

# JOINT BUDGET COMMITTEE

## APPROPRIATIONS REPORT FISCAL YEAR 2017-18



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# INTRODUCTION

This report is produced to assist members of the General Assembly, state personnel, and other interested parties in understanding state funding decisions made during the 2017 Regular Legislative Session. This report provides an overview of state revenues and expenditures, comparative and historical information regarding appropriations made during the 2017 Regular Session, and a detailed explanation of major funding changes for each state department. The FY 2017-18 Appropriations Report includes:

## PART I: OVERVIEW

The Overview includes: (A)(1) an overview of state General Fund revenues and expenditures; (A)(2) a discussion of statutory and constitutional revenue and spending restrictions; and (B) a series of charts, graphs, and tables identifying the sources of General Fund revenue and comparing the distribution of appropriations by program and fund source.

## PART II: DEPARTMENT SUMMARIES

This section contains a summary of operating appropriations for each department for FY 2014-15 through FY 2017-18, and highlights the major appropriation changes from FY 2016-17 to FY 2017-18. This section also summarizes factors driving the budget for each state department and for capital construction projects.

## PART III: DEPARTMENT DETAILS

Detailed information regarding funding for the operations of each state department and for capital construction projects can be found in this section. The subsection for each department summarizes funding and FTE authorizations for FY 2016-17 and FY 2017-18. The format reflects appropriations by bill and by division or program area. Narrative sections describe major changes in funding from FY 2016-17 to FY 2017-18, fund sources for each division, and division responsibilities. This section also includes brief summaries of bills adopted during the 2016 and 2017 Regular Sessions that contained an appropriation, affected state revenues, or implemented a major policy change.

The footnotes to the 2017 Long Bill (S.B. 17-254) can be found at the end of each departmental section in the 2017 Session Laws, or they can be accessed via the internet at the following address:

<https://leg.colorado.gov/bills/SB17-254>

Additional information on department activities, Joint Budget Committee staff assignments, and funding requests can also be found in Joint Budget Committee staff briefing, supplemental, and figure setting documents. These documents can be accessed via the Internet at the following address:

<https://leg.colorado.gov/content/budget>

## APPENDICES AND INDEX

Multiple appendices that provide supporting documentation for the report's content, as well as a subject index, can be found near the end of this document.

**PART I**

**OVERVIEW**

# A: OVERVIEW OF GENERAL FUND REVENUES AND EXPENDITURES

## 1. GENERAL FUND OVERVIEW

This section provides an overview of General Fund revenues and expenditures based on the Legislative Council Staff March 2017 revenue estimate, which was used as the basis for making adjustments to the FY 2016-17 budget and preparing the FY 2017-18 budget.

### SUMMARY OF MAJOR ACTIONS TAKEN REGARDING THE GENERAL FUND BUDGET

The following is a summary of the major actions that occurred during the 2017 Regular Legislative Session that impacted the General Fund budget.

**GENERAL FUND REVENUE PROJECTIONS:** The General Assembly used the Legislative Council Staff (LCS) March 2017 revenue estimates when making final adjustments to the FY 2016-17 budget and preparing the FY 2017-18 budget during the 2017 Session. The LCS March 2017 projections were approximately \$83.9 million lower for FY 2016-17 than the projections that were used during the 2016 Session to prepare the FY 2016-17 budget.

**STATUTORY CHANGES THAT IMPACTED GENERAL FUND REVENUE:** Table 1 contains a list of bills that were passed during the 2017 Session that had a significant impact on the amount of available General Fund revenue.

TABLE 1 ACTIONS THAT IMPACTED THE AMOUNT OF AVAILABLE GENERAL FUND REVENUE (\$ IN MILLIONS)			
BILLS PASSED DURING THE 2017 SESSION:		FY 2016-17	FY 2017-18
<i>Transfers to the General Fund:</i>			
S.B. 17-260	Severance Tax Cash Fund Transfer to the General Fund	\$0.0	\$45.7
S.B. 17-265	State Employee Reserve Fund Transfer	0.0	26.3
H.B. 17-1369	Bonds for Persons who Fail Appear Due to Immigration Issues	<u>0.1</u>	<u>0.0</u>
	Total Transfers to the General Fund	\$0.1	\$72.0
<i>Changes to General Fund Revenues:</i>			
H.B. 17-1002	Child Care Expenses Income Tax Credit Extension	(\$2.9)	(\$6.1)
H.B. 17-1090	Advanced Industry Investment Tax Credit Extension	0.0	<u>(0.3)</u>
	Total Changes to General Fund Revenues	(\$2.9)	(\$6.4)
<i>Transfers from the General Fund:</i>			
S.B. 17-255	Technology Advancement and Emergency Fund	\$0.0	\$2.0
S.B. 17-259	General Fund Transfers to Protect Natural Resources	0.0	10.0
S.B. 17-261	2013 Flood Recovery Transfer	<u>0.0</u>	<u>12.5</u>
	Total Transfers from the General Fund	\$0.0	\$24.5

Please note that the impact of H.B. 17-1002 (Child Care Expenses Income Tax Credit Extension) is dependent on the level of excess reserve for FY 2016-17 as reflected in the June 2017 Legislative Council Staff revenue forecast. As such, the ultimate impact may differ from what is reflected in the chart above.

**APPROPRIATIONS:** The major changes in appropriations for FY 2016-17 and FY 2017-18 are explained in Part II and Part III of this document. Part II contains an overview at the department level of FY 2016-17 and FY 2017-18

appropriations and the general factors driving the budget. Part III provides detailed appropriations by division and by bill for each department for FY 2016-17 and FY 2017-18.

**STATUTORY RESERVE:** The statutory General Fund reserve requirement is 6.0 percent for FY 2016-17 and 6.5 percent for FY 2017-18.

## FY 2016-17 AND FY 2017-18 GENERAL FUND OVERVIEW

Table 2 provides an overview of General Fund revenues, spending obligations, and ending reserves for both FY 2016-17 and FY 2017-18. Please note that some of these amounts will change in the future with revised revenue forecasts and/or actions of the General Assembly. A description of each item follows the table.

TABLE 2 GENERAL FUND OVERVIEW (\$ IN MILLIONS)		
DESCRIPTION	FY 2016-17	FY 2017-18
<b><u>GENERAL FUND AVAILABLE:</u></b>		
Beginning General Fund Reserve	\$512.8	\$585.5
General Fund Nonexempt Revenues	8,016.6	8,351.0
General Fund Exempt Revenues	2,435.2	2,713.8
Transfers from Other Funds - Existing Law Prior to March Forecast	44.7	16.5
Changes to General Fund Revenue - Bills Passed during 2017 Session after March Forecast	(2.9)	(6.4)
Transfers from Other Funds - Bills Passed During 2017 Session after March Forecast	0.1	72.0
<b>TOTAL GENERAL FUND AVAILABLE</b>	<b>\$11,006.5</b>	<b>\$11,732.4</b>
<b><u>GENERAL FUND OBLIGATIONS:</u></b>		
General Fund Appropriations (excluding rebates and expenditures)	\$9,784.5	\$10,438.1
Estimated TABOR Refund Pursuant to Section 20 (7)(d) of Article X of the State Constitution	0.0	286.7
Adjustments to TABOR Refund Pursuant to Section 20 (7)(d) of Article X of the State Constitution	0.0	(286.7)
Rebates and Expenditures	151.2	139.0
Senior Citizen and Disabled Veteran Property Tax Exemption	136.0	148.0
Estimated Transfers to Highway Users Tax Fund pursuant to Section 24-75-219, C.R.S.	79.0	79.0
Estimated Transfer to Capital Construction Fund pursuant to Section 24-75-219, C.R.S.	52.7	0.0
Transfer to the Capital Construction Fund	31.8	109.2
Transfer to the State Education Fund pursuant to Section 24-75-220 (3)(b), C.R.S.	25.3	25.3
Transfers to Other Funds - Existing Law Prior to March Forecast	160.5	88.5
Transfers to Other Funds - Bills Passed During 2017 Session after March Forecast	0.0	24.5
<b>TOTAL GENERAL FUND OBLIGATIONS</b>	<b>\$10,421.0</b>	<b>\$11,051.6</b>
<b>YEAR END GENERAL FUND RESERVE (Available Funds Less Obligations)</b>	<b>\$585.5</b>	<b>\$680.8</b>
<b><u>General Fund Reserve Information</u></b>		
<b>STATUTORY RESERVE REQUIREMENT</b>	<b>\$584.3</b>	<b>\$675.3</b>
<b>GENERAL FUND RESERVE IN EXCESS OF THE STATUTORY REQUIREMENT</b>	<b>\$1.2</b>	<b>\$5.5</b>

**BEGINNING GENERAL FUND RESERVE:** These figures represent the total balance in the General Fund reserve at the start of the fiscal year, based on the assumptions used for revenues and obligations. The beginning General Fund reserve is the same as the prior fiscal year's ending General Fund reserve.

**GENERAL FUND NONEXEMPT AND EXEMPT REVENUES:** These figures represent estimates of the total General Fund revenues as reflected in the March 2017 LCS revenue estimate. The major components of state General Fund revenues include individual and corporate income, sales and use, insurance, liquor, and cigarette taxes. General Fund revenues must be applied to statutory obligations before the General Assembly can appropriate the remaining

General Fund. These obligations include rebates and expenditures and the capital construction transfer (described below).

As a result of the passage of Referendum C in November 2005, the State is permitted to retain excess revenues that otherwise would have been refunded under the Taxpayer's Bill of Rights (TABOR). General Fund Exempt Revenues represent the estimate of those retained amounts as reflected in the March 2017 LCS revenue estimate. Please see the section titled "2. Statutory and Constitutional Restrictions" in this Part I-A for a more detailed overview of TABOR and Referendum C. In addition, Appendix D details General Fund Exempt appropriations for FY 2016-17 and FY 2017-18.

**TRANSFERS FROM OTHER FUNDS - EXISTING LAW PRIOR TO MARCH FORECAST:** This line reflects money transferred to the General Fund from various other funds based on existing statutes that were enacted before the March 2017 forecast was published.

**CHANGES TO GENERAL FUND REVENUE - BILLS PASSED DURING 2017 SESSION AFTER MARCH FORECAST AND TRANSFERS FROM OTHER FUNDS - BILLS PASSED DURING 2017 SESSION AFTER MARCH FORECAST:** These lines identify the impact of statutory changes and transfers on available General Fund revenues after the March 2017 forecast was published. Table 1 in this section provides a list of these bills, and these bills are described at the end of each relevant department in Part III.

**GENERAL FUND APPROPRIATIONS (EXCLUDING REBATES AND EXPENDITURES):** These figures represent the total appropriations made in the annual appropriation bill (referred to as the Long Bill) and in any separate bills. These amounts exclude General Fund appropriations related to "rebates and expenditures", which are described below and are not subject to the statutory restriction on General Fund appropriations. See Appendix D for details concerning General Fund appropriations for FY 2016-17 and FY 2017-18 that are excluded from these figures.

**ESTIMATED TABOR REFUND PURSUANT TO SECTION 20 (7)(d) OF ARTICLE X OF THE STATE CONSTITUTION:** These amounts represent the estimated refund that will result pursuant to the Taxpayer's Bill of Rights (TABOR) because State revenues, as reflected in the March 2017 LCS revenue estimate, are estimated to exceed the amount permitted to be retained under the State Constitution. Please note this amount may change based on actual revenue collections.

**ADJUSTMENTS TO TABOR REFUND PURSUANT TO SECTION 20 (7)(d) OF ARTICLE X OF THE STATE CONSTITUTION:** This amount represents the adjustments that were made during the 2017 Session that impact the level of the required TABOR refund. Senate Bill 17-267 (Sustainability of Rural Colorado) creates the Healthcare Affordability and Sustainability (HAS) Fee as part of an enterprise for purposes of TABOR such that the revenue from the HAS Fee does not count against the state fiscal year spending limit (Referendum C cap). As a result, the estimated TABOR refund for FY 2017-18 was eliminated. See the Recent Legislation portion at the end of the Department of Health Care Policy and Financing in Part III of this report for a more detailed explanation of S.B. 17-267.

**REBATES AND EXPENDITURES:** The quarterly revenue forecasts prepared by the Legislative Council Staff (LCS) and the Office of State Planning and Budgeting include dollar amounts referred to as "rebates and expenditures". These amounts reflect various expenditures or diversions of funds from the General Fund which are exempt from or are not subject to the statutory restriction on General Fund appropriations. Some of these items are not reflected in General Fund appropriations, and the amounts that are reflected in General Fund appropriations are not routinely adjusted to reflect changes in projected expenditures or diversions. Appendix D provides more detail concerning rebates and expenditures, including the associated appropriations for FY 2016-17 and FY 2017-18. For

purposes of making final adjustments to the FY 2016-17 budget and preparing the FY 2017-18 budget, the General Assembly used the projections of rebates and expenditures that are included in the LCS March 2017 revenue estimate. Table 3 lists these amounts.

TABLE 3 REBATES AND EXPENDITURES (\$ IN MILLIONS)		
DESCRIPTION	FY 2016-17	FY 2017-18
Sales and use taxes credited to the Old Age Pension Fund	\$96.1	\$90.7
Cigarette tax rebates to local governments	10.9	10.8
Sales and use taxes credited to the Older Coloradans Cash Fund	16.4	10.0
Old Age Heat and Fuel and Property Tax Assistance Grants	5.7	5.3
Retail marijuana sales tax distributions to local governments	13.6	12.5
Fire and police pension payments for local governments	4.2	4.2
Earnings related to cash flow loans to school districts	3.4	4.6
General Fund appropriations related to tobacco tax revenues	0.9	0.9
<b>TOTAL</b>	<b>\$151.2</b>	<b>\$139.0</b>

**SENIOR CITIZEN AND DISABLED VETERAN PROPERTY TAX EXEMPTION:** In 2000, Colorado voters approved a constitutional amendment that reduces property taxes for qualifying senior citizens. The property tax reduction, or "homestead exemption", is available to senior citizens 65 years of age or older who have owned and lived in their home for at least ten years. In 2006, Colorado voters approved a constitutional amendment extending the homestead exemption to honorably discharged veterans who are 100 percent disabled as a result of a service-connected disability. The cost of the exemption is borne by the State rather than by local governments or other property owners. The amounts shown for FY 2016-17 and FY 2017-18 represent estimated state expenditures as reflected in the March 2017 LCS revenue estimate (also shown in Appendix D).

**ESTIMATED TRANSFERS TO HIGHWAY USERS TAX FUND PURSUANT TO SECTION 24-75-219, C.R.S.:** Section 24-75-219, C.R.S., requires a transfer from the General Fund to the Highway Users Tax Fund if certain triggers related to Colorado personal income and TABOR refunds are met. These amounts reflect the amount of transfer required based on the March 2017 LCS forecast as adjusted by S.B. 17-262 (HUTF and Capital Construction Fund Transfers). For more information on S.B. 17-262, see the bill description at the end of the Department of Transportation in Part III of this report. Table 4 reflects the calculation of these amounts:

TABLE 4 ADJUSTMENT TO ESTIMATED TRANSFER TO HIGHWAY USER TAX FUND (\$ IN MILLIONS)		
DESCRIPTION	FY 2016-17	FY 2017-18
Transfers Pursuant to Section 24-75-219, C.R.S.	\$158.0	\$110.6
Adjustment based on S.B. 17-262 (HUTF and Capital Construction Fund Transfers)	(79.0)	(31.6)
Estimated Transfers to Highway Users Tax Fund pursuant to Section 24-75-219, C.R.S.	\$79.0	\$79.0

**ESTIMATED TRANSFER TO CAPITAL CONSTRUCTION FUND PURSUANT TO SECTION 24-75-219, C.R.S.:** Section 24-75-219, C.R.S., requires a transfer from the General Fund to the Capital Construction Fund if certain triggers related to Colorado personal income and TABOR refunds are met. These amounts reflect the amount of transfer required based on the March 2017 LCS forecast as adjusted by S.B. 17-262 (HUTF and Capital Construction Fund Transfers). For more information on S.B. 17-262 as pertains to the capital transfer, see the description of S.B. 17-262 at the end of the Capital Construction section in Part III of this report. Table 5 reflects the calculation of these amounts:

TABLE 5  
ADJUSTMENT TO ESTIMATED TRANSFER TO CAPITAL CONSTRUCTION FUND (\$ IN MILLIONS)

DESCRIPTION	FY 2016-17	FY 2017-18
Transfers Pursuant to Section 24-75-219, C.R.S.	\$52.7	\$55.3
Adjustment based on S.B. 17-262 (HUTF & Capital Construction Fund Transfers)	0.0	(55.3)
Estimated Transfers to Capital Construction Fund pursuant to Section 24-75-219, C.R.S.	\$52.7	\$0.0

**TRANSFER TO THE CAPITAL CONSTRUCTION FUND:** Section 24-75-302 (2), C.R.S., provides for transfers from the General Fund to the Capital Construction Fund. These transfers are not subject to the statutory restriction on General Fund appropriations. The General Assembly may change the amount of the annual transfer when necessary.

**TRANSFER TO THE STATE EDUCATION FUND PURSUANT TO SECTION 24-75-220 (3)(b), C.R.S.:** Senate Bill 13-234 required the State Treasurer to transfer \$45.3 million from the General Fund to the State Education Fund on April 30, 2014. The bill further directed the State Treasurer to transfer \$25.3 million from the General Fund to the State Education Fund on April 30 of each year from 2015 through 2018. Finally, on April 30, 2019, the State Treasurer is directed to transfer \$25.0 million from the General Fund to the State Education Fund.

**TRANSFERS TO OTHER FUNDS - EXISTING LAW PRIOR TO MARCH FORECAST:** These amounts reflect money that will be transferred from the General Fund to various other funds based on existing statutes that were signed into law prior to the March 2017 revenue forecast.

**TRANSFERS TO OTHER FUNDS - BILLS PASSED DURING 2017 SESSION AFTER MARCH FORECAST:** This line identifies statutory transfers of General Fund to various other funds that were enacted after the March 2017 forecast. Table 1 in this section also provides a list of these bills, and these bills are described at the end of each relevant department in Part III of this report.

**YEAR END GENERAL FUND RESERVE (AVAILABLE FUNDS LESS OBLIGATIONS):** This figure represents the amount of General Fund in reserve after the transfers and other obligations described above have occurred. The ending General Fund reserve for one fiscal year becomes the beginning General Fund reserve for the next fiscal year.

**STATUTORY RESERVE REQUIREMENT:** Section 24-75-201.1 (1)(d)(XIV), C.R.S., requires a reserve of 6.5 percent of General Fund appropriations for FY 2016-17 and FY 2017-18. Senate Bill 17-266 (State General Fund Reserve Reduction for FY 2016-17) decreased the required General Fund reserve to 6.0 percent for FY 2016-17 only. Table 6 provides the calculations for the statutory reserve.



TABLE 6  
CALCULATION OF STATUTORY RESERVE (\$ IN MILLIONS)

	FY 2016-17	FY 2017-18
Adjusted General Fund Appropriation Base	\$9,784.5	\$10,438.1
<i>Exceptions to Calculation of Statutory Reserve pursuant to Section 24-75-201.1 (2), C.R.S.:</i>		
Department of Corrections - Capital Lease Purchase Payments	\$20.3	\$20.3
Department of Higher Education - Lease Purchase of Academic Facilities at Anschutz Medical Campus	7.2	5.5
Department of Higher Education - Lease Purchase of Academic Facilities	12.1	16.1
Judicial Department - Ralph L. Carr Colorado Judicial Center - Debt Service Payments	4.8	4.7
Department of Public Safety - Certificate of Participation for Labs	<u>1.6</u>	<u>1.6</u>
<i>Subtotal - Exceptions to Calculation of Reserve</i>	\$46.0	\$48.2
General Fund Appropriation Base for Calculation of Reserve	\$9,738.5	\$10,389.9
Percent Reserve Required pursuant to Section 24-75-201.1 (1)(d), C.R.S.	<u>6.0%</u>	<u>6.5%</u>
Required Statutory Reserve	\$584.3	\$675.3

Section 24-75-201.5, C.R.S., requires the Governor to take action to reduce state spending if revenue estimates indicate the General Fund reserve would fall below half of the required reserve in a given fiscal year.

## 2. STATUTORY AND CONSTITUTIONAL RESTRICTIONS

### STATUTORY RESTRICTION ON APPROPRIATIONS

Prior to FY 2009-10, Section 24-75-201.1, C.R.S., restricted the increase in state General Fund appropriations to the lesser of 5.0 percent of Colorado personal income or 6.0 percent over the total General Fund appropriations for the previous fiscal year. While this provision existed, the lesser amount was 6.0 percent over the previous fiscal year's General Fund appropriations. Subsequently, S.B. 09-228 amended this provision to restrict General Fund appropriations to an amount equal to 5.0 percent of Colorado personal income. Section 24-75-201.1 (1)(a)(III), C.R.S., exempts certain appropriations from this restriction, including those associated with new federal mandates, requirements of final court orders, and voter-approved revenue increases.

Table 7 shows the calculation of statutorily allowable General Fund appropriations for FY 2017-18. The table also shows the General Fund appropriations that are exempt from or not subject to the statutory restriction on General Fund appropriations for FY 2017-18, and the difference between General Fund appropriations and the restriction for FY 2017-18.

TABLE 7 STATUTORY RESTRICTION ON APPROPRIATIONS (\$ IN MILLIONS)	
Calendar Year 2015 Colorado Personal Income (base as defined in Statute)	\$277,732.0
Multiplied by 5.0 Percent	<u>5.0%</u>
FY 2017-18 General Fund Appropriations Restriction	\$13,886.6
FY 2017-18 General Fund Appropriations	\$10,619.8
Less: General Fund Appropriations Exempt From/ Not Subject to Statutory Restriction	<u>(181.7)</u>
FY 2017-18 General Fund Appropriations Subject to Restriction	\$10,438.1
Over/(Under) FY 2017-18 General Fund Appropriations Restriction	(\$3,448.5)

### CONSTITUTIONAL RESTRICTIONS

**Section 20 of Article X (TABOR):** In addition to the statutory restriction on General Fund appropriations, Section 20 of Article X of the State Constitution (the Taxpayer's Bill of Rights or "TABOR") places restrictions on the amount of total General Fund and cash fund revenues that may be collected and spent by the State. This section provides information about this constitutional revenue and spending restriction.

TABOR has several key provisions that impact the state budget:

- "State fiscal year spending" is defined as expenditures or reserve increases. In other words, all revenues received by the State that are not specifically exempt are considered "spending".
- The change in state fiscal year spending for the next year is restricted to the percentage change in the consumer price index (inflation) plus the percentage change in state population in the prior calendar year, adjusted for revenue changes approved by the voters after 1991.
- The base for calculating the allowable growth is the *lesser* of either actual revenues or the allowable limit.

In order to comply with the limits contained in TABOR several calculations are necessary. Because this provision makes no distinction between General Fund and cash fund revenues collected by the State, it is necessary to make forecasts of revenues for all the separate cash funds as well as the General Fund. The sum of estimated General

Fund and cash fund revenues is then increased by the estimated changes in inflation and population to project the allowable increase in state fiscal year spending.

**Referendum C:** Referendum C was referred to and passed by the voters in November 2005. This measure authorizes the State to retain and spend money in excess of the constitutional limitation on state fiscal year spending as follows:

- For FY 2005-06 through FY 2009-10, this measure authorized the State to retain and spend all state revenues in excess of the limitation on state fiscal year spending.
- For FY 2010-11 and each succeeding fiscal year, this measure authorizes the State to retain and spend all state revenues in excess of the limitation on state fiscal year spending, but less than a newly defined "excess state revenues" cap for the given fiscal year. The excess state revenue cap is equal to the highest annual total state revenues from FY 2005-06 through FY 2009-10, adjusted each subsequent fiscal year for inflation, the percentage change in state population, enterprises, and debt service charges.

Within the state General Fund, the measure established the General Fund Exempt Account, which consists of the amount of state revenues in excess of the limitation on state fiscal year spending that the State would have refunded had Referendum C not passed. The measure further established that money in the Account would be appropriated or transferred to fund:

- health care;
- education, including related capital construction projects;
- retirement plans for firefighters and police officers, so long as the General Assembly determines that such funding is necessary; and
- strategic transportation projects included in the Department of Transportation's strategic transportation project investment program.

The measure clarified that the statutory restriction on General Fund appropriations and associated exceptions or exclusions applies to money in the General Fund Exempt Account.

The measure requires the Director of Research of the Legislative Council Staff to annually prepare a report that includes the amount of excess state revenues that the State retained and a description of how the excess state revenues were expended.

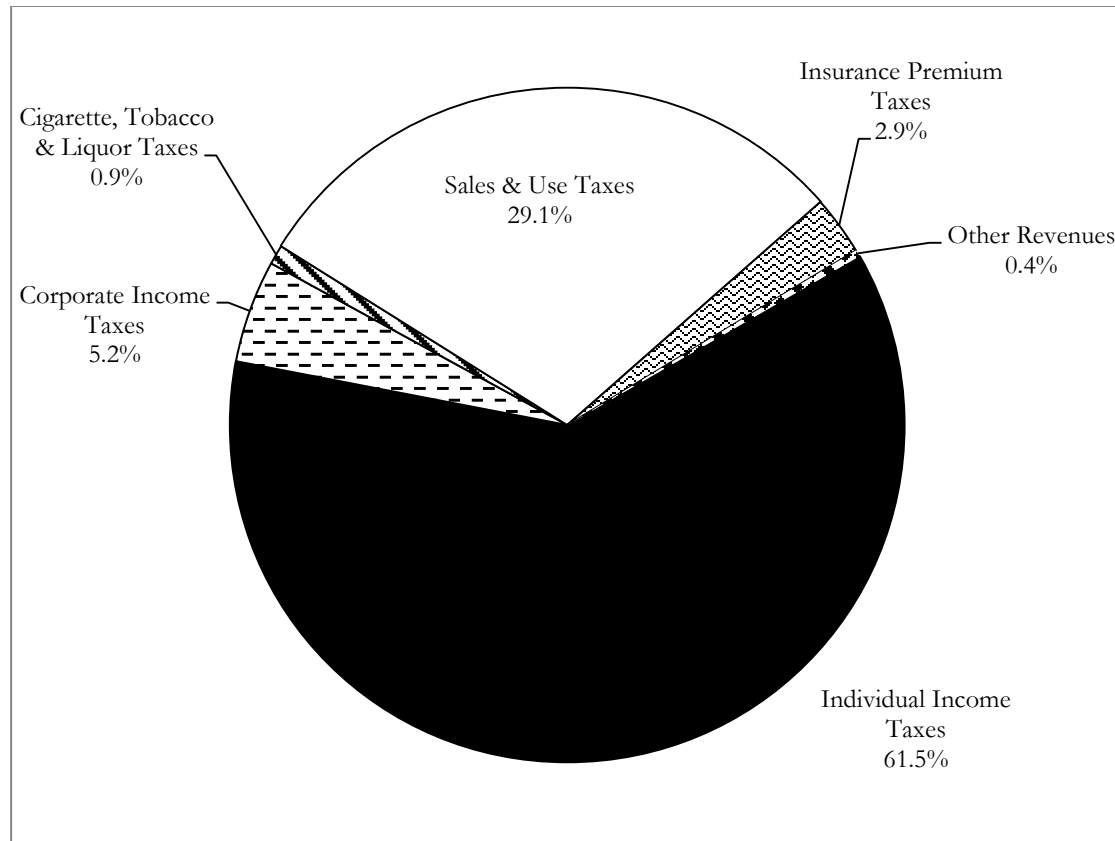
Table 8 summarizes the General Fund Exempt Account appropriations made in compliance with Referendum C (see Sections 24-77-103.6 and 24-77-104.5, C.R.S.).

