs with unlimited overexpenditure authority would be meaningless, create additional work, and provide potentially confusing data about expenditures versus appropriations. Excluding non-administrative Medicaid programs from the "(M)" and "(H)" note restrictions would address this issue, but still allow the legislature to exert control over the non-Medicaid and administrative Medicaid appropriations.

In this scenario the headnotes and/or overexpenditure statutes would be modified to indicate that the "(M)" and "(H)" note reductions are only applied to non-Medicaid and administrative Medicaid programs. For all programs with an "(M)" or "(H)" note, including non-administrative Medicaid programs, departments would need to notify the JBC of any change in the federal match rate from the assumptions used in the November 1 budget request, if the change would take effect prior to the next fiscal year, and include an estimate of the fiscal and programmatic impact.

**TEXT OF THE "(M)" AND "(H)" HEADNOTES**

*(1)(d) Where the letter "(M)" appears directly to the right of a general fund or general fund exempt figure, that general fund or general fund exempt appropriation, when combined with the related general fund or general fund exempt transfers from the centralized appropriations to the office of the executive director, is used to support a federally supported program and is the maximum amount of general fund or general fund exempt money that may be expended in that program, except where otherwise provided. In the event that additional federal funds are available for the program, the combined general fund or general fund exempt amount noted as "(M)" shall be reduced by the amount of federal funds earned or received in excess of the figure shown in the "federal funds" column for that program. In the event that the federal funds earned or received are less than the amount shown in the "federal funds" column, the combined general fund or general fund exempt amount noted as "(M)" shall be reduced proportionately. Where general fund or general fund exempt support is required as a condition for the acceptance of federal funds and the state matching requirements are reduced, the combined general fund or general fund exempt amount noted as "(M)" shall be reduced proportionately. These provisions shall apply only to the general fund or general fund exempt amount which remains unexpended at the time of the change in*

*federal requirements or funding. It is intended that the general fund or general fund exempt amount and the federal funds amount shall be expended in equally proportioned amounts throughout the year. . .*

*(f) Where the letter "(H)" appears directly to the right of a cash funds or reappropriated funds figure, that appropriation, when combined with the related cash funds or reappropriated funds transfers from the centralized appropriations to the office of the executive director, is used to support a federally supported program and is the maximum amount of cash funds or reappropriated money that may be expended in that program, except where otherwise provided. In the event that additional federal funds are available for the program, the combined cash funds or reappropriated funds amount noted as "(H)" shall be reduced by the amount of federal funds earned or received in excess of the figure shown in the "federal funds" column for that program. In the event that the federal funds earned or received are less than the amount shown in the "federal funds" column, the combined cash funds or reappropriated funds amount noted as "(H)" shall be reduced proportionately. Where cash funds or reappropriated funds support is required as a condition for the acceptance of federal funds and the state matching requirements are reduced, the combined cash funds or reappropriated funds amount noted as "(H)" shall be reduced proportionately. These provisions shall apply only to the cash funds or reappropriated funds amount which remains unexpended at the time of the change in federal requirements or funding. It is intended that the cash funds or reappropriated funds amount and the federal funds amount shall be expended in equally proportioned amounts throughout the year.*

