

COLORADO GENERAL ASSEMBLY

JOINT BUDGET COMMITTEE



**FY 2007-08 STAFF BRIEFING:
DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
(Administrative and Health Divisions)**

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

**Prepared By:
Stephen Allen, JBC Staff
December 14, 2006**

For Further Information Contact:

**Joint Budget Committee Staff
200 E. 14th Avenue, 3rd Floor
Denver, Colorado 80203
Telephone: (303) 866-2061
Facsimile: (303) 866-2150
(TDD 866-3472)**

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DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
(Administrative and Health Divisions)**

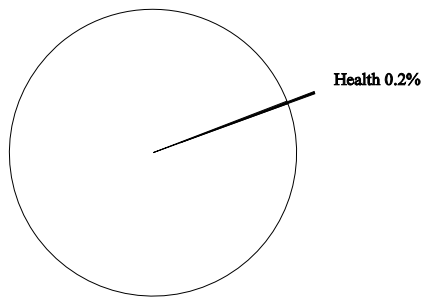
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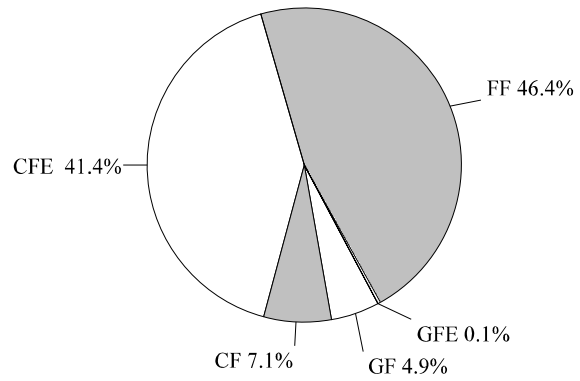
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(Administrative and Health Divisions)**

Graphic Overview

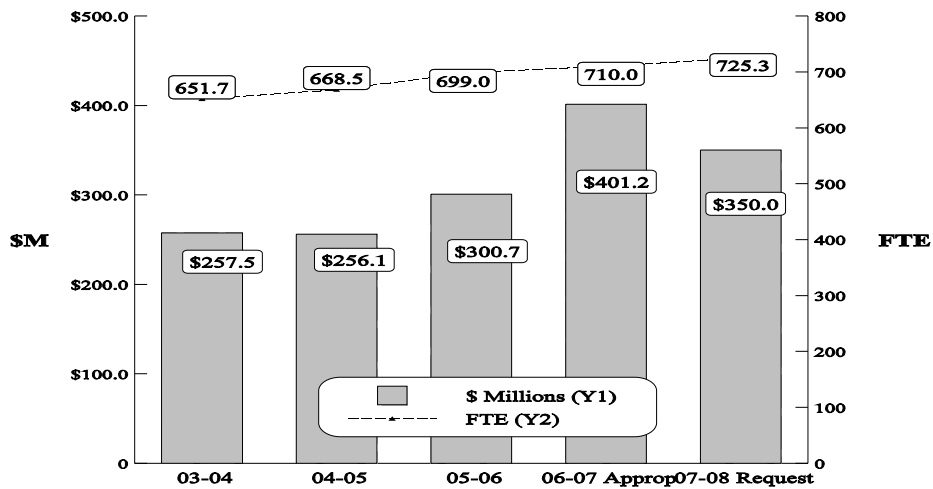
**Share of State General Fund
FY 2006-07**



**Funding Source Split
FY 2006-07**



Budget History



Department Overview: Key Responsibilities of Administrative and Health Divisions

- ▶ Maintain the state's vital records, i.e. records of all births, deaths, marriages, and marriage dissolutions.
- ▶ Ensure access to essential public health services by training, assisting and funding public health nurses and environmental health specialists in areas not served by local health departments.
- ▶ Prevent and control communicable diseases through surveillance, investigation, reporting, training, and education.
- ▶ Ameliorate and control the causes of chronic disease and injury through education and direct service programs.
- ▶ Coordinate prevention services for children and youth.
- ▶ Provide health care and preventive services to low-income, at-risk populations including women and children.
- ▶ Assist families of children with special health care needs in accessing diagnostic services, medical care and ongoing support.
- ▶ Establish and enforce standards for the operation of health care facilities through education, inspection and investigation.
- ▶ Certify emergency medical technicians (EMTs)
- ▶ Assist emergency medical services providers with training, coordination and equipment purchases

Department Overview: Factors Driving the Administrative and Health Divisions Budgets

Federal Programs

Prior to FY 2005-06, Federal funds made up between two fifths and three quarters of the Health and Administration Divisions' budgets. This portion dipped sharply in FY 2005-06, to under 50 percent, after voters approved Amendment 35, Tobacco Taxes for Health Related Purposes. Federal funding is directed at two types of programs: (1) those that help ensure the health of all state residents through epidemiological monitoring and analysis or through assessment of health risk factor and access to care; and (2) those that provide direct services to certain groups of residents, such as low-income women in need of family planning services or families of children with special health care needs.

The bulk of the federal funds finance programs that are completely federally funded, such as the Women, Infants and Children (WIC) program grant. However, some programs are linked to state funds through a required match, such as the Maternal and Child Health (MCH) Block Grant.

Federal funds in some divisions, such as the Health Facilities and Emergency Medical Services Division, remain relatively steady over time. Other divisions, especially Disease Control and Environmental Epidemiology, apply for many one-year and supplemental grants (which are available when funds remain after the federal government agency, often the Centers for Disease Control, has

awarded the first round of funding to all eligible departments). These categories of federal grants are subject to a great deal of fluctuation.

(Millions of \$)	FY 2002-03 Actual	FY 2003-04 Actual	FY 2004-05 Actual	FY 2005-06 Actual	FY 2006-07 Approp.
Federal Funds - Health and Administration Divisions	\$189.3	\$177.4	\$178.2	\$187.7	\$187.4
Total Funding - Health and Administration Divisions	257.4	256.3	256.1	300.7	401.2
Federal Funds as a Share of Divisions' Total Budget	73.5%	69.2%	69.6%	62.4%	46.7%

Providing Access to Health Care Services to Low-Income Persons

This factor is closely linked to the federal funding described above. Although some federal programs, such as bio-terrorism preparedness, are not linked to low-income populations, most of the federal funds provided to the health divisions are designed to serve people whose income is at or below a specified percentage of the federal poverty level. For example, the Women Infants and Children Supplemental Food Grant (WIC) program and the Child and Adult Care Program (which is basically a free lunch program provided at day care facilities rather than schools) account for \$93.5 million in the FY 2005-06 budget.

Amendment 35, Tobacco Taxes for Health Related Purposes

Voters approved Amendment 35 in November 2004. The state began collecting related tobacco tax revenues in January 2005, but revenue did not start flowing to supported programs until FY 2005-06 when the enabling legislation, S.B. 05-1262, became effective. As a consequence Amendment 35 supported programs received 18 months of revenue during FY 2005-06. Appropriations to these programs fell to sustainable levels in FY 2006-07.

Tobacco Settlement Supported Programs

The Department has operated programs that are funded with dollars that the state receives from the Tobacco Master Settlement Agreement since FY 2000-01, when Colorado first began spending settlement moneys. Initially the Department operated two settlement-supported programs, the Nurse Home Visitor Program and the Tobacco Cessation and Prevention Grants Program. Since that time, the Department has received settlement moneys for four other programs, the Dental Loan Repayment Program, which began in 2001-02, the Ryan White HIV/AIDS Drug Assistance Program, which began receiving settlement moneys in 2004-05, the Tony Gramscas Youth Services Program, which also began receiving settlement moneys in 2004-05, and the Colorado AIDS & HIV Prevention Program, which began in 2006-07. The Tobacco Cessation and Prevention Grants Program stopped

receiving settlement money in FY 2005-06 following the passage of Amendment 35, which provided an alternative source of funding.

As a consequence of these statutory changes, and of fluctuations in settlement revenues, the amount of settlement money flowing to the Department has fluctuated between \$11 million and \$17 million in recent years. The fluctuations were further magnified prior to FY 2006-07 because the appropriations for three of the programs – Nurse Home Visitor, Tobacco Education and Prevention and Dental Loan Repayment – appeared twice in the Long Bill, once when the money was appropriated into a cash fund that supported the program, and once when it flowed to the program itself. House Bill 06-1310 eliminated these double counts.

Department Overview: Summary of Major Legislation, Administrative and Health Divisions

H.B. 06-1045 (McCluskey, Keller): Hospital Infection Rate Reporting: Requires the Department to collect data on hospital-acquired infections and report the data to National Healthcare Safety Network, the General Assembly, and the public. Creates an advisory committee of health care professionals to assist the department with program development. For FY 2006-07 appropriates \$52,626 General Fund and 0.6 FTE to the Health Facilities and Emergency Medical Services Division.

H.B. 06-1054 (Plant, Groff): HIV and AIDS Prevention: Creates the Colorado HIV and AIDS Prevention Grant Program to address local community needs in the areas of medically appropriate prevention and education. A 7-member advisory committee oversees the program. For FY 2006-07 appropriates \$1,584,448 of cash funds exempt tobacco settlement moneys to the AIDS and HIV Prevention Fund and then appropriates \$1,584,448 cash funds exempt from that fund, along with 1.2 FTE, to the Disease Control and Environmental Epidemiology Division.

H.B. 06-1154 (Berens, Hanna) Heirloom Birth and Marriage Certificates: Requires the Department of Public Health and Environment to issue heirloom birth and marriage certificates suitable for framing. The Department will credit \$10 from each heirloom birth certificate payment to the Infant Immunization Fund and \$10 from each heirloom marriage certificate payment to the Colorado Domestic Abuse Program Fund. For FY 2006-07 appropriates \$24,400 cash funds to the Center for Health and Environmental Information in the Department of Public Health and Environment.

H.B. 06-1228 (Plant, Tapia) Supplemental: Supplemental FY 2005-06 appropriation to the Department of Public Health and Environment.

H.B. 06-1277 (Clapp, Sandoval) Mental Illness: Changes laws relating to persons with a mental illness. Defines acute treatment units (ATUs) and requires the Department of Public Health and Environment to establish and enforce standards for licensure of ATUs. For FY 2006-07 appropriates \$3,829 cash funds to the Department of Public Health and Environment, Health Facilities and Emergency Medical Services Division.

H.B. 06-1278 (Weissman, Keller) Hospital Report Cards: Creates the Colorado Hospital Report Card Act. Requires the Department to approve a comprehensive hospital information system for the collection, compilation, analysis, and utilization of hospital-related data. The information will be annually reported to the Governor, the General Assembly, and the public (through the internet). An association of hospitals will provide assistance with the project. For FY 2006-07 appropriates \$31,541 cash funds and 0.5 FTE to the Department of Public Health and Environment, Health Facilities and Emergency Medical Services Division.

H.B. 06-1310 (Buescher, Owen) Simplify Tobacco Settlement Money Distribution: Alters the rules governing the distribution of tobacco settlement moneys so as to reduce the number of supplemental appropriations for tobacco-settlement-supported programs. Eliminates numerous double appropriations that appear in the Long Bill by substituting automatic transfers for appropriations. Specifically, the following appropriations are eliminated from the FY 2006-07 Long Bill and replaced by transfers. (Each of these appropriations is from the Tobacco Litigation Settlement Cash Fund to a cash fund that supports a program, with the exception of the two-step transfer from the Tobacco Litigation Settlement Cash Fund to the Capital Construction Fund and the transfer from the Capital Construction Fund to the Fitzsimons Trust Fund.)

Department of Education:

To Read-to-achieve Cash Fund (\$4,369,567)

Department of Health Care Policy and Financing:

To Children's Basic Health Plan Trust (\$20,973,924)

To Comprehensive Primary and Preventive Care Fund (\$2,621,740)

Department of Military and Veterans Affairs:

To Colorado State Veterans Trust Fund (\$873,913)

Department of Public Health and Environment:

To State Dental Loan Repayment Fund (\$199,619)

To Nurse Home Visitor Program Fund (\$9,613,048)

Capital Construction:

From Tobacco Litigation Settlement Cash Fund to Capital Construction Fund (\$7,004,644)

From Capital Construction Fund to Fitzsimons Trust Fund (\$7,004,644)

Total (\$52,661,099)

The bill also makes small positive and negative adjustments to eight appropriations that support various tobacco programs. These adjustments total \$236.

H.B. 06-1322 (Buescher, Tapia) Support for Clean Energy: Transfers \$135,000 to the Department of Public Health and Environment from the Operational Account of the Severance Tax Trust Fund and then appropriates this money as cash funds exempt to the Department's Administration and Support Division for the purpose of making grants to Colorado universities to study climate-change issues in FY 2006-07.

H.B. 06-1372 (Plant, Tapia) Supplemental: Supplemental FY 2005-06 appropriation to the Department. Appropriates \$1,250,000 General Fund to the Department of Public Health and Environment, Local Health Services Division for Local, District and Regional Health Department Distributions pursuant to Section 25-1-516.

H.B. 06-1385 (Plant, Tapia) Supplemental Add-on to Long Bill: General appropriations act for FY 2006-07. Includes supplemental FY 2005-06 appropriations for the Department of Public Health and Environment that (1) increase the General Fund appropriation to the Water Quality Control Division by \$18,075 and decrease the cash funds exempt appropriation by an offsetting amount; (2) increase the appropriation for the Tony Grampsas Youth Services Program by \$4,000,000 General Fund; and (3) increase the FTE appropriation to the Department by 0.9 FTE.

H.B. 06-1396 (Kerr, Tapia) School-based Health Centers: Creates a grant program for the establishment, expansion, or on-going operation of school-based health centers. Health centers eligible for the grant moneys provide services on school district property and will be run by the school districts in cooperation with other health service providers. For FY 2006-07 appropriates \$500,000 General Fund and 0.7 FTE to the Department of Public Health and Environment, Prevention Services Division.

H.B. 06-1410 (Plant, Groff) Health Disparities Grant Program Fund: Creates the Health Disparities Grant Program Fund which is to receive 15 percent of the moneys transferred to the Prevention, Early Detection, and Treatment Fund. Changes the funding source for the \$5,570,400 cash funds exempt FY 2005-06 appropriation to the Health Disparities Grant Program (along with the associated 0.2 FTE) from the Prevention, Early Detection, and Treatment Fund to the Health Disparities Grant Program Fund. This also has the effect of moving the appropriation from the Prevention Services Division to the Administration and Support Division. Increases the FY 2006-07 cash funds exempt appropriation for the Health Disparities Grants Program by a net of \$4,253,157 while decreasing the cash funds exempt appropriation for Prevention, Early Detection, and Treatment Grants by a like amount.

S.B. 05-249 (Tapia/Plant) Tobacco Settlement Money For Read To Achieve: Increases the statutory allocation of tobacco settlement moneys to the Read-to-Achieve Grant Program for FY 2004-05. Makes the conforming increases in the FY 2004-05 appropriation of the tobacco settlement moneys for the Ryan White AIDS Drug Assistance, Tony Grampsas Youth Services, Nurse Home Visitor, Tobacco Education and Cessation, and Dental Loan Repayment programs based on a proportionate share of the costs incurred by the State's Auditor's Office to conduct statutorily-required performance reviews of various tobacco-funded programs.

H.B. 05-1161 (Pommer/Kester): Reporting Immunization Information. Authorizes the moneys in the infant immunization fund to be used to assist users of the immunization tracking system to connect to the system and to use the reminder and recall process of the system. Appropriates \$250,000 General Fund to the Department.

H.B. 05-1261 (Buescher/Owen): Tobacco Education Prevention Cessation. Changes the source for existing tobacco education and cessation programs from the annual tobacco settlement payment (from participating tobacco manufacturers) to the new tobacco taxes mandated by Amendment 35, Tobacco Taxes for Health Related Purposes, which was passed by voters in the November 2004 election. The change affects a portion (\$1,352,500, the share for the months of May and June) of the funding for cessation programs from the settlement payment in FY 2004-05 and all of the funding (\$4,438,893) for cessation programs from the settlement payment in FY 2005-06.

H.B. 05-1262 (Boyd, Hagedorn): Tobacco Tax Implementation. Implements Amendment 35, Tobacco Taxes for Health Related Purposes, to the Colorado Constitution (Article X, Section 21), concerning taxes on tobacco products, which was adopted in the November 2004 election. Provisions specifically affecting the Department of Public Health and Environment include: (1) an appropriation of \$415,236 and 7.0 for personal services related to prevention, early detection and treatment programs; (2) an appropriation of \$32,836 for operating expenses related to prevention, early detection and treatment programs; (3) an appropriation of \$948,072 for independent program evaluation of prevention, early detection and treatment programs; (4) an appropriation of \$4,089,694 for breast and cervical cancer screenings; (5) an appropriation of \$910,306 to be transferred to the Department of Health Care Policy and Financing for treatment of breast and cervical cancer; (6) an appropriation of \$2,000,000 to be transferred to the Department of Health Care Policy and Financing for chronic disease management programs; (7) an appropriation of \$23,169,456 to fund competitive grants for prevention, detection and treatment of cancer, cardiovascular disease and chronic pulmonary disease; (8) an appropriation of \$379,849 and 7.0 FTE for personal services related to tobacco education programs; (9) an appropriation of \$65,868 for operating expenses related to tobacco education programs; and (10) an appropriation of \$30,563,556 for tobacco cessation and education grants.

H.B. 05-1280 (Stafford/Johnson): Child Fatality Prevention System. Authorizes each judicial district to establish, subject to available appropriations, a local child fatality prevention review team. Specifies the local entities that shall be represented on a local team, the types of cases that a local team shall review, and what each review shall entail. Creates the Colorado State Child Fatality Prevention Review Team (the "state team") in the Department and specifies team membership and duties. Authorizes the Department to receive contributions, grants, services, and donations for any costs associated with the duties of the state team, and creates the Child Fatality Prevention Cash Fund for such purpose.

H.B. 05-1287 (Coleman/Kester): Access To Adoptees Birth Certificates. Allows birth parents to file contact preference forms and medical history forms that can be accessed by adopted children. The Department, which keeps the state's vital records, will maintain these new records. Appropriates \$8,657 cash funds and 0.2 FTE to the Department.

H.B. 04-1013 (Johnson/Johnson) Division of Prevention and Intervention Name Change: Changes the statutory name of Division of Prevention and Intervention Services for Children and Youth (PISCY) to Prevention Services Division; this new division combines the functions of the

former PISCY division and the former Health Promotion and Disease Prevention division. The department retains responsibility for coordinating all state programs that provide prevention services for children and youth.

H.B. 04-1421 (Witwer/Teck) Tobacco Settlement Moneys Allocation: Changes the allocation formula for the state's annual tobacco settlement payment, beginning in FY 2004-05. Transfers the FY 2003-04 year-end balance in the Tobacco Litigation Settlement Trust Fund (\$20.6 million) to the General Fund for FY 2004-05. Also transfers the remainder of the annual payment. The revised allocation formula for CDPHE program is detailed in the first table below. The corresponding changes to FY 2004-05 appropriations are shown in the second table below.