TABLE 8			
REFERENDUM C: GENERAL FUND EXEMPT ACCOUNT APPROPRIATIONS BY PROGRAM (\$ IN MILLIONS)			
DEPARTMENT	LINE ITEM	FY 2016-17	FY 2017-18
Education	State Share of Districts' Total Program Funding	\$830.2	\$923.1
Health Care Policy and Financing	Medical Services Premiums	830.2	923.1
Higher Education	Various Line Items	770.1	862.9
Local Affairs	Volunteer Firefighter Retirement Plans	4.2	4.2
Transportation	Capital Construction - Transportation Highway Construction Projects	0.5	0.5
<b>TOTAL</b>		<b>\$2,435.2</b>	<b>\$2,713.8</b>

## B: SUMMARY CHARTS AND TABLES

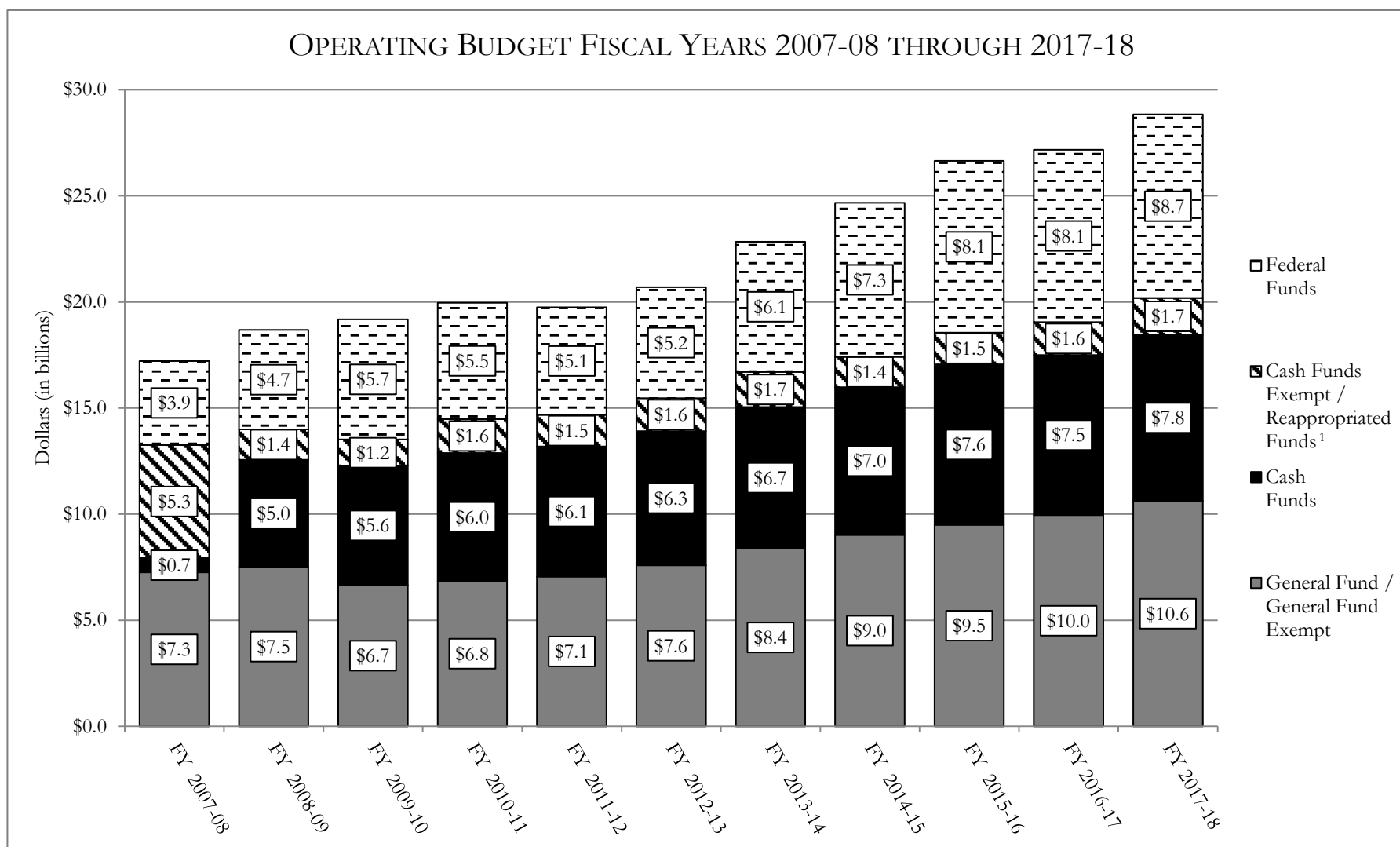
### 1. SOURCES OF GENERAL FUND REVENUE

ESTIMATED TOTAL GENERAL FUND REVENUE FY 2017-18 = \$11,064.8 MILLION<sup>1</sup>



<sup>1</sup> Source: Legislative Council Staff March 2017 *Focus Colorado: Economic and Revenue Forecast*. These percentages are net of income tax receipts that are credited to the State Education Fund (a total of \$585.3 million).

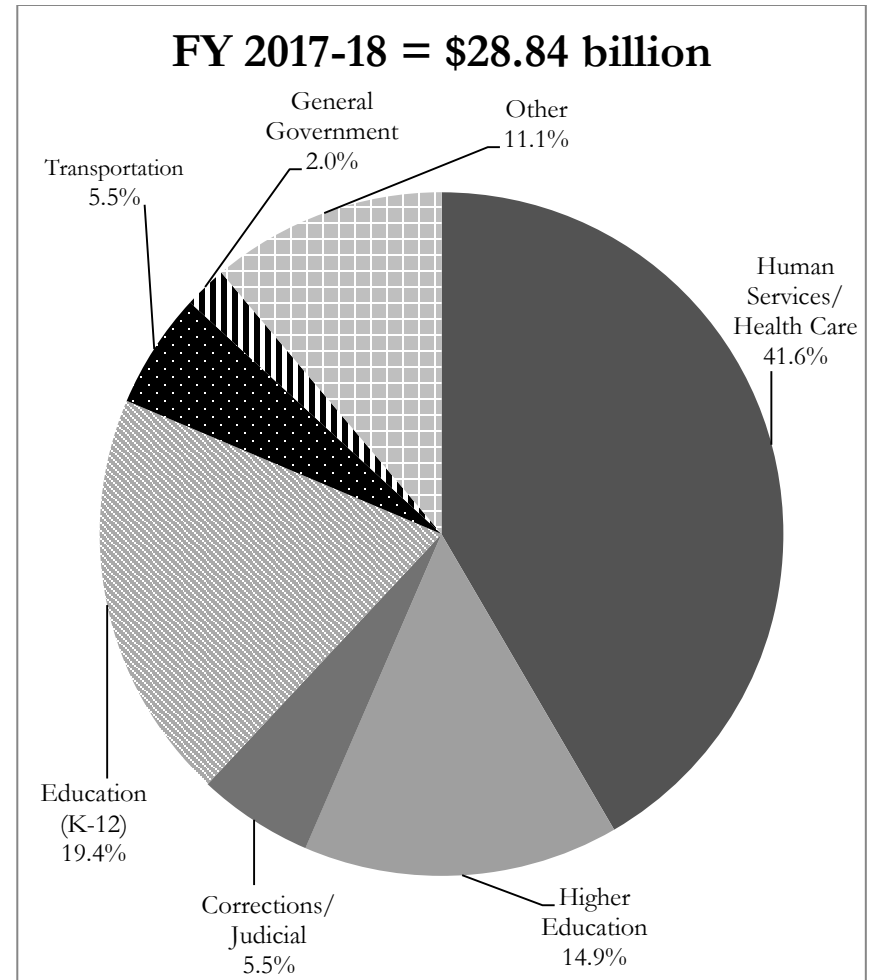
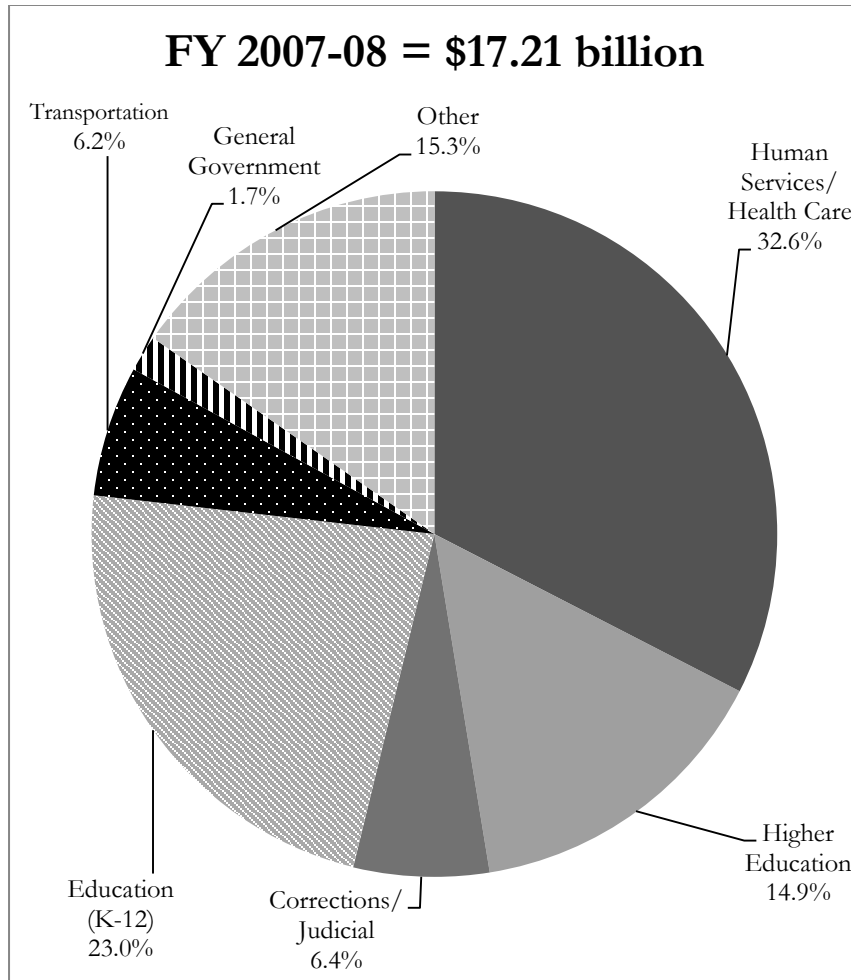
## 2. HISTORY OF APPROPRIATIONS BY FUND SOURCE



Note: Figures reflect appropriations made for each state fiscal year, including any adjustments that were made in subsequent fiscal years.

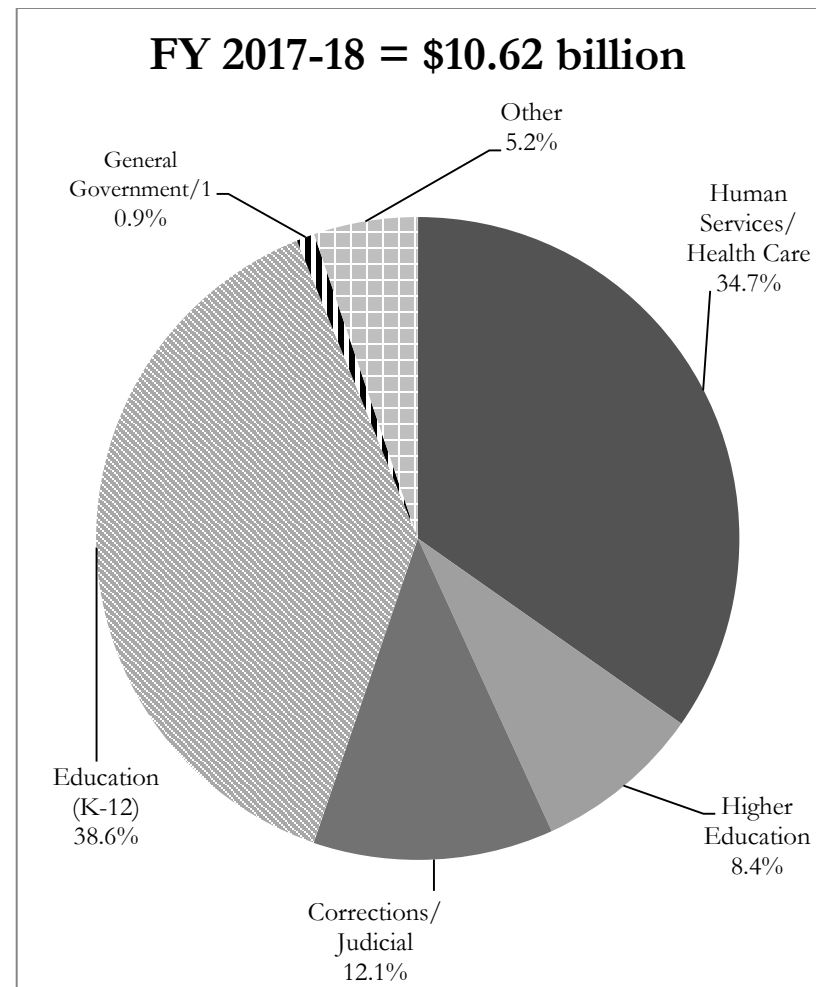
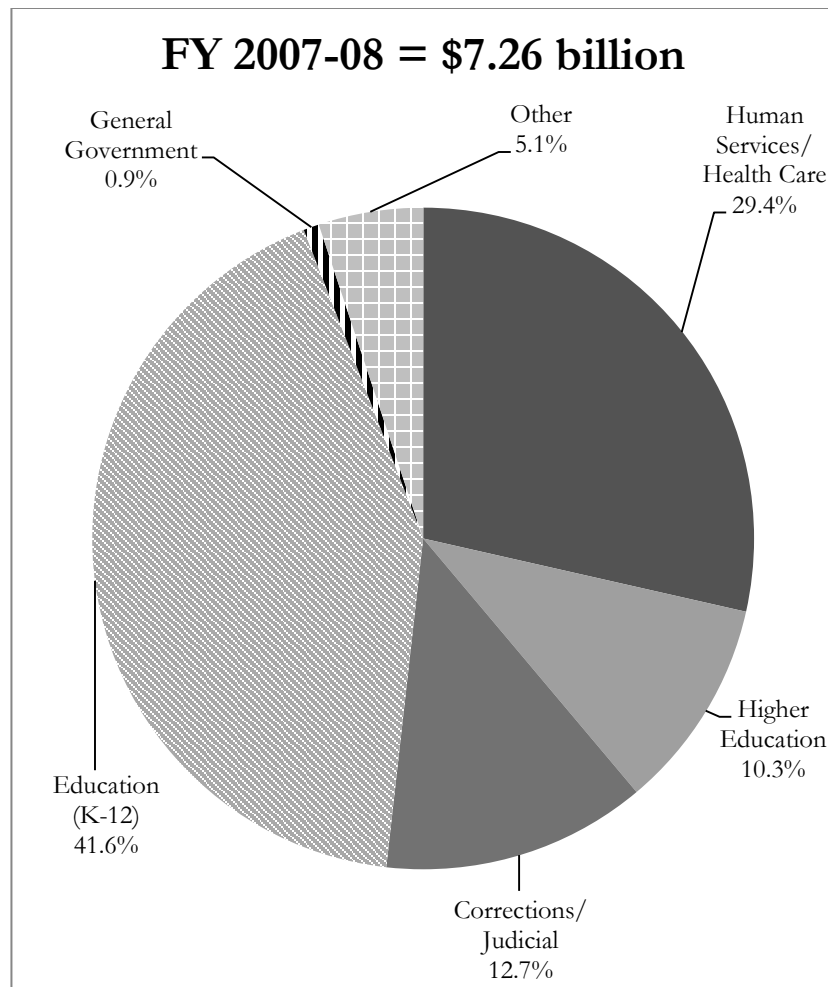
<sup>1</sup> Appropriations for FY 2008-09 and subsequent years are reflected in a new format, which redistributes funds previously classified "cash funds" and "cash funds exempt" into the newly defined "cash funds" and "reappropriated funds" categories. Cash Funds Exempt amounts are reflected for FY 2007-08 and prior years. Reappropriated Funds amounts are reflected for FY 2008-09 and subsequent years.

### 3. A. COMPARISON OF TOTAL OPERATING APPROPRIATIONS BY PROGRAM TYPE



Note: The “General Government” category includes the Governor’s Office, the Legislative Department, and the Department of Personnel.

### 3. B. COMPARISON OF GENERAL FUND OPERATING APPROPRIATIONS BY PROGRAM TYPE



Note: The “General Government” category includes the Governor’s Office, the Legislative Department, and the Department of Personnel.

## 4. FY 2016-17 OPERATING APPROPRIATIONS BY DEPARTMENT

FY 2016-17 OPERATING APPROPRIATIONS BY DEPARTMENT AND FUND SOURCE						
	TOTAL FUNDS	GENERAL FUND <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Agriculture	\$50,007,210	\$10,753,079	\$32,772,130	\$2,371,548	\$4,110,453	291.4
Corrections	842,703,603	751,095,253	41,066,811	49,183,898	1,357,641	6,242.7
Education <sup>1</sup>	5,458,531,070	3,764,862,059	1,012,079,491	33,261,008	648,328,512	599.5
Governor	307,976,762	35,966,004	44,733,104	220,765,787	6,511,867	1,090.0
Health Care Policy and Financing <sup>1</sup>	9,077,631,714	2,629,494,550	1,022,925,553	15,426,584	5,409,785,027	435.8
Higher Education <sup>1</sup>	4,122,494,009	871,034,716	2,513,598,084	715,348,692	22,512,517	24,491.4
Human Services	1,907,776,487	831,272,286	390,905,724	129,320,756	556,277,721	4,793.4
Judicial	694,494,996	491,246,425	164,554,601	34,268,970	4,425,000	4,615.1
Labor and Employment	244,151,762	20,786,362	71,493,888	9,401,877	142,469,635	1,279.8
Law	78,480,560	15,190,519	15,629,323	45,875,081	1,785,637	484.5
Legislature	45,868,293	44,789,293	179,000	900,000	0	285.0
Local Affairs <sup>1</sup>	305,587,580	25,487,580	194,098,487	10,915,745	75,085,768	173.9
Military and Veterans Affairs	225,498,851	8,443,132	1,211,976	800,000	215,043,743	1,392.4
Natural Resources	266,054,974	28,742,941	202,967,586	7,703,225	26,641,222	1,462.7
Personnel	192,518,150	13,145,504	16,928,150	162,444,496	0	421.5
Public Health and Environment <sup>1</sup>	566,968,574	47,629,976	189,303,546	41,342,484	288,692,568	1,311.3
Public Safety	413,647,542	122,680,880	190,524,914	38,933,169	61,508,579	1,783.4
Regulatory Agencies	86,142,731	1,769,297	78,137,343	4,852,173	1,383,918	588.2
Revenue	342,023,592	100,886,490	233,790,126	6,522,588	824,388	1,430.4
State	22,288,655	0	22,288,655	0	0	137.4
Transportation	1,404,724,871	0	747,975,934	5,866,138	650,882,799	3,326.8
Treasury <sup>1</sup>	511,351,107	139,308,257	354,267,675	17,775,175	0	32.9
<b>OPERATING TOTAL<sup>2</sup></b>	<b>\$27,166,923,093</b>	<b>\$9,954,584,603</b>	<b>\$7,541,432,101</b>	<b>\$1,553,279,394</b>	<b>\$8,117,626,995</b>	<b>\$56,669.5</b>

<sup>1</sup> Includes General Fund Exempt.

<sup>2</sup> For information about Capital Construction, see the Capital Construction Sections of this report.



## 5. FY 2017-18 OPERATING APPROPRIATIONS BY DEPARTMENT

### FY 2017-18 OPERATING APPROPRIATIONS BY DEPARTMENT AND FUND SOURCE

	TOTAL FUNDS	GENERAL FUND <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Agriculture	\$50,246,919	\$10,506,004	\$33,408,408	\$2,371,548	\$3,960,959	291.4
Corrections	864,740,250	769,192,172	39,760,660	51,620,128	4,167,290	6,247.0
Education <sup>1</sup>	5,595,884,992	4,102,171,554	810,907,493	34,572,434	648,233,511	599.2
Governor	335,658,778	35,324,665	47,400,500	246,477,893	6,455,720	1,091.2
Health Care Policy and Financing <sup>1</sup>	9,955,202,680	2,822,800,583	1,217,646,986	77,268,980	5,837,486,131	458.5
Higher Education <sup>1</sup>	4,301,613,531	894,907,900	2,645,689,267	738,374,874	22,641,490	25,087.2
Human Services	2,035,604,120	866,955,020	415,732,200	174,562,607	578,354,293	4,937.6
Judicial	710,383,981	513,002,350	157,894,176	35,062,455	4,425,000	4,648.3
Labor and Employment	248,861,234	21,380,958	72,525,276	9,515,450	145,439,550	1,279.8
Law	81,077,081	16,214,183	17,314,175	45,720,252	1,828,471	473.4
Legislature	49,928,386	48,280,517	470,869	1,177,000	0	287.7
Local Affairs <sup>1</sup>	305,932,325	32,086,084	181,821,729	11,319,391	80,705,121	179.2
Military and Veterans Affairs	226,968,060	10,530,168	1,135,343	0	215,302,549	1,393.3
Natural Resources	295,292,465	30,864,532	230,795,872	6,932,593	26,699,468	1,458.6
Personnel	195,217,235	12,499,410	13,927,636	168,790,189	0	422.1
Public Health and Environment <sup>1</sup>	580,007,988	48,798,277	188,457,556	45,239,889	297,512,266	1,336.0
Public Safety	421,394,273	123,448,065	200,251,200	40,958,581	56,736,427	1,802.0
Regulatory Agencies	99,198,237	1,844,627	91,024,582	5,060,383	1,268,645	573.1
Revenue	356,374,947	107,595,006	241,710,307	6,245,246	824,388	1,437.2
State	22,903,775	0	22,903,775	0	0	137.4
Transportation	1,578,506,823	0	851,844,882	8,552,189	718,109,752	3,326.8
Treasury <sup>1</sup>	524,067,755	151,447,545	354,847,185	17,773,025	0	32.9
<b>OPERATING TOTAL<sup>2</sup></b>	<b>\$28,835,065,835</b>	<b>\$10,619,849,620</b>	<b>\$7,837,470,077</b>	<b>\$1,727,595,107</b>	<b>\$8,650,151,031</b>	<b>57,499.9</b>

<sup>1</sup> Includes General Fund Exempt.

<sup>2</sup> For information about Capital Construction, see the Capital Construction Sections of this report.

# C: SUMMARY OF MAJOR CHANGES

## FY 2016-17 ADJUSTED APPROPRIATION AND FY 2017-18 LONG BILL AND SPECIAL BILLS APPROPRIATIONS

ALL DEPARTMENTS						
	TOTAL FUNDS	GENERAL FUND <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
FY 2016-17 Appropriation	\$27,149,625,151	\$9,990,118,468	\$7,473,131,518	\$1,542,774,055	\$8,143,601,110	56,666.2
2017 legislative session bills	17,297,942	(35,533,865)	68,300,583	10,505,339	(25,974,115)	3.3
<b>TOTAL</b>	<b>\$27,166,923,093</b>	<b>\$9,954,584,603</b>	<b>\$7,541,432,101</b>	<b>\$1,553,279,394</b>	<b>\$8,117,626,995</b>	<b>56,669.5</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$27,166,923,093	\$9,954,584,603	\$7,541,432,101	\$1,553,279,394	\$8,117,626,995	56,669.5
Decision Items	1,462,986,337	596,423,110	203,257,754	151,186,433	512,119,040	207.9
Technical changes	183,031,290	13,623,573	88,347,634	4,757,260	76,302,823	590.2
Centrally appropriated line items	112,274,858	55,583,661	32,475,262	11,753,620	12,462,315	0.0
Annualize prior year legislation	(86,531,197)	8,350,660	(58,665,030)	846,298	(37,063,125)	(16.4)
Annualize prior year budget actions	(80,070,845)	(24,450,530)	(25,346,693)	5,047,898	(35,321,520)	26.3
<b>TOTAL</b>						
<b>(LONG BILL AND LEGISLATIVE APPROPRIATION)</b>	<b>\$28,758,613,536</b>	<b>\$10,604,115,077</b>	<b>\$7,781,501,028</b>	<b>\$1,726,870,903</b>	<b>\$8,646,126,528</b>	<b>57,477.5</b>
Additional legislation	76,452,299	15,734,543	55,969,049	724,204	4,024,503	22.4
<b>TOTAL</b>	<b>\$28,835,065,835</b>	<b>\$10,619,849,620</b>	<b>\$7,837,470,077</b>	<b>\$1,727,595,107</b>	<b>\$8,650,151,031</b>	<b>57,499.9</b>
<b>INCREASE/(DECREASE)</b>	<b>\$1,668,142,742</b>	<b>\$665,265,017</b>	<b>\$296,037,976</b>	<b>\$174,315,713</b>	<b>\$532,524,036</b>	<b>830.4</b>
Percentage Change	6.1%	6.7%	3.9%	11.2%	6.6%	1.5%

<sup>1</sup> Includes General Fund Exempt. For additional information on General Fund Exempt appropriations, see Appendix D.

## SUMMARY OF MAJOR CHANGES

### FY 2016-17 APPROPRIATION – MID-YEAR ADJUSTMENTS

**2017 LEGISLATIVE SESSION BILLS:** Represents the FY 2016-17 impact of legislation passed in the 2017 legislative session. These items increase the State budget by \$17.3 million total funds, including a decrease of \$35.5 million General Fund. Major highlights by department include:

- Human Services – Increase of \$5.2 million total funds (decrease of \$0.4 million General Fund);
- Revenue – Increase of \$3.6 million total funds (increase of \$0.2 million General Fund);
- Public Health and Environment – Increase of \$3.5 million total funds;
- Health Care Policy and Financing – Decrease of \$39.2 million total funds (decrease of \$24.9 million General Fund); and
- Treasury – Decrease of \$6.7 million General Fund.

For more detailed information on specific legislation, see the relevant department sections in Parts II and III of this report.

## FY 2017-18 APPROPRIATION HIGHLIGHTS

**DECISION ITEMS:** Represents programmatic funding changes included in the FY 2017-18 appropriation. Examples include funding for new programs, expansion of existing programs, and reductions to or elimination of existing programs. These items increase the state budget by \$1.5 billion total funds, including \$596.4 million General Fund. Major highlights by department include:

- Health Care Policy and Financing – Increase of \$982.2 million total funds (increase of \$194.4 million General Fund);
- Higher Education – Increase of \$166.7 million total funds (increase of \$22.6 million General Fund);
- Education – Increase of \$128.6 million total funds (increase of \$335.6 million General Fund);
- Human Services – Increase of \$104.1 million total funds (increase of \$24.6 million General Fund); and
- Judicial – Increase of \$8.6 million total funds (increase of \$7.2 million General Fund).

For more detailed information on specific decision items, see the relevant department sections in Parts II and III of this report.

**TECHNICAL CHANGES:** Represents revenue forecast adjustments and various technical adjustments included in the FY 2017-18 appropriation. These changes increase the state budget by \$183.0 million total funds, including an increase of \$13.6 million General Fund. Major highlights by department include:

- Transportation – Increase of \$173.8 million total funds;
- Higher Education – Increase of \$19.7 million total funds (increase of \$1.4 million General Fund);
- Treasury – Increase of \$15.5 million General Fund;
- Local Affairs – Decrease of \$19.5 million total funds; and
- Health Care Policy and Financing – Decrease of \$9.0 million total funds (decrease of \$4.8 million General Fund).

For more detailed information on specific decision items, see the relevant department sections in Parts II and III of this report.

**CENTRALLY APPROPRIATED LINE ITEMS:** Represents the FY 2017-18 impact of changes to central appropriations, which are generally made to the Executive Director's Office (or a comparable division) of each agency for use department-wide. Examples include salary increases and benefits, vehicle lease payments, Capitol complex leased space, and information technology services. These items increase the state budget by \$112.3 million total funds, including \$55.6 million General Fund. Major highlights by department include:

- Judicial – Increase of \$18.9 million total funds (increase of \$17.9 million General Fund);
- Human Services – Increase of \$17.7 million total funds (increase of \$11.0 million General Fund);
- Corrections – Increase of \$16.3 million total funds (increase of \$14.2 million General Fund);
- Public Health and Environment – Increase of \$11.9 million total funds (increase of \$0.8 million General Fund);
- Public Safety – Increase of \$10.0 million total funds (decrease of \$0.7 million General Fund); and
- Natural Resources – Increase of \$7.5 million total funds (increase of \$2.0 million General Fund).

For more detailed information on specific decision items, see the relevant department sections in Parts II and III of this report.

**ANNUALIZE PRIOR YEAR LEGISLATION:** Represents the FY 2017-18 impact on appropriations of legislation passed by the General Assembly in prior legislative sessions. These items reduce the state budget by \$86.5 million total funds, including an increase of \$8.4 million General Fund. Major highlights by department include:

- Education – Increase of \$6.0 million total funds (increase of \$1.0 million General Fund);
- Health Care Policy and Financing – Decrease of \$57.1 million total funds (increase of \$6.6 million General Fund);
- Natural Resources – Decrease of \$13.3 million total funds;
- Higher Education – Decrease of \$10.1 million total funds; and
- Public Health and Environment – Decrease of \$6.0 million total funds (decrease of \$1.2 million General Fund).

For more detailed information on specific decision items, see the relevant department sections in Parts II and III of this report.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** Represents the FY 2017-18 impact on appropriations of budgetary decision items approved in prior fiscal years. These items reduce the state budget by \$80.1 million total funds, including a decrease of \$24.5 million General Fund. Major highlights by department include:

- Governor – Increase of \$2.2 million total funds (decrease of \$5.0 million General Fund);
- Health Care Policy and Financing – Decrease of \$44.4 million total funds (decrease of \$5.6 million General Fund);
- Judicial – Decrease of \$10.0 million total funds (decrease of \$1.6 million General Fund);
- Local Affairs – Decrease of \$8.2 million total funds (increase of \$0.5 million General Fund); and
- Corrections – Decrease of \$6.9 million General Fund.

For more detailed information on specific decision items, see the relevant department sections in Parts II and III of this report.