Department	Line Item	Fund Source	Spending Authority <sup>1</sup>	(M)/(H) Note Adjustment	Revised Authority	Actual	Overexpenditure	Actual (M)/(H) Adjustment	Unlimited Medicaid non-admin	Up to \$250,000 CHP+ GF 24-75-109 (1)(a.5)	Up to \$1M for HUM 24-75-109 (1)(b)	Up to \$3M non-HUM Executive Branch	Overexpenditure too much FF	Overexpenditure too little FF
<b>(M) Notes</b>														
Labor	Vocational Rehabilitation Programs- Personal Services	General Fund	3,697,508	0	3,697,508	3,697,508								
Labor	Vocational Rehabilitation Programs- Personal Services	Federal Funds	13,521,711	0	13,521,711	13,521,711								
Labor	Vocational Rehabilitation Services	General Fund	1,652,194	(735,955)	916,239	1,652,194	735,955					735,955		735,955
Labor	Vocational Rehabilitation Services	Federal Funds	13,629,948	(6,071,340)	7,558,608	7,558,608								
Law	Medicaid Fraud Control Unit	General Fund	508,234	(18,078)	490,156	487,776								
Law	Medicaid Fraud Control Unit	Federal Funds	1,524,723	(54,235)	1,470,488	1,470,488								
Public Health	Health Care Program for Children with Special Needs	General Fund	800,280	(2,982)	797,298	800,279	2,981					2,981	2,981	
Public Health	Health Care Program for Children with Special Needs	Federal Funds	456,100	2,982	459,082	459,082								
Public Health	Health Care Program for Children with Special Needs Purchase of Service	General Fund	1,847,899	(423)	1,847,476	1,847,899	423					423	423	
Public Health	Health Care Program for Children with Special Needs Purchase of Service	Federal Funds	1,227,500	423	1,227,923	1,227,923								
Human Services	Administrative Review Unit	General Fund	1,985,173	(299,529)	1,685,644	1,907,236	221,592				221,592			221,592
Human Services	Administrative Review Unit	Federal Funds	786,959	(118,739)	668,220	668,220								
Human Services	County Administration	General Fund	24,697,592	(75)	24,697,517	24,697,592	75				75			75
Human Services	County Administration	Federal Funds	35,099,022	(107)	35,098,915	35,098,915								
Human Services	Division of Child Welfare- Administration	General Fund	5,316,422	0	5,316,422	5,077,041								
Human Services	Division of Child Welfare- Administration	Federal Funds	882,756	0	882,756	882,756								
Human Services	Continuous Quality Improvement	General Fund	487,257	(63,877)	423,380	364,532								
Human Services	Continuous Quality Improvement	Federal Funds	93,006	(12,193)	80,813	80,813								
Human Services	Foster and Adoptive Parent Recruitment, Training, and Support	General Fund	302,629	(62,154)	240,475	302,629	62,154				62,154			62,154
Human Services	Foster and Adoptive Parent Recruitment, Training, and Support	Federal Funds	68,863	(14,143)	54,720	54,720								
Human Services	Child Care Licensing and Administration	General Fund	2,737,116	(195,548)	2,541,567	2,737,054	195,487				195,487			195,487
Human Services	Child Care Licensing and Administration	Federal Funds	6,189,130	(442,171)	5,746,959	5,746,959								
Human Services	Income Tax Offset	General Fund	2,064	(243)	1,821	2,062	242				242			242
Human Services	Income Tax Offset	Federal Funds	2,064	(243)	1,821	1,821								
Human Services	Automated Child Support Enforcement System	General Fund	2,596,484	(323,969)	2,272,515	2,422,859	150,344				150,344			150,344
Human Services	Automated Child Support Enforcement System	Federal Funds	6,025,046	(751,759)	5,273,287	5,273,287								
Human Services	Child Support Enforcement	General Fund	5,110,814	(62,175)	5,048,639	4,953,647								
Human Services	Child Support Enforcement	Federal Funds	1,850,515	(22,512)	1,828,003	1,828,003								
Human Services	Community Services for the Elderly-Administration	General Fund	199,349	(51,883)	147,466	149,704	2,237				2,237			2,237
Human Services	Community Services for the Elderly-Administration	Federal Funds	598,546	(155,778)	442,768	442,768								
Human Services	Colorado Commission on Aging	General Fund	24,612	0	24,612	24,612								
Human Services	Colorado Commission on Aging	Federal Funds	73,895	0	73,895	73,895								
Human Services	State Ombudsman Program	General Fund	261,898	(60,046)	201,852	261,532	59,680				59,680			59,680
Human Services	State Ombudsman Program	Federal Funds	158,333	(36,301)	122,032	122,032								
HCPF	Transfer to Public Health for Facility Survey and Certification	General Fund	3,025,481	(300,734)	2,724,747	2,343,497								
HCPF	Transfer to Public Health for Facility Survey and Certification	Federal Funds	4,918,618	(488,912)	4,429,706	4,429,706								