H.B. 04-1421: Modifications to Statutory Allocation Formula		
Program/Fund	Previous Share of Annual Tobacco Settlement Payment	Share of Annual Tobacco Settlement Payment per H.B. 04-1421
Ryan White HIV/AIDS Drug Assistance Program	Not included in the previous allocation formula	3.5 percent of the annual payment up to a maximum of \$5.0 million
Tobacco Education, Prevention and Cessation	15 percent of the annual payment up to a maximum of \$15.0 million	5 percent of the annual payment up to a maximum of \$8.0 million
Dental Loan Repayment Program	\$200,000 of the annual payment	\$200,000 of the annual payment
Tony Gramscas Youth Services	Half of the remainder of the annual payment after all other programs have received their allocations	4 percent of the annual payment up to a maximum of \$5.0 million
Nurse Home Visitor	11 percent of the annual payment rising 2 percent each year up to 19 percent in FY 2008-09, up to a maximum of \$19.0 million	9 percent of the annual payment, rising 1 percent each year to 19 percent in FY 2013-14, up to a maximum of \$19.0 million
Tobacco Litigation Settlement Trust Fund	21 percent of the annual payment plus the remainder of the annual payment after all programs have received their allocations	21 percent of annual payment less the amount of the annual transfer to the General Fund

H.B. 1421: Adjustments to FY 2004-05 Long Bill Appropriations			
Department/Line Item	Adjustments to Appropriations from Tobacco Litigation Settlement Cash Fund (Cash Funds Exempt)	Adjustments to Appropriations from Other Fund Sources	Description of Other Fund Sources
Ryan White Act, Operating Expenditures	3,055,114		

H.B. 1421: Adjustments to FY 2004-05 Long Bill Appropriations			
Department/Line Item	Adjustments to Appropriations from Tobacco Litigation Settlement Cash Fund (Cash Funds Exempt)	Adjustments to Appropriations from Other Fund Sources	Description of Other Fund Sources
Tobacco Education and Prevention, Tobacco Program Fund	(8,735,022)		
Tobacco Education and Prevention, Personal Services		(438,610)	
Tobacco Education and Prevention, Tobacco Cessation and Prevention Grants		(8,296,412)	
Rural - Primary Care, State Dental Loan Repayment Fund	(93)		
Rural - Primary Care, Dental Programs		(93)	
Tony Grampsas Youth Services Program	1,143,013		
Nurse Home Visitor Program Fund	(1,058,666)		
Nurse Home Visitor Program		(1,058,666)	

S.B. 03-282 (Teck/Witwer): Tobacco Litigation Cash Transfer. Transferred a total of \$27.3 million from the balance in the Tobacco Litigation Settlement Cash Fund into the General Fund for FY 2002-03. In order to transfer this amount into the General Fund, the appropriation levels for programs that receive tobacco settlement funds were reduced by \$5.6 million for FY 2002-03 and \$21.7 million for FY 2003-04. This bill reduced the FY 2002-03 appropriation for the Tobacco Education, Prevention, and Cessation Grant Program by \$5,651,105 and the FY 2003-04 appropriation by \$10,939,245. It also reduced the FY 2003-04 appropriation for the Nurse Home Visitor Program by \$650,321 cash funds exempt. The FY 2003-04 appropriation for the State Dental Loan Repayment Program was reduced by \$17,166.

S.B. 03-287 (Teck/Witwer): Health Facilities License Fee. Increased the annual fee for the licensing of health facilities from \$150 to \$360. Increased the FY 2003-04 cash fund appropriation to the Health Facilities Division by \$1,653,668 and reduced the General Fund appropriation by \$133,825.

H.B. 02-1323 (Berry/Windels): Assisted Living Residences. Increased fee in order to fund existing regulatory functions related to the inspection and monitoring of assisted living facilities. Increases three licensing fees and creates four new licensee fees. Fee revenue is credited to the Assisted Living Residences Cash Fund.

H.B. 02-1348 (Harvey/Dyer): Transfer Poison Control Program. Transferred the Poison Control Program from the Department of Health Care Policy and Financing to the Department of Public Health and Environment.

H.B. 02-1440 (Young/Entz): Emergency Medical and Trauma Services. Amended statutory requirements related to emergency services. Repealed \$100 limitation on licensing fees for ambulance services and the conditional licensing of ambulance services by counties; repealed the issuance of conditional licenses to an ambulance services; and requires licensing of air ambulance services the Department of Public Health and Environment. The bill created the Fixed-Wing and Rotor-Wing Ambulance Cash Fund to collect these air ambulance fees and fund the activities of the Department of Public Health and Environment to implement the act.

Department Overview: Major Funding Changes FY 2005-06 to FY 2006-07, Administrative and Health Divisions

Division: Action	GF	Other Funds	Total	FTE
Prevention Services: H.B. 05-1262 (Implementation of Amendment 35)	0	43,336,056	43,336,056	0.0
Administration and Support, Prevention Services: Amendment 35 (Tobacco Tax) revenue	0	13,131,353	13,131,353	0.0
Disease Control and Environmental Epidemiology, Prevention Services: Federal funding adjustments	0	8,468,165	8,468,165	1.7
Local Health Services: Per capita local health payments	3,750,000	0	3,750,000	0.0
Disease Control and Environmental Epidemiology, Prevention Services: Tobacco settlement payments	0	1,801,001	1,801,001	0.0
Administration and Support: Change in Central (potted) appropriations	(70,494)	924,126	853,632	0.0
All Divisions: Indirect cost assessment	0	713,603	713,603	0.0
Disease Control and Environmental Epidemiology Division: Immunization	695,547	(43,000)	652,547	0.0
All Divisions: Annualization of salary and benefits adjustments	40,648	520,431	561,079	0.0
Health Facilities and Emergency Medical Services: Extra funding for Colorado's Poison Control Hotline	300,000	0	300,000	0.0
Laboratory Services, Prevention Services: Newborn Screening	0	224,688	224,688	0.2
Administration and Support, Center for Health and Environmental Information and Statistics: Operating adjustments	0	194,402	194,402	0.0
Health Facilities and Emergency Medical Services: Medicaid / Medicare facilities certification	0	182,718	182,718	3.1
Prevention Services: Expansion of Genetics Counseling Program	0	115,632	115,632	0.0
Laboratory Services, Disease Control and Environmental Epidemiology, Prevention Services, Health Facilities and Emergency Medical Services: Medical inflation	83,926	28,594	112,520	0.0
Administration and Support: Legal Services	0	69,876	69,876	0.0
Laboratory Services: Water Quality	0	50,000	50,000	0.0
Administration and Support: Extra FTE for the Health Disparities Grant Program	0	18,360	18,360	0.3

Division: Action	GF	Other Funds	Total	FTE
Administration and Support: Extra FTE for the Administration Division	0	0	0	1.0
Prevention Services Division: Extra FTE for the Breast and Cervical Cancer Screening Program	0	0	0	1.3
Prevention Services Division: Extra FTE for the Tony Grampsas Youth Services Program	0	0	0	1.0
Center for Health and Environmental Information and Statistics: FY 2006-07 impact of H.B. 05-1287 (Access To Adoptees Birth Certificates)	0	(4,629)	(4,629)	(0.1)
Prevention Services: End of one-time General Fund support for Tony Grampsas Program	(4,000,000)	0	(4,000,000)	0.0
Total	799,627	69,731,376	70,531,003	8.5

FY 2006-07 Decision Items and Base Reduction Items for All Divisions

Decision Items for the Administrative and Health Divisions are unshaded.

Pri- ority	Division: Description <i>[Statutory Authority]</i>	GF	CF	CFE	FF	Total	FTE
1	Health Facilities and Emergency Medical Services: Expand the Health Facilities Licensing Program <i>[Sections 25-1.5-103 (1) (a) (I), C.R.S.]</i>	\$557,925	\$0	\$0	\$0	\$557,925	6.7
2	Water Quality Control: Additional Resources for the Clean Water Act program <i>[Sections 25-8-101 to 703, C.R.S.]</i>	212,067	416,810	0	0	628,877	7.0
3	Disease Control and Environmental Epidemiology: Maintain the state's electronic communicable disease reporting system <i>[Sections 25-1-122 and 25-2.5-102, C.R.S.]</i>	186,055	0	0	(186,055)	0	0.0
4	Consumer Protection: Computer equipment for Retail Food Program contractors <i>[Sections 25-1.5-101, 25-4-101 to 111, and 29-1-201, C.R.S.]</i>	64,872	0	0	0	64,872	0.0
5	Laboratory Services: Higher fees and expenditures for newborn screening <i>[Sections 25-1.5-101 (e) and Parts 8 and 10 of Article 25-4, C.R.S.]</i>	0	291,300	0	0	291,300	0.0

Pri- ority	Division: Description <i>[Statutory Authority]</i>	GF	CF	CFE	FF	Total	FTE
6	Air Quality Control: Additional resources for permitting and inspections <i>[Sections 25-7-101 to 139, C.R.S.]</i>	0	307,389	0	0	307,389	3.0
7	Prevention Services: Added FTE for the Nurse Home Visitor Program <i>[Sections 25-31-101 to 108, C.R.S.]</i>	0	0	0	0	0	2.0
8	Administration and Support: Added FTE and operating expenses for the Health Disparities Grant Program <i>[Sections 25-31-101 to 108, C.R.S.]</i>	0	0	0	0	0	2.8
9	Hazardous Materials and Waste Management: Additional resources for inspections <i>[Sections 25-11-102 and 103, C.R.S.]</i>	0	90,430	0	0	90,430	1.0
10	Prevention Services: Added FTE and operating expenses for the Cancer, Cardiovascular and Pulmonary Disease Grant Program. <i>[Sections 25-20.5-301 to 306, C.R.S.]</i>	0	0	0	0	0	3.0
11	Administration and Support: Pay retiring and terminating employees for unused accrued annual and sick leave.	0	0	98,645	0	98,645	0.0

Pri- ority	Division: Description <i>[Statutory Authority]</i>	GF	CF	CFE	FF	Total	FTE
12	Administration and Support Division and Laboratory Services Division: Move Laboratory Services FTE to Administration and Support.	0	(55,008)	55,008	0	0	0.0
	Total Prioritized Requests	\$1,020,919	\$1,050,921	\$153,653	(\$186,055)	\$2,039,438	25.5
NP 1	Multiple Divisions: Implementation of H.B.06S-1023, Restrictions on Public Benefits. <i>[Sections 24-76.5-101 to 103, C.R.S.]</i>	10,471	5,172	13,335	0	28,978	0.5
NP 2	Hazardous Material and Waste Management: Natural Resources Damages at Rocky Mountain Arsenal <i>[Sections 25-15-101 to 515, C.R.S.]</i>	0	0	44,682	0	44,682	0.0
NP 3	Vehicle Lease FY 2007-08 Proration - Statewide	0	8,698	5,827	1,392	15,917	0.0
NP 4	Multiuse network (MNT) - Statewide	0	0	(2,523)	(1,393)	(3,916)	0.0
	Total Nonprioritized Requests	\$10,471	\$13,870	\$61,321	(\$1)	\$85,661	0.5
	Total Request	\$1,031,390	\$1,064,791	\$214,974	(\$186,056)	\$2,125,099	26.0

Numbers Pages Overview, FY 2007-08, Administrative and Health Divisions

The following table below summarizes the differences between the FY 2006-07 appropriation for the Administrative and Health Divisions and the Department's FY 2007-08 request for those divisions.

	GF	GFE	CF	CFE	FF	Total	FTE
FY 2006-07 Appropriation	18,728,901	516,147	13,603,013	180,965,714	187,408,379	401,222,154	710.0
Changes in tobacco-settlement supported programs	0	0	0	7,791,809	0	7,791,809	0.0
Changes of personal-service related Central (i.e. potted) appropriations (Health, Life and Dental; Short-term Disability; Amortization Equalization Disbursement; Salary Survey; Performance-based Pay; Shift Differential; Workers' Compensation)	242,619	0	685,968	866,604	1,498,942	3,294,133	0.0
Decision Items	751,198	0	246,909	170,292	(186,056)	982,343	14.9
Annualization of Salary Survey	57,981	0	134,022	276,529	19,778	488,310	0.0
OSPB Base Reduction	(7,389)	0	(12,965)	(24,245)	(20,950)	(65,549)	0.0
FY 2007-08 impact of prior session bills	23,540	0	(22,480)	(135,000)	0	(133,940)	0.4
Change of other central appropriations (Administrative Law Judge Services; Risk Management; Leased Space; Communications Services Payments; Purchase of Services from Computer Center)	0	0	22,802	(192,096)	23,040	(146,254)	0.0
Amendment 35 Tobacco-Tax revenue related changes	0	(54,747)	0	(63,381,946)	0	(63,436,693)	0.0
FY 2007-08 Request	19,796,850	461,400	14,657,269	126,337,661	188,743,133	349,996,313	725.3
Change	1,067,949	(54,747)	1,054,256	(54,628,053)	1,334,754	(51,225,841)	15.3
Percentage Change	5.7%	-10.6%	7.8%	-30.2%	0.7%	-12.8%	2.2%

	FY 2004-05 Actual	FY 2005-06 Actual	FY 2006-07 Approp	FY 2007-08 Request	Change Request
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DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT (Administration and Health Divisions) Executive Director: Dennis E. Ellis
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(1) ADMINISTRATION AND SUPPORT

This division provides policy direction and support services including: accounting budgeting, facilities, procurement, internal audit, management analysis and human services. It includes the Executive Director's Office, Office of Communications, Office of Legal And Regulatory Affairs, Office of Policy and Public-Private Initiatives and the Office Of Customer Service. The primary cash funds and cash funds exempt sources include the Pollution Prevention Fund and indirect cost recoveries.

(A) Administration

Personal Services	3,818,388	3,944,160	4,140,496	4,348,048	DI 12
FTE	<u>57.6</u>	<u>55.9</u>	<u>57.0</u>	<u>58.9</u>	
General Fund	0	0	0		
Cash Funds	104,364	67,000	73,179	76,688	
FTE	1.5				
Cash Funds Exempt	3,660,165	3,805,717.0	4,067,317	4,271,360	DI 12
FTE	55.4				
Federal Funds	53,859	71,443	0		
FTE	0.7				
Retirements	<u>382,500</u>	<u>382,500</u>	<u>382,500</u>	<u>481,145</u>	DI 11
Cash Funds	0	0	0		
Cash Funds Exempt	382,500	382,500	382,500	481,145	

	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	Change
	Actual	Actual	Approp	Request	Request
Health, Life, and Dental	<u>2,546,354</u>	<u>3,053,751</u>	<u>3,818,855</u>	<u>4,679,617</u>	
General Fund	114,724	370,964	256,310	345,876	
Cash Funds	615,355	516,183	861,616	1,037,153	
Cash Funds Exempt	455,532	458,814	713,103	933,354	
Federal Funds	1,360,743	1,707,790	1,987,826	2,363,234	
Short-term Disability	<u>100,538</u>	<u>96,667</u>	<u>78,202</u>	<u>97,271</u>	
General Fund	5,530	6,360	4,882	6,502	
Cash Funds	26,059	24,350	17,477	21,165	
Cash Funds Exempt	20,530	19,525	14,586	19,616	
Federal Funds	48,419	46,432	41,257	49,988	
S.B. 04-257 Amortization Equalization	<u>n/a</u>	<u>162,592</u>	<u>517,236</u>	<u>1,032,264</u>	
General Fund		9,012	30,604	60,570	
Cash Funds		41,411	115,995	197,179	
Cash Funds Exempt		33,206	96,808	308,883	
Federal Funds		78,963	273,829	465,632	
Salary Survey and Senior Executive Service	<u>1,428,007</u>	<u>2,212,183</u>	<u>1,940,293</u>	<u>3,136,033</u>	
General Fund	77,292	109,973	134,019	209,471	
Cash Funds	371,199	596,303	390,412	665,442	
Cash Funds Exempt	290,252	460,002	344,449	620,746	
Federal Funds	689,264	1,045,905	1,071,413	1,640,374	
Performance-based Pay Awards	<u>819,569</u>	<u>0</u>	<u>0</u>	<u>688,874</u>	
General Fund	45,074	0	0	46,015	
Cash Funds	212,390	0	0	150,528	
Cash Funds Exempt	167,429	0	0	138,703	

	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	Change
	Actual	Actual	Approp	Request	Request
Federal Funds	394,676	0	0	353,628	
Shift Differential	<u>0</u>	<u>0</u>	<u>11,292</u>	<u>11,703</u>	
Federal Funds	0	0	11,292	11,703	
Workers' Compensation	<u>297,866</u>	<u>280,679</u>	<u>305,084</u>	<u>319,332</u>	
General Fund	0	0	0	0	
Cash Funds Exempt	297,866	280,679	305,084	319,332	
Operating Expenses	<u>1,154,193</u>	<u>1,135,862</u>	<u>1,143,392</u>	<u>1,143,392</u>	
Cash Funds Exempt	1,141,008	1,094,799	1,143,392	1,143,392	
Federal Funds	13,185	41,063	0	0	
Legal Services	<u>1,037,677</u>	<u>1,165,263</u>	<u>1,431,189</u>	<u>1,431,190</u>	
Hours			21,122	21,047	
Cash Funds	78,114	83,273	95,478	95,478	
Cash Funds Exempt	910,194	1,002,769	1,252,410	1,252,410	
Federal Funds	49,369	79,221	83,301	83,302	
Administrative Law Judge Services	<u>22,064</u>	<u>11,542</u>	<u>12,367</u>	<u>0</u>	
Cash Funds Exempt	22,064	11,542	12,367	0	
Payment to Risk Management and Property Funds	<u>59,534</u>	<u>43,864</u>	<u>72,747</u>	<u>94,612</u>	
Cash Funds	2,337	2,337	2,699	2,699	
Cash Funds Exempt	57,197	41,527	70,048	91,913	
Vehicle Lease Payments	<u>179,735</u>	<u>174,084</u>	<u>220,234</u>	<u>236,151</u>	DI NP3

	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	Change
	Actual	Actual	Approp	Request	Request
Cash Funds	69,367	82,916	120,348	129,046	
Cash Funds Exempt	42,106	39,317	80,618	86,445	
Federal Funds	68,262	51,851	19,268	20,660	
Leased Space	<u>4,707,566</u>	<u>5,014,184</u>	<u>5,120,113</u>	<u>4,823,368</u>	
Cash Funds Exempt	4,661,526	4,967,695	5,085,443	4,784,980	
Federal Funds	46,040	46,489	34,670	38,388	
Capitol Complex Leased Space	<u>26,238</u>	<u>26,554</u>	<u>27,440</u>	<u>27,452</u>	
Cash Funds Exempt	26,238	26,554	27,440	27,452	
Communications Services Payments	<u>3,901</u>	<u>4,871</u>	<u>5,196</u>	<u>5,309</u>	
Cash Funds Exempt	3,901	4,871	5,196	5,309	
Utilities	<u>443,906</u>	<u>550,268</u>	<u>597,427</u>	<u>597,427</u>	
Cash Funds	10,569	11,226	13,154	13,154	
Cash Funds Exempt	342,287	435,810	462,097	462,097	
Federal Funds	91,050	103,232	122,176	122,176	
Building Maintenance and Repair	<u>271,054</u>	<u>271,858</u>	<u>271,858</u>	<u>271,858</u>	
Cash Funds Exempt	271,054	271,858	271,858	271,858	
Reimbursement for Members of the State Board of Health - GF	3,840	3,840	3,840	3,840	
SUBTOTAL - (A) Administration	17,302,930	18,534,722	20,099,761	23,428,886	16.6%
FTE	<u>57.6</u>	<u>55.9</u>	<u>57.0</u>	<u>58.9</u>	<u>1.9</u>
General Fund	246,460	500,149	429,655	672,274	56.5%

	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	Change
	Actual	Actual	Approp	Request	Request
Cash Funds	1,489,754	1,424,999	1,690,358	2,388,532	41.3%
FTE	1.5				
Cash Funds Exempt	12,751,849	13,337,185	14,334,716	15,218,995	6.2%
FTE	55.4				
Federal Funds	2,814,867	3,272,389	3,645,032	5,149,085	41.3%
FTE	0.7				

(B) Special Programs

(1) Environmental Leadership and Pollution

Prevention

	791,436	858,181	1,014,035	879,035	
FTE	<u>6.5</u>	<u>7.0</u>	<u>7.0</u>	<u>7.0</u>	
General Fund	0	0	0	0	
Cash Funds	88,842	104,414	124,912	124,912	
Cash Funds Exempt	0.0	0.5	184,264	49,264	
Federal Funds	0	49,264	704,859	704,859	
FTE	702,594.0	704,503.0	7.0	7.0	
	6.5	6.5			

(2) Health Disparities Grant Program

Personal Services - CFE			30,600	205,823	DI 8
FTE	n/a	n/a	0.5	3.3	
Operating Expenses - CFE			0	50,039	DI 8
	n/a	n/a			
Health Disparities Grants - CFE			8,584,607	3,435,277	DI 8

SUBTOTAL - (2) Health Disparities Grant

Program - CFE	0.0	0.0	8,615,207.0	3,691,139.0	-57.2%
FTE	0.0	0.0	0.5	3.3	2.8

	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	Change
	Actual	Actual	Approp	Request	Request
(formerly #2) Tobacco Oversight					
Personal Services	0	0	0	0	
FTE	<u>0.0</u>		<u>0.0</u>	<u>0.0</u>	
Cash Funds Exempt	0		0	0	
FTE	0.0		0.0	0.0	
(3) Indirect Cost Assessment	<u>211,019</u>	<u>214,054</u>	<u>231,892</u>	<u>231,892</u>	
Cash Funds	42,337	42,922	52,923	52,923	
Cash Funds Exempt	45,506	43,796	47,394	47,394	
Federal Funds	123,176	127,336	131,575	131,575	
SUBTOTAL - (B) Special Programs	1,002,455	1,072,235	9,861,134	4,802,066	-51.3%
FTE	<u>6.5</u>	<u>7.0</u>	<u>7.5</u>	<u>10.3</u>	<u>2.8</u>
General Fund	0	0	0	0	n/a
Cash Funds	131,179	147,336	177,835	177,835	0.0%
FTE	0.0	0.5	0.0	0.0	0.0
Cash Funds Exempt	45,506	93,060	8,846,865	3,787,797	-57.2%
FTE	0.0	0.0	0.5	3.3	2.8
Federal Funds	825,770	831,839	836,434	836,434	0.0%
FTE	6.5	6.5	7.0	7.0	0.0
TOTAL - (1) ADMINISTRATION AND SUPPORT	18,305,385	19,606,957	29,960,895	28,230,952	-5.8%
FTE	<u>64.1</u>	<u>62.9</u>	<u>64.5</u>	<u>69.2</u>	<u>4.7</u>
General Fund	246,460	500,149	429,655	672,274	56.5%
FTE		0.0			
Cash Funds	1,620,933	1,572,335	1,868,193	2,566,367	37.4%

	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	Change
	Actual	Actual	Approp	Request	Request
FTE		0.5			
Cash Funds Exempt	12,797,355	13,430,245	23,181,581	19,006,792	-18.0%
FTE		0.0			
Federal Funds	3,640,637	4,104,228	4,481,466	5,985,519	33.6%
FTE					

(2) CENTER FOR HEALTH AND ENVIRONMENTAL INFORMATION (CHEIS)

The Health Statistics and Vital Records section maintains data for all births, deaths, marriages, and marriage dissolutions; tracks data for internal and external use; and provides records to other agencies and the public.