**ADDITIONAL LEGISLATION:** Represents the FY 2017-18 impact of legislation passed in the 2017 legislative session excluding the Long Bill (S.B. 17-254) and Legislative Appropriation Bill (S.B. 17-230). These items increase the state budget by \$76.5 million total funds, including an increase of \$15.7 million General Fund. Major highlights by department include:

- Natural Resources – Increase of \$34.0 million total funds;
- Human Services – Increase of \$12.2 million total funds (increase of \$1.1 million General Fund);
- Local Affairs – Increase of \$11.9 million total funds (increase of \$5.9 million General Fund);
- Governor – Increase of \$8.4 million total funds (increase of \$5.0 million General Fund); and
- Public Health and Environment – Increase of \$2.4 million total funds (increase of \$0.4 million General Fund).

For more detailed information on specific decision items, see the relevant department sections in Parts II and III of this report.

# **PART II**

## **DEPARTMENT SUMMARIES**

# DEPARTMENT OF AGRICULTURE

The Department of Agriculture regulates, promotes, and supports agricultural activities throughout Colorado and provides a wide range of services including: regulation and certification of the livestock industry; regulation of the use of pesticides and pesticide applicators; administration of inspection and consumer services programs; inspection of livestock brands; oversight of conservation services across the state; promotion of Colorado's agricultural industries; and administration of the State Fair and fairgrounds. The Department is comprised of the Commissioner's Office and Administrative Services, Agricultural Services, the Agricultural Markets Division, the Brand Board, the Colorado State Fair, and the Conservation Board.

## DEPARTMENT BUDGET: RECENT APPROPRIATIONS

FUNDING SOURCE	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
General Fund	\$9,317,936	\$10,006,234	\$10,753,079	\$10,506,004
Cash Funds	29,155,798	30,998,626	32,772,130	33,408,408
Reappropriated Funds	1,629,526	1,881,548	2,371,548	2,371,548
Federal Funds	4,103,661	4,170,657	4,110,453	3,960,959
<b>TOTAL FUNDS</b>	<b>\$44,206,921</b>	<b>\$47,057,065</b>	<b>\$50,007,210</b>	<b>\$50,246,919</b>
Full Time Equiv. Staff	274.1	283.0	291.4	291.4

## GENERAL FACTORS DRIVING THE BUDGET

Funding for this department consists of 20.9 percent General Fund, 66.5 percent cash funds, 4.7 percent reappropriated funds, and 7.9 percent federal funds. Some of the major factors driving the Department's budget are discussed below.

### AGRICULTURAL SERVICES

Funding appropriated to Agricultural Services is expended on four program areas: animal industry, plant industry, inspection and consumer services, and conservation services. Agricultural Services accounts for 32.5 percent of the Department's total appropriation in FY 2017-18, including 43.2 percent of the Department's total General Fund appropriation and 26.0 percent the of the Department's total cash fund appropriation. The primary source of funding for the section is cash funds from license and inspection fees. The following table outlines some of the major workload measures driving the Agriculture Services budget.

AGRICULTURAL SERVICES WORKLOAD MEASURES				
	FY 2014-15 ACTUAL	FY 2015-16 ACTUAL	FY 2016-17 ESTIMATE	FY 2017-18 ESTIMATE
<b>Animal Industry Division</b>				
Exported livestock	2,231,921	2,654,514	2,884,820	3,000,000
Certificates of Veterinary Inspection issued	38,344	44,829	44,892	45,000
Animal abuse investigations	12,452	12,000	12,400	12,500
Disease traceability IDs	45,667	48,067	48,575	48,800
<b>Inspection and Consumer Services Division</b>				
Small & large devices tested	23,234	25,337	24,500	25,000
Egg inspections by facility (new metric)	n/a	771	550	650
<b>Plant Industry Division</b>				
Pounds of seed sampled	1,139,095	1,326,042	880,000	1,000,000
Volume of nursery stock inspected	1,259,945	1,888,375	1,150,000	900,000

## DEPARTMENT WORKLOAD

Cash funds make up the majority of funding for this Department and these appropriations respond to changes in workload for products or services associated with specific cash funds. The three largest cash funds are the State Fair Cash Fund; the Brand Inspection Cash Fund; and the Plant Health, Pest Control, and Environmental Protection Cash Fund. Appropriations from these funds account for 58.0 percent of the Department's total cash funds appropriation in FY 2017-18.

## AGRICULTURE MANAGEMENT FUND

The Agriculture Management Fund (AMF) was created by H.B. 08-1399 (Ag Unclaimed Property Trust Fund Interest), which authorized the transfer of interest earned on the Unclaimed Property Tourism Promotion Trust Fund, once the debt on the State Fair Events Center was repaid. The AMF supports projects and programs in various divisions, as well as a portion of expenses for the recent consolidation of non-fair divisions into a new office building and lab facility. Interest transfers began midway through FY 2008-09 and are divided between the following funds:

- 65.0 percent to the Agriculture Management Fund to be used for agricultural purposes and staff;
- 25.0 percent to the Colorado State Fair Authority Cash Fund to be used for expenses incurred by running the State Fair and fair ground maintenance; and
- 10.0 percent to the Colorado Travel and Tourism Fund in the Office of the Governor to be used for the promotion of agritourism.

## APPROPRIATION HIGHLIGHTS - 2017 LEGISLATIVE SESSION

DEPARTMENT OF AGRICULTURE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$50,003,410	\$10,753,079	\$32,768,330	\$2,371,548	\$4,110,453	291.4
SB 16-058	3,800	0	3,800	0	0	0.0
<b>TOTAL</b>	<b>\$50,007,210</b>	<b>\$10,753,079</b>	<b>\$32,772,130</b>	<b>\$2,371,548</b>	<b>\$4,110,453</b>	<b>291.4</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$50,007,210	\$10,753,079	\$32,772,130	\$2,371,548	\$4,110,453	291.4
Centrally appropriated line items	232,644	(250,878)	563,016	0	(79,494)	0.0
Annualize prior year budget actions	7,065	3,803	3,262	0	0	0.0
Indirect cost assessment	0	0	70,000	0	(70,000)	0.0
<b>SB 17-254</b>	<b>\$50,246,919</b>	<b>\$10,506,004</b>	<b>\$33,408,408</b>	<b>\$2,371,548</b>	<b>\$3,960,959</b>	<b>291.4</b>
<b>TOTAL</b>	<b>\$50,246,919</b>	<b>\$10,506,004</b>	<b>\$33,408,408</b>	<b>\$2,371,548</b>	<b>\$3,960,959</b>	<b>291.4</b>
<b>INCREASE/(DECREASE)</b>	<b>\$239,709</b>	<b>(\$247,075)</b>	<b>\$636,278</b>	<b>\$0</b>	<b>(\$149,494)</b>	<b>0.0</b>
Percentage Change	0.5%	(2.3%)	1.9%	0.0%	(3.6%)	0.0%

## FY 2017-18 APPROPRIATION HIGHLIGHTS

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; salary survey; merit pay; workers' compensation; administrative law judge services; legal services; payment to risk management and property funds; payments to the Governor's Office of Information Technology (OIT); and CORE operations.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes an increase of \$7,065 total funds, including \$3,803 General Fund, to annualize FY 2016-17 salary survey increases.

**INDIRECT COST ASSESSMENT:** The appropriation includes a net zero adjustment to the Department's indirect cost assessments, with a \$70,000 increase in cash funds and an equivalent decrease in federal funds.

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# DEPARTMENT OF CORRECTIONS

The Department is responsible for:

- Managing, supervising, and controlling the correctional facilities operated and supported by the State;
- Supervising the population of offenders placed in the custody of the Department, including inmates, parolees, and transition inmates who are placed into community corrections programs;
- Planning for the projected, long-range needs of the institutions under the Department's control; and
- Developing educational, treatment, and correctional industries programs that have a rehabilitative or therapeutic value for inmates and supply products for state and private purposes, as provided by law.

## DEPARTMENT BUDGET: RECENT APPROPRIATIONS

FUNDING SOURCE	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
General Fund	\$720,902,032	\$763,812,924	\$751,095,253	\$769,192,172
Cash Funds	40,096,980	39,346,724	41,066,811	39,760,660
Reappropriated Funds	46,402,892	46,665,389	49,183,898	51,620,128
Federal Funds	1,223,868	1,259,937	1,357,641	4,167,290
<b>TOTAL FUNDS</b>	<b>\$808,625,772</b>	<b>\$851,084,974</b>	<b>\$842,703,603</b>	<b>\$864,740,250</b>
Full Time Equiv. Staff	6,209.2	6,239.8	6,242.7	6,247.0

## GENERAL FACTORS DRIVING THE BUDGET

Funding for this department consists of 89.0 percent General Fund, 4.6 percent cash funds, 6.0 percent reappropriated funds, and 0.5 percent federal funds. Some of the major factors driving the Department's budget are discussed below.

### OPERATING APPROPRIATIONS

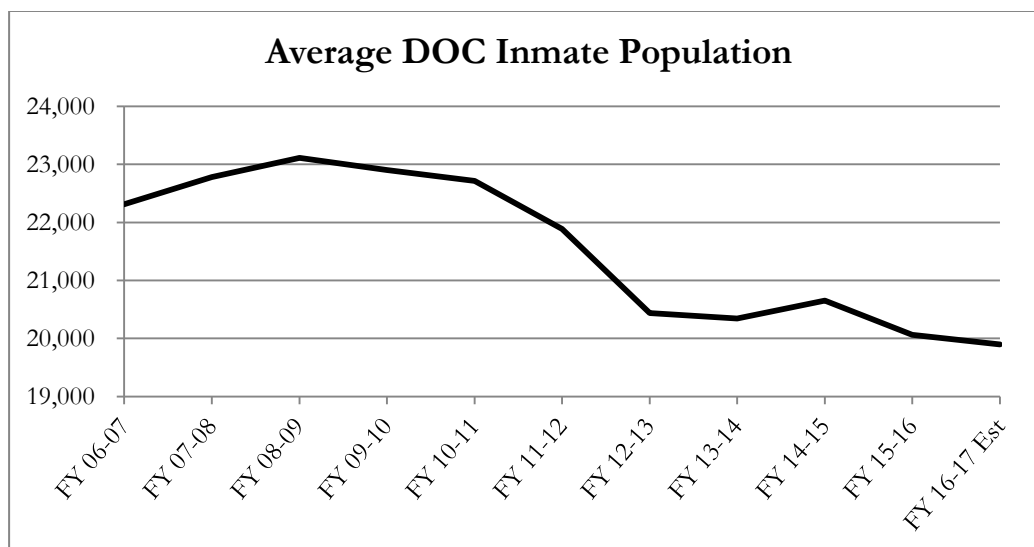
Appropriations for operating costs to the Department of Corrections (DOC) are largely dependent upon two key components of prison caseload:

- The DOC inmate population, which consists of DOC offenders with "inmate" status. These offenders have been sentenced to the DOC but are not on parole. They are housed in state-operated prisons, private prisons, county jails, and community corrections facilities; a small portion live independently in the community under intensive supervision.
- The DOC parole population, which consists of DOC offenders who have been paroled but have not yet reached the end of their parole term. Parolees whose parole has been revoked are classified as inmates until reparoled.

### INMATE POPULATION

The following table and chart report the average DOC inmate population during recent fiscal years. This population peaked in FY 2008-09, declined for several years, turned upward, and declined again.

AVERAGE DOC INMATE POPULATION						
	FY 2011-12 ACTUAL	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 ACTUAL	FY 2016-17 ESTIMATE
Average DOC inmate population	21,890	20,437	20,346	20,652	20,062	19,896
Percentage change from prior year	(3.6%)	(6.6%)	(0.4%)	1.5%	(2.9%)	(0.8%)



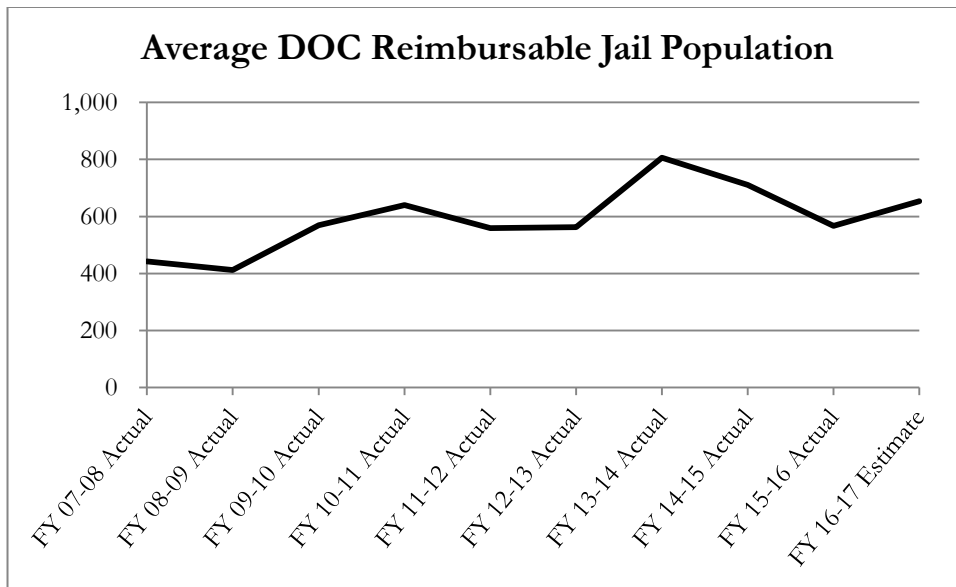
## DOC OFFENDERS IN COUNTY JAILS

At any given time, one to two thousand of DOC's inmates and parolees are housed in county jails. Some are newly sentenced by a court to the DOC and await transfer from jail to the DOC's reception and diagnostic center. Other offenders were paroled and, following a parole violation, have been placed in jail for a few days to deter further misbehavior. Others with more severe parole violations are awaiting a parole revocation hearing or are awaiting trial for a new crime. If parole is revoked, the parolee remains in jail until transferred to another facility. Still other DOC offenders may have been transported from prison to a jail on a writ from a judge who needs them to appear in court. In addition, the DOC sometimes contracts with county jails and places offenders in these facilities on a long term basis.

The DOC pays jails to house some, but not all, of the DOC offenders who are in jail. The following table and chart show the average "reimbursable" jail population during recent years, i.e. the average number of jailed DOC offenders for whom DOC pays reimbursement. (The substantial number of non-reimbursed DOC offenders who are in jails are excluded.)

REIMBURSABLE <sup>1</sup> DOC OFFENDERS IN COUNTY JAILS						
	FY 2011-12 ACTUAL	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 ACTUAL	FY 2016-17 ESTIMATE
Average DOC reimbursable <sup>1</sup> jail population	559	562	806	710	566	653
Percentage change from prior year	(12.5%)	0.5%	43.4%	(11.9%)	(20.3%)	15.3%
Daily reimbursement rate per offender	\$50.44	\$50.44	\$51.45	\$52.74	\$53.64	\$53.64
Percentage change from prior year	0.0%	0.0%	2.0%	2.5%	1.7%	0.0%
Total payments to jails	\$10,320,054	\$10,348,430	\$15,141,029	\$13,676,168	\$11,120,578	\$12,784,826
Percentage change from prior year	(12.3%)	0.3%	46.3%	(9.7%)	(18.7%)	15.0%

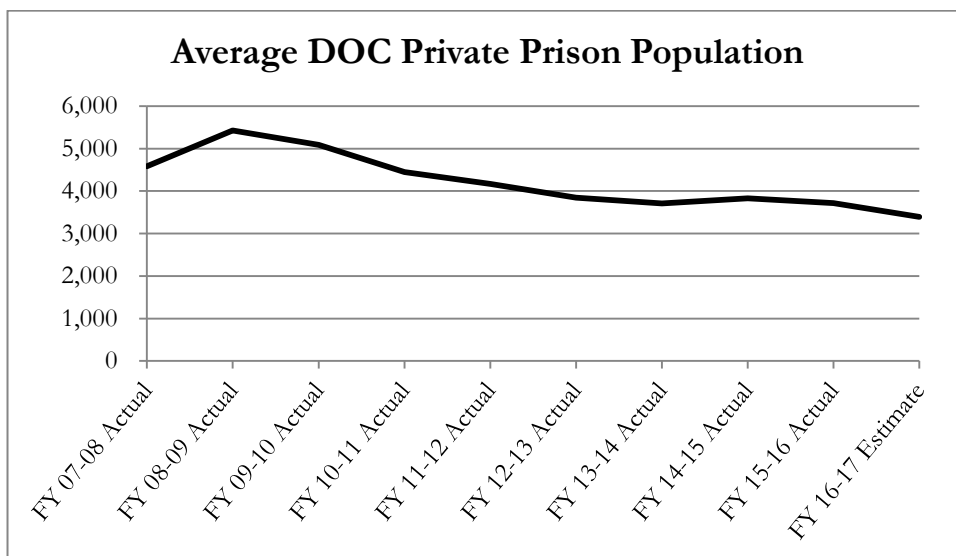
<sup>1</sup> DOC does not reimburse jails for all DOC offenders that jails hold. This table reports the average number of offenders for whom the DOC pays reimbursement.



## DOC OFFENDERS IN PRIVATE PRISONS

During the 1990s, the DOC began contracting with out-of-state prisons and in-state private prisons to house Colorado offenders. The DOC continues to house offenders at in-state private prisons, but Colorado inmates have not been housed at out-of-state prisons since FY 2007-08. The following table summarizes the recent in-state private prison population and related costs to DOC.

DOC INMATES IN PRIVATE PRISONS						
	FY 2011-12 ACTUAL	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 ACTUAL	FY 2016-17 ESTIMATE
Average private prison population	4,169	3,847	3,710	3,833	3,716	3,393
Percentage change from prior year	(6.3%)	(7.7%)	(3.6%)	3.3%	(3.1%)	(8.7%)
Daily reimbursement rate per offender	\$52.69	\$52.69	\$53.74	\$55.08	\$56.02	\$56.02
Percentage change from prior year	0.0%	0.0%	2.0%	2.5%	1.7%	0.0%
Total payments to private prisons	\$80,393,692	\$73,987,133	\$72,765,990	\$77,055,302	\$76,186,796	\$68,613,474
Percentage change from prior year	(6.1%)	(8.0%)	(1.7%)	5.9%	(1.1%)	(9.9%)



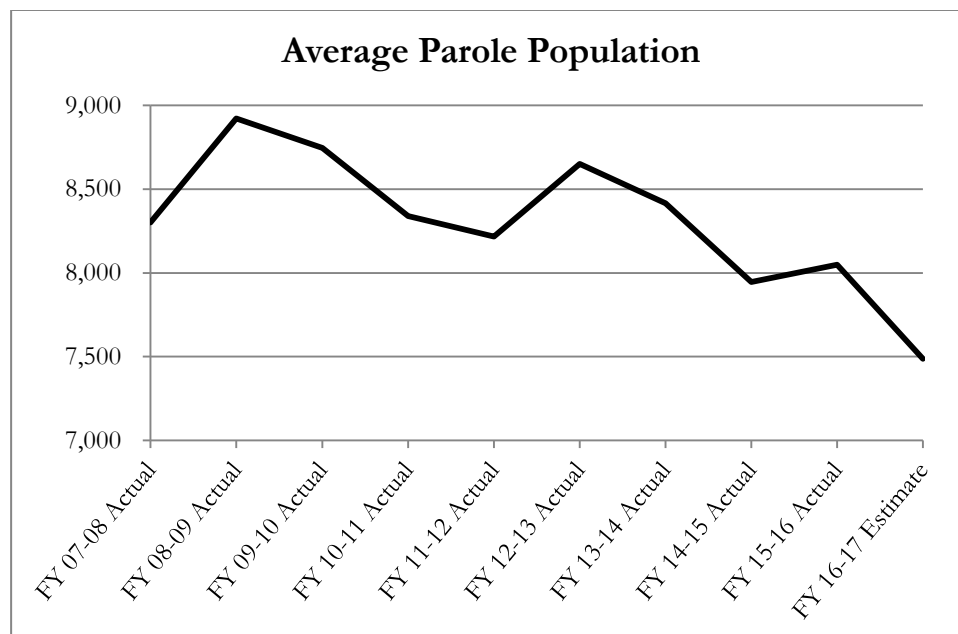
## TRANSITION AND PAROLE – COSTS OF RETURNING OFFENDERS TO THE COMMUNITY

The process of returning an offender to the community almost always involves a period of parole, but may include placement in a community corrections facility (also known as a halfway house) and a period of intensely supervised independent living in the community before parole begins (known as the *Intensive Supervision-Inmate* or *ISP-Inmate* Program). Inmates living in halfway houses or participating in the ISP-Inmate program are often referred to as "transition" offenders. A significant number of transition offenders return to prison for violating their transition conditions and a significant number of parolees are reincarcerated for violating their parole conditions. If a parole violation does not involve a new crime, revocation lasts no more than six months.

The costs of returning offenders to the community are shared by the DOC and the Division of Criminal Justice (DCJ), which is part of the Department of Public Safety. The DCJ is responsible for payments to halfway houses, which are operated by private entities, non-profits, and local governments. The DOC shares responsibility with the halfway houses for oversight of DOC offenders in community corrections. The DOC alone is responsible for oversight of parolees and ISP-Inmate offenders. In addition, the DOC pays (1) some of the jail costs that arise when community-corrections offenders, ISP-Inmate offenders, and parolees are jailed for violations, and (2) all the incarceration costs following revocation.

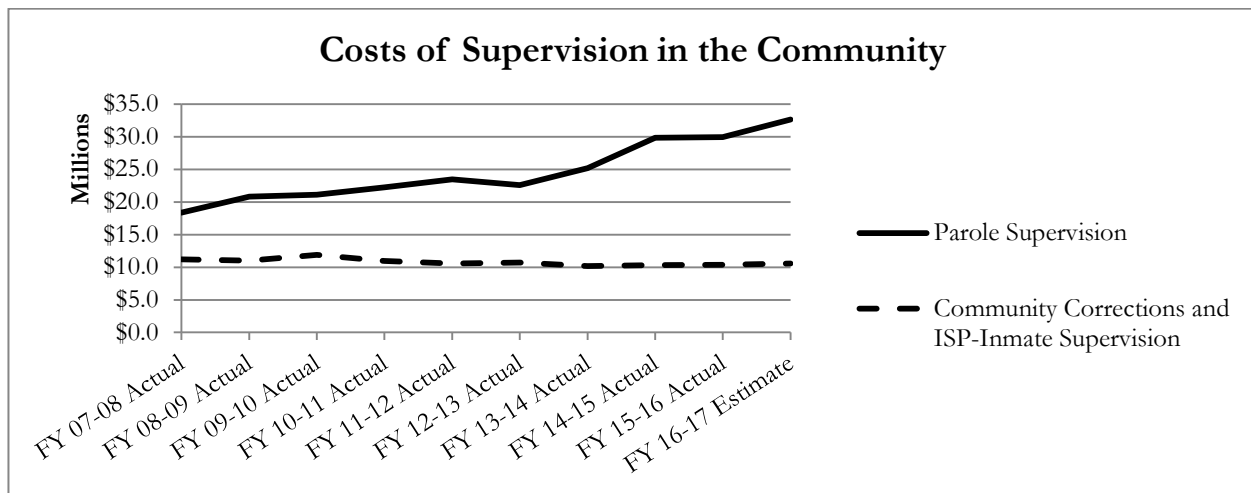
Costs of parole supervision are closely tied to caseloads. The following table and chart report the average parole population in recent fiscal years.

AVERAGE PAROLE POPULATION						
	FY 2011-12 ACTUAL	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 ACTUAL	FY 2016-17 ESTIMATE
Average parole population	8,216	8,650	8,415	7,947	8,048	7,487
Percentage change from prior year	(1.5%)	5.3%	(2.7%)	(5.6%)	1.3%	(7.0%)



The next table and chart summarize DOC's recent costs of transition and parole supervision and recent payments to Community Return-to-Custody facilities, a parole revocation option that is being eliminated during FY 2017-18.

TRANSITION AND PAROLE COSTS						
	FY 2011-12 ACTUAL	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 ACTUAL	FY 2016-17 ESTIMATE
Community Corrections and ISP- Inmate Supervision	\$10,565,106	\$10,726,721	\$10,168,595	\$10,322,433	\$10,389,637	\$10,570,303
Percentage change from prior year	(3.6%)	1.5%	(5.2%)	1.5%	0.7%	1.7%
Parole Supervision	\$23,483,761	\$22,600,157	\$25,183,437	\$29,863,446	\$29,948,220	\$32,622,166
Percentage change from prior year	5.7%	(3.8%)	11.4%	18.6%	0.3%	8.9%
Payments to Community Return-to- Custody Facilities	\$4,004,246	\$3,911,624	\$3,857,736	\$3,744,387	\$3,045,400	\$3,945,153
Percentage change from prior year	(0.8%)	(2.3%)	(1.4%)	(2.9%)	(18.7%)	29.5%



For more information on the cost of placing DOC offenders in community corrections facilities, see the Department of Public Safety's Division of Criminal Justice in Part II and III of this document.

## CAPITAL APPROPRIATIONS

In addition to the DOC's operating costs, there are also capital costs associated with new construction, controlled maintenance of existing capital resources, and payments for the certificates of participation that sometimes finance capital construction. Related appropriations and expenditures are summarized in the following table. These appropriations appear in the Department's Institutions Division and the Capital Construction Long Bill sections.

CAPITAL CONSTRUCTION APPROPRIATIONS						
	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
Capital Construction Fund appropriations	\$18,952,353	\$20,798,083	\$27,225,308	\$29,120,526	\$26,583,095	\$20,258,268

## APPROPRIATION HIGHLIGHTS - 2017 LEGISLATIVE SESSION

DEPARTMENT OF CORRECTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$843,968,585	\$756,408,506	\$39,454,112	\$46,748,326	\$1,357,641	6,241.9
HB 13-1154	76,655	76,655	0	0	0	0.0
SB 14-049	42,968	42,968	0	0	0	0.0
SB 14-092	19,640	19,640	0	0	0	0.0
SB 14-161	19,640	19,640	0	0	0	0.0
SB 14-176	42,968	42,968	0	0	0	0.0

DEPARTMENT OF CORRECTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 14-1037	21,484	21,484	0	0	0	0.0
SB 15-067	219,576	219,576	0	0	0	0.0
HB 15-1043	2,581,944	2,581,944	0	0	0	0.0
HB 15-1229	22,068	22,068	0	0	0	0.0
HB 15-1305	22,068	22,068	0	0	0	0.0
HB 15-1341	275,849	275,849	0	0	0	0.0
SB 16-102	(721,496)	(721,496)	0	0	0	0.0
SB 16-180	95,504	95,504	0	0	0	0.8
HB 16-1117	24,700	24,700	0	0	0	0.0
HB 16-1406	32,175	32,175	0	0	0	0.0
HB 16-1411	11,875	11,875	0	0	0	0.0
SB 17-159	(6,488,172)	(8,100,871)	1,612,699	0	0	0.0
SB 17-176	2,435,572	0	0	2,435,572	0	0.0
<b>TOTAL</b>	<b>\$842,703,603</b>	<b>\$751,095,253</b>	<b>\$41,066,811</b>	<b>\$49,183,898</b>	<b>\$1,357,641</b>	<b>6,242.7</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$842,703,603	\$751,095,253	\$41,066,811	\$49,183,898	\$1,357,641	6,242.7
Centrally appropriated line items	17,264,868	16,892,181	371,854	833	0	0.0
External capacity	2,115,920	3,930,094	(1,814,174)	0	0	0.0
Hepatitis C treatment	2,000,000	2,000,000	0	0	0	0.0
Informational funds adjustment	1,996,950	0	0	0	1,996,950	0.0
Annualize prior year legislation	1,681,626	60,478	0	1,621,148	0	1.8
Community provider rate	1,671,364	1,622,900	0	48,464	0	0.0
Maintenance	1,500,000	1,500,000	0	0	0	0.0
Indirect cost assessment	884,273	0	(25,990)	17,564	892,699	0.0
Annualize prior year budget actions	794,399	791,265	3,134	0	0	0.0
Inmate pharmaceuticals and external medical care	765,713	765,713	0	0	0	0.0
Payments to Department of Human Services	682,085	682,085	0	0	0	0.0
Food service equipment	600,000	600,000	0	0	0	0.0
Food inflation	317,184	317,184	0	0	0	0.0
Teachers for restrictive housing	216,382	216,382	0	0	0	2.7
Parole officer retention	127,116	127,116	0	0	0	0.0
Tampons for inmates	0	0	0	0	0	0.0
Fund source adjustment for utilities	0	(159,025)	159,025	0	0	0.0
Fund source adjustment for indirect costs	0	(884,272)	0	884,272	0	0.0
Funding already in statute from 5-year sentencing bills	(7,671,044)	(7,671,044)	0	0	0	0.0
Reduced personal services appropriations	(4,500,000)	(4,500,000)	0	0	0	0.0
Technical changes	(216,051)	0	0	(136,051)	(80,000)	(1.0)
<b>SB 17-254</b>	<b>\$862,934,388</b>	<b>\$767,386,310</b>	<b>\$39,760,660</b>	<b>\$51,620,128</b>	<b>\$4,167,290</b>	<b>6,246.2</b>
HB 13-1154	76,655	76,655	0	0	0	0.0
SB 14-049	64,452	64,452	0	0	0	0.0
SB 14-176	64,452	64,452	0	0	0	0.0
HB 14-1037	21,484	21,484	0	0	0	0.0
HB 14-1214	20,052	20,052	0	0	0	0.0
SB 15-067	329,363	329,363	0	0	0	0.0
HB 15-1043	6,497,158	6,497,158	0	0	0	0.0
HB 15-1229	22,068	22,068	0	0	0	0.0
HB 15-1305	22,068	22,068	0	0	0	0.0
HB 15-1341	487,701	487,701	0	0	0	0.0
SB 16-142	21,864	21,864	0	0	0	0.0
HB 16-1080	43,727	43,727	0	0	0	0.0
HB 17-1326	(5,865,182)	(5,865,182)	0	0	0	0.8
<b>TOTAL</b>	<b>\$864,740,250</b>	<b>\$769,192,172</b>	<b>\$39,760,660</b>	<b>\$51,620,128</b>	<b>\$4,167,290</b>	<b>6,247.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$22,036,647</b>	<b>\$18,096,919</b>	<b>(\$1,306,151)</b>	<b>\$2,436,230</b>	<b>\$2,809,649</b>	<b>4.3</b>
Percentage Change	2.6%	2.4%	(3.2%)	5.0%	207.0%	0.1%

## FY 2016-17 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 17-159 modifies the FY 2016-17 appropriation to:

- Add \$3,530,499 total funds, including \$1,997,312 General Fund, for the external capacity appropriations that pay for the placement of Department of Corrections offenders in private prisons and jails;
- Increase cash fund appropriations for utilities by \$79,512 (from Correctional Industries sales) and reduce General Fund appropriations for utilities by an exactly offsetting amount so Correctional Industries will pay all of its utilities costs;
- Reduce funding for 22 personal services line items and increase funding for 8 others for a net General Fund reduction of \$5,000,126 to more closely align personal services appropriations with needs;
- Eliminate the \$3,000,000 General Fund appropriation for External Capacity Sustainability, which was added to the FY 2016-17 Long Bill in an unsuccessful effort to keep Kit Carson County Correctional Facility open;
- Reduce General Fund appropriations for external medical care by \$1,347,873; and
- Reduce General Fund appropriations for inmate pharmaceuticals by \$670,672.