Department	Line Item	Fund Source	Spending Authority <sup>1</sup>	(M)/(H) Note Adjustment	Revised Authority	Actual	Overexpenditure	Actual (M)/(H) Adjustment	Unlimited Medicaid non-admin	Up to \$250,000 CHP+ GF 24-75-109 (1)(a.5)	Up to \$1M for HUM 24-75-109 (1)(b)	Up to \$3M non-HUM Executive Branch	Overexpenditure too much FF	Overexpenditure too little FF
HCPF	Transfer to Public Health for Prenatal Statistical Information	General Fund	2,944	(1)	2,944	2,944								
HCPF	Transfer to Public Health for Prenatal Statistical Information	Federal Funds	2,943	1	2,944	2,944								
HCPF	Transfer to Public Health for Local Public Health Agencies	General Fund	360,484	(360,484)	0	360,484	360,484					360,484		360,484
HCPF	Transfer to Public Health for Local Public Health Agencies	Federal Funds	360,484	(360,484)	0	0								
HCPF	Transfer to Regulatory Agencies for Nurse Aide Certification	General Fund	147,369	(1)	147,369	147,369								
HCPF	Transfer to Regulatory Agencies for Nurse Aide Certification	Federal Funds	162,020	1	162,021	162,021								
HCPF	Transfer to Regulatory Agencies for Reviews	General Fund	2,560	(2,560)	0	0								
HCPF	Transfer to Regulatory Agencies for Reviews	Federal Funds	2,560	(2,560)	0	0								
HCPF	Transfer to Local Affairs for Home Modifications Benefit Administrator	General Fund	109,678	(0)	109,678	109,678								
HCPF	Transfer to Local Affairs for Home Modifications Benefit Administrator	Federal Funds	109,678	0	109,678	109,678								
HCPF	Medicaid Management Information System Maintenance and Projects	General Fund	6,012,929	(1,376,947)	4,635,982	4,951,401	315,418					315,418		315,418
HCPF	Medicaid Management Information System Maintenance and Projects	Federal Funds	31,908,566	(7,306,988)	24,601,578	24,601,578								
HCPF	Medicaid Management Information System Reprocurement Contracts	General Fund	1,034,108	(406,774)	627,334	500,311								
HCPF	Medicaid Management Information System Reprocurement Contracts	Federal Funds	16,631,765	(6,542,229)	10,089,536	10,089,536								
HCPF	Fraud Detection Software Contract	General Fund	28,345	(28,345)	0	28,345	28,345					28,345		28,345
HCPF	Fraud Detection Software Contract	Federal Funds	86,655	(86,655)	0	0								
HCPF	Health Information Exchange Maintenance and Projects	General Fund	1,891,246	(478,545)	1,412,701	821,423		(1,027,423)						
HCPF	Health Information Exchange Maintenance and Projects	Federal Funds	6,181,209	478,545	6,659,754	6,659,754								
HCPF	Medical Identification Cards	General Fund	90,988	(48,511)	42,477	40,299								
HCPF	Medical Identification Cards	Federal Funds	143,371	(76,439)	66,932	66,932								
HCPF	Contracts for Special Eligibility Determinations	General Fund	969,756	(219,254)	750,502	969,756	219,254					219,254		219,254
HCPF	Contracts for Special Eligibility Determinations	Federal Funds	6,089,073	(1,376,689)	4,712,384	4,712,384								
HCPF	County Administration	General Fund	12,003,877	(411,323)	11,592,554	12,003,877	411,323					411,323		411,323
HCPF	County Administration	Federal Funds	45,458,747	(1,557,682)	43,901,065	43,901,065								
HCPF	Administrative Case Management	General Fund	1,172,482	0	1,172,482	1,172,482								
HCPF	Administrative Case Management	Federal Funds	1,172,482	0	1,172,482	1,172,482								
HCPF	Customer Outreach	General Fund	2,873,665	(488,115)	2,385,550	2,477,718	92,168					92,168		92,168
HCPF	Customer Outreach	Federal Funds	3,397,159	(577,034)	2,820,125	2,820,125								
HCPF	Professional Services Contracts	General Fund	4,017,493	(1,313,962)	2,703,531	3,331,922	628,391					628,391		628,391
HCPF	Professional Services Contracts	Federal Funds	9,336,635	(3,053,642)	6,282,993	6,282,993								
HCPF	Professional Audit Contracts	General Fund	1,299,343	(82,048)	1,217,295	1,244,805	27,510					27,510		27,510
HCPF	Professional Audit Contracts	Federal Funds	1,642,883	(103,742)	1,539,141	1,539,141								
HCPF	Medical and Long-Term Care Services for Medicaid Eligible Individuals	General Fund	1,255,856,070	(36,662,090)	1,219,193,980	1,273,813,077	54,619,097		54,619,097					54,619,097
HCPF	Medical and Long-Term Care Services for Medicaid Eligible Individuals	Federal Funds	4,567,772,253	(133,346,553)	4,434,425,700	4,434,425,700								
HCPF	Behavioral Health Capitation Payments	General Fund	171,273,545	(6,209,844)	165,063,701	171,717,260	6,653,559		6,653,559					6,653,559
HCPF	Behavioral Health Capitation Payments	Federal Funds	331,548,106	(12,020,899)	319,527,207	319,527,207								