(A) Health Statistics and Vital Records

Personal Services	2,832,774	2,936,597	2,421,772	2,448,348
FTE	<u>49.0</u>	<u>49.7</u>	47.2	47.2
Cash Funds	1,390,066	1,498,723	1,576,799	1,657,914
FTE	25.8	25.8		0.0
Cash Funds Exempt	151,901	137,274	142,041	150,760
FTE	2.5	3.2		0.0
Federal Funds	1,290,807	1,300,600	702,932	639,674
FTE	20.7	20.7		0.0
Operating Expenses	<u>255,118</u>	<u>295,118</u>	<u>115,875</u>	<u>115,875</u>
Cash Funds	53,488	49,463	53,500	54,367
Cash Funds Exempt	2,950	27,657	23,942	26,534
Federal Funds	198,680	217,998	38,433	34,974
Indirect Cost Assessment	<u>534,860</u>	<u>545,990</u>	<u>611,618</u>	<u>608,536</u>
Cash Funds	328,804	331,099	384,925	323,601

	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	Change
	Actual	Actual	Approp	Request	Request
Cash Funds Exempt	8,713	17,029	43,713	36,520	
Federal Funds	197,343	197,862	182,980	248,415	
SUBTOTAL - (A) Health Statistics and Vital					
Records	3,622,752	3,777,705	3,149,265	3,172,759	0.7%
FTE	<u>49.0</u>	<u>49.7</u>	<u>47.2</u>	<u>47.2</u>	<u>0.0</u>
General Fund	0	0	0		n/a
Cash Funds	1,772,358	1,879,285	2,015,224	2,035,882	1.0%
FTE	25.8	25.8			
Cash Funds Exempt	163,564	181,960	209,696	213,814	2.0%
FTE	2.5	3.2			
Federal Funds	1,686,830	1,716,460	924,345	923,063	-0.1%
FTE	20.7	20.7			
(B) Information Technology Services					
Personal Services	1,884,113	2,006,729	2,114,460	2,148,461	
FTE	<u>23.3</u>	<u>23.3</u>	<u>24.2</u>	<u>24.2</u>	
Cash Funds	108,999	139,557	164,657	164,328	
FTE	0.5	0.6	0.6	0.6	
Cash Funds Exempt	1,547,408	1,601,602	1,661,982	1,696,888	
FTE	19.9	19.8	20.9	20.9	
Federal Funds	227,706	265,570	287,821	287,245	
FTE	2.9	2.9	2.7	2.7	
Operating Expenses	<u>795,274</u>	<u>760,943</u>	<u>883,875</u>	<u>883,875</u>	
Cash Funds	100,226	99,724	101,677	101,677	
Cash Funds Exempt	657,279	661,219	661,219	661,219	
Federal Funds	37,769	0	120,979	120,979	

	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	Change
	Actual	Actual	Approp	Request	Request
Purchases of Services from Computer Center	<u>172,676</u>	<u>158,527</u>	<u>160,865</u>	<u>301,733</u>	
Cash Funds	27,936	25,650	26,039	48,841	
Cash Funds Exempt	121,032	111,112	112,761	211,505	
Federal Funds	23,708	21,765	22,065	41,387	
Multiuse Network Payments	<u>176,341</u>	<u>149,496</u>	<u>148,234</u>	<u>144,318</u>	DI NP4
Cash Funds Exempt	138,288	96,316	95,503	92,980	
Federal Funds	38,053	53,180	52,731	51,338	
Indirect Cost Assessment	<u>78,134</u>	<u>81,217</u>	<u>95,354</u>	<u>95,354</u>	
Cash Funds	27,033	25,853	27,853	27,853	
Cash Funds Exempt	1,193	3,602	2,373	2,373	
Federal Funds	49,908	51,762	65,128	65,128	
SUBTOTAL - (B) Information Technology					
Services	3,106,538	3,156,912	3,402,788	3,573,741	5.0%
FTE	<u>23.3</u>	<u>23.3</u>	<u>24.2</u>	<u>24.2</u>	<u>0.0</u>
Cash Funds	264,194	290,784	320,226	342,699	7.0%
FTE	0.5	0.6	0.6	0.6	0.0
Cash Funds Exempt	2,465,200	2,473,851	2,533,838	2,664,965	5.2%
FTE	19.9	19.8	20.9	20.9	0.0
Federal Funds	377,144	392,277	548,724	566,077	3.2%
FTE	2.9	2.9	2.7	2.7	0.0

	FY 2004-05 Actual	FY 2005-06 Actual	FY 2006-07 Approp	FY 2007-08 Request	Change Request
TOTAL - (2) CENTER FOR HEALTH AND ENVIRONMENTAL INFORMATION (CHEIS)	6,729,290	6,934,617	6,552,053	6,746,500	3.0%
FTE	<u>72.3</u>	<u>73.0</u>	<u>71.4</u>	<u>71.4</u>	<u>0.0</u>
General Fund	0	0	0	0	n/a
FTE	0.0	0.0			
Cash Funds	2,036,552	2,170,069	2,335,450	2,378,581	1.8%
FTE	26.3	26.4			
Cash Funds Exempt	2,628,764	2,655,811	2,743,534	2,878,779	4.9%
FTE	22.4	23.0			
Federal Funds	2,063,974	2,108,737	1,473,069	1,489,140	1.1%
FTE	23.6	23.6			

(3) LABORATORY SERVICES

Provides testing and analyses for both health and environmental programs. Program areas include: chemistry, microbiology, newborn screening, and radioactive materials certification. The primary cash funds and cash funds exempt sources include the following: Newborn Screening and Genetic Counseling Fund, Radiation Control Cash Fund, Law Enforcement Assistance Fund, funds appropriated to the Water Quality Control Division and indirect cost recoveries.

(A) Director's Office

Personal Services	544,132	535,621	720,636	656,603	DI 12
FTE	<u>8.7</u>	<u>10.0</u>	<u>10.0</u>	<u>8.1</u>	
General Fund	0	0	0	0	
FTE	0.0			0.0	
Cash Funds	488,934	440,387	563,183	522,535	
FTE	8.1			0.0	
Cash Funds Exempt	38,796	20,096	38,641	15,494	
FTE	0.4			0.0	

	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	Change
	Actual	Actual	Approp	Request	Request
Federal Funds	16,402	75,138	118,812	118,574	
FTE	0.2			0.0	
Operating Expenses	<u>39,102</u>	<u>25,552</u>	<u>30,597</u>	<u>30,597</u>	
General Fund	0	0	0	0	
Cash Funds	22,419	22,187	22,421	22,421	
Federal Funds	16,683	3,365	8,176	8,176	
Indirect Cost Assessment	<u>1,014,566</u>	<u>1,058,292</u>	<u>1,345,414</u>	<u>1,395,372</u>	DI 5
Cash Funds	859,870	887,125	1,091,870	1,141,828	
Cash Funds Exempt	0	0	43,225	43,225	
Federal Funds	154,696	171,167	210,319	210,319	
SUBTOTAL - (A) Director's Office	1,597,800	1,619,465	2,096,647	2,082,572	-0.7%
FTE	<u>8.7</u>	<u>10.0</u>	<u>10.0</u>	<u>8.1</u>	<u>(1.9)</u>
General Fund	0	0	0	0	n/a
FTE					
Cash Funds	1,371,223	1,349,699	1,677,474	1,686,784	0.6%
FTE					
Cash Funds Exempt	38,796	20,096	81,866	58,719	-28.3%
FTE					
Federal Funds	187,781	249,670	337,307	337,069	-0.1%
FTE					
(B) Laboratory Services - Chemistry and Microbiology					
Personal Services	2,378,824	2,940,855	3,250,012	4,441,122	
FTE	<u>37.5</u>	<u>37.3</u>	<u>53.6</u>	<u>65.6</u>	
General Fund	151,062	155,029	157,199	159,498	

	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	Change
	Actual	Actual	Approp	Request	Request
FTE	2.7			0.0	
Cash Funds	1,509,830	1,868,844	2,103,782	2,144,571	
FTE	22.1			0.0	
Cash Funds Exempt	95,184	227,773	208,531	208,114	
FTE	1.5			0.0	
Federal Funds	622,748	689,209	780,500	1,928,939	
FTE	11.2			0.0	
Operating Expenses	<u>2,124,568</u>	<u>2,265,573</u>	<u>2,326,540</u>	<u>2,567,882</u>	DI 5
General Fund	19,638	12,189	12,538	12,538	
Cash Funds	1,428,935	1,522,492	1,828,381	2,069,723	
Cash Funds Exempt	276,150	401,682	276,616	276,616	
Federal Funds	399,845	329,210	209,005	209,005	
Equipment Replacement - CF	n/a	88,490	117,000	117,000	
SUBTOTAL - (B) Laboratory Services -					
Chemistry and Microbiology	4,503,392	5,294,918	5,693,552	7,126,004	25.2%
FTE	<u>37.5</u>	<u>37.3</u>	<u>53.6</u>	<u>65.6</u>	<u>12.0</u>
General Fund	170,700	167,218	169,737	172,036	1.4%
FTE	2.7				
Cash Funds	2,938,765	3,479,826	4,049,163	4,331,294	7.0%
FTE	22.1				
Cash Funds Exempt	371,334	629,455	485,147	484,730	-0.1%
FTE	1.5				
Federal Funds	1,022,593	1,018,419	989,505	2,137,944	116.1%
FTE	11.2				

	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	Change
	Actual	Actual	Approp	Request	Request
(C) Certification					
Personal Services	631,539	609,030	661,867	672,080	
FTE	<u>9.8</u>	<u>9.3</u>	<u>10.3</u>	<u>10.3</u>	
General Fund	0	0	0	0	
FTE	0.0			0.0	
Cash Funds	443,292	419,075	470,605	481,201	
FTE	7.0			0.0	
Cash Funds Exempt	0		0	0	
Federal Funds	188,247	189,955	191,262	190,879	
FTE	2.8			0.0	
Operating Expenses	<u>129,582</u>	<u>85,227</u>	<u>89,886</u>	<u>89,886</u>	
Cash Funds	57,424	60,199	60,483	60,483	
Federal Funds	72,158	25,028	29,403	29,403	
SUBTOTAL - (C) Certification	761,121	694,257	751,753	761,966	1.4%
FTE	<u>9.8</u>	<u>9.3</u>	<u>10.3</u>	<u>10.3</u>	<u>0.0</u>
General Fund	0	0	0	0	n/a
FTE	0.0				
Cash Funds	500,716	479,274	531,088	541,684	2.0%
FTE	7.0				
Cash Funds Exempt	0	0	0	0	n/a
Federal Funds	260,405	214,983	220,665	220,282	-0.2%
FTE	2.8				
TOTAL - (3) LABORATORY SERVICES	6,862,313	7,608,640	8,541,952	9,970,542	16.7%
FTE	<u>56.0</u>	<u>56.6</u>	<u>73.9</u>	<u>84.0</u>	<u>10.1</u>

	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	Change
	Actual	Actual	Approp	Request	Request
General Fund	170,700	167,218	169,737	172,036	1.4%
FTE	2.7				
Cash Funds	4,810,704	5,308,799	6,257,725	6,559,762	4.8%
FTE	29.1				
Cash Funds Exempt	410,130	649,551	567,013	543,449	-4.2%
FTE	1.5				
Federal Funds	1,470,779	1,483,072	1,547,477	2,695,295	74.2%
FTE	14.0				

(4) LOCAL HEALTH SERVICES

Provides contract funds to local, district, and regional public health departments; and nursing and environmental health agencies.

(A) Local Liaison

Public Health Nurses in Areas Not Served by Local Health Departments - GF

962,731	962,731	962,731	962,731
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Environmental Health Specialists in Areas Not Served by Local Health Departments - GF

241,471	241,480	241,480	248,698	DI NP1
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Local, District and Regional Health Department Distributions pursuant to Section 25-1-516, C.R.S. - GF

0	1,250,000	5,000,000	5,000,000
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SUBTOTAL - (A) Local Liaison

1,204,202	2,454,211	6,204,211	6,211,429	0.1%	
General Fund	1,204,202	2,454,211	6,204,211	6,211,429	0.1%

(B) Community Nursing

	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	Change
	Actual	Actual	Approp	Request	Request
Personal Services	425,681	440,142	449,328	460,042	
FTE	<u>5.1</u>	<u>5.2</u>	<u>5.4</u>	<u>5.4</u>	
General Fund	220,418	228,287	231,777	237,094	
FTE	2.6			0.0	
Cash Funds	0		0	0	
FTE	0.0			0.0	
Federal Funds	205,263	211,855	217,551	222,948	
FTE	2.5			0.0	
Operating Expenses - GF	16,705	16,705	16,705	16,705	
Indirect Cost Assessment - FF	32,965	32,964	32,817	32,817	
SUBTOTAL - (B) Community Nursing	475,351	489,811	498,850	509,564	2.1%
FTE	<u>5.1</u>	<u>5.2</u>	<u>5.4</u>	<u>5.4</u>	<u>0.0</u>
General Fund	237,123	244,992	248,482	253,799	2.1%
FTE	2.6				
Cash Funds	0	0	0	0	n/a
FTE	0.0				
Federal Funds	238,228	244,819	250,368	255,765	2.2%
FTE	2.5				
TOTAL - (4) LOCAL HEALTH SERVICES	1,679,553	2,944,022	6,703,061	6,720,993	0.3%
FTE	<u>5.1</u>	<u>5.2</u>	<u>5.4</u>	<u>5.4</u>	<u>0.0</u>
General Fund	1,441,325	2,699,203	6,452,693	6,465,228	0.2%
FTE	2.6	2.7			
Cash Funds	0	0	0	0	n/a

	FY 2004-05 Actual	FY 2005-06 Actual	FY 2006-07 Approp	FY 2007-08 Request	Change Request
FTE	0.0	0.0			
Cash Funds Exempt	0	0	0	0	n/a
FTE	0.0	0.0			
Federal Funds	238,228	244,819	250,368	255,765	2.2%
FTE	2.5	2.5			

(5) AIR QUALITY CONTROL DIVISION

(6) WATER QUALITY CONTROL DIVISION

(7) HAZARDOUS MATERIALS AND WASTE MANAGEMENT DIVISION

(8) CONSUMER PROTECTION

These environmental divisions are presented separately by another analyst

(9) DISEASE CONTROL AND ENVIRONMENTAL EPIDEMIOLOGY DIVISION

This division seeks to reduce illness and premature deaths with programs that focus on preventing and controlling communicable diseases, related diseases, and their complications. This includes investigating incidents, assessing the prevalence of diseases, and evaluating potential risks posed by environmental and toxicological exposures. The primary source of cash funds exempt is federal funds appropriated in the Department of Human Services.

(A) Administration, General Disease Control and Surveillance

Personal Services	695,093	548,892	887,667	893,287	DI 3
FTE	<u>9.7</u>	<u>7.0</u>	<u>14.5</u>	<u>14.5</u>	
General Fund	367,330	379,223	384,566	577,247	
FTE	6.0	5.3	8.1	10.6	
Federal Funds	327,763	169,669	503,101	316,040	
FTE	3.7	1.7	6.4	3.9	
Operating Expenses	<u>320,525</u>	<u>291,693</u>	<u>372,681</u>	<u>372,681</u>	
General Fund	249,347	249,347	253,323	253,323	

	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	Change
	Actual	Actual	Approp	Request	Request
Cash Funds	4,310	3,503	6,538	6,538	
Federal Funds	66,868	38,843	112,820	112,820	
Indirect Cost Assessment	<u>2,880,972</u>	<u>3,256,351</u>	<u>3,439,866</u>	<u>3,439,866</u>	
Cash Funds	0	0	2,000	2,000	
Cash Funds Exempt	6,368	2,000	0	0	
Federal Funds	2,874,604	3,254,351	3,437,866	3,437,866	
SUBTOTAL - (A) Administration, General					
Disease Control and Surveillance	3,896,590	4,096,936	4,700,214	4,705,834	0.1%
FTE	<u>9.7</u>	<u>7.0</u>	<u>14.5</u>	<u>14.5</u>	<u>0.0</u>
General Fund	616,677	628,570	637,889	830,570	30.2%
FTE	6.0	5.3	8.1	10.6	2.5
Cash Funds	4,310	3,503	8,538	8,538	0.0%
Cash Funds Exempt	6,368	2,000	0	0	n/a
Federal Funds	3,269,235	3,462,863	4,053,787	3,866,726	-4.6%
FTE	3.7	1.7	6.4	3.9	(2.5)
(B) Special Purpose Disease Control Programs					
(1) Immunization					
Personal Services	1,690,228	1,748,438	1,226,835	1,225,981	
FTE	<u>23.4</u>	<u>23.7</u>	<u>20.0</u>	<u>20.0</u>	
General Fund	83,526	83,361	84,530	85,961	
FTE	1.0	1.0	1.0	1.0	
Cash Funds Exempt	0	0	0	0	
Federal Funds	1,606,702	1,665,077	1,142,305	1,140,020	
FTE	22.4	22.7	19.0	19.0	

	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	Change
	Actual	Actual	Approp	Request	Request
Operating Expenses	<u>8,318,002</u>	<u>14,973,190</u>	<u>22,211,147</u>	<u>22,156,400</u>	
General Fund	413,600	620,600	800,000	800,000	
General Fund Exempt	n/a	0	516,147	461,400	
Cash Funds Exempt	43,000	38,066	0	0	
Federal Funds	7,861,402	14,314,524	20,895,000	20,895,000	
Subtotal - (1) Immunization	10,008,230	16,721,628	23,437,982	23,382,381	-0.2%
FTE	<u>23.4</u>	<u>23.7</u>	<u>20.0</u>	<u>20.0</u>	<u>0.0</u>
General Fund	497,126	703,961	884,530	885,961	0.2%
FTE	1.0	1.0	1.0	1.0	0.0
General Fund Exempt	0	0	516,147	461,400	-10.6%
Cash Funds Exempt	43,000	38,066	0	0	n/a
Federal Funds	9,468,104	15,979,601	22,037,305	22,035,020	0.0%
FTE	22.4	22.7	19.0	19.0	0.0
(2) Sexually Transmitted Disease, HIV and AIDS					
Personal Services	3,336,702	3,470,006	3,419,015	3,419,015	
FTE	<u>49.2</u>	<u>48.7</u>	<u>55.8</u>	<u>55.8</u>	
Cash Funds Exempt	0	0	79,222	79,222	
FTE	0.0	0.0	1.2	1.2	
Federal Funds	3,336,702	3,470,006	3,339,793	3,339,793	
FTE	49.2	48.7	54.6	54.6	
Operating Expenses	<u>4,581,309</u>	<u>4,816,058</u>	<u>6,318,226</u>	<u>6,947,778</u>	
Cash Funds Exempt	0	0	1,505,226	2,134,778	
Federal Funds	4,581,309	4,816,058	4,813,000	4,813,000	
HIV and Aids Prevention Fund	0	0	1,584,448	2,214,000	