Senate Bill 17-176 adds \$2,435,572 reappropriated funds to the Department's FY 2016-17 appropriation to produce additional license plates for the Department of Revenue.

## FY 2017-18 APPROPRIATION HIGHLIGHTS

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes the following adjustments to centrally appropriated line items:

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>COMPENSATION-RELATED COMMON POLICY ADJUSTMENTS</b>						
Salary survey	\$5,710,736	\$5,541,673	\$169,063	\$0	\$0	0.0
Health, life, and dental insurance	3,603,600	3,513,125	90,475	0	0	0.0
Merit pay	2,777,553	2,711,425	66,128	0	0	0.0
Supplemental AED	1,090,738	1,096,650	(5,912)	0	0	0.0
Amortization equalization disbursement (AED)	924,532	935,279	(10,747)	0	0	0.0
Shift differential	184,477	178,863	5,614	0	0	0.0
Short-term disability	<u>10,305</u>	<u>11,442</u>	<u>(1,137)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>Subtotal - Compensation</b>	<b>\$14,301,941</b>	<b>\$13,988,457</b>	<b>\$313,484</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>OPERATIONS-RELATED COMMON POLICY ADJUSTMENTS</b>						
Payment to risk management and property funds	\$778,365	\$747,697	\$30,668	\$0	\$0	0.0
Leased space	333,311	320,581	12,730	0	0	0.0
Capitol complex leased space	5,184	3,703	1,481	0	0	0.0
Workers' compensation	(1,029,425)	(996,895)	(32,530)	0	0	0.0
Vehicle lease payments	(119,406)	(146,993)	27,587	0	0	0.0
Legal services	<u>(7,821)</u>	<u>(7,552)</u>	<u>(269)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>Subtotal - Operations</b>	<b>(\$39,792)</b>	<b>(\$79,459)</b>	<b>\$39,667</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>IT-RELATED COMMON POLICY ADJUSTMENTS</b>						
Payments to the Office of Information Technology (OIT)	\$829,912	\$824,931	\$4,981	\$0	\$0	0.0
Other OIT budget actions	<u>2,172,807</u>	<u>2,158,252</u>	<u>13,722</u>	<u>833</u>	<u>0</u>	<u>0.0</u>
<b>Subtotal - IT</b>	<b>\$3,002,719</b>	<b>\$2,983,183</b>	<b>\$18,703</b>	<b>\$833</b>	<b>\$0</b>	<b>0.0</b>
<b>TOTAL</b>	<b>\$17,264,868</b>	<b>\$16,892,181</b>	<b>\$371,854</b>	<b>\$833</b>	<b>\$0</b>	<b>0.0</b>

**EXTERNAL CAPACITY:** The appropriation in the Long Bill provides a net total funds increase of \$2,115,920 (\$3,930,094 General Fund) for external capacity, which pays for the placement of DOC inmates and parolees in jails, private prisons, and community return-to-custody facilities. Community Return-to-custody Facilities are community corrections facilities that hold revoked parolees. House Bill 17-1326 further modifies external capacity appropriations.

ADJUSTMENTS TO EXTERNAL CAPACITY APPROPRIATIONS					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
Payments to local jails	\$2,041,037	\$2,041,037	\$0	\$0	\$0
Payments to private prisons	823,732	2,637,906	(1,814,174)	0	0
Payments to Community Return to Custody Facilities	(748,849)	(748,849)	0	0	0
<b>TOTAL</b>	<b>\$2,115,920</b>	<b>\$3,930,094</b>	<b>(\$1,814,174)</b>	<b>\$0</b>	<b>\$0</b>

**HEPATITIS C TREATMENT:** The appropriation increases the General Fund appropriation for Hepatitis C drug treatment by \$2.0 million, thus doubling it from \$2.0 million to \$4.0 million. The increase will pay for treatment of approximately 35 additional inmates who are seriously ill with Hepatitis C.

**INFORMATIONAL FUNDS ADJUSTMENT:** The appropriation includes an increase of \$1,996,950 federal funds that are reflected in the Long Bill for informational purposes only. The adjustment aligns the appropriation of federal funds for the International Correctional Management Training Center in Cañon City with amounts recently expended.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments for the out-year impact of prior year legislation.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
S.B. 17-176, Motor Vehicle License Plate	\$1,621,148	\$0	\$0	\$1,621,148	\$0	0.0
S.B. 16-180, Program for Juvenile Offenders	98,775	98,775	0	0	0	1.8
H.B. 16-1117, Record Custodial Interrogations	(24,700)	(24,700)	0	0	0	0.0
H.B. 16-1411, Fort Lyon Residential Community Study	(11,875)	(11,875)	0	0	0	0.0
H.B. 03-1256, Centennial Correctional Facility South (i.e. CSP II) certificate of participation payments	(1,722)	(1,722)	0	0	0	0.0
<b>TOTAL</b>	<b>\$1,681,626</b>	<b>\$60,478</b>	<b>\$0</b>	<b>\$1,621,148</b>	<b>\$0</b>	<b>1.8</b>

**COMMUNITY PROVIDER RATE:** The appropriation includes an increase of \$1,671,364 total funds and \$1,622,900 General Fund for the community provider rate increase.

**MAINTENANCE:** The appropriation increases funding for maintenance by \$1.5 million General Fund. The Department has 600 deferred maintenance projects totaling over \$300 million.

**INDIRECT COST ASSESSMENT:** The appropriation includes a net increase in the Department's indirect cost assessments.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second- and third-year impact of prior year budget actions.



**ANNUALIZE YEAR PRIOR BUDGET ACTIONS**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 16-17 Salary survey	\$583,577	\$580,443	\$3,134	\$0	\$0	0.0
FY 15-16 Buena Vista Correctional Center wastewater cost increase	210,822	210,822	0	0	0	0.0
<b>TOTAL</b>	<b>\$794,399</b>	<b>\$791,265</b>	<b>\$3,134</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**INMATE PHARMACEUTICALS AND EXTERNAL MEDICAL CARE:** The appropriation increases the General Fund appropriation for inmate pharmaceuticals and external medical care by \$765,713. Pharmaceuticals are projected to rise by \$1,065,696 and external medical care (care provided to inmates outside of prison walls) is expected to decrease by \$299,983. This pharmaceutical increase does not include the \$2.0 million increase for Hepatitis C drugs.

**PAYMENTS TO DEPARTMENT OF HUMAN SERVICES:** The appropriation increases General Fund appropriations to the Department of Corrections (DOC) by \$682,085 in order to correct a long standing mismatch between the amount the DOC pays the Department of Human Services (DHS) for services it receives on the Colorado Mental Health Institutes-Pueblo (CMHI-P) campus and the higher cost DHS incurs in providing those services. Three of the DOC's correctional facilities are located on the CMHI-P campus.

**FOOD SERVICE EQUIPMENT:** The appropriation provides \$600,000 of General Fund for replacement or repair of food service equipment.

**FOOD INFLATION:** The appropriation provides \$317,184 General Fund to cover the cost of inflationary food price increases. Of this increase, \$274,534 pays for raw food prepared by offenders in DOC facilities and \$42,650 is for the purchase of prepared food from the Department of Human Services.

**TEACHERS FOR RESTRICTIVE HOUSING:** The appropriation includes \$216,382 General Fund for three teachers who will teach in the Restrictive Housing Unit at Sterling Correctional Facility. This is part of a group of departmental changes that have eliminated Administrative Segregation and replaced it with Extended Restrictive Housing, which keeps inmates in their cells for less time and permits more interaction between inmates and staff and among inmates.

**PAROLE OFFICER RETENTION:** The appropriation provides \$127,116 General Fund to increase the minimum salary for parole officers in order to reduce officer turnover.

**TAMPONS FOR INMATES:** The appropriation reduces the General Fund appropriation for Youthful-offender-system aftercare by \$40,000 General Fund and uses the savings to pay for tampons for inmates. Previously inmates were provided with free sanitary napkins but had to purchase tampons. Now inmates can opt for tampons at no charge.

**FUND SOURCE ADJUSTMENT FOR UTILITIES:** The appropriation includes an increase of \$159,025 cash funds from Correctional Industries that is offset by a decrease of \$159,025 General Fund so that Correctional Industries will pay its share of the Department's utility costs.

**FUND SOURCE ADJUSTMENT FOR INDIRECT COSTS:** The appropriation includes an increase in the amount of total department indirect cost recoveries applied to offset the need for General Fund in this division, which necessitates an increase in the reappropriated funds appropriation.

**FUNDING ALREADY IN STATUTE FROM 5-YEAR SENTENCING BILLS:** The appropriation reduces the General Fund appropriation that would otherwise be in the Long Bill for housing and security by \$7,671,044, which is the amount already appropriated in criminal sentencing bills with five-year statutory appropriations.

**REDUCED PERSONAL SERVICES APPROPRIATIONS:** The appropriation reduces General Fund appropriations for personal services throughout the Department by \$4.5 million. The reduction reflects turnover and vacancy savings within the Department.

**TECHNICAL CHANGES:** The appropriation eliminates obsolete appropriations of \$136,051 reappropriated funds and \$80,000 federal funds, renames four line items to more accurately reflect their function, and moves an \$84,325 General Fund appropriation to another location in the Long Bill.

**ADDITIONAL LEGISLATION:** For information on additional legislation, see the "Recent Legislation" section at the end of Part III of this department.

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# DEPARTMENT OF EDUCATION

The elected members of the State Board of Education are responsible for the general supervision of public schools throughout Colorado. The Commissioner of Education, appointed by the State Board, advises the State Board concerning the operation and status of public schools and serves as the executive officer of the Department of Education. Among other tasks and responsibilities, the Department supports the Board in its duties by:

- Accrediting public schools and school districts;
- Developing and maintaining state model academic content standards and administering associated student assessments for certain subject areas and grade levels; and
- Issuing school performance reports for every public school in the state.

The Department also administers a number of education-related programs, including: educator licensure and professional development; the School Finance Act and the distribution of state and federal funds to school districts; special education for children with disabilities; English language proficiency programs; the Colorado Preschool Program; educator effectiveness and evaluation programs; and adult basic education programs.

The Department includes three independent agencies: (1) the Board of Trustees for the Colorado School for the Deaf and the Blind; (2) the State Charter School Institute Board, which is responsible for authorizing and monitoring the operations of institute charter schools located within certain school districts; and (3) the Public School Capital Construction Assistance Board, which is responsible for assessing public school capital construction needs statewide and making recommendations concerning the prioritization and allocation of state financial assistance for school construction projects.

In addition to its responsibilities related to public schools, the Department is charged with promoting the improvement of library services statewide to ensure equal access to information, including providing library services to persons who reside in state-funded institutions and to persons who are blind or physically disabled.

## DEPARTMENT BUDGET: RECENT APPROPRIATIONS

FUNDING SOURCE	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
General Fund <sup>1</sup>	\$3,357,973,487	\$3,478,443,043	\$3,764,862,059	\$4,102,171,554
Cash Funds	1,193,772,119	1,146,145,308	1,012,079,491	810,907,493
Reappropriated Funds	61,142,113	31,757,276	33,261,008	34,572,434
Federal Funds	636,310,925	650,649,929	648,328,512	648,233,511
<b>TOTAL FUNDS</b>	<b>\$5,249,198,644</b>	<b>\$5,306,995,556</b>	<b>\$5,458,531,070</b>	<b>\$5,595,884,992</b>
Full Time Equiv. Staff	582.0	598.8	599.5	599.2

<sup>1</sup> Includes General Fund Exempt.

## GENERAL FACTORS DRIVING THE BUDGET

Although local government revenues provide a significant source of funding for K-12 education in Colorado (\$2.4 billion anticipated in FY 2017-18), local funds are not reflected in the State's annual appropriations to the Department of Education. Funding for this department consists of 73.3 percent General Fund, 14.5 percent cash funds, 0.6 percent reappropriated funds, and 11.6 percent federal funds. Two primary factors driving the Department's budget, public school finance and categorical programs, are reviewed below.

## PUBLIC SCHOOL FINANCE

Section 2 of Article IX of the Colorado Constitution requires the General Assembly to provide for the "establishment and maintenance of a thorough and uniform system of free public schools throughout the state". To comply with this provision, the General Assembly has established a statutory public school finance formula that takes into consideration the individual characteristics of each school district in order to provide thorough and uniform educational opportunities. The school finance formula allocates funds among school districts by calculating a per-pupil level of funding for each school district, as well as a specific state and local share of funding for each district.

The formula provides the same statewide base per-pupil funding amount for every school district (\$6,546 per pupil for FY 2017-18). The formula then increases this statewide base per-pupil funding amount for each district based on factors that affect districts' costs of providing educational services. Thus, per-pupil funding allocations vary for each district. For FY 2017-18, per-pupil funding allocations are anticipated to range from \$7,207 to \$16,335, with a statewide average of \$7,662 per pupil. Each district's per-pupil funding allocation is multiplied by its funded-pupil count to determine its total program funding. For FY 2017-18, pursuant to the formula, a total of \$6.6 billion in state and local funds will be allocated among school districts.

## CONSTITUTIONAL INFLATIONARY REQUIREMENT (AMENDMENT 23)

Pursuant to Section 17 of Article IX of the Colorado Constitution, the General Assembly is required to provide annual inflationary increases in the statewide base per-pupil funding amount. For FY 2001-02 through FY 2010-11, this amount was required to increase annually by at least inflation plus one percent; for FY 2011-12 and subsequent fiscal years, this amount must increase annually by at least the rate of inflation. For example, for FY 2017-18, the General Assembly was required to increase the statewide base per-pupil funding amount by at least \$178 (from \$6,368 to \$6,546, or 2.8 percent), based on the actual 2.8 percent increase in the Denver-Boulder-Greeley consumer price index in calendar year 2016. Given an estimated funded-pupil count of more than 865,000, the General Assembly was thus required to provide a minimum of \$5.7 billion in state and local funds for FY 2017-18, equal to 85.4 percent of the \$6.6 billion in total program funding.

## FACTORS CONSIDERED IN PUBLIC SCHOOL FINANCE FORMULA

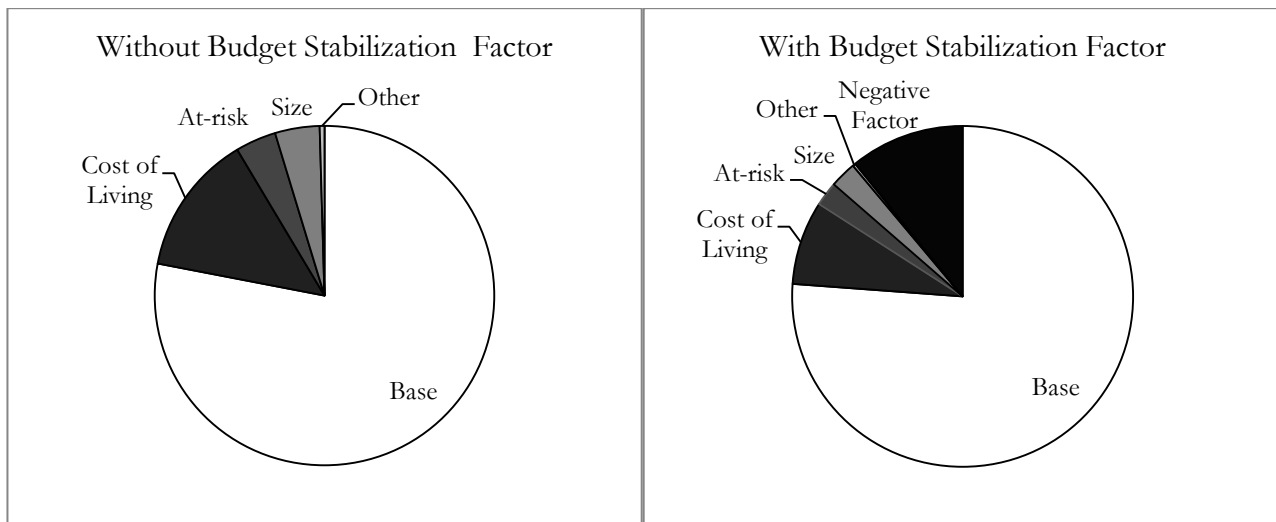
The remaining 14.6 percent of state and local funds that will be allocated among school districts in FY 2017-18 is driven by other factors in the statutory school finance formula that add varying amounts to the base per-pupil funding for each district to account for individual district characteristics. The formula includes three primary factors:

- Cost of Living Factor - Recognizes that the cost of living in a community affects the salaries required to attract and retain qualified personnel.
- Size Factor - Compensates districts lacking enrollment-based economies of scale.
- At-risk Factor - Provides additional funding for districts serving students who may be at risk of failing or dropping out of school. The formula utilizes a proxy to estimate the number of at-risk students: the number and concentration of students who are either eligible for free lunch under the federal school lunch program or English language learners.

In addition, the school finance formula requires a minimum level of per-pupil funding (\$7,279 per pupil for FY 2017-18), regardless of the impact of the above factors. For FY 2017-18, 11 districts are anticipated to receive funding based on this minimum level of per-pupil funding. The School Finance Act also provides a fixed amount of funding per pupil (established at \$7,018 for FY 2017-18) for two types of students:

- Students receiving full-time, on-line instruction through a multi-district program; and
- Students in their fifth year of high school who are participating in the Accelerating Students Through Concurrent Enrollment (ASCENT) Program.

Finally, since FY 2010-11 the formula has included a negative factor (renamed the budget stabilization factor in S.B. 17-296 (School Finance) and referred to as the budget stabilization factor for the remainder of this document) designed to reduce districts' total program funding to a specified total amount. For FY 2017-18, this factor is estimated to be -11.1 percent, requiring an \$828.3 million reduction in total program funding. Thus, the Department will calculate total program funding for each district based on the formula described above, and then reduce each district's total program funding by 11.1 percent. Because the General Assembly cannot decrease base per-pupil funding, the budget stabilization factor has the effect of reducing the funding attributed to the other formula factors, as illustrated in the following graphic.



## DETERMINING THE STATE AND LOCAL SHARES OF FUNDING

Once the total program funding amount is determined for each district, the state and local share of such funding is calculated for each district. Local property and specific ownership taxes provide the first source of revenue for each district's total program funding. Property taxes are based on each district's tax rate (the mill levy) and the portion of property value that is taxable (the assessment rate). Specific ownership taxes are paid when registering a motor vehicle. These local tax revenues are collected and expended by each school district, and thus are not reflected in the state budget. For FY 2017-18, \$2.4 billion in local tax revenues are anticipated to be available to support public schools pursuant to the statutory school finance formula. State funding is appropriated to fill the gap between local tax revenues and total program funding. Thus, the General Assembly appropriated \$4.2 billion in state funding for FY 2017-18 to provide a total of \$6.6 billion for school district operations.

Two constitutional provisions, combined with a statutory provision in the School Finance Act of 1994, have limited property tax revenues available for public school operations:

- In 1982, voters approved a property tax reform measure that included a provision (generally called the "Gallagher amendment") which initially reduced the residential assessment rate from 30.0 percent to 21.0 percent, and capped the residential share of property taxes.

- In 1992 voters approved the Taxpayer's Bill of Rights (TABOR). Prior to TABOR, local governments could generally collect and spend the same amount of property tax revenue each year by periodically increasing or decreasing mill levies. With respect to school district property taxes, TABOR: (1) imposes a property tax revenue limit based on inflation and changes in student enrollment; (2) prohibits districts from increasing a mill levy without voter approval; and (3) requires voter approval for any increase in the assessment rate for a class of property.

As a result of the combined impact of the Gallagher amendment and TABOR, the residential assessment rate has declined from 30.00 percent to 7.20 percent (H.B. 17-1349 (Assessment Ratio for Residential Real Property) reduces the residential assessment rate from 7.96 percent to 7.20 percent beginning in FY 2017-18) to keep the residential share of property tax revenues at about 45.8 percent); school district mill levies have declined from the uniform mill of 40.080 (established by the General Assembly in 1988) to disparate mill levies that currently range from 1.680 to 27.000. These reductions, in combination with the inflationary spending increases required by Amendment 23, have caused the local share of total program funding to increase at a slower rate than overall funding, requiring the State's relative share of funding to increase. Specifically, from CY 1988 to FY 2006-07, the state share of funding rose from 43 percent to 64 percent, while the local share fell from 57 percent to 36 percent.

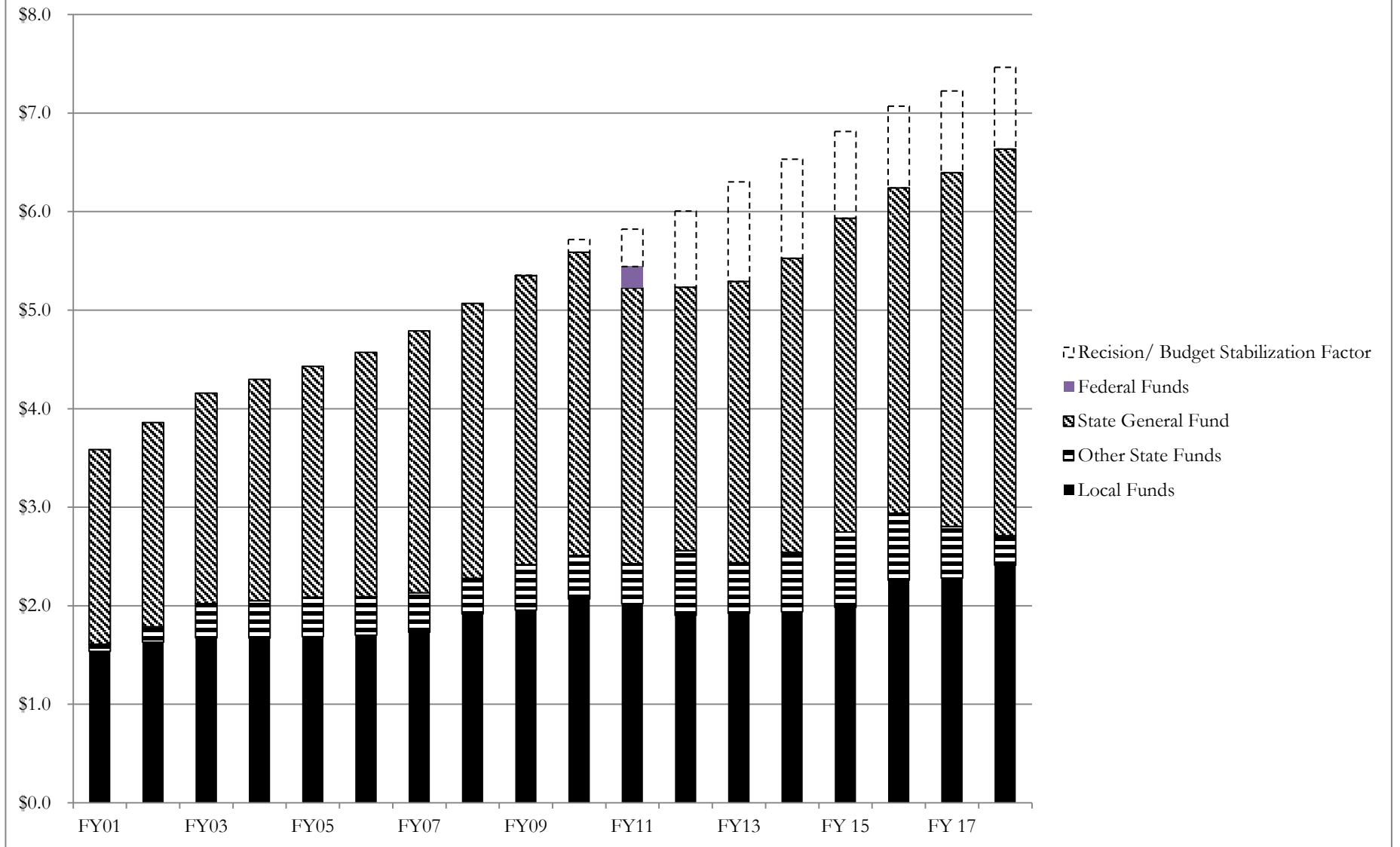
Senate Bill 07-199 (School Finance) changed the method for calculating school district property taxes, thereby allowing property tax revenues to increase at a rate more commensurate with overall funding. Due to the passage of S.B. 07-199 and increases in assessed valuation, the state share of funding (as a percentage of the total program) decreased in FY 2007-08 to 62.2 percent. Subsequently, due to declines in assessed valuation, the state share increased to 66.6 percent of total program funding in FY 2014-15. The state share is projected to provide 63.7 percent of total program funding in FY 2017-18.

In summary, several factors affect the amount of state funding appropriated for public school finance, including:

- The number of pupils enrolled in public schools, including children attending state-supported preschool programs; students enrolled in full-time, on-line programs; and students participating in the ASCENT program;
- The rate of inflation;
- Changes in the relative cost-of-living in various regions of the state;
- The number of at-risk students enrolled in public schools;
- Fluctuations in local property and specific ownership tax revenues, as well as constitutional and statutory provisions that limit property tax revenues; and
- Changes in statutory definitions, procedures, or mathematical factors that impact the calculation of per-pupil funding or state aid for each district.

The graphic on the following page illustrates school districts' total program funding, by fund source, from FY 2000-01 through FY 2017-18. The stacked bar segments outlined with a dotted line illustrate the mid-year recisions required in FY 2008-09 and FY 2009-10 due to insufficient state appropriations, as well as the impact of the budget stabilization factor in subsequent fiscal years. The graphic is followed by key data related to school finance funding for the last four fiscal years, as well as appropriations for FY 2016-17 and FY 2017-18.