Department	Line Item	Fund Source	Spending Authority <sup>1</sup>	(M)/(H) Note Adjustment	Revised Authority	Actual	Overexpenditure	Actual (M)/(H) Adjustment	Unlimited Medicaid non-admin	Up to \$250,000 CHP+ GF 24-75-109 (1)(a.5)	Up to \$1M for HUM 24-75-109 (1)(b)	Up to \$3M non-HUM Executive Branch	Overexpenditure too much FF	Overexpenditure too little FF
HCPF	Behavioral Health Fee-for-service Payments	General Fund	2,228,464	(227,406)	2,001,058	2,093,383	92,325		92,325				92,325	
HCPF	Behavioral Health Fee-for-service Payments	Federal Funds	6,624,676	227,406	6,852,082	6,852,082								
HCPF	Clinic Based Indigent Care	General Fund	3,059,880	(301)	3,059,579	3,059,579		(301)						
HCPF	Clinic Based Indigent Care	Federal Funds	3,059,880	301	3,060,181	3,060,181								
HCPF	Pediatric Specialty Hospital	General Fund	6,727,506	(673)	6,726,833	6,726,833		(673)						
HCPF	Pediatric Specialty Hospital	Federal Funds	6,727,506	673	6,728,179	6,728,179								
HCPF	Children's Basic Health Plan Medical and Dental Costs	General Fund	181,276	(181,276)	0	181,276	181,276			181,276			181,276	
HCPF	Children's Basic Health Plan Medical and Dental Costs	Federal Funds	163,070,662	5,783,195	168,853,857	168,853,857								
HCPF	Commission on Family Medicine Residency Training Programs	General Fund	3,798,259	(380)	3,797,879	3,797,879		(380)						
HCPF	Commission on Family Medicine Residency Training Programs	Federal Funds	3,798,259	380	3,798,639	3,798,639								
HCPF	State University Teaching Hospitals - Denver Health	General Fund	1,402,357	(140)	1,402,217	1,402,217		(140)						
HCPF	State University Teaching Hospitals - Denver Health	Federal Funds	1,402,357	140	1,402,497	1,402,497								
HCPF	State University Teaching Hospitals - University of Colorado	General Fund	590,992	(66)	590,926	590,926		(66)						
HCPF	State University Teaching Hospitals - University of Colorado	Federal Funds	665,992	66	666,058	666,058								
HCPF	Executive Director's Office	General Fund	0	0	0	0								
HCPF	Executive Director's Office	Federal Funds	0	0	0	0								
HCPF	Division of Child Welfare - Administration	General Fund	72,883	(33)	72,850	72,850								
HCPF	Division of Child Welfare - Administration	Federal Funds	72,883	(33)	72,850	72,850								
HCPF	Child Welfare Services	General Fund	3,774,244	0	3,774,244	3,774,226								
HCPF	Child Welfare Services	Federal Funds	3,788,813	0	3,788,813	3,788,813								
HCPF	Division of Community and Family Support, Early Intervention Services	General Fund	3,586,702	(1,393,305)	2,193,397	2,192,871								
HCPF	Division of Community and Family Support, Early Intervention Services	Federal Funds	3,586,701	(1,393,305)	2,193,396	2,193,396								
HCPF	Community Behavioral Health Administration	General Fund	287,662	(99,258)	188,404	188,404								
HCPF	Community Behavioral Health Administration	Federal Funds	287,662	(99,258)	188,404	188,404								
HCPF	Mental Health Treatment Services for Youth (H.B. 99-1116)	General Fund	62,678	(53,993)	8,685	8,685								
HCPF	Mental Health Treatment Services for Youth (H.B. 99-1116)	Federal Funds	62,678	(53,993)	8,685	8,685								
HCPF	High Risk Pregnant Women Program	General Fund	811,215	(237,201)	574,014	573,875								
HCPF	High Risk Pregnant Women Program	Federal Funds	811,215	(237,201)	574,014	574,014								
HCPF	Mental Health Institutes	General Fund	3,854,996	(3,693,309)	161,687	7,549,537	7,387,850		7,387,850				7,387,850	
HCPF	Mental Health Institutes	Federal Funds	3,854,996	3,693,309	7,548,305	7,548,305								
HCPF	Regional Centers	General Fund	30,316,144	(8,713,187)	21,602,957	19,003,632								
HCPF	Regional Centers	Federal Funds	32,205,046	(9,256,078)	22,948,968	22,948,968								
HCPF	Regional Center Depreciation and Annual Adjustments	General Fund	345,863	(35)	345,828	345,828		(35)						
HCPF	Regional Center Depreciation and Annual Adjustments	Federal Funds	345,862	35	345,897	345,897								
HCPF	Adult Assistance Programs, Community Services for the Elderly	General Fund	900	0	900	900								
HCPF	Adult Assistance Programs, Community Services for the Elderly	Federal Funds	900	0	900	900								