	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	Change
	Actual	Actual	Approp	Request	Request
Cash Funds Exempt			1,584,448	2,214,000	
Subtotal - (2) Sexually Transmitted Disease, HIV and AIDS	7,918,011	8,286,064	11,321,689	12,580,793	11.1%
FTE	<u>49.2</u>	<u>48.7</u>	<u>55.8</u>	<u>55.8</u>	<u>0.0</u>
Cash Funds Exempt	0	0	3,168,896	4,428,000	39.7%
FTE	0.0	0.0	1.2	1.2	0.0
Federal Funds	7,918,011	8,286,064	8,152,793	8,152,793	0.0%
FTE	49.2	48.7	54.6	54.6	0.0
(3) Ryan White Act					
Personal Services	297,987	330,378	318,742	318,643	
FTE	<u>3.8</u>	<u>4.1</u>	<u>4.0</u>	<u>4.0</u>	
General Fund	24,620	25,483	25,895	26,382	
FTE	0.3	0.3	0.4	0.4	
Federal Funds	273,367	304,895	292,847	292,261	
FTE	3.5	3.8	3.6	3.6	
Operating Expenses	<u>11,755,787</u>	<u>12,970,765</u>	<u>12,365,259</u>	<u>13,206,666</u>	
General Fund	1,307,785	1,307,785	1,334,666	1,334,666	
Cash Funds Exempt	3,008,476	3,051,931	3,058,593	3,900,000	
Federal Funds	7,439,526	8,611,049	7,972,000	7,972,000	
Subtotal - (3) Ryan White Act	12,053,774	13,301,143	12,684,001	13,525,309	6.6%
FTE	<u>3.8</u>	<u>4.1</u>	<u>4.0</u>	<u>4.0</u>	<u>0.0</u>
General Fund	1,332,405	1,333,268	1,360,561	1,361,048	0.0%
FTE	0.3	0.3	0.4	0.4	0.0
Cash Funds Exempt	3,008,476	3,051,931	3,058,593	3,900,000	27.5%

	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	Change
	Actual	Actual	Approp	Request	Request
FTE	0.0	0.0	0.0	0.0	0.0
Federal Funds	7,712,893	8,915,944	8,264,847	8,264,261	0.0%
FTE	3.5	3.8	3.6	3.6	0.0

(4) Tuberculosis Control and Treatment

Personal Services	597,825	785,908	585,416	586,044	
FTE	<u>7.2</u>	<u>9.0</u>	<u>6.8</u>	<u>6.8</u>	
General Fund	61,773	62,567	63,450	64,681	
FTE	1.2	1.2	1.2	1.2	
Cash Funds Exempt	65,979	94,773	94,822	95,073	
FTE	1.0	1.5	1.7	1.7	
Federal Funds	470,073	628,568	427,144	426,290	
FTE	5.0	6.3	3.9	3.9	
Operating Expenses	<u>1,327,406</u>	<u>1,227,390</u>	<u>1,617,253</u>	<u>1,617,253</u>	
General Fund	919,962	919,962	938,733	938,733	
Cash Funds Exempt	609	153,984	207,520	207,520	
Federal Funds	406,835	153,444	471,000	471,000	

Subtotal - (4) Tuberculosis Control and Treatment	1,925,231	2,013,298	2,202,669	2,203,297	0.0%
FTE	<u>7.2</u>	<u>9.0</u>	<u>6.8</u>	<u>6.8</u>	<u>0.0</u>
General Fund	981,735	982,529	1,002,183	1,003,414	0.1%
FTE	1.2	1.2	1.2	1.2	0.0
Cash Funds Exempt	66,588	248,757	302,342	302,593	0.1%
FTE	1.0	1.5	1.7	1.7	0.0
Federal Funds	876,908	782,012	898,144	897,290	-0.1%
FTE	5.0	6.3	3.9	3.9	0.0

	FY 2004-05 Actual	FY 2005-06 Actual	FY 2006-07 Approp	FY 2007-08 Request	Change Request
SUBTOTAL - (B) Special Purpose Disease					
Programs	31,905,246	40,322,133	49,646,341	51,691,780	4.1%
FTE	<u>83.6</u>	<u>85.5</u>	<u>86.6</u>	<u>86.6</u>	<u>0.0</u>
General Fund	2,811,266	3,019,758	3,247,274	3,250,423	0.1%
FTE	2.5	2.5	2.6	2.6	0.0
General Fund Exempt	0	0	516,147	461,400	-10.6%
FTE			0.0		0.0
Cash Funds Exempt	3,118,064	3,338,754	6,529,831	8,630,593	32.2%
FTE	1.0	1.5	2.9	2.9	0.0
Federal Funds	25,975,916	33,963,621	39,353,089	39,349,364	0.0%
FTE	80.1	81.5	81.1	81.1	0.0
(C) Environmental Epidemiology					
(1) Birth Defects Monitoring and Prevention					
Personal Services	295,510	249,464	298,523	300,245	
FTE	<u>3.8</u>	<u>2.6</u>	<u>4.3</u>	<u>4.3</u>	
General Fund	99,800	113,863	115,562	117,650	
FTE	1.7	1.2	1.7	1.7	
Federal Funds	195,710	135,601	182,961	182,595	
FTE	2.1	1.4	2.6	2.6	
Operating Expenses	<u>13,095</u>	<u>3,340</u>	<u>34,242</u>	<u>34,242</u>	
Federal Funds	13,095	3,340	34,242	34,242	
Subtotal - (1) Birth Defects Monitoring	308,605	252,804	332,765	334,487	0.5%
FTE	<u>3.8</u>	<u>2.6</u>	<u>4.3</u>	<u>4.3</u>	<u>0.0</u>

	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	Change
	Actual	Actual	Approp	Request	Request
General Fund	99,800	113,863	115,562	117,650	1.8%
FTE	1.7	1.2	1.7	1.7	0.0
Cash Funds	0	0	0		n/a
Federal Funds	208,805	138,941	217,203	216,837	-0.2%
FTE	2.1	1.4	2.6	2.6	0.0
(2) Federal Grants - FF	2,414,395	1,861,351	2,375,000	2,375,000	
FTE	14.5	13.2	15.5	15.5	
SUBTOTAL - (C) Environmental Epidemiology	2,723,000	2,114,155	2,707,765	2,709,487	0.1%
FTE	<u>18.3</u>	<u>15.8</u>	<u>19.8</u>	<u>19.8</u>	<u>0.0</u>
General Fund	99,800	113,863	115,562	117,650	1.8%
FTE	1.7	1.2	1.7	1.7	0.0
Cash Funds	0	0	0	0	n/a
Federal Funds	2,623,200	2,000,292	2,592,203	2,591,837	0.0%
FTE	16.6	14.6	18.1	18.1	0.0
(D) Emergency Management					
Personal Services	163,158	102,497	118,762	118,524	
FTE	<u>3.2</u>	<u>1.1</u>	<u>1.8</u>	<u>1.8</u>	
Cash Funds Exempt	58,276	0	0	0	
FTE	1.4	0.0	0.0	0.0	
Federal Funds	104,882	102,497	118,762	118,524	
FTE	1.8	1.1	1.8	1.8	
Operating Expenses	<u>58,767</u>	<u>37,690</u>	<u>64,533</u>	<u>64,533</u>	
Federal Funds	58,767	37,690	64,533	64,533	

	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	Change
	Actual	Actual	Approp	Request	Request
SUBTOTAL - (D) Emergency Management	221,925	140,187	183,295	183,057	-0.1%
FTE	<u>3.2</u>	<u>1.1</u>	<u>1.8</u>	<u>1.8</u>	<u>0.0</u>
Cash Funds Exempt	58,276	0	0	0	n/a
FTE	1.4	0.0	0.0	0.0	0.0
Federal Funds	163,649	140,187	183,295	183,057	-0.1%
FTE	1.8	1.1	1.8	1.8	0.0

(E) Federal Grants - FF	21,331,983	22,012,493	10,789,290	9,639,290	
FTE	70.3	76.7	62.3	50.3	

TOTAL - (9) DISEASE CONTROL AND ENVIRONMENTAL EPIDEMIOLOGY DIVISION	60,078,744	68,685,904	68,026,905	68,929,448	1.3%
FTE	<u>185.1</u>	<u>186.1</u>	<u>185.0</u>	<u>173.0</u>	<u>(12.0)</u>
General Fund	3,527,743	3,762,191	4,000,725	4,198,643	4.9%
FTE	10.2	9.0	12.4	14.9	2.5
General Fund Exempt	0	0	516,147	461,400	-10.6%
FTE	0.0	0.0	0.0	0.0	0.0
Cash Funds	4,310	3,503	8,538	8,538	0.0%
FTE	0.0		0.0		0.0
Cash Funds Exempt	3,182,708	3,340,754	6,529,831	8,630,593	32.2%
FTE	2.4	1.5	2.9	2.9	0.0
Federal Funds	53,363,983	61,579,456	56,971,664	55,630,274	-2.4%
FTE	172.5	175.6	169.7	155.2	(14.5)

(10) PREVENTION SERVICES DIVISION

This division provides health care and related preventive services to people who have low incomes or limited access to

	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	Change
	Actual	Actual	Approp	Request	Request

health care. The division also provides programs designed to reduce crime and violence among youth. In addition, this division seeks to control and prevent the causes of chronic disease and injury for individuals at all income levels in all racial and ethnic groups. It also includes dental programs and women's health services. The services are provided directly or through contract agreements. The primary cash funds and cash funds exempt sources include: Newborn Screening and Genetic Counseling Fund, Medicaid funds initially appropriated to the Department of Health Care Policy and Financing, Colorado Children's Trust Fund, Tobacco Litigation Settlement Cash Fund federal funds appropriated to the Department of Education.

(A) Prevention Programs

(1) Program and Administration

Personal Services	1,095,992	1,651,305	1,421,966	1,599,602	DI 10
FTE	<u>12.7</u>	<u>20.8</u>	<u>20.7</u>	<u>23.7</u>	
General Fund	112,311	113,251	114,918	116,966	
FTE	2.0	2.0	2.0	2.0	
Cash Funds Exempt	0	415,227	480,000	657,242	
FTE	0.0	7.0	7.0	10.0	
Federal Funds	983,681	1,122,827	827,048	825,394	
FTE	10.7	11.8	11.7	11.7	
Operating Expenses	<u>522,745</u>	<u>667,578</u>	<u>764,853</u>	<u>792,908</u>	DI 10
Cash Funds Exempt	0	32,725	100,000	128,055	
Federal Funds	522,745	634,853	664,853	664,853	
Prevention Early Detection and Treatment Fund					
Expenditures - CFE	n/a	n/a	43,521,792	20,916,800	
Prevention, Early Detection and Treatment Grants -					
CFE	n/a	7,821,534	35,832,899	15,702,063	DI 10

	FY 2004-05 Actual	FY 2005-06 Actual	FY 2006-07 Approp	FY 2007-08 Request	Change Request
Prevention, Early Detection and Treatment Program Evaluation - CFE	n/a	n/a	0	0	
Transfer to the Department of Health Care Policy and Financing for Disease Management - CFE	n/a	0	2,000,000	0	
Indirect Cost Assessment	<u>1,050,299</u>	<u>1,068,719</u>	<u>1,077,459</u>	<u>1,077,459</u>	
Cash Funds Exempt	13,782	4,977	43,460	43,460	
Federal Funds	1,036,517	1,063,742	1,033,999	1,033,999	
Subtotal - (1) Program and Administration	2,669,036	11,209,136	84,618,969	40,088,832	-52.6%
FTE	<u>12.7</u>	<u>20.8</u>	<u>20.7</u>	<u>23.7</u>	<u>3.0</u>
General Fund	112,311	113,251	114,918	116,966	1.8%
FTE	2.0	2.0	2.0	2.0	0.0
Cash Funds	0		0	0	n/a
Cash Funds Exempt	13,782	8,274,463	81,978,151	37,447,620	-54.3%
FTE	0.0	7.0	7.0	10.0	3.0
Federal Funds	2,542,943	2,821,422	2,525,900	2,524,246	-0.1%
FTE	10.7	11.8	11.7	11.7	0.0
(2) Cancer Registry					
Personal Services	787,100	818,492	663,102	665,242	
FTE	<u>10.0</u>	<u>11.6</u>	<u>10.0</u>	<u>10.0</u>	
General Fund	172,303	176,554	179,072	182,180	
FTE	2.0	2.0	2.0	2.0	

	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	Change
	Actual	Actual	Approp	Request	Request
Cash Funds	0	0	0	0	
Federal Funds	614,797	641,938	484,030	483,062	
FTE	8.0	9.6	8.0	8.0	
Operating Expenses	<u>177,605</u>	<u>114,870</u>	<u>365,552</u>	<u>365,552</u>	
General Fund	29,848	29,848	30,552	30,552	
Federal Funds	147,757	85,022	335,000	335,000	
Subtotal - (2) Cancer Registry	964,705	933,362	1,028,654	1,030,794	0.2%
FTE	<u>10.0</u>	<u>11.6</u>	<u>10.0</u>	<u>10.0</u>	<u>0.0</u>
General Fund	202,151	206,402	209,624	212,732	1.5%
FTE	2.0	2.0	2.0	2.0	0.0
Cash Funds	0	0	0	0	n/a
Federal Funds	762,554	726,960	819,030	818,062	-0.1%
FTE	8.0	9.6	8.0	8.0	0.0
(3) Chronic Disease and Cancer Prevention					
Grants	9,423,152	10,240,553	5,123,152	5,643,152	
FTE	<u>33.8</u>	<u>31.7</u>	<u>23.8</u>	<u>23.8</u>	
Cash Funds Exempt	0	0	0	0	
Federal Funds	9,423,152	10,240,553	5,123,152	5,643,152	
FTE	33.8	31.7	23.8	23.8	
(old 4) Stroke Prevention and Treatment (Stroke Board)	0	0	0	0	
FTE	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	
Cash Funds Exempt	0	0	0	0	
FTE	0.0	0.0	0.0	0.0	

	FY 2004-05 Actual	FY 2005-06 Actual	FY 2006-07 Approp	FY 2007-08 Request	Change Request
(4) Suicide Prevention	272,608	275,731	277,095	278,846	
FTE	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>	
General Fund	272,608	275,731	277,095	278,846	
FTE	2.0	2.0	2.0	2.0	
Cash Funds	0	0	0	0	
(5) Tobacco Education and Prevention					
Personal Services - CFE	148,767	557,011	733,306	731,839	
FTE	1.7	8.8	10.0	10.0	
Operating Expenses - CFE	44,998	110,886	175,000	175,000	
Tobacco Program Fund - CFE	4,208,352	0	0	0	
Tobacco Cessation and Prevention Grants - CFE	4,014,587	26,398,821	37,048,680	23,699,694	
American Legacy Tobacco Grant - CFE	62,061	0	0	0	
FTE	0.4	0.0	0.0	0.0	
Subtotal - (5) Tobacco Education and Prevention	8,478,765	27,066,718	37,956,986	24,606,533	-35.2%
FTE	<u>2.1</u>	<u>8.8</u>	<u>10.0</u>	<u>10.0</u>	<u>0.0</u>
Cash Funds Exempt	8,478,765	27,066,718	37,956,986	24,606,533	-35.2%
FTE	2.1	8.8	10.0	10.0	0.0
SUBTOTAL (A) - Prevention Programs	21,808,266	49,725,500	129,004,856	71,648,157	-44.5%
FTE	<u>60.6</u>	<u>74.9</u>	<u>66.5</u>	<u>69.5</u>	<u>3.0</u>

	FY 2004-05 Actual	FY 2005-06 Actual	FY 2006-07 Approp	FY 2007-08 Request	Change Request
General Fund	587,070	595,384	601,637	608,544	1.1%
FTE	6.0	6.0	6.0	6.0	0.0
Cash Funds	0	0	0	0	n/a
Cash Funds Exempt	8,492,547	35,341,181	119,935,137	62,054,153	-48.3%
FTE	2.1	15.8	17.0	20.0	3.0
Federal Funds	12,728,649	13,788,935	8,468,082	8,985,460	6.1%
FTE	52.5	53.1	43.5	43.5	0.0

(B) Women's Health - Family Planning

Personal Services	429,680	466,339	1,273,074	1,278,570	
FTE	<u>5.3</u>	<u>6.3</u>	<u>19.3</u>	<u>19.3</u>	
General Fund	412,921	412,921	418,730	425,935	
FTE	5.0	5.6	6.4	6.4	
Cash Funds Exempt	16,759	53,418	180,344	179,983	
FTE	0.3	0.7	2.9	2.9	
Federal Funds			674,000	672,652	
FTE			10.0	10.0	
<i>Medicaid Cash Funds</i>	<i>16,759</i>	<i>53,418</i>	<i>56,644</i>		
<i>GF in Medicaid CF</i>	<i>8,380</i>	<i>26,709</i>	<i>28,322</i>	<i>0</i>	
<i>Net General Fund</i>	<i>421,301</i>	<i>439,630</i>	<i>447,052</i>	<i>425,935</i>	
Operating Expenses - GF	3,355	3,355	3,355	3,355	
Purchase of Services	<u>4,509,750</u>	<u>4,464,569</u>	<u>3,405,472</u>	<u>3,405,472</u>	
General Fund	1,194,235	1,194,235	1,218,717	1,218,717	
Cash Funds Exempt	64,123	25,291	25,291	25,291	
Federal Funds	3,251,392	3,245,043	2,161,464	2,161,464	
<i>Medicaid Cash Funds</i>	<i>64,123</i>	<i>25,291</i>	<i>25,291</i>	<i>25,291</i>	

	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	Change
	Actual	Actual	Approp	Request	Request
<i>GF in Medicaid CF</i>	32,062	12,646	12,646	12,646	
<i>Net General Fund</i>	1,226,297	1,206,881	1,231,363	1,231,363	
Transfer to the Department of Health Care Policy and Financing for Breast and Cervical Cancer Treatment - CFE	n/a	354,717	1,215,340	1,215,340	
Breast and Cervical Cancer Screening	n/a	1,733,818	7,286,960	6,716,400	
FTE		0.7			
Cash Funds Exempt		1,733,818	3,660,960	3,090,400	
FTE		0.7			
Federal Funds		0	3,626,000	3,626,000	
FTE					
Federal Grants - FF	579,876	457,011	350,000	350,000	
FTE	3.9	3.5	3.0	3.0	
SUBTOTAL (B) - Women's Health - Family					
Planning	5,522,661	7,479,809	13,534,201	12,969,137	-4.2%
FTE	<u>9.2</u>	<u>10.5</u>	<u>22.3</u>	<u>22.3</u>	<u>0.0</u>
General Fund	1,610,511	1,610,511	1,640,802	1,648,007	0.4%
FTE	5.0	5.6	6.4	6.4	0.0
Cash Funds Exempt	80,882	2,167,244	5,081,935	4,511,014	-11.2%
FTE	0.3	1.4	2.9	2.9	0.0
Federal Funds	3,831,268	3,702,054	6,811,464	6,810,116	0.0%
FTE	3.9	3.5	13.0	13.0	0.0
<i>Medicaid Cash Funds</i>	80,882	78,709	81,935	25,291	-69.1%
<i>GF in Medicaid CF</i>	40,441	39,355	40,968	12,646	-69.1%
<i>Net General Fund</i>	1,650,952	1,649,866	1,681,770	1,660,653	-1.3%