# SCHOOL DISTRICTS' TOTAL PROGRAM FUNDING (\$ in billions)



SCHOOL DISTRICTS' TOTAL PROGRAM FUNDING: KEY DATA						
DESCRIPTION	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 ACTUAL	FY 2016-17 APPROP.	FY 2017-18 APPROP.
<b>Funded Pupil Count</b>	<b>817,645</b>	<b>830,831</b>	<b>844,546</b>	<b>853,251</b>	<b>858,796</b>	<b>865,935</b>
<i>Annual Percent Change</i>	<i>1.2%</i>	<i>1.6%</i>	<i>1.7%</i>	<i>1.0%</i>	<i>0.6%</i>	<i>0.8%</i>
<i>Change in Denver-Boulder Consumer Price Index for Previous Calendar Year</i>	<i>3.7%</i>	<i>1.9%</i>	<i>2.8%</i>	<i>2.8%</i>	<i>1.2%</i>	<i>2.8%</i>
Statewide <u>Base</u> Per Pupil Funding	<b>\$5,843</b>	<b>\$5,954</b>	<b>\$6,121</b>	<b>\$6,292</b>	<b>\$6,368</b>	<b>\$6,546</b>
<i>Annual Percent Change</i>	<i>3.7%</i>	<i>1.9%</i>	<i>2.8%</i>	<i>2.8%</i>	<i>1.2%</i>	<i>2.8%</i>
Statewide <u>Average</u> Per Pupil Funding	<b>\$6,480</b>	<b>\$6,652</b>	<b>\$7,026</b>	<b>\$7,313</b>	<b>\$7,421</b>	<b>\$7,662</b>
<i>Annual Percent Change</i>	<i>0.1%</i>	<i>2.7%</i>	<i>5.6%</i>	<i>4.1%</i>	<i>1.5%</i>	<i>3.3%</i>
<b>Total Program Funding<sup>1</sup></b>	<b>\$5,297,963,176</b>	<b>\$5,526,933,750</b>	<b>\$5,933,444,389</b>	<b>\$6,239,564,775</b>	<b>\$6,372,832,460</b>	<b>\$6,634,951,082</b>
<i>Annual Percent Change</i>	<i>1.3%</i>	<i>4.3%</i>	<i>7.4%</i>	<i>5.2%</i>	<i>2.1%</i>	<i>4.1%</i>
<u>Local Share</u> of Total Program Funding	\$1,918,248,885	\$1,938,833,490	\$1,982,831,906	\$2,259,785,802	\$2,257,704,955	\$2,409,944,058
<i>Annual Percent Change</i>	<i>0.9%</i>	<i>1.1%</i>	<i>2.3%</i>	<i>14.0%</i>	<i>-0.1%</i>	<i>6.7%</i>
<u>State Share</u> of Total Program Funding	\$3,379,714,291	\$3,588,100,260	\$3,950,612,483	\$3,979,778,973	\$4,115,127,505	\$4,225,007,024
<i>Annual Percent Change</i>	<i>1.4%</i>	<i>6.2%</i>	<i>10.1%</i>	<i>0.7%</i>	<i>3.4%</i>	<i>2.7%</i>
<i>State Share as Percent of Districts' Total Program Funding</i>	<i>63.8%</i>	<i>64.9%</i>	<i>66.6%</i>	<i>63.8%</i>	<i>64.6%</i>	<i>63.7%</i>

<sup>1</sup> These figures reflect total program funding after application of the budget stabilization factor.



## CATEGORICAL PROGRAMS

Programs designed to serve particular groups of students (e.g., students with limited proficiency in English) or particular student needs (e.g., transportation) have traditionally been referred to as "categorical" programs. Unlike public school finance funding, there is no legal requirement that the General Assembly increase funding commensurate with the number of students eligible for any particular categorical program.

However, Section 17 of Article IX of the Colorado Constitution requires the General Assembly to increase total state funding for all categorical programs annually by at least the rate of inflation plus one percent for FY 2001-02 through FY 2010-11, and by at least the rate of inflation for subsequent fiscal years. For example, in calendar year 2016 the percentage change in the Denver-Boulder-Greeley consumer price index was 2.8 percent, so the General Assembly was required to increase state funding for categorical programs by at least that amount (\$8,106,442) for FY 2017-18.

The General Assembly determines on an annual basis how to allocate the required increase among the various categorical programs. Since FY 2000-01, the General Assembly has increased annual state funding for categorical programs by \$155.5 million. In certain fiscal years, the General Assembly elected to increase state funding by more than the minimum, constitutionally-required amount, resulting in appropriations that are now \$65.1 million higher than the minimum amount that would have otherwise been required.

The following table details the allocation of the \$155.5 million increase since FY 2000-01 among categorical programs. For details concerning the allocation of the funding increase provided for FY 2017-18, please see the Assistance to Public Schools, Categorical Programs section of Part III of this department.

INCREASES IN STATE FUNDING FOR CATEGORICAL PROGRAMS SINCE FY 2000-01				
LONG BILL LINE ITEM	FY 2000-01 APPROPRIATION	FY 2017-18 APPROPRIATION	TOTAL INCREASE IN ANNUAL APPROPRIATION OF STATE FUNDS SINCE FY 2000-01	
Special Education - Children with Disabilities	\$71,510,773	\$171,591,964	\$100,081,191	140.0%
English Language Proficiency Program	3,101,598	20,283,048	17,181,450	554.0%
Public School Transportation	36,922,227	57,651,722	20,729,495	56.1%
Career and Technical Education Programs	17,792,850	26,164,481	8,371,631	47.1%
Special Education - Gifted and Talented Children	5,500,000	12,355,524	6,855,524	124.6%
Expelled and At-risk Student Services Grant Program	5,788,807	7,493,560	1,704,753	29.4%
Small Attendance Center Aid	948,140	1,076,550	128,410	13.5%
Comprehensive Health Education	600,000	1,005,396	405,396	67.6%
<b>Total</b>	<b>\$142,164,395</b>	<b>\$297,622,245</b>	<b>\$155,457,850</b>	<b>109.4%</b>

## APPROPRIATION HIGHLIGHTS - 2017 LEGISLATIVE SESSION

DEPARTMENT OF EDUCATION						
	TOTAL FUNDS	GENERAL FUND <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$5,452,310,190	\$3,765,024,305	\$1,005,881,952	\$33,075,421	\$648,328,512	599.0
SB 16-072	5,000,000	0	5,000,000	0	0	0.0
SB 16-104	0	(441,095)	441,095	0	0	0.0
HB 16-1222	480,000	0	480,000	0	0	0.0
HB 16-1234	39,600	0	39,600	0	0	0.0
HB 16-1408	0	0	0	0	0	0.0
HB 16-1422	124,664	0	124,664	0	0	0.0
HB 16-1429	43,896	43,896	0	0	0	0.5
SB 17-160	528,770	234,953	108,230	185,587	0	0.0

DEPARTMENT OF EDUCATION						
	TOTAL FUNDS	GENERAL FUND <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 17-173	3,950	0	3,950	0	0	0.0
SB 17-254	0	0	0	0	0	0.0
<b>TOTAL</b>	<b>\$5,458,531,070</b>	<b>\$3,764,862,059</b>	<b>\$1,012,079,491</b>	<b>\$33,261,008</b>	<b>\$648,328,512</b>	<b>599.5</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$5,458,531,070	\$3,764,862,059	\$1,012,079,491	\$33,261,008	\$648,328,512	599.5
Total program increase	110,136,809	331,942,430	(221,805,621)	0	0	0.0
School health professionals grant program	9,642,950	0	9,642,950	0	0	3.0
Categorical programs increase	8,106,442	0	8,106,442	0	0	0.0
Annualize prior year legislation	5,961,619	1,001,219	4,960,400	0	0	0.0
Continuous appropriation adjustments	3,473,233	0	304,993	3,168,240	0	0.0
Centrally appropriated line items	3,018,791	1,406,128	319,049	459,781	833,833	0.0
Annualize prior year budget actions	1,718,598	2,934,440	(1,030,255)	1,014,413	(1,200,000)	(3.1)
Indirect cost assessment	439,598	0	51,443	0	388,155	0.0
Academic standards revision	340,840	0	340,840	0	0	0.0
Supplemental on-line education services increase	60,000	0	60,000	0	0	0.0
Continue CPP tax checkoff funding	59,957	0	59,957	0	0	0.0
CSDB teacher salary increase	50,070	50,070	0	0	0	0.0
Early Literacy Assessment Tool Adjustment	9,846	0	9,846	0	0	0.0
Assessment adjustments	589	0	0	0	589	0.0
Fund source adjustments	0	(43,206)	0	43,206	0	0.0
Technical adjustments	0	0	0	0	0	0.0
Reflect anticipated funds transfers	(3,332,289)	0	0	(3,332,289)	0	0.0
Facility schools adjustment	(2,138,181)	0	(2,096,256)	(41,925)	0	0.0
Federal funds true-up	(117,578)	0	0	0	(117,578)	(0.9)
<b>SB 17-254</b>	<b>\$5,595,962,364</b>	<b>\$4,102,153,140</b>	<b>\$811,003,279</b>	<b>\$34,572,434</b>	<b>\$648,233,511</b>	<b>598.5</b>
SB 17-025	47,000	0	47,000	0	0	0.0
SB 17-296	500,000	0	500,000	0	0	0.4
HB 17-1181	(642,786)	0	(642,786)	0	0	0.0
HB 17-1276	18,414	18,414	0	0	0	0.3
<b>TOTAL</b>	<b>\$5,595,884,992</b>	<b>\$4,102,171,554</b>	<b>\$810,907,493</b>	<b>\$34,572,434</b>	<b>\$648,233,511</b>	<b>599.2</b>
<b>INCREASE/(DECREASE)</b>	<b>\$137,353,922</b>	<b>\$337,309,495</b>	<b>(\$201,171,998)</b>	<b>\$1,311,426</b>	<b>(\$95,001)</b>	<b>(0.3)</b>
Percentage Change	2.5%	9.0%	(19.9%)	3.9%	(0.0%)	(0.1%)

<sup>1</sup> Includes General Fund Exempt.

## FY 2016-17 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 17-160 modifies the FY 2016-17 appropriation to:

- Add \$235,956 total funds, including \$63,863 General Fund, to support payments from the Contingency Reserve Fund pursuant to Section 22-54-117 (1)(a)(VIII), C.R.S.;
- Add \$171,090 General Fund allow the Department to purchase additional legal services from the Department of Law; and
- Add \$121,724 reappropriated funds to release a restriction on the FY 2016-17 appropriation for CORE Operations resulting from overexpenditures in FY 2014-15 and FY 2015-16.

Senate Bill 17-173 increases funding for the Hold-harmless Full-day Kindergarten line item by \$3,950 in FY 2016-17 to align with the actual student counts in affected districts. After adjusting for a \$23.1 million decrease in local revenues available for school finance (below the level anticipated in the original FY 2016-17 appropriation) and a lower-than-anticipated student count (reducing total program funding before the application of the budget

stabilization factor by \$25.5 million), maintaining state funding at a constant level reduced the negative factor by \$2.4 million in FY 2016-17.

Senate Bill 17-254 adjusts the portion of the Department's General Fund appropriations designated as General Fund Exempt.

## FY 2017-18 APPROPRIATION HIGHLIGHTS

**TOTAL PROGRAM INCREASE:** The appropriation includes a net increase of \$110,136,809 total funds (including increases of \$331,942,430 General Fund and \$16,516,094 cash funds from the State Public School fund that are partially offset by a decrease of \$238,929,905 cash funds from the State Education Fund) for school finance. The appropriation includes increases of \$109,528,619 total funds for the State Share of Districts' Total Program line item and \$257,290 cash funds from the State Education Fund for the Hold-harmless Full-day Kindergarten Funding line item. Pursuant to current law, the increase is sufficient to maintain the budget stabilization factor as a constant dollar amount from FY 2016-17 to FY 2017-18 (\$828,280,474). The appropriation also includes an increase of 50 slots in the Accelerating Students Through Concurrent Enrollment (ASCENT) Program.

**SCHOOL HEALTH PROFESSIONALS GRANT PROGRAM:** The appropriation adds \$9,642,950 cash funds from the Marijuana Tax Cash Fund and 3.0 FTE to expand the School Health Professionals Grant Program, established in S.B. 14-215 (Disposition of Legal Marijuana Related Revenue).

**CATEGORICAL PROGRAMS INCREASE:** The appropriation includes an increase of \$8,106,422 cash funds from the State Education Fund in order to increase total categorical spending from state funds by 2.8 percent as required by Section 17 (1) of Article IX of the State Constitution.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments related to prior year legislation.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 16-072 (Increase Annual BEST Lease Purchase Payment)	\$5,000,000	\$0	\$5,000,000	\$0	\$0	0.0
HB 16-1289 (Career Development Success Pilot Program)	1,000,000	1,000,000	0	0	0	0.0
HB 16-1429 (Alt Ed Campus Criteria & Pilot Program)	1,219	1,219	0	0	0	0.0
HB 16-1234 (State Assessment Selection and Local Flexibility)	(39,600)	0	(39,600)	0	0	0.0
<b>TOTAL</b>	<b>\$5,961,619</b>	<b>\$1,001,219</b>	<b>\$4,960,400</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**CONTINUOUS APPROPRIATION ADJUSTMENTS:** The appropriation reflects an increase of \$3,473,233 total funds that are continuously appropriated to the Department and shown in the Long Bill for informational purposes only, including \$3,168,240 reappropriated funds anticipated to be available to the State Charter School Institute and \$304,993 cash funds for the Office of Professional Services.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; salary survey; merit pay; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; shift differential; vehicle lease payments; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; leased space; Capitol complex leased space; payments to the Governor's Office of Information Technology (OIT); and CORE operations.

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Salary survey adjustment	\$869,349	\$309,145	\$117,400	\$94,566	\$348,238	0.0
Payments to OIT adjustment	464,594	226,910	12,249	225,435	0	0.0
Health, life, and dental adjustment	345,607	255,521	(18,605)	25,104	83,587	0.0
Merit pay adjustment	354,432	127,397	48,208	38,772	140,055	0.0
Leased space adjustment	253,684	(2,440)	56,303	(3,015)	202,836	0.0
SAED adjustment	252,680	148,021	9,773	35,383	59,503	0.0
AED adjustment	231,282	140,989	6,635	33,144	50,514	0.0
Capitol Complex leased space adjustment	118,510	77,634	29,841	36,943	(25,908)	0.0
Legal services adjustment	66,741	38,580	26,449	1,712	0	0.0
Payment to risk management and property funds adjustment	44,104	44,104	0	0	0	0.0
Administrative law judge adjustment	28,327	0	23,436	4,891	0	0.0
Legal services adjustment	25,559	11,712	13,005	842	0	0.0
Fleet vehicle adjustment	6,266	6,266	0	0	0	0.0
Shift differential adjustment	4,095	4,095	0	0	0	0.0
Short-term disability adjustment	3,046	3,298	(519)	635	(368)	0.0
CORE operations adjustment	(46,431)	(17,628)	(5,814)	(22,989)	0	0.0
Leased space adjustments	(2,766)	0	0	(2,766)	0	0.0
Workers' compensation adjustment	(288)	32,524	688	(8,876)	(24,624)	0.0
<b>TOTAL</b>	<b>\$3,018,791</b>	<b>\$1,406,128</b>	<b>\$319,049</b>	<b>\$459,781</b>	<b>\$833,833</b>	<b>0.0</b>

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second- and third-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 Office of dropout prevention reduction	\$1,100,000	\$0	\$1,100,000	\$0	\$0	0.9
FY 2016-17 School bullying prevention reduction	1,100,000	0	1,100,000	0	0	0.0
SB 17-160 (Supplemental Bill)	642,320	936,137	(1,108,230)	814,413	0	0.0
FY 2016-17 Start smart reduction	400,000	200,000	0	200,000	0	0.0
Prior year salary survey	0	0	0	0	0	0.0
FY 2016-17 Use of Indirect Cost Excess Recovery Fund	0	2,000,000	(2,000,000)	0	0	0.0
Educator Effectiveness Implementation	(1,200,000)	0	0	0	(1,200,000)	(4.0)
FY 2016-17 CSDB Teacher Salaries	(101,697)	(101,697)	0	0	0	0.0
Educator perception	(100,000)	(100,000)	0	0	0	0.0
FY 2015-16 CPP tax checkoff	(72,025)	0	(72,025)	0	0	0.0
FY 2015-16 R7 Priority Assessment	(50,000)	0	(50,000)	0	0	0.0
<b>TOTAL</b>	<b>\$1,718,598</b>	<b>\$2,934,440</b>	<b>(\$1,030,255)</b>	<b>\$1,014,413</b>	<b>(\$1,200,000)</b>	<b>(3.1)</b>

**INDIRECT COST ASSESSMENT:** The appropriation includes a net increase in the Department's indirect cost assessments.

**ACADEMIC STANDARDS REVISION:** The appropriation includes \$340,840 cash funds from the State Education Fund to support the review and revision of the statewide academic standards as required by Section 22-7-1005 (6), C.R.S., enacted in S.B. 08-12 (Colorado Achievement Plan for Kids).

**SUPPLEMENTAL ON-LINE EDUCATION SERVICES INCREASE:** The appropriation includes \$60,000 cash funds from the State Public School Fund to increase support for the Supplemental On-line Education Services Program.

**CONTINUE CPP TAX CHECKOFF FUNDING:** The appropriation includes \$59,957 cash funds that were collected and deposited in the Public Education Fund as part of a voluntary tax checkoff authorized in S.B. 11-109 (Public Education Fund Tax Checkoff) to continue to provide training and professional development to Colorado Preschool Program (CPP) providers in an effort to enhance literacy and mathematics instruction using cash funds.

**CSDB TEACHER SALARY INCREASE:** The appropriation adds \$50,070 General Fund for salary increases for teachers employed at the Colorado School for the Deaf and the Blind (CSDB) based on the Colorado Springs District 11 salary schedule, as required by Section 22-80-106.5, C.R.S.

**EARLY LITERACY ASSESSMENT TOOL ADJUSTMENT:** The appropriation includes an increase of \$9,846 cash funds from the State Education Fund to align with anticipated participation in the Early Literacy Assessment Tool program created in H.B. 12-1345 (School Finance).

**ASSESSMENT ADJUSTMENTS:** The appropriation includes an increase of \$589 federal funds to align with anticipated contract costs for the statewide assessment system.

**FUND SOURCE ADJUSTMENTS:** The appropriation includes a decrease of \$43,206 General Fund that is offset by an increase of that amount of reappropriated funds to reflect an increase in facility school funding anticipated to be transferred to the Colorado School for the Deaf and the Blind in FY 2017-18.

**TECHNICAL ADJUSTMENTS:** The appropriation includes a technical adjustment to move \$43,896 and 0.5 FTE originally appropriated to the College and Career Readiness line item for FY 2016-17 to the Longitudinal Analyses of Student Assessment Results line item for FY 2017-18.

**REFLECT ANTICIPATED FUND TRANSFERS:** The appropriation includes a net decrease of \$3,332,289 reappropriated funds to reflect changes in anticipated transfers of funds based on interagency agreements with the Department of Health Care Policy and Financing (an anticipated increase of \$16,971 to be transferred for the S.B. 97-101 Public School Health Services line item) and the Department of Human Services (a net decrease of \$3,349,260, primarily based on the Departments' interagency agreement related to federal child care block grant funding).

**FACILITY SCHOOLS ADJUSTMENT:** The appropriation includes a decrease of \$2,096,256 cash funds from the State Education Fund for distributions to facility schools based on the Department's current estimates of facility school pupil counts in FY 2017-18. The appropriation also includes a related reduction of \$41,925 reappropriated funds to align the appropriation for the Facility Schools Unit and Facility Schools Board with the statutory direction that the Department withhold 2.0 percent of funding to be transferred to facility schools to support the operations of the Unit and Board.

**FEDERAL FUNDS TRUE-UP:** The appropriation includes a decrease of \$117,578 federal funds and 0.9 FTE to eliminate federal funding previously provided to the Office of Dropout Prevention and Student Reengagement that will no longer be available in FY 2017-18.

**ADDITIONAL LEGISLATION:** For information on additional legislation, see the "Recent Legislation" section at the end of Part III of this department.

# GOVERNOR – LIEUTENANT GOVERNOR – STATE PLANNING AND BUDGETING

The Department is comprised of the Office of the Governor, the Office of the Lieutenant Governor, the Office of State Planning and Budgeting, Economic Development Programs, and the Office of Information Technology.

## DEPARTMENT BUDGET: RECENT APPROPRIATIONS

FUNDING SOURCE	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
General Fund	\$34,983,120	\$41,871,028	\$35,966,004	\$35,324,665
Cash Funds	41,899,571	42,239,163	44,733,104	47,400,500
Reappropriated Funds	210,000,641	181,708,763	220,765,787	246,477,893
Federal Funds	6,440,371	6,492,609	6,511,867	6,455,720
<b>TOTAL FUNDS</b>	<b>\$293,323,703</b>	<b>\$272,311,563</b>	<b>\$307,976,762</b>	<b>\$335,658,778</b>
Full Time Equiv. Staff	1,073.1	1,088.7	1,090.0	1,091.2

## GENERAL FACTORS DRIVING THE BUDGET

Funding for this department consists of 10.5 percent General Fund, 14.1 percent cash funds, 73.4 percent reappropriated funds, and 1.9 percent federal funds. Some of the major factors driving the Department's budget are discussed below.

### OFFICE OF THE GOVERNOR (DIVISION)

OFFICE OF THE GOVERNOR (DIVISION) RECENT APPROPRIATIONS				
FUNDING SOURCE	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
General Fund	\$6,584,160	\$6,124,354	\$4,703,539	\$5,030,265
Cash Funds	11,675,566	12,205,245	11,898,892	8,076,329
Reappropriated Funds	19,668,956	684,171	563,706	870,409
Federal Funds	3,876,657	3,868,011	3,908,145	3,913,382
<b>TOTAL FUNDS</b>	<b>\$41,805,339</b>	<b>\$22,881,781</b>	<b>\$21,074,282</b>	<b>\$17,890,385</b>
Full Time Equiv. Staff	67.1	67.1	65.7	40.7

### CENTRALLY APPROPRIATED LINE ITEMS

The budget for the Office of the Governor (division) is driven by the centrally appropriated line items (e.g. health, life, and dental insurance coverage, and short-term disability payments) supporting over 150 staff within several agencies of the department. The amount of funding provided is determined by common policies adopted by the General Assembly. Prior to FY 2015-16, the appropriations for centrally appropriated line items included money to support the employees of the Governor's Office of Information Technology. Beginning in FY 2015-16, appropriations supporting this purpose were moved to the Governor's Office of Information Technology division. This resulted in a decrease of \$23.4 million reappropriated funds in this division and an increase of a like amount in the Governor's Office of Information Technology division.

## COLORADO ENERGY OFFICE

The Colorado Energy Office (CEO) has historically been funded with federal money associated with weatherization projects and petroleum violation escrow funds (PVE) awarded to the state beginning in the early 1980s. PVE is a fixed source of funding, with a total allocation to Colorado of \$70.5 million. In preparation for the depletion of PVE funds, CEO migrated funding for its programs to alternative sources, such as limited gaming tax revenue, which were later eliminated due to the influx of federal money from the American Recovery and Reinvestment Act of 2009 (ARRA). Under federal guidelines, the Office exhausted the ARRA money by the end of FY 2011-12.

To address the future of the Office, H.B. 12-1315 (Reorganization Of Governor's Energy Office) changed the statutory mission of CEO from promoting renewable energy and energy efficiency to encouraging all sources of energy development and created two dedicated funding streams to support the Office (Clean and Renewable Energy Cash Fund and the Innovative Energy Fund). For FY 2016-17, the budget for CEO is steered by transfers of money from severance tax revenue and the General Fund into numerous cash funds, per statute. The primary transfers that fund the operations of the agency are as follows:

COLORADO ENERGY OFFICE CASH FUND TRANSFERS			
CASH FUND	SOURCE	AMOUNT	FINAL STATUTORY TRANSFER
Weatherization Low-Income Energy Assistance Fund	Severance Tax, Tier 2	*\$6,500,000	July 1, 2023
Energy Outreach Low-Income Energy Assistance Fund	Severance Tax, Tier 2	*3,250,000	July 1, 2023
Clean and Renewable Energy Fund	General Fund	1,600,000	July 1, 2016
Innovative Energy Fund	Severance Tax, Off-the-top	1,500,000	July 1, 2016
Public School Energy Efficiency Fund	Severance Tax, Interest	210,000	September 1, 2015

\*This transfer may fluctuate based on the amount of severance taxes collected by the state.

The General Assembly did not reauthorize the transfer of money into the Clean and Renewable Energy Fund and the Innovative Energy Fund during the 2017 legislative session. Thus, for FY 2017-18, funding for the Office decreased by \$3.1 million compared to the prior fiscal year.

## OFFICE OF MARIJUANA POLICY COORDINATION

The Office of Marijuana Policy Coordination is housed within the Office of the Governor (division). The unit received an appropriation of \$191,590 and 2.0 FTE for FY 2016-17 from the Marijuana Tax Cash Fund. Money in the Fund is generated from taxes collected from the sale of recreational and medicinal marijuana. The FY 2017-18 Long Bill (S.B. 17-254), in conjunction with H.B. 17-1295 (Repeal Governor's Office Of Marijuana Coordination), repeals the Office of Marijuana Coordination and transfers \$97,199 cash funds from the Marijuana Tax Cash Fund and 1.0 FTE to the Office of the Governor for long-term cross-agency coordination.

## OFFICE OF THE LIEUTENANT GOVERNOR

OFFICE OF THE LIEUTENANT GOVERNOR RECENT APPROPRIATIONS				
FUNDING SOURCE	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
General Fund	\$316,223	\$429,386	\$439,027	\$506,117
Cash Funds	1,184	1,184	1,184	1,184
Reappropriated Funds	0	218,825	218,825	0
Federal Funds	0	0	0	0
<b>TOTAL FUNDS</b>	<b>\$317,407</b>	<b>\$649,395</b>	<b>\$659,036</b>	<b>\$507,301</b>
Full Time Equiv. Staff	5.0	6.0	6.0	5.9

Base funding for the Office of the Lieutenant Governor has remained relatively constant in recent fiscal years at \$0.3 million total funds, with nearly all money coming from the General Fund. Beginning in FY 2015-16, however, the General Assembly provided an increase in appropriations for three special projects.

- Senate Bill 15-290 (Colorado Student Leaders Institute) created the Colorado Student Leaders Institute, a competitive summer residential education program for high school students. The initiative is funded by a transfer of \$218,825 from the Department of Education's State Education Fund to the Office. The money is used to pay for the administration (1.0 FTE) and per student costs of the Institute. Per S.B. 17-060 (CO Student Leaders Institute Relocation To CDHE), the Institute is transferred to the Colorado Department of Higher Education. This legislation reduces the Office's appropriations by \$218,825 reappropriated funds and 1.0 FTE for FY 2017-18.
- Serve Colorado, the Governor's Commission on Community Service, received an ongoing appropriation of \$100,000 General Fund beginning in FY 2015-16. The initiative seeks to build a culture of civic engagement in the state by working in partnership with community-based organizations. Serve Colorado works under the leadership of a board of 15 Commissioners to distribute and administer Colorado's allocation of AmeriCorps state funding from the Corporation for National and Community Service.
- The Office's FY 2017-18 appropriation includes an increase of \$67,090 General Fund and 0.9 FTE to lead an initiative to coordinate health care issues between Medicaid providers, the federal Indian Health Services (IHS) agency, and tribal governments. In cooperation with the Departments of Health Care Policy and Financing and Human Services, the goal of the initiative is to reduce travel time for Native Americans seeking affordable care at an IHS facility and to improve coordination of care between IHS facilities and outside providers. Poor coordination has resulted in Native Americans paying more for care or foregoing costly care.

## OFFICE OF STATE PLANNING AND BUDGETING (OSPB)

OFFICE OF STATE PLANNING AND BUDGETING RECENT APPROPRIATIONS				
FUNDING SOURCE	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
General Fund	\$467,297	\$787,132	\$638,174	\$1,138,174
Cash Funds	176,454	0	0	500,000
Reappropriated Funds	1,519,721	1,546,654	1,578,088	1,578,088
Federal Funds	0	0	0	0
<b>TOTAL FUNDS</b>	<b>\$2,163,472</b>	<b>\$2,333,786</b>	<b>\$2,216,262</b>	<b>\$3,216,262</b>
Full Time Equiv. Staff	19.5	19.5	20.5	20.5

Base funding for the Office of State Planning and Budgeting has remained relatively constant in recent fiscal years at approximately \$1.5 million reappropriated funds transferred to the agency from the collection of statewide indirect costs in other departments. Additionally, the General Assembly has provided funding to the Office for a variety of special projects in recent years, increasing General Fund appropriations gradually from zero in FY 2011-12 to \$0.6 million in FY 2016-17. These projects have included a prison utilization study, the implementation of a continuous incremental process improvement program known as LEAN, and the implementation of a cost-benefit analysis tool dubbed Results First.

For FY 2017-18, the Office received a General Fund increase of \$500,000 to provide additional process improvement training opportunities for state employees and an increase of \$500,000 cash funds from the Marijuana Tax Cash Fund to evaluate and/or assist in the implementation of programs across state agencies that are funded from this source.



## ECONOMIC DEVELOPMENT PROGRAMS

ECONOMIC DEVELOPMENT PROGRAMS RECENT APPROPRIATIONS				
FUNDING SOURCE	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
General Fund	\$23,132,094	\$27,836,093	\$25,533,807	\$20,232,051
Cash Funds	28,795,439	28,781,806	31,582,100	33,262,434
Reappropriated Funds	189,336	91,520	85,291	85,291
Federal Funds	2,442,714	2,503,598	2,482,722	2,421,338
<b>TOTAL FUNDS</b>	<b>\$54,559,583</b>	<b>\$59,213,017</b>	<b>\$59,683,920</b>	<b>\$56,001,114</b>
Full Time Equiv. Staff	55.6	60.3	60.3	60.6

Funding for the Office of Economic Development and International Trade (OEDIT) is heavily dependent on cash funds. Much of the increase in cash funds occurred in the 2006 legislative session through the passage of H.B. 06-1201 (Increase Limited Gaming Funds for Tourism). The legislation increased the amount of Limited Gaming Fund money transferred to the Colorado Travel and Tourism Promotion Fund and authorized additional transfers to the newly created State Council on the Arts Cash Fund, Film Operations and Incentives Cash Fund, and the New Jobs Incentives Cash Fund.