Department	Line Item	Fund Source	Spending Authority <sup>1</sup>	(M)/(H) Note Adjustment	Revised Authority	Actual	Overexpenditure	Actual (M)/(H) Adjustment	Unlimited Medicaid non-admin	Up to \$250,000 CHP+ GF 24-75-109 (1)(a.5)	Up to \$1M for HUM 24-75-109 (1)(b)	Up to \$3M non-HUM Executive Branch	Overexpenditure too much FF	Overexpenditure too little FF
HCPF	Division of Youth Corrections	General Fund	666,080	0	666,080	666,080								
HCPF	Division of Youth Corrections	Federal Funds	666,076	0	666,076	666,076								
HCPF	Department of Human Services Indirect Cost Assessment	General Fund	6,268,641	(1,788,033)	4,480,607	4,480,607								
HCPF	Department of Human Services Indirect Cost Assessment	Federal Funds	6,268,641	(1,788,033)	4,480,607	4,480,607								
<b>(H) Notes</b>														
HCPF	Children's Basic Health Plan Administration	Cash Funds	603,993	(405,005)	198,988	205,206	6,218					6,218		6,218
HCPF	Children's Basic Health Plan Administration	Federal Funds	4,429,281	(2,970,033)	1,459,248	1,459,248								
HCPF	Behavioral Health Capitation Payments	Cash Funds	23,155,545	(839,548)	22,315,997	21,637,199								
HCPF	Behavioral Health Capitation Payments	Federal Funds	331,548,106	(12,020,899)	319,527,207	319,527,207								
HCPF	Behavioral Health Fee-for-service Payments	Cash Funds	344,290	(227,406)	116,884	355,200	238,316		238,316				238,316	
HCPF	Behavioral Health Fee-for-service Payments	Federal Funds	6,624,676	227,406	6,852,082	6,852,082								
57 lines statewide with (M) or (H) notes, including 40 in HCPF		Total Funds		<u>(68,127,029)</u>		<u>72,692,704</u>			<u>68,991,147</u>	<u>181,276</u>	<u>691,811</u>	<u>2,828,470</u>	<u>7,903,171</u>	<u>64,789,533</u>
46 should have adjusted, but only 7 did, including 1 by the wrong amount		General Fund		<u>(66,655,071)</u>		<u>72,448,170</u>			<u>68,752,831</u>	<u>181,276</u>	<u>691,811</u>	<u>2,822,252</u>	<u>7,664,855</u>	<u>64,783,315</u>
		Cash Funds		<u>(1,471,958)</u>		<u>244,534</u>			<u>238,316</u>	<u>0</u>	<u>0</u>	<u>6,218</u>	<u>238,316</u>	<u>6,218</u>

<sup>1</sup> Includes allowable adjustments, such as transfers of centrally appropriated POTs.