	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	Change
	Actual	Actual	Approp	Request	Request
(C) Rural-Primary Care					
State Dental Loan Repayment Fund - CFE	199,380	199,612	0	0	
Dental Programs	1,150,478	1,201,084	1,103,940	1,104,637	
FTE	<u>4.6</u>	<u>5.3</u>	<u>3.0</u>	<u>3.0</u>	
General Fund	535,793	554,876	565,321	566,315	
FTE	0.8	0.8	0.8	0.8	
Cash Funds	0	0	0	0	
Cash Funds Exempt	199,380	199,612	199,619	200,000	
FTE	0.2	0.2	0.2	0.2	
Federal Funds	415,305	446,596	339,000	338,322	
FTE	3.6	4.3	2.0	2.0	
Federal Grants - FF	160,795	231,634	118,000	118,000	
FTE	1.4	2.0	1.5	1.5	
SUBTOTAL (C) - Rural Primary Care	1,510,653	1,632,330	1,221,940	1,222,637	0.1%
FTE	<u>6.0</u>	<u>7.3</u>	<u>4.5</u>	<u>4.5</u>	<u>0.0</u>
General Fund	535,793	554,876	565,321	566,315	0.2%
FTE	0.8	0.8	0.8	0.8	0.0
Cash Funds	0	0	0	0	n/a
Cash Funds Exempt	398,760	399,224	199,619	200,000	0.2%
FTE	0.2	0.2	0.2	0.2	0.0
Federal Funds	576,100	678,230	457,000	456,322	-0.1%
FTE	5.0	6.3	3.5	3.5	0.0

	FY 2004-05 Actual	FY 2005-06 Actual	FY 2006-07 Approp	FY 2007-08 Request	Change Request
(D) Prevention Partnerships					
(1) Interagency Prevention Programs Coordination					
Personal Services	211,493	215,758	218,734	222,409	
FTE	<u>3.2</u>	<u>3.1</u>	<u>3.2</u>	<u>3.2</u>	
General Fund	211,493	215,758	218,734	222,409	
FTE	3.2	3.1	3.2	3.2	
Cash Funds	0	0	0		
Operating Expenses	<u>16,769</u>	<u>16,769</u>	<u>16,769</u>	<u>16,769</u>	
General Fund	16,769	16,769	16,769	16,769	
Indirect Cost Assessment	<u>12,259</u>	<u>18,397</u>	<u>43,158</u>	<u>43,158</u>	
Cash Funds	12,259	12,216	16,636	16,636	
Cash Funds Exempt	0	0	832	832	
Federal Funds	0	6,181	25,690	25,690	
Subtotal - (1) Interagency Prevention Programs					
Coordination	240,521	250,924	278,661	282,336	1.3%
FTE	<u>3.2</u>	<u>3.1</u>	<u>3.2</u>	<u>3.2</u>	<u>0.0</u>
General Fund	228,262	232,527	235,503	239,178	1.6%
FTE	3.2	3.1	3.2	3.2	0.0
Cash Funds	12,259	12,216	16,636	16,636	0.0%
Cash Funds Exempt	0	0	832	832	0.0%
Federal Funds	0	6,181	25,690	25,690	0.0%
(2) Tony Grampas Youth Services Program					
Prevention Services Programs	3,414,550	3,472,813	3,495,534	4,399,880	
FTE	<u>1.0</u>	<u>1.0</u>	<u>2.0</u>	<u>2.0</u>	

	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	Change
	Actual	Actual	Approp	Request	Request
General Fund	0	0	0	0	
FTE	0.0	0.0	0.0	0.0	
Cash Funds Exempt	3,414,550	3,472,813	3,495,534	4,399,880	
FTE	1.0	1.0	2.0	2.0	
Federal Funds	0	0	0	0	
FTE	0.0	0.0	0.0	0.0	
Subtotal - (2) Tony Grampas Youth Services					
Program	3,414,550	3,472,813	3,495,534	4,399,880	25.9%
FTE	<u>1.0</u>	<u>1.0</u>	<u>2.0</u>	<u>2.0</u>	<u>0.0</u>
General Fund	0	0	0	0	n/a
FTE	0.0	0.0	0.0	0.0	0.0
Cash Funds	0	0	0	0	n/a
FTE	0.0	0.0	0.0	0.0	0.0
Cash Funds Exempt	3,414,550	3,472,813	3,495,534	4,399,880	25.9%
FTE	1.0	1.0	2.0	2.0	0.0
Federal Funds	0	0	0	0	n/a
FTE	0.0	0.0	0.0	0.0	0.0
(3) Colorado Children's Trust Fund					
Personal Services	37,755	37,681	71,687	73,378	
FTE	<u>0.8</u>	<u>0.5</u>	<u>1.5</u>	<u>1.5</u>	
Cash Funds	37,755	37,681	71,687	73,378	
FTE	0.8	0.5	1.5	1.5	
Operating Expenses	<u>645,556</u>	<u>598,956</u>	<u>494,477</u>	<u>495,796</u>	DI NP1
Cash Funds	207,048	156,477	156,477	157,796	
Cash Funds Exempt	0	50,554	238,000	238,000	

	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	Change
	Actual	Actual	Approp	Request	Request
Federal Funds	438,508	391,925	100,000	100,000	
Subtotal - (3) Colorado Children's Trust Fund	683,311	636,637	566,164	569,174	0.5%
FTE	<u>0.8</u>	<u>0.5</u>	<u>1.5</u>	<u>1.5</u>	<u>0.0</u>
Cash Funds	244,803	194,158	228,164	231,174	1.3%
FTE	0.8	0.5	1.5	1.5	0.0
Cash Funds Exempt	0	50,554	238,000	238,000	0.0%
Federal Funds	438,508	391,925	100,000	100,000	0.0%
SUBTOTAL - (D) PREVENTION					
PARTNERSHIPS	4,338,382	4,360,374	4,340,359	5,251,390	21.0%
FTE	<u>5.0</u>	<u>4.6</u>	<u>6.7</u>	<u>6.7</u>	<u>0.0</u>
General Fund	228,262	232,527	235,503	239,178	1.6%
FTE	3.2	3.1	3.2	3.2	0.0
Cash Funds	257,062	206,374	244,800	247,810	1.2%
FTE	0.8	0.5	1.5	1.5	0.0
Cash Funds Exempt	3,414,550	3,523,367	3,734,366	4,638,712	24.2%
FTE	1.0	1.0	2.0	2.0	0.0
Federal Funds	438,508	398,106	125,690	125,690	0.0%
FTE	0.0	0.0	0.0	0.0	0.0
(E) Family and Community Health					
(1) Maternal and Child Health	3,751,665	3,644,752	4,393,000	4,393,000	
FTE	14.4	14.0	13.7	13.7	
General Fund	0	0	500,000	500,000	
FTE	0.0	0.0	0.7	0.7	
Federal Funds	3,751,665	3,644,752	3,893,000	3,893,000	

	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	Change
	Actual	Actual	Approp	Request	Request
FTE	14.4	14.0	13.0	13.0	
Indirect Cost Assessment	<u>1,042,174</u>	<u>1,288,400</u>	<u>1,213,652</u>	<u>1,213,652</u>	
Cash Funds	24,100	31,637	38,408	38,408	
Cash Funds Exempt	814	5,500	5,500	5,500	
Federal Funds	1,017,260	1,251,263	1,169,744	1,169,744	
Subtotal - (1) Maternal and Child Health	4,793,839	4,933,152	5,606,652	5,606,652	0.0%
FTE	<u>14.4</u>	<u>14.0</u>	<u>13.7</u>	<u>13.7</u>	<u>0.0</u>
General Fund	0	0	500,000	500,000	0.0%
FTE	0.0	0.0	0.7	0.7	0.0
Cash Funds	24,100	31,637	38,408	38,408	0.0%
Cash Funds Exempt	814	5,500	5,500	5,500	0.0%
Federal Funds	4,768,925	4,896,015	5,062,744	5,062,744	0.0%
FTE	14.4	14.0	13.0	13.0	0.0
(2) Child, Adolescent, and School Health					
Private Grants - CFE	4,119	0	0	0	
FTE	0.1	0.0	0.0	0.0	
Nurse Home Visitor Fund - CFE	7,573,844	8,662,974	0	0	
Nurse Home Visitor Program - CFE	7,566,949	8,662,974	9,612,719	14,399,671	
FTE	2.1	2.0	2.0	4.0	DI 7
Nurse Home Visitor Program Contingency Fee Payment - GF	0	0	0	0	

	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	Change
	Actual	Actual	Approp	Request	Request
Federal Grants - FF	992,143	953,355	533,000	533,000	
FTE	2.8	3.3	2.2	2.2	
Subtotal - (2) Child, Adolescent, and School Health					
	16,137,055	18,279,303	10,145,719	14,932,671	47.2%
FTE	<u>5.0</u>	<u>5.3</u>	<u>4.2</u>	<u>6.2</u>	<u>2.0</u>
General Fund	0	0	0	0	n/a
Cash Funds Exempt	15,144,912	17,325,948	9,612,719	14,399,671	49.8%
FTE	2.2	2.0	2.0	4.0	2.0
Federal Funds	992,143	953,355	533,000	533,000	0.0%
FTE	2.8	3.3	2.2	2.2	0.0
(3) Children With Special Needs					
(a) Health Care Program for Children with Special Needs					
Personal Services	1,246,133	1,236,332	1,262,918	1,286,497	
FTE	<u>16.7</u>	<u>16.4</u>	<u>17.5</u>	<u>17.5</u>	
General Fund	608,620	627,849	636,645	647,570	
FTE	7.9	10.1	10.1	10.1	
Federal Funds	637,513	608,483	626,273	638,927	
FTE	8.8	6.3	7.4	7.4	
Operating Expenses	<u>100,577</u>	<u>100,577</u>	<u>100,577</u>	<u>100,577</u>	
General Fund	87,577	87,577	87,577	87,577	
Federal Funds	13,000	13,000	13,000	13,000	
Community-based Case Management Services - FF	196,580	204,529	204,529	204,529	

	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	Change
	Actual	Actual	Approp	Request	Request
Traumatic Brain Injury Services - CFE	104,312	52,641	188,416	188,416	
FTE	0.5		1.0	1.0	
Purchase of Services	<u>3,359,347</u>	<u>3,374,542</u>	<u>3,400,221</u>	<u>3,400,221</u>	
General Fund	1,856,473	1,856,473	1,856,473	1,856,473	
Cash Funds	0	15,195	40,874	40,874	
Federal Funds	1,502,874	1,502,874	1,502,874	1,502,874	
Subtotal - (a) Health Care Program for Children with Special Needs	5,006,949	4,968,621	5,156,661	5,180,240	0.5%
FTE	<u>17.2</u>	<u>16.4</u>	<u>18.5</u>	<u>18.5</u>	<u>0.0</u>
General Fund	2,552,670	2,571,899	2,580,695	2,591,620	0.4%
FTE	7.9	10.1	10.1	10.1	0.0
Cash Funds	0	15,195	40,874	40,874	0.0%
Cash Funds Exempt	104,312	52,641	188,416	188,416	0.0%
FTE	0.5	0.0	1.0	1.0	0.0
Federal Funds	2,349,967	2,328,886	2,346,676	2,359,330	0.5%
FTE	8.8	6.3	7.4	7.4	0.0
(b) Genetics Counseling					
Personal Services - CF	52,660	50,484	51,349	53,893	
FTE	1.0	1.0	1.0	1.0	
Operating Expenses	<u>939,187</u>	<u>1,021,045</u>	<u>1,219,319</u>	<u>1,219,319</u>	
Cash Funds	939,187	939,187	1,219,319	1,219,319	
Cash Funds Exempt	0	81,858	0	0	

	FY 2004-05 Actual	FY 2005-06 Actual	FY 2006-07 Approp	FY 2007-08 Request	Change Request
Subtotal - (b) Genetics Counseling	991,847	1,071,529	1,270,668	1,273,212	0.2%
FTE	1.0	1.0	1.0	1.0	0.0
Cash Funds	991,847	989,671	1,270,668	1,273,212	0.2%
FTE	1.0	1.0	1.0	1.0	0.0
Cash Funds Exempt	0	81,858	0	0	n/a

Subtotal - (3) Children With Special Needs - Genetics	5,998,796	6,040,150	6,427,329	6,453,452	0.4%
FTE	<u>18.2</u>	<u>17.4</u>	<u>19.5</u>	<u>19.5</u>	<u>0.0</u>
General Fund	2,552,670	2,571,899	2,580,695	2,591,620	0.4%
FTE	7.9	10.1	10.1	10.1	0.0
Cash Funds	991,847	1,004,866	1,311,542	1,314,086	0.2%
FTE	1.0	1.0	1.0	1.0	0.0
Cash Funds Exempt	104,312	134,499	188,416	188,416	0.0%
FTE	0.5	0.0	1.0	1.0	0.0
Federal Funds	2,349,967	2,328,886	2,346,676	2,359,330	0.5%
FTE	8.8	6.3	7.4	7.4	0.0

(4) Department of Education Grant

Cash Funds Exempt	29,216	26,515	29,940	29,940	
FTE	0.0	0.0	0.2	0.2	

(5) Federal Grants - FF

FTE	4.6	603,543	508,000	508,000	4.6
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SUBTOTAL - (E) Family and Community	27,497,666	29,882,663	22,717,640	27,530,715	21.2%
FTE	<u>42.2</u>	<u>36.7</u>	<u>42.2</u>	<u>44.2</u>	<u>2.0</u>
General Fund	2,552,670	2,571,899	3,080,695	3,091,620	0.4%

	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	Change
	Actual	Actual	Approp	Request	Request
FTE	7.9	10.1	10.8	10.8	0.0
Cash Funds	1,015,947	1,036,503	1,349,950	1,352,494	0.2%
FTE	1.0	1.0	1.0	1.0	0.0
Cash Funds Exempt	15,279,254	17,492,462	9,836,575	14,623,527	48.7%
FTE	2.7	2.0	3.2	5.2	2.0
Federal Funds	8,649,795	8,781,799	8,450,420	8,463,074	0.1%
FTE	30.6	23.6	27.2	27.2	0.0

(F) Nutrition Services

Women, Infants, and Children Supplemental Food

Grant - FF	65,519,028	65,113,322	69,448,035	69,448,035	
FTE	20.6	22.1	22.3	22.3	

Child and Adult Care Food Program - FF

FTE	20,916,787	21,039,057	24,069,644	24,069,644	
	10.3	8.7	12.8	12.8	

SUBTOTAL - (F) Nutrition Services - FF	86,435,815	86,152,379	93,517,679	93,517,679	0.0%
FTE	30.9	30.8	35.1	35.1	0.0

(G) Federal Grants - FF

FTE	486,965	557,976	1,170,000	650,000	
	5.3	4.6	5.3	5.3	

TOTAL - (10) PREVENTION SERVICES

DIVISION	147,600,408	179,791,031	265,506,675	212,789,715	-19.9%
FTE	<u>159.2</u>	<u>169.4</u>	<u>182.6</u>	<u>187.6</u>	<u>5.0</u>
General Fund	5,514,306	5,565,197	6,123,958	6,153,664	0.5%

	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	Change
	Actual	Actual	Approp	Request	Request
FTE	22.9	25.6	27.2	27.2	0.0
Cash Funds	1,273,009	1,242,877	1,594,750	1,600,304	0.3%
FTE	1.8	1.5	2.5	2.5	0.0
Cash Funds Exempt	27,665,993	58,923,478	138,787,632	86,027,406	-38.0%
FTE	6.3	20.4	25.3	30.3	5.0
Federal Funds	113,147,100	114,059,479	119,000,335	119,008,341	0.0%
FTE	128.2	121.9	127.6	127.6	0.0
<i>Medicaid Cash Funds</i>	<i>80,882</i>	<i>78,709</i>	<i>81,935</i>	<i>25,291</i>	<i>-69.1%</i>
<i>GF in Medicaid CF</i>	<i>40,441</i>	<i>39,355</i>	<i>40,968</i>	<i>12,646</i>	<i>-69.1%</i>
<i>Net General Fund</i>	<i>5,554,747</i>	<i>5,604,552</i>	<i>6,164,926</i>	<i>6,166,310</i>	<i>0.0%</i>

(11) HEALTH FACILITIES AND EMERGENCY MEDICAL SERVICES DIVISION

This division establishes and enforces standards for the operation of health care facilities and emergency medical services. The programs focus on education, inspection, investigation and enforcement. The primary cash funds and cash funds exempt sources for this division include: Health Facilities Licensure Cash Fund, Assisted Living Cash Fund, Medication Administration Cash Fund, Trauma System Cash Fund, Medical Services Account in the Highway Users Tax Fund and Medicaid funds appropriated to the Department of Health Care Policy and Financing.

(A) Licensure

(1) Health Facilities General Licensure

Personal Services	222,374	264,642	346,524	882,206	DI 1, DI NP1
FTE	<u>3.8</u>	<u>5.0</u>	<u>6.4</u>	<u>13.5</u>	
General Fund	0	0	46,106	584,358	
FTE	0.0	0.0	0.6	7.7	
Cash Funds	222,374	264,642	298,672	296,105	
FTE	3.8	5.0	5.8	5.8	
Cash Funds Exempt	0	0	1,746	1,743	

	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	Change
	Actual	Actual	Approp	Request	Request
Operating Expenses	<u>3,778</u>	<u>4,180</u>	<u>14,562</u>	<u>54,624</u>	DI 1
General Fund	3,778	4,180	6,520	49,587	
Cash Funds	0		8,042	5,037	
Indirect Cost Assessment	<u>7,525</u>	<u>22,674</u>	<u>59,746</u>	<u>59,746</u>	
Cash Funds	7,525	22,674	59,746	59,746	
Cash Funds Exempt	0		0	0	
Subtotal - (1) Health Facilities General Licensure	233,677	291,496	420,832	996,576	136.8%
FTE	<u>3.8</u>	<u>5.0</u>	<u>6.4</u>	<u>13.5</u>	<u>7.1</u>
General Fund	3,778	4,180	52,626	633,945	1104.6%
FTE	0.0	0.0	0.6	7.7	7.1
Cash Funds	229,899	287,316	366,460	360,888	-1.5%
FTE	3.8	5.0	5.8	5.8	0.0
Cash Funds Exempt	0	0	1,746	1,743	-0.2%
(2) Assisted Living Residences					
Personal Services	633,512	672,535	696,590	708,243	
FTE	<u>10.7</u>	<u>9.9</u>	<u>9.9</u>	<u>9.9</u>	
General Fund	85,912	88,397	89,067	90,620	
FTE	1.5				
Cash Funds	413,338	412,512	411,687	421,002	
FTE	9.2				
Cash Funds Exempt	134,262	171,626	195,836	196,621	
Operating Expenses	<u>43,181</u>	<u>43,811</u>	<u>43,811</u>	<u>43,811</u>	
General Fund	16,870	16,869	16,869	16,869	

	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	Change
	Actual	Actual	Approp	Request	Request
Cash Funds	26,311	26,942	26,942	26,942	
Cash Funds Exempt	0			0	
Indirect Cost Assessment	<u>112,023</u>	<u>112,023</u>	<u>122,023</u>	<u>122,023</u>	
Cash Funds	90,053	90,053	100,053	100,053	
Cash Funds Exempt	21,970	21,970	21,970	21,970	
Subtotal - (2) Assisted Living Residences	788,716	828,369	862,424	874,077	1.4%
FTE	<u>10.7</u>	<u>9.9</u>	<u>9.9</u>	<u>9.9</u>	<u>0.0</u>
General Fund	102,782	105,266	105,936	107,489	1.5%
FTE	1.5				
Cash Funds	529,702	529,507	538,682	547,997	1.7%
FTE	9.2				
Cash Funds Exempt	156,232	193,596	217,806	218,591	0.4%
(3) Medication Administration					
Personal Services	152,522	142,402	190,049	191,101	
FTE	<u>0.7</u>	<u>0.8</u>	<u>0.9</u>	<u>0.9</u>	
Cash Funds	152,522	142,402	171,556	172,057	
FTE	0.7	0.8	0.9	0.9	
Cash Funds Exempt	0	0	18,493	19,044	
FTE	0.0	0.0	0.0	0.0	
Operating Expenses	<u>1,100</u>	<u>1,245</u>	<u>1,245</u>	<u>1,245</u>	
Cash Funds	835	835	835	835	
Cash Funds Exempt	265	410	410	410	