Revenues available for transfer to the Limited Gaming Fund vary considerably from year to year. Senate Bill 13-133 (Distribution of State Share of Ltd Gaming Revenues) modified the distribution of the State share of the Limited Gaming Fund to bring more consistency to the transfers. Specifically, the bill amended the distribution to various cash funds at the close of each fiscal year from a percentage-based amount to a fixed-dollar amount.

LIMITED GAMING TAX REVENUE TRANSFERS FOR ECONOMIC DEVELOPMENT PER S.B. 13-133	
Travel and Tourism Promotion Fund	\$15,000,000
Advanced Industries	5,500,000
Creative Industries	2,000,000
Film, TV, and Media	500,000

In addition to limited gaming tax revenue, S.B. 17-280 (Extending The Economic Development Commission) reauthorized the Economic Development Commission through July 1, 2025 and provided an appropriation of \$5.0 million General Fund to provide new job creation incentives for companies relocating to Colorado and expanding in Colorado. The General Assembly, via the Long Bill (S.B. 17-254), appropriated \$4.0 million General Fund for tourism promotion and \$750,000 General Fund to provide job creation incentives for the film industry.

## OFFICE OF INFORMATION TECHNOLOGY

OFFICE OF INFORMATION TECHNOLOGY RECENT APPROPRIATIONS				
FUNDING SOURCE	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
General Fund	\$4,483,346	\$6,694,063	\$4,651,457	\$8,418,058
Cash Funds	1,250,928	1,250,928	1,250,928	5,560,553
Reappropriated Funds	188,622,628	179,167,593	218,319,877	243,944,104
Federal Funds	121,000	121,000	121,000	121,000
<b>TOTAL FUNDS</b>	<b>\$194,477,902</b>	<b>\$187,233,584</b>	<b>\$224,343,262</b>	<b>\$258,043,716</b>
Full Time Equiv. Staff	925.9	935.8	937.5	963.5

In May 2007, the Governor issued an executive order to begin centralizing the management of executive branch information technology resources in the Governor's Office of Information Technology (OIT). The purpose was to address infrastructure, purchasing, project planning and delivery, asset management, and strategic leadership needs. Senate Bill 08-155 (Centralize IT Management In OIT) statutorily consolidated the responsibility for information technology oversight of most of the state's executive branch agencies in OIT.

Specifically, S.B. 08-155 transferred several information technology functions and staff positions from various state agencies to OIT in FY 2008-09. The largest single agency transfer involved moving the Division of Information Technology from the Department of Personnel and Administration, along with its 178.8 FTE, to OIT. The Division of Information Technology transfer included the General Government Computer Center (GGCC), telecommunications coordination, public safety communications planning and maintenance, and statewide information technology management and support functions. Additionally, the Department's FY 2008-09 appropriation included the transfer of 33.4 FTE from various state agencies to OIT as part of the migration of agency chief information officers to OIT.

Senate Bill 08-155 also allowed for the transfer of other information technology employees from state agencies to OIT between July 1, 2008 and July 1, 2012. Per statutory authority, the state Chief Information Officer, department executive directors, and department chief information officers jointly identified the additional positions and functions affiliated with the management and administration of each agency's information technology resources and enterprises to be transferred to OIT. The Department's FY 2010-11 appropriation included a transfer of 680.7 FTE and \$57.7 million from state agencies to OIT.

Funding historically dedicated to the information technology staff in specific state agencies and programs continues to be appropriated to those agencies in order for them to maintain consistency of program, state, and federal funding streams and reporting standards. Agencies make payments to OIT for their share of information technology staff payroll costs, including centrally appropriated items and personal services expenses. The payments are made from an information technology common policy line item (Payments to OIT) appropriation.

Outside of OIT's collection of recoverable costs associated with the information technology common policy, expenses for the operation of the Colorado Benefits Management System (CBMS) are billed directly to the Department of Human Services and Department of Health Care Policy and Financing. For FY 2017-18, appropriations made to OIT for CBMS are 22.0 percent of the Office's total budget.

CBMS APPROPRIATIONS TO OIT	
FY 2014-15	\$64,996,580
FY 2015-16	30,529,339
FY 2016-17	53,026,031
FY 2017-18	56,877,851

# APPROPRIATION HIGHLIGHTS - 2017 LEGISLATIVE SESSION

GOVERNOR - LIEUTENANT GOVERNOR - STATE PLANNING AND BUDGETING						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$306,849,429	\$35,996,004	\$43,978,954	\$220,362,604	\$6,511,867	1,090.0
SB 16-030	12,566	0	0	12,566	0	0.0
HB 16-1047	113,300	0	0	113,300	0	0.0
HB 16-1097	8,755	0	0	8,755	0	0.0
HB 16-1227	268,562	0	0	268,562	0	0.0
SB 17-161	724,150	(30,000)	754,150	0	0	0.0
<b>TOTAL</b>	<b>\$307,976,762</b>	<b>\$35,966,004</b>	<b>\$44,733,104</b>	<b>\$220,765,787</b>	<b>\$6,511,867</b>	<b>1,090.0</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$307,976,762	\$35,966,004	\$44,733,104	\$220,765,787	\$6,511,867	1,090.0
Human Resource Information System	4,912,625	0	0	4,912,625	0	0.0
Secure Colorado	2,973,689	0	0	2,973,689	0	7.0
Tax system maintenance, support, and hosting	2,834,549	0	0	2,834,549	0	0.0
Annualize prior year budget actions	2,071,152	(5,000,000)	0	7,071,152	0	(4.0)
Technical changes	1,517,577	0	1,538,642	0	(21,065)	0.0
Centrally appropriated line items	1,143,271	618,770	(100,609)	660,192	(35,082)	0.0
Marijuana data coordination	1,109,625	0	1,109,625	0	0	0.0
Deskside staffing	965,084	0	0	965,084	0	8.0
Public Safety Communications Network microwave upgrade staffing technical correction	921,414	0	0	921,414	0	10.0
Department of Revenue telephone replacement	791,172	0	0	791,172	0	0.0
Annualize prior year legislation	601,235	696,370	(3,477,232)	3,382,097	0	(24.0)
LEAN initiatives	500,000	500,000	0	0	0	0.0
Evidence-based policymaking evaluation	500,000	0	500,000	0	0	0.0
Long Term Care services Benefit Utilization System adjustment	325,000	0	0	325,000	0	0.0
Indirect cost assessment adjustment	283,026	(296,631)	0	579,657	0	0.0
Technology accessibility for people with disabilities	100,000	0	0	100,000	0	1.0
Native American health services coordination	67,090	67,090	0	0	0	0.9
Administrative courts electronic case management system	54,429	0	0	54,429	0	0.0
Enterprise applications realignment	0	0	0	0	0	0.0
Film incentives reduction	(2,250,000)	(2,250,000)	0	0	0	0.0
Marijuana Office sunset	(103,030)	0	(103,030)	0	0	(1.0)
<b>SB 17-254</b>	<b>\$327,294,670</b>	<b>\$30,301,603</b>	<b>\$44,200,500</b>	<b>\$246,336,847</b>	<b>\$6,455,720</b>	<b>1,087.9</b>
SB 17-028	12,960	0	0	12,960	0	0.0
SB 17-060	(218,825)	0	0	(218,825)	0	(1.0)
SB 17-255	3,200,000	0	3,200,000	0	0	0.0
SB 17-280	5,000,000	5,000,000	0	0	0	4.0
HB 17-1090	23,062	23,062	0	0	0	0.3
HB 17-1165	20,000	0	0	20,000	0	0.0
HB 17-1204	108,710	0	0	108,710	0	0.0
HB 17-1221	21,603	0	0	21,603	0	0.0
HB 17-1313	44,486	0	0	44,486	0	0.0
HB 17-1326	152,112	0	0	152,112	0	0.0
<b>TOTAL</b>	<b>\$335,658,778</b>	<b>\$35,324,665</b>	<b>\$47,400,500</b>	<b>\$246,477,893</b>	<b>\$6,455,720</b>	<b>1,091.2</b>
<b>INCREASE/(DECREASE)</b>	<b>\$27,682,016</b>	<b>(\$641,339)</b>	<b>\$2,667,396</b>	<b>\$25,712,106</b>	<b>(\$56,147)</b>	<b>1.2</b>
Percentage Change	9.0%	(1.8%)	6.0%	11.6%	(0.9%)	0.1%

## FY 2016-17 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 17-161 modifies the FY 2016-17 appropriation to:

- Add \$600,000 cash funds spending authority from the Colorado Travel and Tourism Promotion Fund to promote activities, events, and services at farms, ranches, or other agricultural, horticultural, or agribusiness operations;
- Add \$124,150 total funds, including a decrease of \$30,000 General Fund and an increase of \$154,150 cash funds, to administer the Historic Preservation Tax Credit with cash funds originating as fees paid by applicants for application processing and tax credit issuance; and
- Add a new footnote for the Office of Economic Development and International Trade's "Colorado Office of Film, Television, and Media" line item indicating that the appropriation included in the FY 2016-17 Long Bill (\$3,500,000 total funds) may be expended through June 30, 2018.

## FY 2017-18 APPROPRIATION HIGHLIGHTS

**HUMAN RESOURCE INFORMATION SYSTEM:** The appropriation includes an increase of \$4,912,625 reappropriated funds transferred from state agencies to the Governor's Office of Information Technology for FY 2017-18 to cover the maintenance and support costs associated with the Human Resource Information System (HRIS). HRIS is a new computer system that augments and replaces the existing leave, time tracking, and human resources management system. The build-out of HRIS was funded in prior fiscal years via appropriations in the capital construction section of the budget.

**SECURE COLORADO:** The appropriation includes an increase of \$2,973,689 reappropriated funds transferred from state agencies to the Governor's Office of Information Technology and 7.0 FTE for FY 2017-18 for several initiatives related to the state's cybersecurity program known as "Secure Colorado." The initiatives include:

- An internship program to hire and train skilled military veterans;
- Acquiring a governance, risk, and compliance tool (GRC) to document security controls;
- Hiring additional staff to conduct internal and vendor security compliance monitoring;
- Adding to the existing capabilities of the Governor's Office of Information Technology to address existing high-risk security audit findings and build-out the capability to more quickly assess high-priority security needs; and
- Deploying a multi-factor authentication tool for enterprise identity management.

**TAX SYSTEM MAINTENANCE, SUPPORT, AND HOSTING:** The appropriation includes an increase of \$2,834,549 reappropriated funds transferred from the Department of Revenue to the Governor's Office of Information Technology for FY 2017-18 to refresh the mainframe infrastructure hosting the GenTax computing environment. GenTax is used by the state for processing motor vehicle, gaming, liquor, racing, income, cigarette, sales, fuel, and severance taxes.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second- and third-year impact of prior year budget actions.

## ANNUALIZE PRIOR YEAR BUDGET ACTIONS

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 CBMS/PEAK annual base adjustment	\$4,009,792	\$0	\$0	\$4,009,792	\$0	0.0
FY 2014-15 HRIS/KRONOS capital project into operating budget	3,043,760	0	0	3,043,760	0	0.0
FY 2016-17 Voice services spending authority	300,854	0	0	300,854	0	0.0
FY 2016-17 CBMS client correspondence	59,844	0	0	59,844	0	0.0
FY 2016-17 End user configuration management tool	6,605	0	0	6,605	0	0.0
FY 2016-17 Economic Development Commission authority	(5,000,000)	(5,000,000)	0	0	0	(4.0)
FY 2016-17 Legacy systems and technology support	(325,000)	0	0	(325,000)	0	0.0
FY 2016-17 Niche Records Management System	(24,703)	0	0	(24,703)	0	0.0
<b>TOTAL</b>	<b>\$2,071,152</b>	<b>(\$5,000,000)</b>	<b>\$0</b>	<b>\$7,071,152</b>	<b>\$0</b>	<b>(4.0)</b>

**TECHNICAL CHANGES:** The appropriation includes an increase of \$1,517,577 cash funds. The majority of the increase (\$1,500,000) is due to capturing the revenue forecasted to be deposited in the Advanced Industries Acceleration Cash Fund as a result of S.B. 11-047 (Bioscience & Clean Tech Reinvestment). Senate Bill 11-047 redirects 50 percent of the growth of state income tax withholdings from specific Colorado businesses into the Advanced Industries Acceleration Cash Fund where it is used by the Office of Economic Development and International Trade for a grant program to promote growth and sustainability in advanced industries. This amount varies from year to year based on tax filings and, as such, is adjusted in the Long Bill annually.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; salary survey; merit pay; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; shift differential; vehicle lease payments; workers' compensation; legal services; payment to risk management and property funds; Capitol complex leased space; payments to the Governor's Office of Information Technology (OIT); and CORE operations.

**MARIJUANA DATA COORDINATION:** The appropriation includes an increase of \$1,109,625 cash funds from the Marijuana Tax Cash Fund for FY 2017-18 for the Governor's Office of Information Technology to create a data platform to identify, locate, assimilate, store, analyze, disseminate, and present marijuana-related information. Statute tasks the executive branch with coordinating a response to the legalization of retail marijuana, including data collection and analysis functions. This funding will be used to develop tools to bring together data from all data owners in real-time for use in a variety of applications specific to agency needs. This solution does not seek to remove data from its existing databases, but rather calls for a series of tools that access the data in a secure manner so that it can be combined with other data within applications used by a variety of state agencies.

**DESKSIDE STAFFING:** The appropriation includes an increase of \$965,084 reappropriated funds transferred from state agencies to the Governor's Office of Information Technology and 8.0 FTE for FY 2017-18 to add state employees and contract resources to the Office's End User Deskside team. This unit supports state employee computer devices, including peripheral equipment, such as printers.

**PUBLIC SAFETY COMMUNICATIONS NETWORK MICROWAVE UPGRADE STAFFING TECHNICAL CORRECTION:** The appropriation moves \$921,414 reappropriated funds transferred from state agencies and 10.0 FTE from the capital construction budget to the operating budget for FY 2017-18 for the Governor's Office of Information Technology. In prior years, this appropriation was erroneously included in the capital construction section of the Long Bill although the funds cover operating expenses.

**DEPARTMENT OF REVENUE TELEPHONE REPLACEMENT:** The appropriation includes an increase of \$791,172 reappropriated funds transferred from the Department of Revenue to the Governor's Office of Information Technology for FY 2017-18 to replace the legacy telecommunications system at six of the Department of Revenue's locations.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments for the second- and third-year impact of prior year legislation.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 14-1203 Funding For Digital Trunked Radio System Maintenance	\$7,400,000	\$3,700,000	\$0	\$3,700,000	\$0	0.0
SB 17-161 Supplemental Bill	137,700	0	137,700	0	0	0.0
HB 14-1326 Tax Incentives For Alternative Fuel Trucks	70,000	70,000	0	0	0	0.0
SB 16-069 Community Paramedicine Regulation	38,080	0	0	38,080	0	0.0
HB 12-1315 Reorganization Of Governors Energy Office	(3,596,182)	0	(3,596,182)	0	0	(24.0)
HB 14-1011 Advanced Industry Economic Development Funding	(3,073,630)	(3,073,630)	0	0	0	0.0
HB 16-1227 Exemptions Child Support Requirements Child Care Assist	(268,562)	0	0	(268,562)	0	0.0
HB 16-1047 Interstate Medical Licensure Compact	(66,100)	0	0	(66,100)	0	0.0
HB 13-1003 Economic Gardening Pilot Project Office Economic Development	(18,750)	0	(18,750)	0	0	0.0
SB 16-030 Motor Vehicle Weight Violation Surcharges	(12,566)	0	0	(12,566)	0	0.0
HB 16-1097 PUC Permit For Medicaid Transportation Providers	(8,755)	0	0	(8,755)	0	0.0
<b>TOTAL</b>	<b>\$601,235</b>	<b>\$696,370</b>	<b>(\$3,477,232)</b>	<b>\$3,382,097</b>	<b>\$0</b>	<b>(24.0)</b>

**LEAN INITIATIVES:** The appropriation includes an increase of \$500,000 General Fund for FY 2017-18 for the Office of State Planning and Budgeting to deliver elements of the Performance Management Academy through the Center for Organizational Effectiveness and increase the number of state employees receiving leadership and process improvement training. It is estimated that this appropriation will provide training for approximately 500 additional state employees.

**EVIDENCE-BASED POLICYMAKING EVALUATION:** The appropriation includes an increase of \$500,000 cash funds from the Marijuana Tax Cash Fund for FY 2017-18 to fund a grant program in the Office of State Planning and Budgeting for state agencies to embark on projects to evaluate and/or assist in the implementation of programs funded from the Marijuana Tax Cash Fund. Program evaluations assist the General Assembly in determining if investments of state resources are improving outcomes.

**LONG TERM CARE SERVICES BENEFIT UTILIZATION SYSTEM ADJUSTMENT:** The appropriation includes an increase of \$325,000 transferred from the Department of Health Care Policy and Financing to the Governor's Office of Information Technology for FY 2017-18 to provide staff support for the Benefits Utilization System (BUS). The BUS is a computer system used to input and store client assessments that determine eligibility for long term services and supports. These time-limited staff resources will maintain the operations of the BUS until it is replaced by a component of the new Medicaid Management Information System (MMIS). It is anticipated that transitioning from the BUS into the new MMIS will occur in late FY 2017-18.

**INDIRECT COST ASSESSMENT ADJUSTMENT:** The appropriation includes a net increase of \$283,026 total funds, including a decrease of \$296,631 General Fund, in the Department's indirect cost assessment.

**TECHNOLOGY ACCESSIBILITY FOR PEOPLE WITH DISABILITIES:** The appropriation includes an increase of \$100,000 reappropriated funds transferred from state agencies to the Governor's Office of Information Technology and 1.0 FTE for FY 2017-18 to create and fund a Technology Accessibility Coordinator position in the Office to work with employees and citizens to ensure that state technology can be used by people with disabilities.

**NATIVE AMERICAN HEALTH SERVICES COORDINATION:** The appropriation includes an increase of \$67,090 General Fund and 0.9 FTE in the Office of the Lieutenant Governor's Commission of Indian Affairs for FY 2017-18 to lead an initiative to coordinate health care issues between Medicaid providers, the federal Indian Health Services (IHS) agency, and tribal governments. In cooperation with the Departments of Health Care Policy and Financing and Human Services, the goal of the initiative is to reduce travel time for Native Americans seeking affordable care at an IHS facility and to improve coordination of care between IHS facilities and outside providers. Poor coordination has resulted in Native Americans paying more for care or foregoing costly care.

**ADMINISTRATIVE COURTS ELECTRONIC CASE MANAGEMENT SYSTEM:** The appropriation includes an increase of \$54,429 reappropriated funds transferred from the Department of Personnel to the Governor's Office of Information Technology for FY 2017-18 to develop and implement a customized electronic case management system for the Office of Administrative Courts. The Office provides administrative law adjudication for the state, including state agencies, boards, and county departments.

**ENTERPRISE APPLICATIONS REALIGNMENT:** The appropriation includes a budget neutral transfer of appropriations between line items in the Governor's Office of Information Technology for FY 2017-18 to modify the current organizational structure of the unit providing support and maintenance for approximately 1,700 applications in 17 state agencies. The current organizational structure was based on a model of employees serving the needs of a specific application for a specific agency. As applications in use across agencies have been replaced with common technology tools used by all agencies, the need to budget at the agency-type level (e.g. health services) has been replaced with a need to budget at the technology-level (e.g. shared services vs. agency services).

**FILM INCENTIVES REDUCTION:** The appropriation eliminates \$2,250,000 General Fund for film incentives. After the reduction, the remaining funds for operations of the Colorado Office of Film, Television, and Media include \$750,000 General Fund and \$500,000 cash funds originating from limited gaming tax revenues.

**MARIJUANA OFFICE SUNSET:** The appropriation includes a decrease of \$103,030 cash funds from the Marijuana Tax Cash Fund and 1.0 FTE for FY 2017-18 to close the Office of Marijuana Coordination. The short-term work of the Office of Marijuana Coordination is approaching completion, and the remaining work related to the state's implementation of medical and recreational marijuana policy can be performed by agencies in conjunction with the Office of Governor.

**ADDITIONAL LEGISLATION:** For information on additional legislation, see the "Recent Legislation" section at the end of Part III of this department.

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# DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

The Department helps pay health and long-term care expenses for low-income and vulnerable populations. To assist with these costs the Department receives significant federal matching funds, but must adhere to federal rules regarding program eligibility, benefits, and other features, as a condition of accepting the federal money. The major programs administered by the Department include:

- **Medicaid** – serves people with low income and people needing long-term care
- **Children's Basic Health Plan** – provides a low-cost insurance option for children and pregnant women with income slightly higher than the Medicaid eligibility criteria
- **Colorado Indigent Care Program** – defrays a portion of the costs to providers of uncompensated and under-compensated care for people with low income, if the provider agrees to program requirements for discounting charges to patients on a sliding scale based on income
- **Old Age Pension Health and Medical Program** – serves elderly people with low income who qualify for a state pension but do not qualify for Medicaid or Medicare

The Department also performs functions related to improving the health care delivery system, including advising the General Assembly and the Governor, distributing tobacco tax funds through the Primary Care and Preventive Care Grant Program, financing Public School Health Services, and housing the Commission on Family Medicine Residency Training Programs.

## DEPARTMENT BUDGET: RECENT APPROPRIATIONS

FUNDING SOURCE	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
General Fund <sup>1</sup>	\$2,352,933,836	\$2,500,545,586	\$2,629,494,550	\$2,822,800,583
Cash Funds	902,103,342	1,167,365,312	1,022,925,553	1,217,646,986
Reappropriated Funds	6,104,791	17,072,325	15,426,584	77,268,980
Federal Funds	4,675,575,363	5,438,943,180	5,409,785,027	5,837,486,131
<b>TOTAL FUNDS</b>	<b>\$7,936,717,332</b>	<b>\$9,123,926,403</b>	<b>\$9,077,631,714</b>	<b>\$9,955,202,680</b>
Full Time Equiv. Staff	390.9	422.2	435.8	458.5

<sup>1</sup> Includes General Fund Exempt.

## GENERAL FACTORS DRIVING THE BUDGET

Funding for this department consists of 28.4 percent General Fund, 12.2 percent cash funds, 0.8 percent reappropriated funds, and 58.6 percent federal funds. Some of the major factors driving the Department's budget are discussed below.



## MEDICAID

Medicaid provides health insurance to people with low income and to people needing long-term care. Participants generally do not pay annual premiums<sup>1</sup> and copayments at the time of service are either nominal or not required. Administration and policy-making responsibilities for the program are shared between the federal and state governments.

**Medicaid** should not be confused with the similarly named **Medicare** that provides insurance for people who are elderly or have a specific eligible diagnosis regardless of income. Medicare is federally administered and financed with a combination of federal funds and annual premiums charged to participants. While the two programs are distinct, they do interact with each other as some people are eligible for both Medicaid, due to their income, and Medicare, due to their age. For these people (called "dual eligible"), Medicaid pays the Medicare premiums and may assist with copayments, depending on the person's income. Also, there are some differences in the coverage provided by Medicaid and Medicare. Most notably from a budgeting perspective, Medicaid covers long-term services and supports (LTSS) while Medicare coverage for LTSS is limited to post-acute care.

The federal government matches state expenditures for the Medicaid program. The federal match rate, called the Federal Medical Assistance Percentage (FMAP), can vary based on economic conditions in the state, the type of services being provided, and the population receiving services. For state fiscal year 2017-18 the average FMAP for the majority of Colorado Medicaid expenditures is 50.0 percent. For adults "newly eligible" pursuant to the federal Affordable Care Act, Colorado will receive a 95.0 percent federal match in calendar year 2017 and a 94.0 percent federal match in calendar year 2018 for an average match of 94.5 percent for the state fiscal year. The federal match is scheduled to step down in increments annually until it reaches 90 percent in calendar year 2020.

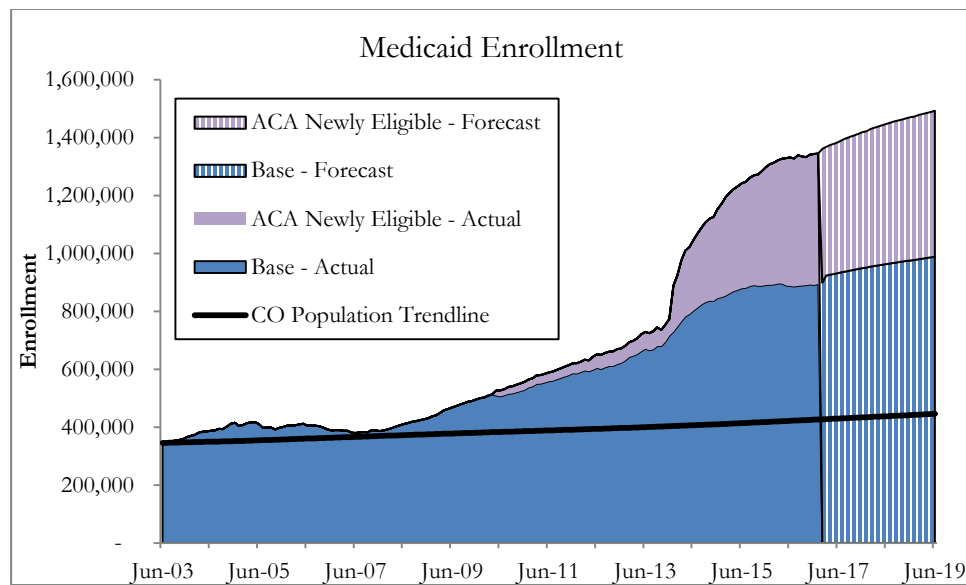
Medicaid generally operates as an entitlement program, meaning the people deemed eligible have a legal right to the plan benefits. As a result, if the eligible population and/or the eligible services utilized are greater than expected, then the state and federal government must pay the resulting higher cost, regardless of the initial appropriation. There are exceptions where federal waivers allow enrollment and/or expenditure caps for expansion populations and services. In the event that the State's Medicaid obligation is greater than anticipated, the Department has statutory authority to overexpend the Medicaid appropriation.<sup>2</sup>

The most significant factor affecting Medicaid expenditures is enrollment. Medicaid enrollment has increased significantly in recent years, due to increases in the state population, economic conditions that impact the number of people who meet the income eligibility criteria, and state and federal policy changes regarding eligibility. The following chart shows the actual and forecasted Colorado Medicaid population. The chart highlights the population that is "newly eligible" pursuant to the federal Affordable Care Act and therefore qualifies for the enhanced federal match. The "CO Population Trendline" shows the projected trajectory of enrollment if Medicaid had grown at the same rate as Colorado's population since June 2003.

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<sup>1</sup> The exception where participants would pay a premium is the voluntary "buy-in" program for people with disabilities whose income is above the standard Medicaid eligibility criteria but below 400 percent of the federal poverty guidelines.

<sup>2</sup> See Section 24-75-109 (1)(a), C. R. S.



## MEDICAL SERVICES PREMIUMS

Medical Services Premiums is a subset of Medicaid expenditures that pays for acute care services (such as physician visits, prescription drugs, and hospital visits) and long-term care services (provided within nursing facilities and community settings).<sup>3</sup> The Department contracts with health care providers through fee-for-service and managed care organizations in order to provide these services to eligible clients. Total costs for the program are driven by the number of clients, the costs of providing health care services, and the utilization of health care services.

The table below summarizes recent changes in enrollment, expenditures, and per capita costs by broad eligibility category. A more detailed breakout of enrollment and expenditures by eligibility category is available for FY 2016-17 and FY 2017-18 in Part III.