	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	Change
	Actual	Actual	Approp	Request	Request
Indirect Cost Assessment	<u>13,157</u>	<u>9,881</u>	<u>13,157</u>	<u>13,157</u>	
Cash Funds	10,143	9,881	11,143	11,143	
Cash Funds Exempt	3,014	0	2,014	2,014	
Subtotal - (3) Medication Administration	166,779	153,528	204,451	205,503	0.5%
FTE	<u>0.7</u>	<u>0.8</u>	<u>0.9</u>	<u>0.9</u>	<u>0.0</u>
Cash Funds	163,500	153,118	183,534	184,035	0.3%
FTE	0.7	0.8	0.9		(0.9)
Cash Funds Exempt	3,279	410	20,917	21,468	2.6%
FTE	0.0	0.0	0.0		0.0
SUBTOTAL (A) - Licensure	1,189,172	1,273,393	1,487,707	2,076,156	39.6%
FTE	<u>15.2</u>	<u>15.7</u>	<u>17.2</u>	<u>24.3</u>	<u>7.1</u>
General Fund	106,560	109,446	158,562	741,434	367.6%
FTE	1.5				
Cash Funds	923,101	969,941	1,088,676	1,092,920	0.4%
FTE	13.7				
Cash Funds Exempt	159,511	194,006	240,469	241,802	0.6%
(B) Medicaid / Medicare Certification Program					
Personal Services	6,269,049	6,267,379	5,960,674	6,027,026	DI NP1
FTE	<u>98.9</u>	<u>95.7</u>	<u>95.9</u>	<u>95.9</u>	
Cash Funds Exempt	2,926,363	3,042,594	3,360,124	3,431,677	
FTE	49.2				
Federal Funds	3,342,686	3,224,785	2,600,550	2,595,349	
FTE	49.7				
<i>Medicaid Cash Funds</i>	<i>2,926,363</i>	<i>3,042,594</i>	<i>3,360,124</i>	<i>3,431,677</i>	

	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	Change
	Actual	Actual	Approp	Request	Request
<i>GF in Medicaid CF</i>	1,439,185	1,496,348	1,652,509	1,687,699	
<i>Net General Fund</i>	1,439,185	1,496,348	1,652,509	1,687,699	
Operating Expenses	<u>488,745</u>	<u>375,651</u>	<u>557,456</u>	<u>557,456</u>	
Cash Funds Exempt	225,763	182,368	227,667	227,667	
Federal Funds	262,982	193,283	329,789	329,789	
<i>Medicaid Cash Funds</i>	225,763	182,368	227,667	227,667	
<i>GF in Medicaid CF</i>	111,030	89,689	111,967	111,967	
<i>Net General Fund</i>	111,030	89,689	111,967	111,967	
Indirect Cost Assessment	<u>961,803</u>	<u>986,420</u>	<u>1,028,046</u>	<u>1,028,046</u>	
Cash Funds Exempt	393,633	415,677	435,951	435,951	
Federal Funds	568,170	570,743	592,095	592,095	
<i>Medicaid Cash Funds</i>	393,633	415,677	435,951	435,951	
<i>GF in Medicaid CF</i>	193,589	204,430	214,401	214,401	
<i>Net General Fund</i>	193,589	204,430	214,401	214,401	
SUBTOTAL (B) - Medicaid /Medicare					
Certification	7,719,597	7,629,450	7,546,176	7,612,528	0.9%
FTE	<u>98.9</u>	<u>95.7</u>	<u>95.9</u>	<u>95.9</u>	<u>0.0</u>
Cash Funds Exempt	3,545,759	3,640,639	4,023,742	4,095,295	1.8%
FTE	49.2				
Federal Funds	4,173,838	3,988,811	3,522,434	3,517,233	-0.1%
FTE	49.7				
<i>Medicaid Cash Funds</i>	3,545,759	3,640,639	4,023,742	4,095,295	1.8%
<i>GF in Medicaid CF</i>	1,743,804	1,790,466	1,978,876	2,014,066	1.8%
<i>Net General Fund</i>	1,743,804	1,790,466	1,978,876	2,014,066	1.8%

	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	Change
	Actual	Actual	Approp	Request	Request
(C) Emergency Medical Services					
(1) State EMS Coordination, Planning and Certification Services					
Personal Services	733,764	787,585	817,896	839,529	DI NP1
FTE	<u>9.8</u>	<u>10.9</u>	<u>11.0</u>	<u>11.4</u>	
Cash Funds Exempt	733,764	787,585	817,896	839,529	
FTE	9.8	10.9	11.0	11.4	
Operating Expenses	<u>60,909</u>	<u>57,405</u>	<u>57,405</u>	<u>57,405</u>	
Cash Funds Exempt	60,909	57,405	57,405	57,405	
Indirect Cost Assessment	<u>245,141</u>	<u>266,527</u>	<u>297,776</u>	<u>297,776</u>	
Cash Funds	26,920	33,846	39,148	39,148	
Cash Funds Exempt	204,332	215,769	235,062	235,062	
Federal Funds	13,889	16,912	23,566	23,566	
Subtotal - (1) Program and Administration	1,039,814	1,111,517	1,173,077	1,194,710	1.8%
FTE	<u>9.8</u>	<u>10.9</u>	<u>11.0</u>	<u>11.4</u>	<u>0.4</u>
Cash Funds	26,920	33,846	39,148	39,148	0.0%
Cash Funds Exempt	999,005	1,060,759	1,110,363	1,131,996	1.9%
FTE	9.8	10.9	11.0	11.4	0.4
Federal Funds	13,889	16,912	23,566	23,566	0.0%
(2) Regional Emergency Medical and Trauma Councils (RETACs)					
Cash Funds Exempt	<u>1,775,800</u>	<u>1,785,000</u>	<u>1,785,000</u>	<u>1,785,000</u>	
(3) Emergency Medical Services Grant Program					
	<u>1,658,100</u>	<u>1,698,024</u>	<u>1,928,793</u>	<u>1,928,793</u>	

	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	Change
	Actual	Actual	Approp	Request	Request
Cash Funds Exempt	1,658,100	1,698,024	1,928,793	1,928,793	
(4) Trauma Facility Designation					
Personal Services	145,756	295,749	355,943	357,059	
FTE	<u>1.9</u>	<u>2.1</u>	<u>2.1</u>	<u>2.1</u>	
Cash Funds	145,756	295,749	355,943	357,059	
FTE	1.9	2.1	2.1	2.1	
Operating Expenses	<u>14,450</u>	<u>17,586</u>	<u>24,439</u>	<u>24,439</u>	
Cash Funds	14,450	17,586	24,439	24,439	
Subtotal - (4) Trauma Facility Designation	160,206	313,335	380,382	381,498	0.3%
FTE	<u>1.9</u>	<u>2.1</u>	<u>2.1</u>	<u>2.1</u>	<u>0.0</u>
Cash Funds	160,206	313,335	380,382	381,498	0.3%
FTE	1.9	2.1	2.1	2.1	0.0
(5) Air Ambulance Licensure - CF	1,000	9,920	30,151	30,151	
FTE	0.0	0.2	0.2	0.2	
(6) Federal Grants - FF	93,625	124,916	138,000	138,000	
FTE	0.9	1.0	0.8	0.8	
(7) EMS Telecommunications Support	<u>66,151</u>	<u>66,151</u>	<u>67,756</u>	<u>67,756</u>	
Cash Funds Exempt	66,151	66,151	67,756	67,756	
(8) Poison Control	<u>1,093,571</u>	<u>1,093,571</u>	<u>1,393,571</u>	<u>1,393,571</u>	

	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	Change
	Actual	Actual	Approp	Request	Request
General Fund	1,093,571	1,093,571	1,393,571	1,393,571	
SUBTOTAL (C) - Emergency Medical Services	5,888,267	6,202,434	6,896,730	6,919,479	0.3%
FTE	<u>12.6</u>	<u>14.2</u>	<u>14.1</u>	<u>14.5</u>	<u>0.4</u>
General Fund	1,093,571	1,093,571	1,393,571	1,393,571	0.0%
Cash Funds	188,126	357,101	449,681	450,797	0.2%
FTE	1.9	2.3	2.3	2.3	0.0
Cash Funds Exempt	4,499,056	4,609,934	4,891,912	4,913,545	0.4%
FTE	9.8	10.9	11.0	11.4	0.4
Federal Funds	107,514	141,828	161,566	161,566	0.0%
FTE	0.9	1.0	0.8	0.8	0.0

TOTAL - (11) HEALTH FACILITIES AND EMERGENCY MEDICAL SERVICES DIVISION	14,797,036	15,105,277	15,930,613	16,608,163	4.3%
FTE	<u>126.7</u>	<u>125.6</u>	<u>127.2</u>	<u>134.7</u>	<u>7.5</u>
General Fund	1,200,131	1,203,017	1,552,133	2,135,005	37.6%
FTE	1.5				
Cash Funds	1,111,227	1,327,042	1,538,357	1,543,717	0.3%
FTE	15.6				
Cash Funds Exempt	8,204,326	8,444,579	9,156,123	9,250,642	1.0%
FTE	59.0				
Federal Funds	4,281,352	4,130,639	3,684,000	3,678,799	-0.1%
FTE	50.6				
<i>Medicaid Cash Funds</i>	<i>3,545,759</i>	<i>3,640,639</i>	<i>4,023,742</i>	<i>4,095,295</i>	<i>1.8%</i>
<i>GF in Medicaid CF</i>	<i>1,743,804</i>	<i>1,790,466</i>	<i>1,978,876</i>	<i>2,014,066</i>	<i>1.8%</i>
<i>Net General Fund</i>	<i>2,943,935</i>	<i>2,993,483</i>	<i>3,531,009</i>	<i>4,149,071</i>	<i>17.5%</i>

	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	Change
	Actual	Actual	Approp	Request	Request
PUBLIC HEALTH AND ENVIRONMENT - HEALTH AND ADMINISTRATIVE DIVISIONS TOTAL	256,052,729	300,676,448	401,222,154	349,996,313	-12.8%
FTE	<u>668.5</u>	<u>678.8</u>	<u>710.0</u>	<u>725.3</u>	<u>15.3</u>
General Fund	12,100,665	13,896,975	18,728,901	19,796,850	5.7%
FTE	<u>39.9</u>	<u>37.3</u>	<u>39.6</u>	<u>42.1</u>	<u>2.5</u>
General Fund Exempt	0	0	516,147	461,400	-10.6%
FTE	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Cash Funds	10,856,735	11,624,625	13,603,013	14,657,269	7.8%
FTE	<u>72.8</u>	<u>28.4</u>	<u>2.5</u>	<u>2.5</u>	<u>0.0</u>
Cash Funds Exempt	54,889,276	87,444,418	180,965,714	126,337,661	-30.2%
FTE	<u>91.6</u>	<u>44.9</u>	<u>28.2</u>	<u>33.2</u>	<u>5.0</u>
Federal Funds	178,206,053	187,710,430	187,408,379	188,743,133	0.7%
FTE	<u>391.4</u>	<u>323.6</u>	<u>297.3</u>	<u>282.8</u>	<u>(14.5)</u>
<i>Medicaid Cash Funds</i>	<i>3,626,641</i>	<i>3,719,348</i>	<i>4,105,677</i>	<i>4,120,586</i>	<i>0.4%</i>
<i>GF in Medicaid CF</i>	<i>1,784,245</i>	<i>1,829,821</i>	<i>2,019,844</i>	<i>2,026,712</i>	<i>0.3%</i>
<i>Net General Fund</i>	<i>13,884,910</i>	<i>15,726,796</i>	<i>20,748,745</i>	<i>21,823,562</i>	<i>5.2%</i>

FY 2007-08 BUDGET BRIEFING
DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT
(ADMINISTRATIVE AND HEALTH DIVISIONS)
FOOTNOTE UPDATE

- 2 **All Departments, Totals** -- The General Assembly requests that copies of all reports requested in other footnotes contained in this act be delivered to the Joint Budget Committee and the majority and minority leadership in each house of the General Assembly. Until such time as the Secretary of State publishes the code of Colorado regulations and the Colorado register in electronic form pursuant to section 24-4-103 (11) (b), C.R.S., each principal department of the state is requested to produce its rules in an electronic format that is suitable for public access through electronic means. Such rules in such format should be submitted to the Office of Legislative Legal Services for publishing on the Internet. Alternatively, the Office of Legislative Legal Services may provide links on its internet web site to such rules. It is the intent of the General Assembly that this be done within existing resources.

Comment: The Department has complied with this footnote.

- 3 **All Departments, Totals** – Every Department is requested to submit to the Joint Budget Committee information on the number of additional federal and cash funds exempt FTE associated with any federal grants or private donations that are applied for or received during FY 2006-07. The information should include the number of FTE, the associated costs (such as workers' compensation, health and life benefits, need for additional space, etc.) that are related to the additional FTE, the direct and indirect matching requirements associated with the federal grant or donated funds, the duration of the grant, and a brief description of the program and its goals and objectives.

Comment: *The Governor vetoed this footnote*, stating that it violates the separation of powers in Colorado's Constitution because it pertains to federal funds and private donations, which are not subject to legislative appropriation.

The Department has partially complied with this footnote. Its budget submissions implicitly report some of the requested FTE information. However, the Department has, for the most part, not reported grant matching requirements or the duration of grants, nor has it provided descriptions of all related programs, including goals and objectives.

- 103 **Department of Public Health and Environment, Disease Control and Environmental Epidemiology Division, Special Purpose Disease Control Programs, Immunization** -- The Department is requested to submit a report by November 1, 2006, detailing how immunization promotion funding was spent during FY 2005-06. The report should include the following information: (1) The location, number of children served and total grant amount for each immunization outreach clinic funded; (2) expenditures for and major findings of the "Pockets of Need" research; and (3) expenditures for and major purchases of the media campaign.

Comment: The Department submitted the requested report. The report provides follow-up information on the childhood immunization decision item that was approved by the General Assembly for FY 2004-05 and subsequent years. The decision item was a response to the low (77.1 percent) full-immunization rate observed among young Colorado children by the National Immunization Survey.

According to the most recent figures released by the U.S. Centers for Disease Control and Prevention, Colorado's rate for fully immunizing the state's very children increased by 6.3 points to 83.4 percent in 2005. In a rankings of all 50 states, this moved Colorado from 44th place in 2004 to 16th place.

Before placing too much emphasis on this result, however, one should note that the survey result is based upon a relatively small number of telephone respondents (n < 400) and that a 95% confidence interval on the estimate is 83.4 percent plus or minus 4.4 percent. Thus with a 95% probability the true immunization rate for young Colorado children is between 79.0% and 87.8%. Despite this fact, it does appear likely that the true immunization rate rose between 2004 and 2005.

Could the FY 2004-05 immunization decision item be responsible for the increase? The decision item provided \$413,600 of state funds (principally General Fund) for a childhood immunization program that held its first clinics in December 2004. The following table summarizes the results from December 2004 through June 2006. Most of the vaccinated children were under age 8.

Number of clinics held	Cost	Cost per clinic	Number of children 0-18 years old vaccinated	Children vaccinated per clinic	Cost per child vaccinated	Number of children 12-24 months vaccinated
Results for December 2004 through June 2005 (7 months):						
356	\$413,600	\$1,162	2,318	6.5	\$178	472
Results for FY 2005-06:						
980	413,600	422	4,604	4.7	\$90	783

The last column of this table indicates that 783 (1.3%) of the approximately 60,000 children aged 12-24 months who live in Colorado were vaccinated at one of these clinics during FY 2005-06, which means that this immunization program could, at most, have directly raised Colorado's immunization rate by 1.3% – and this assumes that each of these children is now fully vaccinated, which is unlikely.

The Department has been conducting a simultaneous marketing campaign, urging parents to immunize their children. It is likely that this campaign induced some parents to have their children vaccinated at other places, such as county health departments. Such "secondary successes" mean that the program may have produced better results than the above calculations indicate.

It's also possible that other immunization activity by the Department is behind the increase in immunization rates. The following table shows that state spending on immunization has risen steadily in recent years while federal spending, which dwarfs state spending, has fluctuated substantially,

Recent State Funding for Immunization

	FY 02-03 Appropriation	FY 03-04 Appropriation	FY 2004-05 Appropriation	FY 2005-06 Appropriation		FY 2006-07 Appropriation
				Long Bill	H.B. 05-1161/a	
(9) Disease Control and Environmental Epidemiology Division						
(B) Special Purpose Disease Control Programs						
(1) Immunization						
Personal Services	1,059,799	1,133,086	1,214,348	1,227,955	0	1,227,955
FTE	19	19	20	20	0	20
General Fund	0	0	83,528	83,361	0	83,361
FTE	0	0	1	1	0	1
Cash Funds Exempt	0	0	0	0	0	0
Federal Funds	1,059,799	1,133,086	1,130,820	1,144,594	0	1,144,594
FTE	19	19	19	19	0	19
Operating Expenses	15,698,621	26,820,447	8,275,002	14,728,124	250,000	14,978,124
General Fund	0	0	413,600	370,600	250,000	620,600
General Fund Exempt	0	0	0	0	0	0
Cash Funds Exempt	729,171	0	0	43,000	0	43,000
Federal Funds	14,969,450	26,820,447	7,861,402	14,314,524	0	14,314,524
Total - Immunization	16,758,420	27,953,533	9,489,350	15,956,079	250,000	16,206,079
FTE	19	19	20	20	0	20
General Fund	0	0	497,128	453,961	250,000	703,961
FTE	0	0	1	1	0	1
General Fund Exempt	0	0	0	0	0	0
Cash Funds Exempt	729,171	0	0	43,000	0	43,000
Federal Funds	16,029,249	27,953,533	8,992,222	15,459,118	0	15,459,118
FTE	19	19	19	19	0	19
State Funds	729,171	0	497,128	497,128	497,128	497,128
						1,400,677

a/ H.B. 05-1161 (Pommer/Kester), Reporting Immunization Information

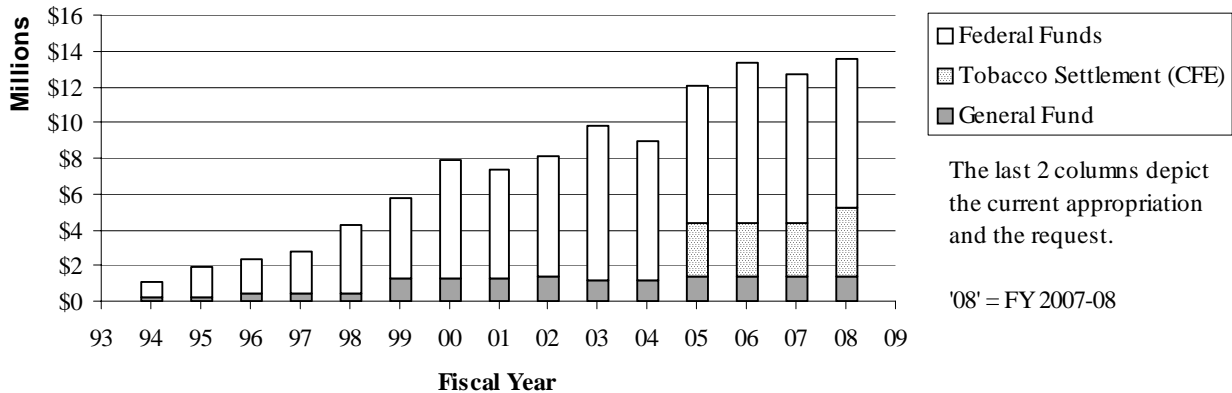
104 **Department of Public Health and Environment, Disease Control and Environmental Epidemiology Division, Special Purpose Disease Control Programs, Ryan White Act --**

The Department is requested to report annually to the Joint Budget Committee with regard to the AIDS drug assistance program. The report should be submitted on or before October 20, 2006. The report should include, but not be limited to: The total and average monthly number of clients served, with a description of the demographic profile of the client population; the total and average monthly costs to provide pharmaceutical products to those clients; a listing of the pharmaceuticals on the formulary, the manufacturer of each product, and the respective average price for a month's supply of each product; the total amount of available funds, including state General Fund support, federal Title I and Title II support; and any other source as appropriate.

Comment: This footnote first appeared in the FY 1998-99 Long Bill at a time when the state's AIDS/HIV costs were rising rapidly and funding shortfalls left some on waiting lists. The footnote has been included in all Long Bills since that time. The most recent report, which covers FY 2005-06, indicates that the program serves an average of 930 clients per month, a 39.0 percent increase since 2000, when program participants numbered 669. Approximately 85 percent of participants are male, 30 percent are Hispanic, 14 percent are African American, and 81 percent live in the Denver-Boulder area. The program spent \$10,029,341 on drugs during FY 2005-06, an average of \$10,783 per client per year, up from the approximately \$8,100 per client per year in 2000. Note that in order to participate, a client's total family income must not exceed 300% of the Federal Poverty Level and the client have no other payment source, such as Medicaid prescription drug coverage, to pay for the medication.