MEDICAL SERVICES PREMIUMS							
	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17 PROJ.	FY 17-18 PROJ.
<b>Medicaid Enrollment</b>							
Elderly	58,611	62,033	65,214	69,862	74,988	77,566	81,498
People with Disabilities	67,869	71,859	76,837	80,641	85,546	85,055	88,158
Adults	140,816	163,246	276,262	494,831	589,823	632,921	681,649
Children	352,667	385,856	442,644	515,872	546,629	557,528	568,962
<b>TOTAL Enrollment</b>	<b>619,963</b>	<b>682,994</b>	<b>860,957</b>	<b>1,161,206</b>	<b>1,296,986</b>	<b>1,353,070</b>	<b>1,420,267</b>
Percent Change	n/a	10.2%	26.1%	34.9%	11.7%	4.3%	5.0%
<b>Medical Services Premiums Expenditures</b>							
Elderly	\$831,250,052	\$865,395,490	\$926,387,416	\$991,476,023	\$1,064,612,128	\$1,145,331,977	\$1,215,049,465
People with Disabilities	987,152,066	1,034,033,614	1,171,010,351	1,240,011,362	1,362,315,393	1,479,426,432	1,601,515,547
Adults	513,121,713	611,667,325	991,963,184	1,819,184,764	2,145,557,380	2,280,947,909	2,462,953,598
Children	593,370,932	654,410,185	797,220,755	963,947,712	1,053,299,277	1,090,873,006	1,122,168,157
<b>Medical Services</b>	<b>\$2,924,894,763</b>	<b>\$3,165,506,614</b>	<b>\$3,886,581,706</b>	<b>\$5,014,619,861</b>	<b>\$5,625,784,178</b>	<b>\$5,996,579,324</b>	<b>\$6,401,686,767</b>
Percent Change		8.2%	22.8%	29.0%	12.2%	6.6%	6.8%
Booster Payments/ Financing	717,137,999	771,894,120	732,188,494	714,020,263	1,213,503,759	797,558,328	1,196,212,080
<b>TOTAL Expenditures</b>	<b>\$3,642,032,762</b>	<b>\$3,937,400,734</b>	<b>\$4,618,770,200</b>	<b>\$5,728,640,124</b>	<b>\$6,839,287,937</b>	<b>\$6,794,137,652</b>	<b>\$7,597,898,847</b>
Percent Change	n/a	8.1%	17.3%	24.0%	19.4%	(0.7%)	11.8%

<sup>3</sup> Medicaid expenditures not included in Medical Services Premiums are behavioral health services, long-term services and supports for people with intellectual and developmental disabilities, financing through the indigent care program, the State's obligation under the Medicare Modernization Act, programs administered by other departments, and department administration.

### MEDICAL SERVICES PREMIUMS

	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17 PROJ.	FY 17-18 PROJ.
<b>Per Capita Expenditures</b>							
Elderly	\$14,182	\$13,951	\$14,205	\$14,192	\$14,197	\$14,766	\$14,909
People with Disabilities	14,545	14,390	15,240	15,377	15,925	17,394	18,166
Adults	3,644	3,747	3,591	3,676	3,638	3,604	3,613
Children	1,683	1,696	1,801	1,869	1,927	1,957	1,972
<b>Overall</b>	<b>\$4,718</b>	<b>\$4,635</b>	<b>\$4,514</b>	<b>\$4,318</b>	<b>\$4,338</b>	<b>\$4,432</b>	<b>\$4,507</b>
Percent Change	n/a	(1.8%)	(2.6%)	(4.3%)	0.4%	2.2%	1.7%

### BEHAVIORAL HEALTH CAPITATION PAYMENTS

Behavioral health services, which include both mental health and substance use-related services, are generally provided to Medicaid clients through a statewide managed care or "capitated" program. The Department contracts with regional entities, known as behavioral health organizations (BHOs), to provide or arrange for behavioral health services for clients within their geographic region who are enrolled in the Medicaid program. In order to receive services through a BHO, a client must have a covered diagnosis and receive a covered service or procedure that is medically necessary.

The enrollment changes that are described in detail above for the Medical Services Premiums section also apply to services that are funded in this section, with two exceptions. Two Medicaid populations that are eligible for certain medical benefits are not eligible for behavioral health services: (1) non-citizens; and (2) adults who are eligible for both Medicaid and Medicare but for whom the Medicaid benefit is limited to payment of Medicare premiums and co-insurance payments.

Each BHO receives a pre-determined monthly amount for each Medicaid client who is eligible for behavioral health services within its geographic area. The "per-member-per-month" rates paid to each BHO are unique for each Medicaid eligibility category in each geographic region. These rates are adjusted periodically based on clients' actual utilization of behavioral health services and the associated expenditures.

Capitated behavioral health program expenditures are thus affected by changes in the number of individuals who are eligible for Medicaid, client utilization and the associated costs of providing behavioral health services, and changes to the Medicaid State Plan or waiver program that affect the diagnoses, services, and procedures that are covered for Medicaid clients. The State's share of expenditures is also affected by changes in the federal match rate for various eligibility categories. The following three tables show the year-over-year changes projected for FY 2017-18 in Medicaid enrollment, payments made to BHOs through the capitation program, and expenditures per capita by enrollment category.

### BEHAVIORAL HEALTH CAPITATION PROGRAM: ENROLLMENT

CATEGORY	FY 16-17 REVISED	FY 17-18	DIFFERENCE	PERCENT
Children to 147% FPL	537,252	548,506	11,254	2.1%
Adults w/out Dependent Children to 138% FPL	364,350	389,466	25,116	6.9%
Parents / Caretakers to 68% FPL; and Pregnant Adults to 200% FPL	180,383	208,397	28,014	15.5%
Parents / Caretakers 69% to 138% FPL	85,317	80,982	(4,335)	(5.1%)
Individuals with Disabilities to age 64 (to 450% FPL)	85,055	88,158	3,103	3.6%
Adults age 65+ (to SSI)	43,599	44,144	545	1.3%
Foster Care to 26 years	20,276	20,456	180	0.9%
Breast & Cervical Cancer to 250% FPL	318	253	(65)	(20.4%)
<b>TOTAL</b>	<b>1,316,550</b>	<b>1,380,362</b>	<b>63,812</b>	<b>4.8%</b>

### BEHAVIORAL HEALTH CAPITATION PROGRAM: ANNUAL EXPENDITURES

CATEGORY	FY 16-17 REVISED	FY 17-18	DIFFERENCE	PERCENT
Children to 147% FPL	\$127,841,665	\$133,470,884	\$5,629,219	4.4%
Adults w/out Dependent Children to 138% FPL	234,546,664	256,487,935	21,941,271	9.4%
Parents / Caretakers to 68% FPL; and Pregnant Adults to 200% FPL	62,649,359	74,012,336	11,362,977	18.1%
Parents / Caretakers 69% to 138% FPL	16,619,932	15,920,385	(699,547)	(4.2%)
Individuals with Disabilities to age 64 (to 450% FPL)	143,007,832	151,525,713	8,517,881	6.0%
Adults age 65+ (to SSI)	9,386,256	9,624,246	237,990	2.5%
Foster Care to 26 years	30,549,185	31,708,667	1,159,482	3.8%
Breast & Cervical Cancer to 250% FPL	110,472	89,900	(20,572)	(18.6%)
Date of death retractions	(984,347)	(885,913)	98,434	(10.0%)
Delivery system and payment reform	0	(26,717,069)	(26,717,069)	n/a
Rate reconciliations	(17,882,376)	(28,401,031)	(10,518,655)	58.8%
<b>TOTAL</b>	<b>\$605,844,642</b>	<b>\$616,836,053</b>	<b>\$10,991,411</b>	<b>1.8%</b>

### BEHAVIORAL HEALTH CAPITATION PROGRAM: ANNUAL PER CAPITA EXPENDITURES

CATEGORY	FY 16-17 REVISED	FY 17-18 REVISED	DIFFERENCE	PERCENT
Children to 147% FPL	\$238	\$243	\$5	2.3%
Adults w/out Dependent Children to 138% FPL	644	659	15	2.3%
Parents / Caretakers to 68% FPL; and Pregnant Adults to 200% FPL	347	355	8	2.3%
Parents / Caretakers to 138% FPL	195	197	2	0.9%
Individuals with Disabilities to age 64 (to 450% FPL)	1,681	1,719	37	2.2%
Adults age 65+ (to SSI)	215	218	3	1.3%
Foster Care to 26 years	1,507	1,550	43	2.9%
Breast & Cervical Cancer to 250% FPL	347	355	8	2.3%
<b>TOTAL <sup>1</sup></b>	<b>\$460</b>	<b>\$447</b>	<b>(\$13)</b>	<b>(2.9%)</b>

<sup>1</sup> While date of death retractions, rate reconciliations, and rate reductions that are reflected in the "Delivery system and payment reform" budget initiative appear in the Annual Expenditures table and are used to calculate the overall average per capita expenditure, staff has not attempted to reflect these bottom-line reductions by eligibility category.

## OFFICE OF COMMUNITY LIVING

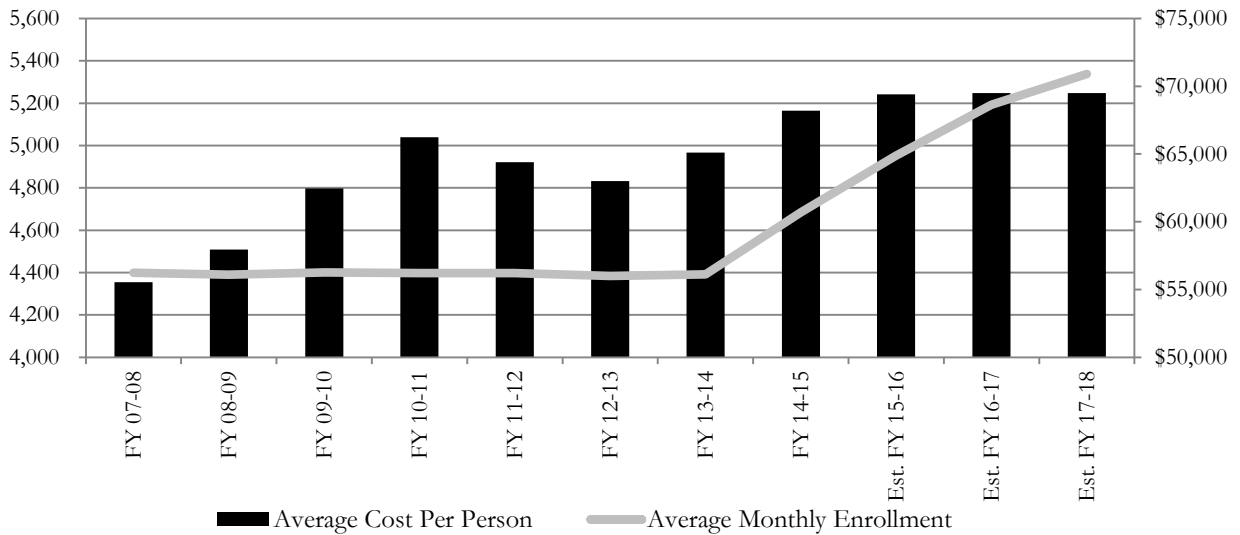
### DIVISION OF INTELLECTUAL AND DEVELOPMENTAL DISABILITIES

Intellectual and developmental disability waiver services are not subject to standard Medicaid State Plan service and duration limits. Instead, these services are provided under a Medicaid waiver program. As part of the waiver, Colorado is allowed to limit the number of waiver program participants which has resulted in a large number of individuals being unable to immediately access the services they need. Colorado has three Medicaid waivers for intellectual and developmental disability services:

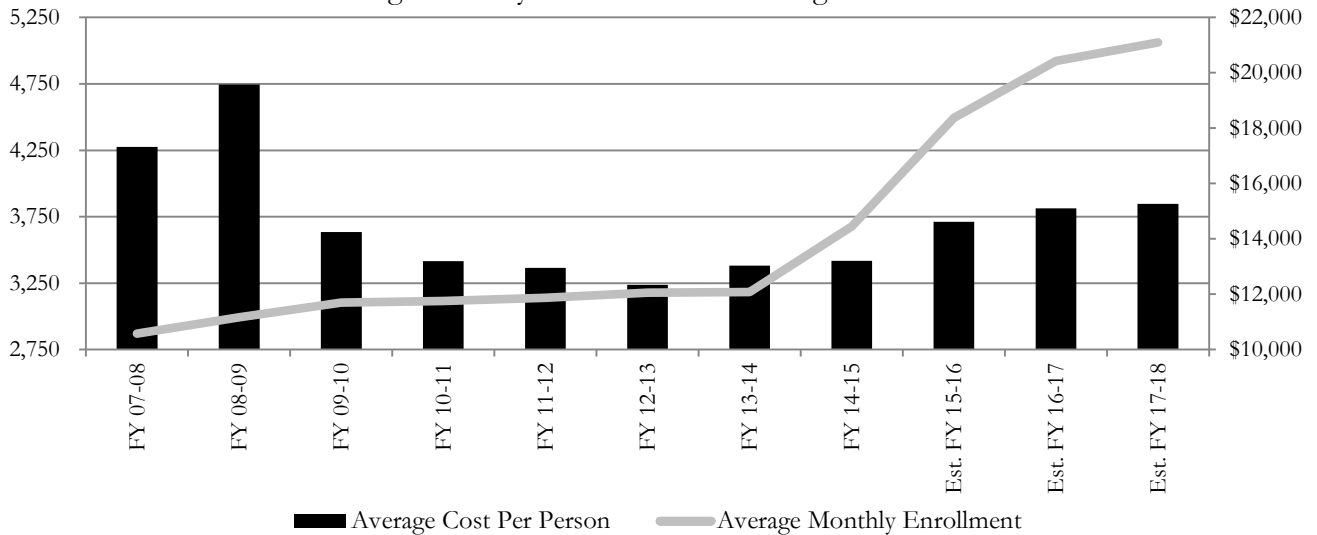
- Comprehensive waiver is for individuals over the age of eighteen who require residential and daily support services to live in the community.
- Supported Living Services waiver (SLS waiver) is for individuals over the age of eighteen who do not require residential services but require daily support services to live in the community.
- Children's Extensive Services waiver (also called the CES waiver or children's waiver) is for youth ages five to eighteen who do not require residential services but do require daily support services to be able to live in their family home.

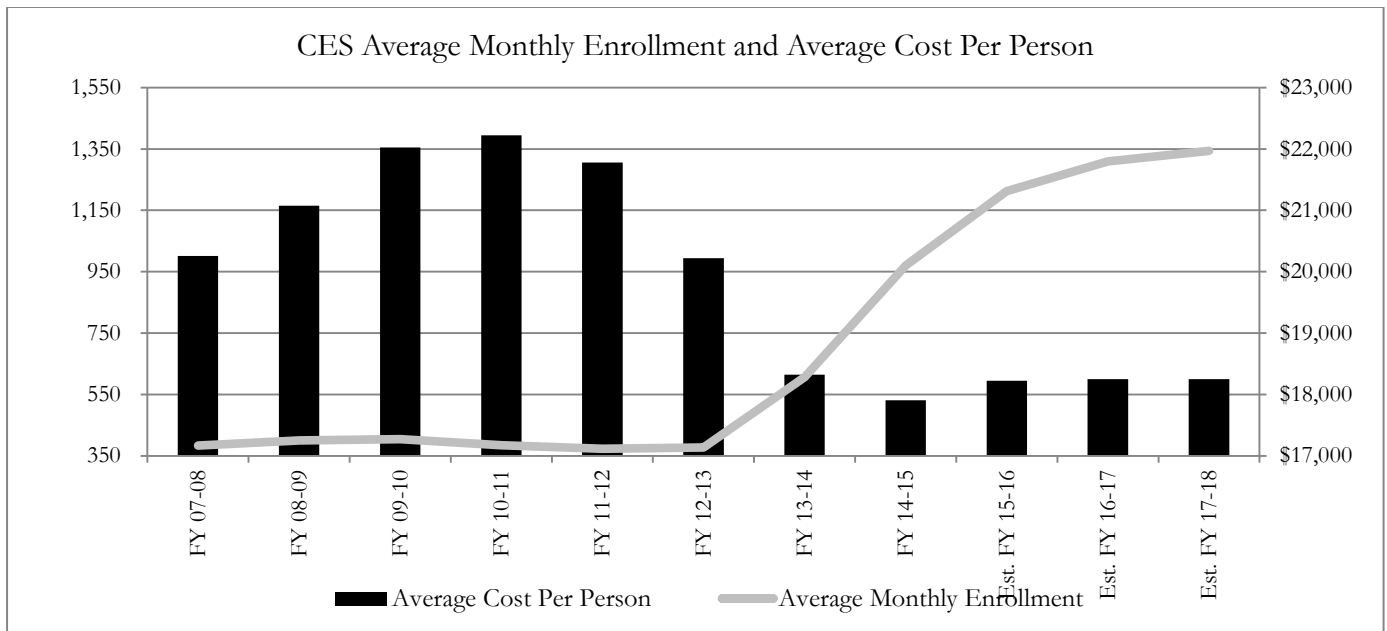
New enrollments have historically been funded for youth transitioning to adult services, individuals requiring services resulting from emergency situations, and all individuals eligible for the Supported Living Services (SLS) and Children's Extensive Services (CES) waivers. The following graphs illustrate the growth in adult and children enrollments respectively.

Comprehensive Average Monthly Enrollment and Average Cost Per Person



SLS Average Monthly Enrollment and Average Cost Per Person





### COMMUNITY PROVIDER RATE CHANGES

Two primary factors driving the Division's budget are the amount of services consumed and the cost of those services. As more individuals are served the total cost of services will increase. This increase is compounded either positively or negatively by adjustments made to provider rates through the annual budget process. For FY 2017-18 the appropriation includes an approximate 1.4 percent community provider rate increase which equates to a \$7,309,507 increase in funding for FY 2017-18 for line items in the Office of Community Living.

### INDIGENT CARE PROGRAM

The Indigent Care Program distributes Medicaid funds to hospitals and clinics that have uncompensated costs from treating uninsured or underinsured Coloradans. Unlike the rest of Medicaid, this is not an insurance program or an entitlement. Funding for this program is based on policy decisions at the state and federal levels and is not directly dependent on the number of individuals served or the cost of the services provided. The majority of the funding is from federal sources. State funds for the program come from provider fees paid by hospitals and the General Fund.

COLORADO INDIGENT CARE PROGRAM						
	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Actual	FY 2016-17 Appropriation	FY 2017-18 Appropriation
Safety Net Provider Payments	\$299,175,424	\$309,976,756	\$309,470,584	\$310,125,957	\$311,296,186	\$311,296,186
Clinic Based Indigent Care	6,119,760	6,119,760	6,119,760	6,119,760	6,119,760	6,119,760
Pediatric Specialty Hospital	11,799,938	11,799,938	13,455,012	13,455,012	13,455,012	13,455,012
<b>TOTAL</b>	<b>\$317,095,122</b>	<b>\$327,896,454</b>	<b>\$329,045,356</b>	<b>\$329,700,729</b>	<b>\$330,870,958</b>	<b>\$330,870,958</b>
General Fund	8,959,849	8,959,849	9,639,107	9,632,746	9,748,236	9,787,386
Cash Funds	154,988,378	152,391,319	153,201,150	152,556,889	155,073,238	155,648,093
Federal Funds	153,146,895	166,545,286	166,205,099	167,511,094	166,049,484	165,435,479
Total Funds Change	n/a	\$10,801,332	\$1,148,902	\$655,373	\$1,170,229	\$0
Percent Change	n/a	3.4%	0.4%	0.2%	0.4%	0.0%

## CHILDREN'S BASIC HEALTH PLAN

The Children's Basic Health Plan (marketed by the Department as the Children's Health Plan *Plus* and abbreviated as CHP+) complements the Medicaid program, providing low-cost health insurance for children and pregnant women in families with slightly more income than Medicaid eligibility criteria allow. Annual membership premiums are variable based on income, with an example being \$75 to enroll one child in a family earning 205 percent of the federal poverty guidelines. Coinsurance costs are nominal. Federal funds pay 65.0 percent of the program costs not covered by member contributions, and state funds pay the remaining 35.0 percent as a match. CHP+ typically receives approximately \$28 million in revenue from the Tobacco Master Settlement Agreement, and the remaining state match comes from the General Fund.

Enrollment in CHP+ is highly changeable, in part because eligibility for the program is sandwiched between an upper income limit and a lower income limit below which an applicant is eligible for Medicaid and not eligible for CHP+. In addition, the program has experienced frequent adjustments to state and federal eligibility criteria and to administrative procedures for handling eligibility determinations that have impacted enrollment.

CHILDREN'S BASIC HEALTH PLAN			
	TOTAL	CHILDREN	PRENATAL
FY 2016-17			
Caseload	63,922	63,129	793
Per Capita	\$2,558	\$2,431	\$12,688
Expenditures	\$163,508,110	\$153,446,507	\$10,061,603
Recoveries/disallowances	\$2,501,956		
TOTAL	\$166,010,066		
FY 2017-18			
Caseload	69,803	69,011	792
Per Capita	\$2,567	\$2,447	\$13,013
Expenditures	\$179,152,084	\$168,845,912	\$10,306,172
Recoveries/disallowances	\$621,616		
TOTAL	\$179,773,700		
Difference			
Caseload	5,881	5,882	(1)
Per Capita	\$9	\$16	\$325
Expenditures	\$15,643,974	\$15,399,405	\$244,569
Percent Difference			
Caseload	9.2%	9.3%	(0.1%)
Per Capita	0.3%	0.7%	2.6%
Expenditures	9.6%	10.0%	2.4%

## MEDICARE MODERNIZATION ACT STATE CONTRIBUTION

The federal Medicare Modernization Act requires states to reimburse the federal government for a portion of prescription drug costs for people dually eligible for Medicare and Medicaid. In 2006 Medicare took over responsibility for these drug benefits, but to defray federal costs the federal legislation required states to make an annual payment based on a percentage of what states would have paid for this population in Medicaid, as estimated by a federal formula. This payment is sometimes referred to as the "clawback." In recent years, in order to offset General Fund costs, Colorado has applied bonus payments received from the federal government for meeting performance goals in CHP+ toward this obligation. The table below summarizes Colorado's payments to the federal government.

MEDICARE MODERNIZATION ACT STATE CONTRIBUTION					
FISCAL YEAR	TOTAL FUNDS	GENERAL FUND	FEDERAL FUNDS	TOTAL CHANGE	PERCENT CHANGE
FY 08-09	\$73,720,837	\$73,720,837	\$0	n/a	n/a
FY 09-10	57,624,126	57,624,126	0	(16,096,711)	-21.8%
FY 10-11	72,377,768	72,377,768	0	14,753,642	25.6%
FY 11-12	93,582,494	93,582,494	0	21,204,726	29.3%
FY 12-13	101,817,855	52,136,848	49,681,007	8,235,361	8.8%
FY 13-14	106,376,992	68,306,130	38,070,862	4,559,137	4.5%
FY 14-15	107,620,224	107,190,799	429,425	1,243,232	1.2%
FY 15-16	114,014,334	114,014,334	0	6,394,110	5.9%
FY 16-17 proj.	132,037,056	132,037,056	0	18,022,722	15.8%
FY 17-18 proj.	150,341,733	150,341,733	0	18,304,677	13.9%

## DEPARTMENT OF HUMAN SERVICES MEDICAID-FUNDED PROGRAMS

Many programs administered by the Department of Human Services (DHS) qualify for Medicaid funding. The federal government requires that one state agency receive all federal Medicaid funding. Therefore, the state and federal funding for all DHS programs that qualify for Medicaid funding is first appropriated in the Department of Health Care Policy and Financing and then transferred to DHS (as reappropriated funds). For detail regarding the changes in the Department of Human Services Medicaid-Funded programs, please see the Department of Human Services section of this report.

## APPROPRIATION HIGHLIGHTS - 2017 LEGISLATIVE SESSION

DEPARTMENT OF HEALTH CARE POLICY AND FINANCING						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$9,059,846,783	\$2,660,581,107	\$985,068,901	\$12,406,599	\$5,401,790,176	432.0
SB 16-027	(29,917)	(9,084)	(409)	0	(20,424)	0.0
SB 16-038	60,416	0	30,208	0	30,208	1.0
SB 16-120	188,000	35,350	3,450	0	149,200	0.0
SB 16-192	277,573	0	138,787	0	138,786	1.8
SB 16-199	225,000	0	225,000	0	0	0.0
HB 16-1097	(136,943)	(9,827)	(2,549)	0	(124,567)	0.0
HB 16-1277	25,000	2,500	0	0	22,500	0.0
HB 16-1321	138,027	0	13,803	0	124,224	0.0
HB 16-1407	592,703	245,639	0	0	347,064	1.0
HB 16-1408	55,694,236	(6,451,471)	27,008,330	0	35,137,377	0.0
SB 17-162	105,183,141	17,375,712	15,420,744	3,289,379	69,097,306	0.0
SB 17-254	(144,432,305)	(42,275,376)	(4,980,712)	(269,394)	(96,906,823)	0.0
<b>TOTAL</b>	<b>\$9,077,631,714</b>	<b>\$2,629,494,550</b>	<b>\$1,022,925,553</b>	<b>\$15,426,584</b>	<b>\$5,409,785,027</b>	<b>435.8</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$9,077,631,714	\$2,629,494,550	\$1,022,925,553	\$15,426,584	\$5,409,785,027	435.8
Enrollment/utilization trends						
Medical Services Premiums	633,834,285	107,799,298	164,816,795	(71,665)	361,289,857	0.0
Office of Community Living	27,917,368	14,965,246	(125,422)	0	13,077,544	0.0
Medicare Modernization Act	17,222,134	17,222,134	0	0	0	0.0
Children's Basic Health Plan	13,763,634	(1,880,340)	(1,167,848)	0	16,811,822	0.0
Behavioral Health	11,391,752	3,326,685	394,295	0	7,670,772	0.0
Public School Health Services	<u>(908,563)</u>	<u>0</u>	<u>(445,046)</u>	<u>0</u>	<u>(463,517)</u>	<u>0.0</u>
<i>Subtotal - Enrollment/ utilization trends</i>	<i>703,220,610</i>	<i>141,433,023</i>	<i>163,472,774</i>	<i>(71,665)</i>	<i>398,386,478</i>	<i>0.0</i>



DEPARTMENT OF HEALTH CARE POLICY AND FINANCING						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Eligibility/benefit changes						
OT/PT Limits	2,321,083	468,510	83,437	0	1,769,136	0.0
Postpartum depression screening	<u>90,423</u>	<u>45,212</u>	<u>0</u>	<u>0</u>	<u>45,211</u>	<u>0.0</u>
<i>Subtotal - Eligibility/benefit changes</i>	<i>2,411,506</i>	<i>513,722</i>	<i>83,437</i>	<i>0</i>	<i>1,814,347</i>	<i>0.0</i>
Provider rate changes						
CU School of Medicine booster payment	123,733,356	0	0	61,866,677	61,866,679	3.0
Primary care rate bump	54,085,240	18,846,157	936,326	0	34,302,757	0.0
Community provider rate	43,421,410	15,097,924	1,428,789	0	26,894,697	0.0
Home care provider rates	15,990,730	7,863,481	43,571	0	8,083,678	0.0
Transportation service rates	4,882,669	1,647,446	167,926	0	3,067,297	0.0
Local Public Health Agency partnerships	711,000	355,500	0	0	355,500	0.0
Vaccine stock rates	(994,353)	(250,958)	(32,899)	0	(710,496)	0.0
Office-administered drugs	<u>(485,033)</u>	<u>(131,605)</u>	<u>(20,039)</u>	<u>0</u>	<u>(333,389)</u>	<u>0.0</u>
<i>Subtotal - Provider rate changes</i>	<i>241,345,019</i>	<i>43,427,945</i>	<i>2,523,674</i>	<i>61,866,677</i>	<i>133,526,723</i>	<i>3.9</i>
Federal match changes						
Standard federal match	774,463	9,624,853	1,366,981	6,020	(10,223,391)	0.0
Expansion populations federal match	<u>0</u>	<u>0</u>	<u>53,665,567</u>	<u>0</u>	<u>(53,665,567)</u>	<u>0.0</u>
<i>Subtotal - Federal match changes</i>	<i>774,463</i>	<i>9,624,853</i>	<i>55,032,548</i>	<i>6,020</i>	<i>(63,888,958)</i>	<i>0.0</i>
MMIS Operations	24,995,100	(540,063)	3,491,383	(6,584)	22,050,364	1.8
Vendor transitions	2,598,458	929,629	369,600	0	1,299,229	0.0
Centrally appropriated line items	1,628,451	372,237	108,882	351,824	795,508	0.0
Transfers to other state agencies	1,554,580	558,457	0	0	996,123	0.0
Long-term care utilization management	1,030,568	257,644	(9,219)	0	782,143	0.0
Oversight of state resources	949,476	(1,768,797)	(186,087)	0	2,904,360	11.4
Regional Center task force	894,425	209,878	0	0	684,547	1.8
Cross System Response Pilot spending	709,311	0	1,017,540	(308,229)	0	0.0
Quality surveys/performance improvement	639,237	280,869	0	0	358,368	0.0
Pueblo Regional Center corrective action	515,003	257,502	0	0	257,501	1.8
Hospital transformation study	500,000	0	250,000	0	250,000	0.0
Tobacco forecast adjustment	498,584	0	498,584	0	0	0.0
CO Benefits Management System	73,522	(930,212)	757,510	(2,349)	248,573	0.0
Service option platform	50,000	0	50,000	0	0	0.0
Annualize prior year budget actions	(101,454,669)	1,021,965	(32,872,961)	6,702	(69,610,375)	0.3
Human Services programs	(6,336,882)	(3,181,313)	22,761	0	(3,178,330)	0.0
<b>SB 17-254</b>	<b>\$9,954,228,476</b>	<b>\$2,821,961,889</b>	<b>\$1,217,535,979</b>	<b>\$77,268,980</b>	<b>\$5,837,461,628</b>	<b>456.8</b>
SB 17-091	2,211,530	1,025,567	18,216	0	1,167,747	0.0
SB 17-121	283,781	95,662	46,228	0	141,891	0.7
SB 17-256	(528,200,000)	0	(264,100,000)	0	(264,100,000)	0.0
SB 17-267	526,381,099	(320,035)	264,035,165	0	262,665,969	0.0
HB 17-1343	222,794	0	111,398	0	111,396	1.0
HB 17-1351	75,000	37,500	0	0	37,500	0.0
<b>TOTAL</b>	<b>\$9,955,202,680</b>	<b>\$2,822,800,583</b>	<b>\$1,217,646,986</b>	<b>\$77,268,980</b>	<b>\$5,837,486,131</b>	<b>458.5</b>
<b>INCREASE/(DECREASE)</b>	<b>\$877,570,966</b>	<b>\$193,306,033</b>	<b>\$194,721,433</b>	<b>\$61,842,396</b>	<b>\$427,701,104</b>	<b>22.7</b>
Percentage Change	9.7%	7.4%	19.0%	400.9%	7.9%	5.2%

## FY 2016-17 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 17-162 includes a net increase of \$105.2 million to existing FY 2016-17 appropriations, including \$17.4 million General Fund, primarily for revised caseload and expenditure estimates for the following programs:

- Medical Services Premiums – An increase of \$126.3 million total funds, including \$24.5 million General Fund, for medical services and long-term services and supports provided through Medicaid
- Children's Basic Health Plan – An increase of \$15.6 million total funds for children and pregnant women enrolled in the Children's Basic Health Plan

- Public School Health Services – An increase of \$9.4 million total funds for expenditures by school districts and Boards of Cooperative Education Services (BOCES) in support of Medicaid eligible children with an Individual Education Plan (IEP) or Individualized Family Services Plan (IFSP)
- Medicare Modernization Act – An increase of \$1.4 million General Fund in reimbursements to the federal government for prescription drugs for people eligible for both Medicaid and Medicare
- Behavioral health programs – A decrease of \$56.4 million total funds, including \$6.4 million General Fund, for the capitation and fee-for-service Medicaid behavioral health programs

In addition to the changes for revised caseload and expenditure estimates, S.B. 17-162 includes: an increase of \$5.1 million total funds to reimburse Connect for Health Colorado for activities related to determining eligibility for Medicaid and the Children's Basic Health Plan (CHP+); an increase of \$4.7 million cash funds from the Intellectual and Developmental Disability Services Cash Fund for a one-time Supported Living Services provider sustainability payment; a net decrease of \$1.2 million total funds, including \$2.1 million General Fund, for the Colorado Benefits Management System; and miscellaneous other changes.