The following chart shows Ryan White Act expenditures since FY 1992-93. Program participation dipped and growth slowed about the year 2000, when the state raised the maximum income level for participation from 185 to 300 percent of the federal poverty level. Program funding declined in FY 2003-04, when the program's wait list grew to 325. During this period, the program also restricted the formulary of available drugs, restrictions that have since been relaxed. House Bill 04-1421 directed 3.5 percent of tobacco settlement money to the program, starting in FY 2004-05, not to exceed \$5 million per year. Tobacco settlement money now provides about \$3 million to the program annually. General Fund support has been approximately \$1.3 million for three years and the Department is requesting no increase in General Fund support, the slight increase it is requesting equals the expected growth of tobacco settlement funding.

Ryan White Act Expenditures



105 **Department of Public Health and Environment, Prevention Services Division, Prevention Programs, Chronic Disease and Cancer Prevention Grants --** The General Assembly accepts no obligation to continue funding for these programs when federal funds are no longer available. Any match requirements for these federal grants are to be provided by non-state sources. The Department is requested to document the sources of matching funds, which documentation should be submitted to the Joint Budget Committee annually with its budget request, to serve as proof of the required state match for these federal dollars.

Comment: *The Governor vetoed this footnote, stating that it violates the separation of powers by dictating the content and structure of the executive branch budget request. He also noted that it may contain substantive legislation that cannot be included in the Long Bill. Nevertheless, he instructed the Department to comply with the footnote's intent.*

Three of the grants that the Department administers do not comply with the provisions of this footnote. During FY 2004-05, the Department operated four Chronic Disease and Cancer Prevention programs that received federal funds requiring a match. The programs are: (1) Diabetes Control, (2) Colorado Physical Activity and Nutrition, (3) Colorado Women's Cancer Control Initiative, and (4) Comprehensive State-Based Tobacco Use Prevention and Control. The match for the Diabetes Control grant is a mixture of in-kind contributions and cash spending by private sector organizations. These contributions never pass through the state's hands and never appear in the state's budgets. However, the match for the Colorado Women's Cancer Control Initiative and the match for the Comprehensive State-Based Tobacco Use Prevention and Control program come exclusively from the state's Amendment 35 tobacco sales tax revenue, while the match for the Colorado Physical Activity and Nutrition grant includes almost half a million dollars of tobacco sales tax money. Staff believes moneys that derive from the State's Amendment 35 tobacco taxes cannot be characterized as coming from a non-state source as required by this footnote.

121 Department of Public Health and Environment, Prevention Services Division, Women's Health - Family Planning -- Pursuant to Article V, Section 50, of the Colorado Constitution, no public funds shall be used by the State of Colorado, its agencies or political subdivisions to pay or otherwise reimburse, either directly or indirectly, any person, agency or facility for the performance of any induced abortion, provided however, that the General Assembly, by specific bill, may authorize and appropriate funds to be used for those medical services necessary to prevent the death of either a pregnant woman or her unborn child under circumstances where every reasonable effort is made to preserve the life of each.

Comment: The Department states that it has complied with this footnote.

107 Department of Public Health and Environment, Prevention Services Division, Prevention Partnerships, Tony Grampsas Youth Services Program, Prevention Services Programs -- The Department is requested to submit a report to the Joint Budget Committee on the Tony Grampsas Youth Services Program by October 20, 2006. This report should include the following information for Fiscal Year 2005-06: (1) Names of all applicants and the amount requested by each; (2) names of all grantees, amount of each grantee's award, period covered by each grant, the number of years each grantee has previously received grants, the number of persons served under the grant, a brief description of the funded program; (3) an estimate of the amount of time that grantees must devote to grant reporting requirements; and (4) the number of site visits conducted by program staff.

Comment: *The Governor vetoed this footnote*, stating that it interferes with the executive branch's ability to administer the appropriation and may constitute substantive legislation that cannot be included in the Long Bill. Nevertheless, he instructed the Department to comply with the intent of the footnote to the extent feasible.

In April 2006, the Department submitted a report covering the FY 2004-05 activities of the Tony Grampsas Youth Services (TGYS) Program. The Department indicates that it cannot submit a report within three and a half months of the close of the fiscal year as requested by the footnote because the Department's report is based in part on the reports of TGYS grantees and grantee reports are not available until two months after the close of the fiscal year. The Department plans to submit the FY 2005-06 report in January 2007.

Background: The precursor of the Tony Grampsas Youth Services Program, the Youth Crime Prevention and Intervention Program, was created in the mid 1990s to provide state funding for community-based programs that target youth and their families for intervention services that are designed to reduce youth crime and violence. In 1998, this program was joined by the Colorado Mentoring Youth Services Act and in 1999 by the Colorado Student Dropout Prevention and Intervention Program. The rules for these three programs are now contained in Sections 25-20.5-201 through 204, C.R.S. All of the programs are overseen by the TGYS Board and moneys appropriated to the TGYS can be allocated by that Board to any of the three programs.

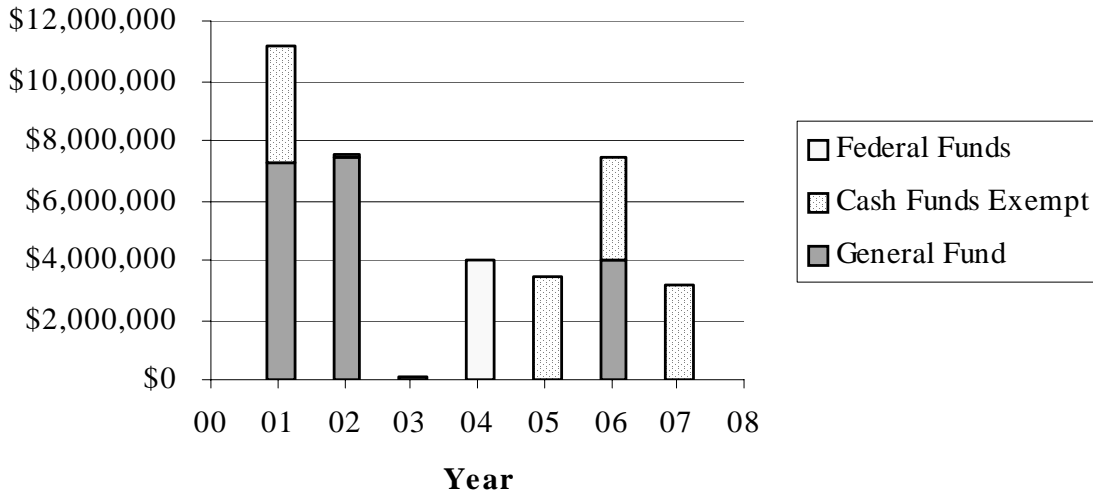
Funding since FY 2001-02: As far as staff can determine, prior to 2002 these programs were supported with General Fund and Cash Funds Exempt appropriations, but the Cash Funds Exempt appropriations appear to have originated as appropriations from the General Fund to a cash fund. In FY 2001-02, the TGYS program received an appropriation of \$7.5 million, the vast majority of that money General Fund. In FY 2001-02, there was also a separate appropriation of \$1.2 million General Fund into the Youth Mentoring Services Cash Fund and an appropriation of \$821,000 from the Youth Mentoring Services Cash Fund to the Youth Mentoring Services program. It appears that the TGYS board did not direct any of the \$7.5 million TGYS appropriation to Youth Mentoring in FY 2001-02. In the spring of 2002, the Governor line-item vetoed a \$7.6 million Long-Bill General-Fund appropriation for the TGYS program for fiscal year 2002-03. The program operated on \$138,000 of federal funds that year and received no appropriation in FY 2003-04, however, the Governor directed \$4,000,000 of flexible funds from the federal Job and Growth Tax Relief Reconciliation Act of 2003 to the program for FY 2003-04. Appropriations into the Youth Mentoring Services Cash Fund ceased in FY 2002-03, but there was enough money remaining in the Youth Mentoring Services Cash Fund to support a \$742,000 appropriation for mentoring services that year. Appropriations to the Youth Mentoring Services Program ceased in FY 2003-04

Senate Bill 03-282 directed tobacco settlement revenues to the TGYS program beginning in FY 2004-05. House Bill 04-1421 modified the formula, directing 4 percent of the annual tobacco payment up to a maximum of \$5.0 million to the program, a formula that continues to apply. The FY 2006-07 Long Bill contained a one-time supplemental \$4 million TGYS General Fund appropriation for FY 2005-06, which included a provision stating that the extra \$4 million would be available until the end of FY 2006-07. Thus the added FY 2005-06 appropriation will largely be expended in FY 2006-07.

Allocations to Youth Mentoring Services: The Youth Mentoring Services Program has received no direct appropriations since FY 2002-03. Though there is no statutory requirement that the TGYS Board allocate any of the TGYS appropriation to these mentoring programs, the TGYS Board has been allocating a portion of the TGYS appropriation to the programs. In FY 2004-2005, 14 percent or \$458,697 of the TGYS appropriation was allocated to mentoring programs. In FY 2005-2006, 7 percent or \$236,442 of the TGYS appropriation was allocated to mentoring programs that met the criteria set forth by TGYS statute Sections 25-20.5-201 through 204, C.R.S. \$110,937, or an additional 3 percent, was allocated to mentoring agencies for services that did not qualify under the mentoring category, such as restorative justice and gang prevention programs. For FY 2006-2007, the TGYS Program received an appropriation of \$7.5 million (this includes the \$4 million General Fund appropriation received in FY 2005-06). Nine percent, or \$556,336, has been allocated to mentoring programs that meet the criteria set forth by TGYS statute Section 25-20.5-201 through 204, C.R.S., and additional funds are allocated to mentoring programs to support services that do not meet the formal mentoring criteria.

The following chart shows recent TGYS appropriations. FY 2000-01 and FY 2001-02 appropriations to Youth Mentoring Services are not included in the chart. The FY 2003-04 amount is an allocation of Flexible Federal Funds.

Tony Grampas Youth Services Program



108 **Department of Public Health and Environment, Prevention Services Division, Family and Community Health, Child Adolescent, and School Health, Nurse Home Visitor Program** -- The Department is requested to submit a report to the Joint Budget Committee with regard to the amount of federal Medicaid funding being drawn by Nurse Home Visitor-contracted agencies for providing Targeted Case Management services to Medicaid-eligible families. The report should be submitted on or before November 1, 2006. Reporting should include, but not be limited to: The number of Medicaid-eligible clients served and the amount of Targeted Case Management services billed.

Comment: *The Governor vetoed this footnote, stating that it interferes with the executive branch's ability to administer the appropriation and may constitute substantive legislation that cannot be included in the Long Bill. Nevertheless, he instructed the Department to comply with the intent of the footnote to the extent feasible.*

The Department submitted the requested report but it did not include all the requested information.

Background: The Nurse Home Visitor Program was, prior to FY 2004-05 exclusively funded with a statutorily-established percentage of Tobacco Master Settlement Funds (initially 9 percent of the annual payment, rising 1 percent each year to 19 percent in FY 2013-14, up to a maximum of \$19.0 million). The program serves low-income first-time

mothers of children under age 2 and pregnant low-income first-time mothers. Nurse-home-visitor services for many of these women potentially qualify for matching medicaid reimbursement, but, prior to FY 2004-05, the program did not take advantage of these potential payments. Beginning in FY 2004-05, the program made a number of changes so it could draw upon medicaid funds.

The flow of funding for the program is now somewhat complicated because the Department cannot apply directly to Medicaid for federal matching funds; federal centralization rules require that the match be funneled through the Department of Health Care Policy and Financing. The contractors who provide visiting-nurse services bill Health Care Policy and Financing for services that are eligible for a Medicaid match and bill the Department directly for services that are not eligible. When Health Care Policy and Financing pays a contractor, it obtains half the funds for the payment from the Department and the other half from Medicaid.

This footnote requires the Department to report the amount of matching Medicaid funding that contractors have received. The report indicates that the Department has, as of October 26, 2006, transferred \$1.2 million to the Department of Health Care Policy and Financing in support of this program, meaning that contractors received \$1.2 million of medicaid matching funds. Since the Department of Health Care Policy and Financing has until December 21, 2005 to submit claims, more matching funds may later be received. The report also indicates that 13,143 claims were paid, but it does not indicate the number of clients served, as requested by the footnote.

**FY 2007-08 Joint Budget Committee Staff Budget Briefing
DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT**

ISSUE:

Department of Public Health and Environment Performance Measures

DISCUSSION:

Department Mission

Mission Statement:

The Colorado Department of Public Health and Environment is committed to protecting and preserving the health and environment of the people of Colorado.

Goals and Performance Measures

The Department's strategic plan is 31 pages long. It is organized into six broad "target areas:"

1. Public Health
2. Environmental
3. Workforce Development
4. Communication
5. Emergency Preparedness and Responsiveness
6. Community Outreach.

Each of these target areas has three to six goals and each goal, in turn, has between three and fifteen "program objectives."

Staff Analysis

Joint Budget Committee staff reviewed the Department's performance measures submitted in the budget. Staff assessed these performance measures using the following common checklist:

1. Do the goals and performance measures correspond to the program's directives provided in statute?
2. Are the performance measures meaningful to stakeholders, policymakers, and managers?
3. Does the Department use a variety of performance measures (including input, output, efficiency, quality, outcome)?
4. Do the performance measures cover all key areas of the budget?
5. Are the data collected for the performance measures valid, accurate, and reliable?
6. Are the performance measures linked to the proposed budget base?
7. Is there a change or consequence if the Department's performance targets are not met?

As noted above, the department's strategic plan is organized into a hierarchal system of Target Areas, Goals and Program Objectives:

Target Area #1

Goal 1

Program Objective 1

Program Objective 2

Goal 2

Program Objective 1

Program Objective 2

Program Objective 3

Target Area #2

...

Most, if not all, of the Department's diverse portfolio of programs are included in one way or another among the program objectives. For example under Target Area #1 (Public Health), Goal 4 (Continue promoting and implementing prevention strategies in the areas that are the leading causes of illness and death for Coloradans), one finds the Program objectives "Provide Prenatal Plus services for high-risk, Medicaid-eligible pregnant women annually to decrease the expected rate of low birth weight infants born to enrolled women" – a reference to the Prenatal Plus program run by the Women's Health - Family Planning section of the Prevention Services Division. One also finds the program objective, "Decrease rates of unintentional injury through research, surveillance, evaluation, and the development and implementation of effective prevention programs" – a reference to the activities of several other Prevention-Services-Division programs, including the Colorado Child Fatality Review Committee, the Injury Epidemiology Program, and the Injury and Suicide Prevention Program.

Taken as a whole, the Department's targets, goals and program objectives seem reasonable, given the Department's numerous and diverse statutory directives, though the long, list-like nature of the document make it somewhat daunting reading. The strategic plan can actually be viewed as an organized list of the many activities that the Department undertakes, with each activity categorized by target area and goal. Such a list potentially provides a useful organizational tool for thinking

about the Department's programs, but JBC staff is not sure that it offers a great deal of operational guidance. Because of its list-like nature, the strategic plan is also consistent with statute, in fact it can be read as an organized list of the Department's statutory objectives. A more concise list of goals and objectives might be more readable, but it would emphasize the sections of statute that are included while de-emphasizing sections that are excluded for the sake of brevity.

The strategic plan's usually broad "program objectives" generally become more specific in the next section of the document, called "Schedule 1," where the Department states and prioritizes its specific goals. For instance, the program objective "ensure that health care facilities and pre-hospital services in the community have the ability and capacity to provide quality health care" becomes the more specific "Evaluate health and safety standards in assisted living residences" and "Increase access and availability of classes for individuals who administer medications in assisted living residences and adult day programs."

The final step is the addition of program performance measures that are tied to the schedule 1 objectives. For example, the objective "Evaluate health and safety standards in assisted living residences" has three performance measures

1. Number of assisted living residence licenses processed,
2. Percent of annual inspections completed in assisted living residences, and
3. Percentage of initial fire safety inspections conducted within 30 days of completed application.

The objective "Increase access and availability of classes for individuals who administer medications in assisted living residences and adult day programs" has the single performance measure "Number of individuals receiving medication administration training."

It is at this point that the quality of the strategic plan falters somewhat because the plan's performance measures are a sometimes mixed lot. Some of the measures are good; they can be accurately measured, they are clearly connect to the associated objective and they are meaningful to stakeholders, policymakers, and managers. An example is the first performance measure associated with the objective, "Increase availability of appropriate trauma care for injured patients." The related outcome-oriented performance measure is the percentage of severely-injured patients who are admitted to Level I through Level III trauma centers, the highest levels of trauma center care. An even better objective might be "Increase survival rates for severely injured patients"— an outcome-oriented objective that pertains to the emergency response and treatment system as a whole. The associated performance measure would be the survival rate for those who are severely injured

In other cases, the connection between the objective and the performance measure is more tenuous. For example, one of the objectives for the Director's office in the Laboratory Services Division is to "Ensure an efficient and effective operation of the Laboratory as a business while maintaining test quality and accuracy." The first of the two related performance measures is "The number of corrected reports issued due to reporting, analytical, and sample identification errors." While this measure is certainly tied to the lab's efficiency and effectiveness, other measures, such as the unit

costs of performing certain standard tests for which comparative benchmarks are available would probably tell us more about efficiency.

In some instances, the number of performance measures seems too small. The Laboratory section of the laboratory services division has the single objective "Provide testing for communicable diseases control, environmental pollutants, metabolic defects in newborn babies and alcohol/drug level." Three of its four performance measures simply measure the number of tests performed while the fourth measures the number of tests with positive results. There are no measures pertaining to lab safety, lab security, test accuracy, test turn-around time, or employee training (which is likely to be connected to at least a few of these measures.). A mixture of input and output oriented measures would reveal much more about the laboratory.

Questions for Department

Staff recommends that the Committee discuss the following questions with the Department during the FY 2007-08 budget hearing:

1. How do your performance measures influence department activities and budgeting?
2. To what extent do the performance outcomes reflect appropriation levels?
3. To what extent do you believe that appropriation levels in your budget could or should be tied to specific performance measure outcomes?
4. As a department director, how do you judge your department's performance? What key measures and targets do you used?

**FY 2007-08 Joint Budget Committee Staff Budget Briefing
DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT**

ISSUE:

Tobacco Settlement Revenues and the Master Settlement Agreement

SUMMARY:

- ❑ In 1998 52 states and territories signed the Master Settlement Agreement (MSA) with the five largest American tobacco manufacturers who then controlled a 99.6 percent share of the U.S. tobacco market. Colorado has been receiving MSA payments from these manufacturers since FY 1999-00. It has been allocating this money among a gradually expanding set of settlement-supported programs since FY 2000-01.
- ❑ The "participating" manufactures, those who signed the MSA, have seen their share of the tobacco market decline substantially since the MSA went into effect. The market share of the Non Participating Manufacturers (NPMs) has risen by a corresponding amount. This could potentially trigger a NPM adjustment that would substantially reduce Colorado's settlement receipts. In anticipation of a favorable NPM-adjustment ruling from an arbitrator, several manufacturers have already decreased their payments to Colorado. Other manufacturers may follow.

RECOMMENDATION:

The Committee will hold a hearing with the Department of Public Health and Environment on December 22 and a hearing with the Department of Law on January 12. Thus the Committee can direct MSA-related questions to either Department.

Staff recommends that the Committee ask the Department of Law the following questions:

1. Please discuss Colorado's prospects in the arbitration proceeding that will be held to determine whether Colorado diligently enforced its qualifying tobacco statute for non participating manufacturers.

Staff recommends that the Committee ask the Department of Public Health and Environment the following questions:

1. Receipts from the Master Settlement agreement may dip further next year. It is hoped that payments will recover in April 2008. What are the consequences of such temporary dips for settlement-supported programs?

DISCUSSION:

Basics of the Master Settlement Agreement: The Master Settlement Agreement (MSA) was signed in November 1998 by 52 settling states and territories and the major tobacco companies (Brown & Williamson, Lorillard, Philip Morris, and R.J. Reynolds, Liggett & Myers and Commonwealth Brands, which is a much smaller company). Four states had previously settled with these companies under terms that differed somewhat from the MSA.

In the Master Settlement Agreement, the participating manufacturers agreed to

1. abide by a variety of public health restrictions on the advertising and marketing of cigarettes,
2. create and fund the American Legacy Foundation to do anti-tobacco advertising, and
3. make specified payments to the settling states in perpetuity,

while the settling states agreed to release the participating manufacturers from health-related claims by the states related to the use, manufacture and marketing of tobacco products. There is also a separate agreement with smokeless tobacco companies.

A number of smaller tobacco companies have joined the Master Settlement Agreement since it was signed in 1998, agreeing to abide by its provisions. The tobacco companies that were original parties to the agreement and those that subsequently joined are collectively known as Participating Manufacturers. Tobacco companies that have not joined the agreement are known as Non Participating Manufacturers or NPMs.

Colorado's Settlement Payments: Colorado began receiving master-settlement payments in 1999. These receipts were exempt from TABOR since they resulted from a damage award. The settlement payments that Colorado has received are the sum of three components:

1. A series of initial payments, which ended in 2003.
2. A perpetual stream of "base" payments, which began in 2000 and are adjusted each year.
3. A series of "strategic contribution" payments, which will begin in April 2008 and continue until 2017. These payments, which are expected to add between \$19 and \$21 million to Colorado's annual settlement receipts, will be allocated among the MSA states based on each state's contribution to the litigation. These extra payments will begin flowing to the General Fund at the end of FY 2007-08; tobacco-supported programs will begin receiving them in FY 2008-09.

The settlement payments for a calendar given year are due on the following April 15th, but the exact amount of each year's payment is often subject to dispute. Disputed amounts are directed into a disputed payments account and are only sent to Colorado when the dispute is resolved. In recent years, the vast majority of the settlement payments arrive on April 15 or shortly thereafter with disputed payments typically arriving in the fall.

The following table shows the amounts the state has received annually since FY 1999-00.

Tobacco Settlement Receipts, Appropriations and Transfers

Receipts /A	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Payments Received	\$112,191,461	\$85,942,193	\$100,304,008	\$100,584,726	\$86,081,066	\$87,367,598	\$80,203,864

Appropriations to Programs (from the Previous Years Payment) /B	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
Health-Related Programs							
Nurse Home Visitor Program	\$2,375,744	\$4,297,110	\$5,577,035	\$6,926,714	\$7,747,296	\$8,736,760	\$8,822,425
Comprehensive Primary and Preventive Care Grant Program	4,751,488	5,156,532	5,259,917	5,416,086	2,582,432	2,621,028	2,406,116
Childrens Basic Health Plan	10,000,000	9,800,000	9,800,000	10,800,000	20,659,456	20,968,224	19,248,927
Childrens Basic Health Plan - Prenatal Care	0	0	7,700,000	7,700,000	Combined with Childrens Basic Health Plan		
Dental Loan Repayment Program	0	200,000	177,130	182,834	200,000	200,000	200,000
Tobacco- and Substance Abuse-Related Research	6,335,317	6,875,375	3,000,000	0	0	0	0
Tobacco Cessation and Prevention Grants	11,878,719	12,891,329	7,347,618	3,872,204	2,951,553	0 /C	0
Child Mental Health Treatment Act	0	0	0	273,636	300,000	300,000	300,000
Medicaid Mental Health Capitation Program	0	0	0	500,000	0	0	0
Ryan White HIV/AIDS Drug Assistance Program	0	0	0	0	3,012,837	3,057,866	2,807,135
Children with Autism	0	0	0	0	395,143	700,000	1,000,000
Medicaid Management Information System	0	0	0	0	2,347	0	0
Colorado AIDS & HIV Prevention Program	0	0	0	0	0	0	1,604,077
Other Programs							
Read-to-achieve Grant Program	15,046,378	16,329,017	15,990,420	10,698,410	16,355,403	4,368,380	4,010,193
Fitzsimons Lease Purchase	0	0	0	0	0	6,989,408	6,416,309
State Veterans Trust Fund	791,915	859,385	989,841	902,681	860,811	873,676	802,039
Tony Grampas Youth Services Program	0	0	0	0	3,443,243	3,494,704	3,208,155
State Council On the Arts	0	0	0	100,000	0	0	0
Legal Services for Victims of Family Violence	0	0	0	500,000	0	0	0
CDE - Regional Library Service Systems	0	0	0	600,000	0	0	0
Human Services - Services to Juveniles	0	0	0	500,000	0	0	0
Total Distributions to Programs	51,179,560	56,408,748	55,841,961	48,972,565	58,510,520	52,310,046	50,825,376
Distributions as a percentage of prior year payment		50.3%	65.0%	48.8%	58.2%	60.8%	58.2%

Program Funded from Cash Fund Interest Earnings	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
Breast and Cervical Cancer Treatment and Prevention	\$0	\$3,028,051	\$2,203,777	\$866,246	\$1,273,306	\$1,650,963	<i>Not known yet</i>

Tobacco Settlement Trust Fund	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Amount of Payment Deposited Into Trust Fund	\$48,838,292	\$18,047,861	\$21,063,842	\$6,158,429	\$18,077,024	\$0
End-Year Trust Fund Balance	50,532,333	102,681,579	0	0	19,991,692	0

Amount Transferred to General Fund /A	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
From Trust Fund	\$0	\$0	\$138,014,456	\$6,312,866	\$19,991,692	\$0
From Cash Fund:	0	0	0	60,538,492	6,123,017	39,192,373
TOTAL	\$0	\$0	\$138,014,456	\$66,851,358	\$26,114,709	\$39,192,373

/A Excludes payments received by and transfers from the Tobacco Settlement Defense Account.

/B Appropriations are before subtraction of the appropriation to the State Auditors Office, which currently equals 0.1% of settlement payment.

Colorado's Use of Settlement Moneys: The table also shows the appropriations of settlement moneys to programs, which began in FY 2001-2002. These appropriations are controlled by statutory formulas, most of which are contained in Section 27-75-1104.5 (2), C.R.S. The formulas generally allocate a specified percentage of Colorado's *prior year* settlement receipts to the supported program, usually subject to a ceiling. In a few cases, the appropriation to the supported program equals a fixed annual amount. One program, Breast and Cervical Cancer Treatment and Prevention, receives the interest that is earned by the cash fund that holds the settlement moneys from the time they are received until they are distributed.

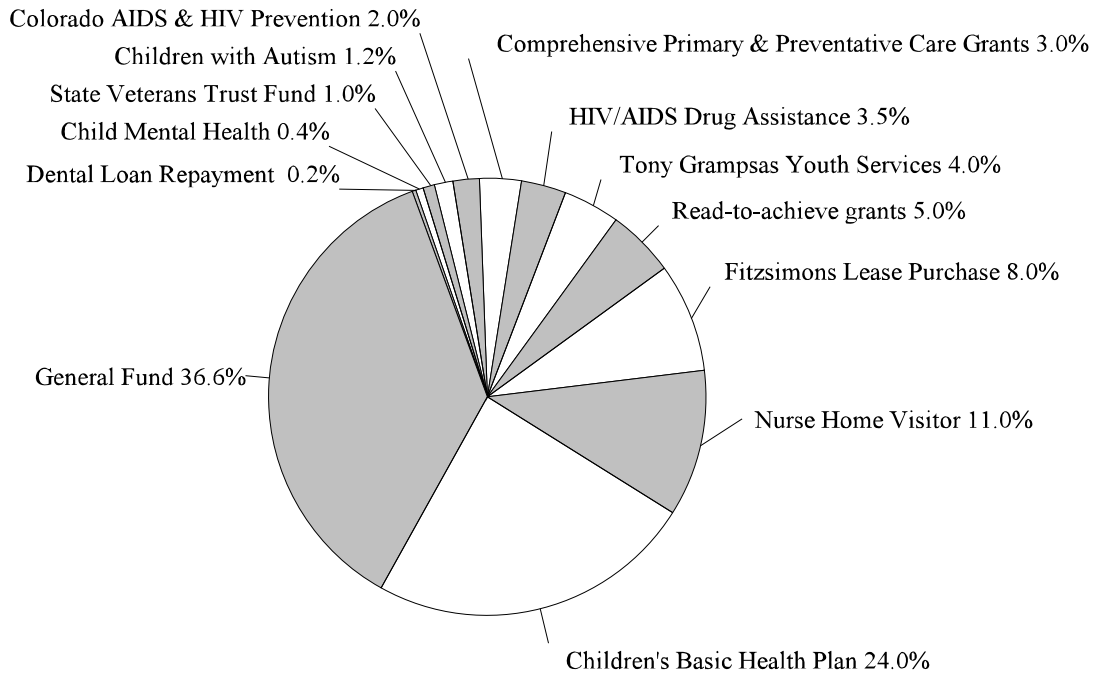
As the table indicates, the list of tobacco-settlement-supported programs has grown over time, with programs receiving between 48.8 and 60.8 percent of prior year master-settlement receipts. Two of the initial programs no longer receive settlement moneys; the Tobacco Cessation and Prevention Grant program is now supported by Amendment 35 tobacco tax revenue; the Tobacco- and Substance Abuse-Related Research program, which was in the Department of Higher Education, was replaced by funding for the Fitzsimons lease-purchase.

Statute originally directed unappropriated settlement money into the Tobacco Litigation Settlement Trust Fund. Section 24-22-115.5, C.R.S., states that the trust fund was designed to provide a permanent source of money for tobacco-settlement programs; the trust fund was to continue growing until its interest earnings were sufficient to fund the state's tobacco-settlement-supported programs.

The balance in the trust fund reached almost \$140 million by FY 2001-02 when, in response to the economic downturn, the General Assembly began transferring trust fund money to the General Fund. Note that tobacco settlement moneys transferred to the General Fund and then appropriated are subject to the 6 percent limit on the growth of General Fund appropriations, hence these transfers helped prop up 6-percent-limit spending during the downturn. In 2004, H.B. 04-1421 redirected settlement moneys that, under prior law, would have flowed to the Tobacco Litigation Settlement Trust Fund into the General Fund, thus eliminating the need for further transfers from the trust fund to the General Fund. Under the rules of H.B. 04-1421, the trust fund now only receives money when tobacco settlement receipts exceed \$95.2 million, which will not occur until 2008 at the earliest. As a consequence of these transfers and of the allocation formula contained in H.B. 04-1421, the trust fund currently has a zero balance.

The following chart shows the distribution of the settlement payments received during received during FY 2005-06.

Distribution of FY 2005-06 Settlement Payments



The Non-Participating-Manufacturer Problem: Estimates indicate that the MSA adds about \$4.30 to the cost of a carton of cigarettes purchased from a participating manufacturer. From the outset, it was recognized that the extra costs the tobacco settlement imposes on participating manufacturers would place them at a competitive disadvantage when compared with the "non participating manufacturers" (NPMs) who have not joined the MSA. In an effort to level the playing field, the MSA required states to enact a model statute that forces non participating manufacturers to make payments into escrows accounts that are comparable to what they would have paid to the states had they participated in the MSA. Moneys in the escrow accounts are set aside for 25 years and are to be used to pay health and other claims that may be made against the non-participating manufacturers. House Bill 99-1208 added the model statute, which the MSA refers to as a "qualifying statute," to Colorado law in Sections 39-28-201 to 203, C.R.S. Additional stamping, certification, and escrow reporting requirements were subsequently added to Sections 39-28-301 to 307, C.R.S.

Colorado's qualifying NPM statute is enforced by the Department of Revenue, with assistance from the Department of Law. The Department of Revenue identifies non-participating manufacturers and annually notifies each of its escrow obligation. Non-participating manufacturers must establish an escrow account and certify the deposit of funds into the account based on the number of sticks or

ounces of roll-your-own tobacco that they distribute in the state. Manufacturers who certify their compliance to the Department of Revenue are listed on the Colorado Certified Brand Directory; unlisted companies cannot sell cigarettes or roll-your-own tobacco in the state.

Despite the existence of similar qualifying NPM statutes in other states, the market share of participating manufacturers, which equaled 99.6 percent in 1997, the year before the tobacco settlement was signed, has eroded, slipping 8.2 percentage points by 2003. There are several possible explanations for this decline. First, the MSA could be responsible in at least two ways:

1. NPMs may be evading the escrow requirements and exploiting a resulting cost advantage, or
2. NPMs may be complying with the escrow requirements, but the qualifying statutes may not have leveled the playing field as intended. For example, the original version of the model statute contained a provision that lessened the escrow requirements for NPMs who concentrated their sales in a few states. Some NPMs took advantage of this loophole before it was closed and may have gained market share as a consequence. In addition, NPMs may be gaining market share in the four states that settled separately with the participating manufacturers. These states were not required to impose escrow requirements on NPMs or enact a qualifying statute.

It is also possible that the MSA is not the cause of the participating manufacturer's market-share decline. The decline could be the result of bad business decisions by the major manufacturers, independent of the MSA. It's also possible that consumer tastes have changed and more people now prefer off brand cigarettes to the name brands produced by the major manufacturers. Such shifts seem to have occurred in the beer market. Alternately, the growth of the Internet may have made it easier for consumers to purchase the off brand cigarettes that they were always willing to smoke but were previously difficult to locate.

The Non Participating Manufacturer Adjustment: Concern that the MSA might cause participating manufacturers to lose market share led to the inclusion of an NPM adjustment clause in the agreement. The NPM adjustment reduces a state's base MSA payment if three tests are met. The first two tests apply at a national level:

1. An independent auditor must find that the participating manufacturers must have lost at least 2 percent of their national market share since the MSA was signed in 1998.
2. An independent economic consulting firm must determine that the MSA was a "significant" factor contributing to this loss. The term "significant" is not defined in the MSA.

If these two tests are passed, a third test must be applied on a state-by state basis:

3. A court or an arbitrator must find that a state did not "diligently" enforce its qualifying NPM statute. The term "diligent" is not defined in the MSA.

If tests 1 and 2 are passed, then the NPM adjustment is computed in two steps.

1. The potential nationwide NPM reduction is computed using a somewhat arbitrary formula contained in the MSA. The potential reduction equals the collective market share lost by the participating manufacturers since 1997, to the extent that this loss exceeds 2 percent, times the total base payments to all states, times three.
2. The nationwide NPM reduction is apportioned among those states that are determined not to have diligently enforced their qualifying NPM statutes. States deemed to have diligently enforced receive their full base payments.

The NPM Adjustment for 2003: By the time that the 2003 MSA payment was due in 2004, the market share of the major tobacco manufacturers had declined 8.2 percent relative to 1997. The participating firms went ahead and made the 2003 payment but, believing that the payment should be reduced by an NPM adjustment, they also set in motion a process that led to a \$10.9 million reduction in the settlement payment that Colorado received last April.

The participating manufacturers and the states engaged the Brattle Group, an economic consulting firm, asking it to determine whether the MSA was a significant factor contributing to the 2003 market share loss. The Brattle Group's report, issued 3 weeks before the April 2005 payment was due, concluded that the MSA *was* a significant contributing factor. This means that the first two of the three tests for a 2003 NPM adjustment had been passed. It also means that the nationwide 2003 NPM reduction, which equals

$$\begin{array}{r}
 \$6.6 \text{ billion total 2003 base payments to the states} \\
 * \quad 6.2\% \text{ combined market share of participating manufacturers since} \\
 \quad \quad 1997, \text{ to the extent the loss exceeds 2 percent} \\
 * \quad \quad 3 \text{ multiplier specified in the MSA} \\
 \hline
 = \quad \$1.2 \text{ billion NPM adjustment}
 \end{array}$$

(where * denotes multiplication), will be apportioned among those states that are determined not to have diligently enforced their qualifying NPM statutes.

1. If all states are determined to have diligently enforced, then every state will retain the full payment for 2003, which the states have already received; no NPM adjustments will be made.
2. If a portion of the states are determined not to have diligently enforced, then the nationwide NPM adjustment will be allocated proportionately among the "non-diligent" states and withheld from future payments that these states are scheduled to receive. Note, however, that the NPM adjustment for a given state cannot exceed the state's base payment for the corresponding year. If only a few states are found not to have diligently enforced, then the allocation of the nationwide adjustment among those few states could very substantially reduce their MSA payments.

The Brattle Group's decision meant that a court or arbitrator would have to determine on a state-by-state basis whether each state had diligently enforced its qualifying NPM statutes. Unfortunately, the MSA did not clearly specify who would make this determination. The states generally preferred

that state courts decide the issue; the participating manufacturers preferred arbitration. It fell to each state's court system to determine who would make the determination. About half the state courts, including a Denver district court, have now ruled on this question and they have almost uniformly chosen arbitration. It now appears likely that all or almost all of the diligent enforcement determinations will be made by a panel of arbitrators composed of three retired federal judges.

Some manufactures withheld the 2003 NPM adjustment from the April 2006 payment: Following the Brattle Group's decision, two of the major tobacco manufacturers, Reynolds and Lorillard, joined by some smaller manufacturers, decided to reduce their April 2006 distribution to the states by the amount of the potential 2003 NPM adjustment. Another large firm, Philip Morris, which has a \$354 million potential NPM adjustment for 2003, decided to pay in full, though it asserts that it is also entitled to the adjustment. The \$798 million that Reynolds and Lorillard withheld has been placed in a disputed payments escrow account where it awaits diligent-enforcement determinations for all states. The accounting firm that oversees the distribution of settlement payments, recognizing that it could not predict which states will be determined not to have diligently enforced, choose to reduce each state's 2006 payment by a proportionate share of the \$800 million. Colorado's share of the reduction equaled \$10.9 million. Had Philip Morris chosen to place its disputed \$354 million in a disputed payments account, Colorado's payment would have declined another \$4.2 million.

At this point, there is substantial uncertainty concerning the potential 2003 NPM adjustment.

1. No one knows when the arbitrators will begin hearing cases, nor does anyone know when they will issue decisions. The best guess is that decisions will be made in 2009 or 2010.
2. No one knows the criteria that the arbitrators will use to make their decision.
3. No one knows how many states, if any, will be determined not to have diligently enforced.

The uncertainty is compounded by uncertainty regarding the amounts, if any, that participating manufacturers may withhold from future payments. The market share of participating manufactures stood at 91.8 percent in 2004 and 94.4 percent in 2005 and manufacturers have asserted that the MSA was a significant factor behind the decline of these market shares relative to the 1997 base year, just as the Brattle Group determined it to be for 2003. Many expect Reynolds and Lorillard, perhaps this time joined by Philip Morris, to reduce their April 2007 payment to the states by the amount of the potential 2004 NPM adjustment and place this sum in a disputed payments account. Philip Morris could also withhold from the April 2007 payment the 2003 NPM adjustment that it declined to withhold in April 2006. The potential reduction in Colorado's April 2007 payment could be as much as \$20 million.

Forecasting and Appropriation Implications: This analysis means that two to three year forecasts of Colorado's tobacco settlement revenues will be difficult while forecasts three or more years out will have to deal with an even larger uncertainty. The short range forecasts must account for the possibility that the participating manufacturers may withhold the potential 2004 and 2005 NPM adjustment from these payments. The longer run forecasts must account for the decision of the arbitrators. If Colorado prevails, it will receive at an unknown future date its share of the 2004 NPM

adjustment that was withheld in April 2006, as well as similar amounts that the manufactures may withhold in the future. This could translate into a substantial jump in tobacco-settlement receipts in a single year. If the manufacturers prevail against Colorado and only a small number of other states are determined not to have diligently enforced, then Colorado's payments could decline even more substantially for several years, especially if two or more years of NPM adjustments are offset against Colorado's settlement payments in a single future year.

It is unlikely that the NPM adjustment will be a long term problem for Colorado for at least two reasons:

1. Currently, no one knows how the arbitrators will interpret the phrase "diligently enforce." Once they issue their decisions, however, the states will have a better understanding of the phrase and will be able to adjust their enforcement activities accordingly.
2. The market share of the participating manufacturers has been growing recently -- their market share, which stood at 91.8 percent in 2003, grew to 94.4 percent in 2005. The market share growth is partly the result of the increasing number of NPMs that have decided to join the MSA and partly the result of the fact that a number of NPMS have gone out of business. If the market share of participating manufacturers rises above 98 percent, the NPM adjustment will be eliminated.

Policy implications: Colorado's tobacco settlement payments are likely to fluctuate substantially over the next few years, possibly dipping very substantially in April 2007. Settlement-supported programs that receive a fixed percentage of settlement payments will, under current statutory provisions, probably experience substantial fluctuations in their appropriations as a consequence.

If the Committee believes that it is wise to maintain stable funding for some or all of the state's tobacco-supported programs, then it may wish to consider General Fund appropriations for those programs in FY 2007-08.