Senate Bill 17-254 includes a net decrease of \$144.4 million to existing FY 2016-17 appropriations, including a decrease of \$42.3 million General Fund, primarily for the following programs based on revised caseload and expenditure estimates:

- Medical Services Premiums – A net decrease of \$150.4 million total funds, including a decrease of \$30.6 million General Fund, for medical services and long-term services and supports provided through Medicaid
- Children's Basic Health Plan – A net increase of \$8.9 million total funds for children and pregnant women enrolled in the Children's Basic Health Plan
- Behavioral health programs – A net increase of \$8.1 million total funds, including a decrease of \$6.8 million General Fund, for the capitation and fee-for-service Medicaid behavioral health programs
- Office of Community Living – A net decrease of \$8.7 million total funds, including \$3.8 million General Fund, for home- and community-based services for people with intellectual and developmental disabilities
- Medicare Modernization Act – A decrease of \$1.1 million General Fund in reimbursements to the federal government for prescription drugs for people eligible for both Medicaid and Medicare

## FY 2017-18 APPROPRIATION HIGHLIGHTS

**ENROLLMENT/UTILIZATION TRENDS:** The appropriation includes a net increase of \$703.2 million, including an increase of \$141.4 million General Fund, based on the projected caseload and expenditures under current law and policy for the following programs:

- Medical Services Premiums – An increase of \$633.8 million total funds, including an increase of \$107.8 million General Fund, for medical services and long-term services and supports provided through Medicaid
- Office of Community Living – An increase of \$27.9 million total funds, including \$15.0 million General Fund, for home- and community-based services for people with intellectual and developmental disabilities
- Medicare Modernization Act – An increase of \$17.2 million General Fund for reimbursements to the federal government for prescription drugs for people eligible for both Medicaid and Medicare
- Children's Basic Health Plan – A net increase of \$13.8 million total funds, including a decrease of \$1.9 million General Fund, for children and pregnant women enrolled in the Children's Basic Health Plan
- Behavioral Health – An increase of \$11.4 million total funds, including \$3.3 million General Fund, for the capitation and fee-for-service Medicaid behavioral health programs

- Public school health services – A decrease of \$0.9 million based on expected certified public expenditures by school districts and boards of cooperative education for public school health services

**ELIGIBILITY/BENEFIT CHANGES:** The appropriation includes an increase of \$2.4 million total funds, including \$513,722 General Fund, for the following changes to eligibility and/or benefits:

- OT/PT limits – An increase of \$2.3 million total funds, including \$468,510 General Fund, to allow exceptions to a 12 hour annual cap on occupational therapy (OT) and physical therapy (PT) when medically necessary
- Postpartum depression screening – An increase of \$90,423 total funds, including \$45,212 General Fund, to increase the number of billable postpartum depression screenings from one to three within one year

**PROVIDER RATE CHANGES:** The appropriation includes an increase of \$241.3 million total funds, including \$43.4 million General Fund, and 3.9 FTE, for the following changes to provider rates:

- CU School of Medicine booster payment – An increase of \$123.7 million total funds and 3.0 FTE for increased Medicaid payments to physicians employed by the University of Colorado School of Medicine, associated administrative costs, and increased family medicine residencies. The source of the state match for the Medicaid funds is a transfer from existing General Fund appropriations to the Department of Higher Education. The expectation is that a portion of the money paid to the physicians will be transferred back to the University of Colorado to make the School of Medicine whole, resulting in a net benefit to the physicians, after accounting for the associated administrative costs and increased family medicine residencies, of \$61.5 million. The Department anticipates the additional money for the physicians will be used to increase access for Medicaid clients, especially to specialty care and with a component focused on care in rural settings.
- Primary care rate bump – An increase of \$54.1 million, including \$18.8 million General Fund, to extend an increase in primary care rates that was authorized in H.B. 16-1408 (Tobacco/Marijuana Allocations). In H.B. 16-1408 the primary care rate bump<sup>4</sup> was financed with a one-time cash fund transfer of tobacco master settlement money.
- Community provider rate – An increase of \$43.4 million, including \$15.1 million General Fund, for an across-the-board increase for most community providers of approximately 1.4 percent. Excluded from the calculation are certain primary care, home care, and transportation rates that are receiving targeted rate increases.
- Home care provider rates – An increase of \$16.0 million total funds, including \$7.9 million General Fund, to increase certain home care rates as follows:

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<sup>4</sup> The primary care rate bump began in January 2013 when the federal Affordable Care Act (ACA) required states to temporarily increase Medicaid primary care rates to match Medicare rates in order to ensure an adequate number of primary care providers for the Medicaid expansion. The rate bump was fully funded with federal funds for two years from January 2013 through December 2014. Colorado extended the rate bump, with modifications, for another 1.5 years (through June 2016) using the General Fund savings from a short-term increase in the federal match rate for Medicaid that occurred as a result of the downturn in Colorado's economy. In FY 2016-17 the estimated General Fund cost of continuing the full rate bump was \$49.5 million, but the General Assembly instead approved a one-time cash funds transfer (in H.B. 16-1408) of \$20 million from tobacco settlement money to continue a portion of the rate bump. It is this reduced funding level that would be extended.

INCREASE HOMEMAKER AND PERSONAL CARE RATES BY \$0.50 AND ASSOCIATED CONSUMER DIRECTED SERVICES BY \$0.50						
ITEM	CURRENT	PROPOSED	INCREASE	TOTAL FUNDS	GENERAL FUND	FEDERAL FUNDS
Homemaker	\$17.00	\$17.50	\$0.50	\$952,915	\$476,458	\$476,457
Personal Care	\$17.00	\$17.50	\$0.50	4,157,661	2,078,831	2,078,830
<b>Subtotal</b>				<b>\$5,110,576</b>	<b>\$2,555,289</b>	<b>\$2,555,287</b>
Consumer Directed Services						
CDASS - Homemaker <sup>1</sup>	\$15.44	\$15.94	\$0.50	\$973,722	\$486,861	\$486,861
CDASS - Personal Care <sup>1</sup>	\$15.44	\$15.94	\$0.50	2,048,983	1,024,492	1,024,491
IHSS - Homemaker	\$17.00	\$17.50	\$0.50	61,866	30,933	30,933
IHSS - Personal Care	\$17.00	\$17.50	\$0.50	199,960	99,980	99,980
<b>Subtotal</b>				<b>\$3,284,531</b>	<b>\$1,642,266</b>	<b>\$1,642,265</b>
<b>TOTAL</b>				<b>\$8,395,107</b>	<b>\$4,197,555</b>	<b>\$4,197,552</b>

<sup>1</sup> Estimates based on the Department's fee schedule. Actuals may vary.

INCREASE CERTAIN HOME HEALTH AND LPN PRIVATE DUTY NURSING RATES BY 1/3 OF THE COST TO REACH 90% OF MEDICARE LUPA							
ITEM	CURRENT	PROPOSED	INCREASE	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FEDERAL FUNDS
Skilled Nursing	\$103.63	\$109.87	\$6.24				
Physical Therapist	\$113.34	\$120.15	\$6.81				
Occupational Therapist	\$114.06	\$120.93	\$6.87				
Speech Therapist	\$123.16	\$130.56	\$7.40				
Home Health				\$6,283,910	\$3,010,069	\$43,571	\$3,230,270
Private Duty Nursing	\$30.81	\$33.04	\$2.23	\$1,311,713	\$655,857	\$0	\$655,856
<b>TOTAL</b>				<b>\$7,595,623</b>	<b>\$3,665,926</b>	<b>\$43,571</b>	<b>\$3,886,126</b>

- Transportation service rates – An increase of \$4.9 million total funds, including \$1.6 million General Fund, for a rate increase of approximately 7.0 percent for transportation services.
- Local Public Health Agency partnerships – An increase of \$711,000 total funds, including \$355,500 General Fund, to finance four partnerships between Local Public Health Agencies and the Accountable Care Collaborative so they can work collaboratively with each other to address health outcomes of the common Medicaid population they are serving through their respective programs. There is a corresponding adjustment in the Department of Public Health and Environment for a decrease in General Fund to offset the increase in the Department of Health Care Policy and Financing. The net effect of both adjustments is to increase federal financing for Local Public Health Agencies by \$355,500 with no change in statewide General Fund.
- Vaccine stock rates – A net decrease of \$994,353 total funds, including \$250,958 General Fund, for annually updating rates for vaccines based on retail rates published by the federal Centers for Disease Control. Annually updating vaccine rates will capture decreases in price that often occur when patents expire and generics are introduced, resulting in a projected net savings, even as the rates for some vaccines increase.
- Office-administered drugs – A net decrease of \$485,033 total funds, including \$131,605 General Fund, and an increase of 0.9 FTE for periodically updating rates for office-administered drugs. The net fiscal impact is the result of a projected increase in expenditures for drugs of \$39,320 total funds, including \$11,586 General Fund, an increase of \$55,097 total funds, including \$27,549 General Fund, for 0.9 FTE to manage the office-administered drugs benefit, and an offsetting decrease of \$579,450 total funds, including \$170,740 General

Fund, from people migrating from receiving these drugs in more expensive settings, such as hospitals, to receiving them during a physician visit. There may also be an increase in utilization that results in savings as these long-acting drugs are more effective at controlling symptoms that can result in hospitalizations than alternatives, but the appropriation does not attempt to estimate this impact.

**FEDERAL MATCH CHANGES:** The appropriation includes an increase of \$774,463 total funds, including \$9.6 million General Fund, to reflect changes in the standard federal match rate for Medicaid and the Children’s Basic Health Plan, and the enhanced federal match rate for expansion populations. The standard federal match rate is calculated based on state per capita income relative to the national average, and Colorado’s federal match is projected to decrease from 50.02 to the federal minimum of 50.0 percent due to improvements in Colorado’s economy. The enhanced federal match for expansion populations is scheduled to decrease annually based on provisions in the Affordable Care Act until it reaches 90 percent in 2020. The state share of costs for the expansion populations is paid from provider fees charged to hospitals. The reason the changes to the federal match are not a net zero impact to total funds is that the federal match rate affects how much the state owes the federal government for prescription drugs for people dually eligible for Medicaid and Medicare pursuant to the Medicare Modernization Act. The tables below summarize changes in the federal match rate.

STANDARD MEDICAID FEDERAL MATCH					
STATE	AVE.	FEDERAL MATCH BY QUARTER (OF STATE FISCAL YEAR)			
FISCAL YEAR	MATCH	Q1-JULY	Q2-OCTOBER	Q3-JANUARY	Q4-APRIL
FY 13-14	50.00	50.00	50.00	50.00	50.00
FY 14-15	50.76	50.00	51.01	51.01	51.01
FY 15-16	50.79	51.01	50.72	50.72	50.72
FY 16-17	50.20	50.72	50.02	50.02	50.02
FY 17-18	<i>50.00</i>	50.02	<i>50.00</i>	<i>50.00</i>	<i>50.00</i>
FY 18-19	<i>50.00</i>	<i>50.00</i>	<i>50.00</i>	<i>50.00</i>	<i>50.00</i>

*Italicized figures are projections.*

STANDARD CHP+ FEDERAL MATCH					
STATE	AVE.	FEDERAL MATCH BY QUARTER (OF STATE FISCAL YEAR)			
FISCAL YEAR	MATCH	Q1-JULY	Q2-OCTOBER	Q3-JANUARY	Q4-APRIL
FY 13-14	65.00	65.00	65.00	65.00	65.00
FY 14-15	65.53	65.00	65.71	65.71	65.71
FY 15-16	82.80	65.71	88.50	88.50	88.50
FY 16-17	88.14	88.50	88.01	88.01	88.01
FY 17-18	88.00	88.01	<i>88.00</i>	<i>88.00</i>	<i>88.00</i>
FY 18-19	<i>88.00</i>	<i>88.01</i>	<i>88.00</i>	<i>88.00</i>	<i>88.00</i>

*Italicized figures are projections.*

EXPANSION POPULATIONS FEDERAL MATCH					
STATE	AVE.	FEDERAL MATCH BY QUARTER (OF STATE FISCAL YEAR)			
FISCAL YEAR	MATCH	Q1-JULY	Q2-OCTOBER	Q3-JANUARY	Q4-APRIL
FY 14-15	n/a	n/a	n/a	100.00	100.00
FY 15-16	100.00	100.00	100.00	100.00	100.00
FY 16-17	97.50	100.00	100.00	95.00	95.00
FY 17-18	94.50	95.00	95.00	94.00	94.00
FY 18-19	93.50	94.00	94.00	93.00	93.00
FY 19-20	91.50	93.00	93.00	90.00	90.00
FY 20-21	90.00	90.00	90.00	90.00	90.00

**MMIS OPERATIONS:** The appropriation includes \$25.0 million total funds, including a reduction of \$540,063 General Fund, and an increase of 1.8 FTE for updated estimates of the costs and federal match rates associated with the new Medicare Management Information System (MMIS). The changes are to account for a delay in implementation, changes in estimated costs for certain components, new federally required features, and revised estimates of fund sources and federal financial participation levels. The table below summarizes projected changes by fiscal year.

MMIS OPERATIONS				
	FY 16-17	FY 17-18	FY 18-19	FY 19-20
Total	(\$1,495,480)	\$23,499,620	\$5,707,012	\$5,707,012
FTE	0.0	1.8	2.0	2.0
General Fund	(32,549)	(572,612)	(1,641,310)	(1,656,576)
Cash Funds	(537,805)	2,953,578	2,253,604	2,286,321
Reappropriated Funds	(269,394)	(275,978)	(281,168)	(281,146)
Federal Funds	(655,732)	21,394,632	5,375,886	5,358,413

**VENDOR TRANSITIONS:** The appropriation includes \$2.6 million total funds, including \$929,629 General Fund, in one-time funding to allow overlap between outgoing and new vendors, in order to minimize service disruptions. Vendor services being re-procured in FY 2017-18 include the Accountable Care Collaborative, the enrollment broker that provides information to newly eligible Medicaid clients regarding their plan choices, and the Medicaid managed care ombudsman that assists members with complaints.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes \$1.6 million total funds, including \$372,237 General Fund, for adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; shift differential; salary survey; merit pay; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; Capitol complex leased space; payments to the Governor's Office of Information Technology (OIT); and CORE operations.

**TRANSFERS TO OTHER STATE AGENCIES:** The appropriation includes \$1.6 million total funds, including \$558,457 General Fund, for transfers to programs administered by other departments. Most of the changes are related to centrally appropriated line items and indirect cost recoveries in the Department of Public Health and Environment for the Facility Survey and Certification program.

**LONG-TERM CARE UTILIZATION MANAGEMENT:** The appropriation includes a net increase of \$1.0 million total funds, including \$257,644 General Fund, to contract with a quality improvement organization and thereby qualify for an enhanced federal match for services.

**OVERSIGHT OF STATE RESOURCES:** The appropriation includes a net increase of \$949,476 total funds, including a decrease of \$1.8 million General Fund, and an increase of 11.4 FTE for a number of initiatives related to the oversight of state resources.

OVERSIGHT OF STATE RESOURCES					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FEDERAL FUNDS	FTE
Electronic verification of assets	\$429,183	\$214,592	\$0	\$214,591	0.0
Consumer directed care evaluation	422,000	211,000	0	211,000	0.0
Project management staff	164,009	71,756	0	92,253	3.0
Audits of Community Mental Health Centers	204,000	102,000	0	102,000	0.0
Investigate fraud and abuse	<u>(471,888)</u>	<u>(53,796)</u>	<u>(86,696)</u>	<u>(331,396)</u>	<u>5.5</u>
<i>Investigators</i>	390,547	195,276	0	195,271	5.5
<i>Anticipated cost savings</i>	<u>(862,435)</u>	<u>(249,072)</u>	<u>(86,696)</u>	<u>(526,667)</u>	<u>0.0</u>
Native American health services	<u>134,179</u>	<u>(2,314,349)</u>	<u>(133,388)</u>	<u>2,581,916</u>	<u>1.9</u>
<i>Staff coordinators</i>	134,179	67,090	0	67,089	1.9
<i>Increased federal match</i>	0	<u>(2,381,439)</u>	<u>(133,388)</u>	2,514,827	0.0
Hospital Provider Fee model resources	67,993	0	33,997	33,996	1.0
<b>TOTAL</b>	<b>\$949,476</b>	<b>(\$1,768,797)</b>	<b>(\$186,087)</b>	<b>\$2,904,360</b>	<b>11.4</b>

**REGIONAL CENTER TASK FORCE:** The appropriation includes \$894,425 total funds, including \$209,878 General Fund, and 1.8 FTE to: (1) provide intensive case management to people with intellectual and developmental disabilities who are transitioning from an Intermediate Care Facility or Regional Center to the community and to continue that service for one year after their transition; and (2) provide staff for the Department to continue working on implementation of the recommendations of the Regional Center Task Force.

**CROSS SYSTEM RESPONSE PILOT SPENDING:** The appropriation includes \$709,311 total funds for the Cross-system Response for Behavioral Health Crisis Pilot Program and makes technical changes to the structure of the appropriation.

**QUALITY SURVEYS/PERFORMANCE IMPROVEMENT:** The appropriation includes \$639,237 total funds, including \$280,869 General Fund, to conduct member satisfaction surveys aimed at improving quality of care and to validate performance improvement projects conducted by managed care organizations.

**PUEBLO REGIONAL CENTER CORRECTIVE ACTION:** The appropriation includes \$515,003 total funds, including \$257,502 General Fund, and 1.8 FTE for the Pueblo Regional Center corrective action plan. The funding will be used to hire a contractor to: conduct a statewide review of the home- and community-based services comprehensive waiver, including regulations, businesses processes, and compliance; hire an independent monitor and internal review and data collections contractor to oversee the work by the Department of Human Services to bring the Pueblo Regional Center into compliance with waiver and safety regulations; and hire a staffing contractor to oversee the training and staffing plan for the Pueblo Regional Center. The contractors will be overseen by the 1.8 FTE.

**HOSPITAL TRANSFORMATION STUDY:** The appropriation includes \$500,000 total funds to study a potential federal waiver that would change the way supplemental payments are made to hospitals in order to provide incentives for delivery system reform.

**TOBACCO FORECAST ADJUSTMENT:** The appropriation includes an increase of \$498,584 cash funds based on changes to the forecast of tobacco master settlement and tobacco tax revenue used to finance programs in the Department.

**CO BENEFITS MANAGEMENT SYSTEM:** The appropriation includes an increase of \$73,522 total funds, including a decrease of \$930,212 General Fund, for FY 2017-18 to refinance appropriations based on revised cost allocation trend data for the Colorado Benefits Management System (CBMS).

**SERVICE OPTION PLATFORM:** The appropriation includes an increase of \$50,000 cash funds from the Intellectual and Developmental Disabilities Services Cash Fund to implement a statewide third party mechanism to pilot a web-based option designed to enable individuals to have a choice in providers of services through the intellectual and developmental disability home- and community-based waiver services.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the out-year impacts of prior year legislation and budget actions. All of the annualizations are summarized in the table below. The titles of the annualizations begin with either a bill number or the fiscal year when a budget decision was made in the Long Bill. For budget decisions made in the Long Bill, a reference to the priority numbering the Department used in that year for the initiative is provided, if relevant.

The largest annualization is for H.B. 16-1408 (Tobacco/Marijuana Allocations). The bill provided one-time funding from tobacco master settlement revenue in the Children's Basic Health Plan Trust to support one more year of higher primary care reimbursement rates, referred to as the primary care rate bump. The bill also spent down a fund balance of tobacco settlement revenue in the Autism Treatment Fund to provide a one-year offset to the cost of behavioral therapy services for children with autism, which must be backfilled with General Fund in FY 2017-18 to continue the federally mandated behavioral therapy services.

The second largest annualization is for FY 13-14 R5 MMIS Reprocurement, which was an action in the FY 13-14 Long Bill to fund the Department's fifth budget priority for resources related to the replacement and modernization of the Medicaid Management Information System (MMIS) that processes provider claims. The largely federally-funded development stage of that project is winding down and the new MMIS began operation in March 2017.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 16-17 BA14 Public School Health Services	\$1,933,578	\$0	\$1,193,993	\$0	\$739,585	0.0
SB 16-192 Needs assessment for LTSS	1,671,363	916,388	(137,837)	0	892,812	0.2
FY 16-17 NP CBMS-PEAK	1,601,147	573,206	221,852	6,460	799,629	0.0
FY 15-16 R7 Participant directed programs	1,011,619	505,683	0	0	505,936	0.0
SB 16-120 Medicaid explanation of benefits	659,921	231,219	80,498	0	348,204	0.5
FY 16-17 BA10 Medicaid-Medicare grant true-up	633,403	282,959	0	0	350,444	0.0
SB 16-077 Employment for people with disabilities	228,838	23,298	0	0	205,540	0.0
FY 16-17 NP CO Benefits Management System	59,843	21,423	8,339	242	29,839	0.0
SB 16-038 Community-centered Board transparency	6,249	0	3,125	0	3,124	0.0
FY 16-17 BA7 Fed reg for managed care	3,092	1,546	0	0	1,546	0.0
FY 16-17 BA9 Provider enrollment fee	2,663	0	2,663	0	0	0.0
SB 14-130 Personal needs allowance	2,001	1,001	0	0	1,000	0.0
FY 16-17 BA6 Fed reg for assuring access	1,591	796	0	0	795	0.0
Prior year salary survey	16,946	7,291	1,579	0	8,076	0.0
HB 16-1408 Tobacco/Marijuana allocations	(55,694,236)	6,451,471	(27,008,330)	0	(35,137,377)	0.0
FY 13-14 R5 MMIS reprocurement	(23,991,872)	(2,180,270)	(439,445)	0	(21,372,157)	0.0
FY 14-15 BA7 MMIS adjustments final test	(9,410,459)	(1,105,267)	(497,477)	0	(7,807,715)	0.0
FY 14-15 BA10 Primary care rate bump	(7,748,597)	(3,169,176)	0	0	(4,579,421)	0.0
FY 16-17 SLS provider payment	(4,701,000)	0	(4,701,000)	0	0	0.0
FY 14-15 R5 Medicaid health info technology	(2,235,000)	(223,500)	0	0	(2,011,500)	0.0
SB 16-027 Mail delivery pharmacy	(1,737,180)	(528,579)	(43,239)	0	(1,165,362)	0.0
HB 15-1368 Cross-system response	(1,690,000)	0	(1,690,000)	0	0	0.0
FY 07-08 S5 Fed reg for payment error	(588,501)	(147,125)	(102,988)	0	(338,388)	0.0
FY 15-16 R9 Personal health records	(315,000)	68,500	0	0	(383,500)	0.0
SB 16-199 PACE rate methodology	(225,000)	0	(225,000)	0	0	0.0
HB 16-1097 PUC permit Medicaid transportation	(209,317)	(61,016)	(8,561)	0	(139,740)	0.0
FY 15-16 R16 Comprehensive Primary Care	(194,760)	(97,380)	0	0	(97,380)	0.0
FY 17-18 CDPHE indirect costs	(175,000)	0	0	0	(175,000)	0.0
FY 14-15 BA10 Enhanced FMAP	(150,000)	(75,000)	0	0	(75,000)	0.0



**ANNUALIZE PRIOR YEAR BUDGET ACTIONS**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 15-16 R13 ACC reprourement	(100,000)	(50,000)	0	0	(50,000)	0.0
SB 11-177 Teen pregnancy/dropout prevention	(40,562)	1,970	0	0	(42,532)	(0.4)
FY 16-17 Cervical cancer eligibility	(38,771)	0	(19,084)	0	(19,687)	0.0
HB 16-1277 Medicaid appeals process	(25,000)	(2,500)	0	0	(22,500)	0.0
FY 15-16 BA8 HCBS settings	(13,955)	(5,343)	0	0	(8,612)	0.0
HB 16-1321 Medicaid buy-in eligibility	(2,713)	(419,630)	487,951	0	(71,034)	0.0
<b>TOTAL</b>	<b>(\$101,454,669)</b>	<b>\$1,021,965</b>	<b>(\$32,872,961)</b>	<b>\$6,702</b>	<b>(\$69,610,375)</b>	<b>0.3</b>

**HUMAN SERVICES PROGRAMS:** The appropriation reflects adjustments for several programs that are financed with Medicaid funds, but operated by the Department of Human Services. For details on these appropriations, see Part III of this department.

**ADDITIONAL LEGISLATION:** For information on additional legislation, see the "Recent Legislation" section at the end of Part III of this department.

# DEPARTMENT OF HIGHER EDUCATION

The Department is responsible for higher education and vocational training programs in the State. The Colorado Commission on Higher Education (CCHE) serves as the central policy and coordinating board for state higher education institutions. Financial aid programs also fall under the purview of CCHE and, for state-funded programs, are included in the higher education budget. The executive director of CCHE is the executive director of the Department and appoints the directors of College Assist and CollegeInvest, which are both statutorily authorized state enterprises with responsibilities related to student loans and college savings programs. In addition, the Department administers various state and federal programs designed to promote higher education participation and success.

The College Opportunity Fund Program provides stipends for undergraduate resident students to attend public colleges and participating private colleges in Colorado. Statute also provides for appropriations for fee-for-service contracts with public higher education institutions for educational services not covered by the stipends. These contracts support institutional roles and missions, student outcomes, and specialty programs such as medical and veterinary schools. Tuition, stipend, and fee-for-service spending authority for public higher education institutions is provided in the Governing Boards section.

The Division of Occupational Education oversees Colorado Vocational Act programs, including support for the Area Technical Colleges (previously known as area vocational schools), federal Perkins technical training programs, and resources for the promotion of job development, training, and retraining supported through state and federal funds.

The Department also includes: state subsidies for local district colleges; History Colorado; and the Auraria Higher Education Center, which maintains the single shared campus of the Community College of Denver, Metropolitan State College of Denver, and the University of Colorado at Denver.

## DEPARTMENT BUDGET: RECENT APPROPRIATIONS

FUNDING SOURCE	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
General Fund <sup>1</sup>	\$762,082,525	\$857,415,995	\$871,034,716	\$894,907,900
Cash Funds	2,048,656,281	2,269,594,336	2,513,598,084	2,645,689,267
Reappropriated Funds	634,406,378	701,803,695	715,348,692	738,374,874
Federal Funds	22,431,064	22,494,551	22,512,517	22,641,490
<b>TOTAL FUNDS</b>	<b>\$3,467,576,248</b>	<b>\$3,851,308,577</b>	<b>\$4,122,494,009</b>	<b>\$4,301,613,531</b>
Full Time Equiv. Staff	23,455.2	23,856.3	24,491.4	25,087.2

<sup>1</sup> Includes General Fund Exempt.

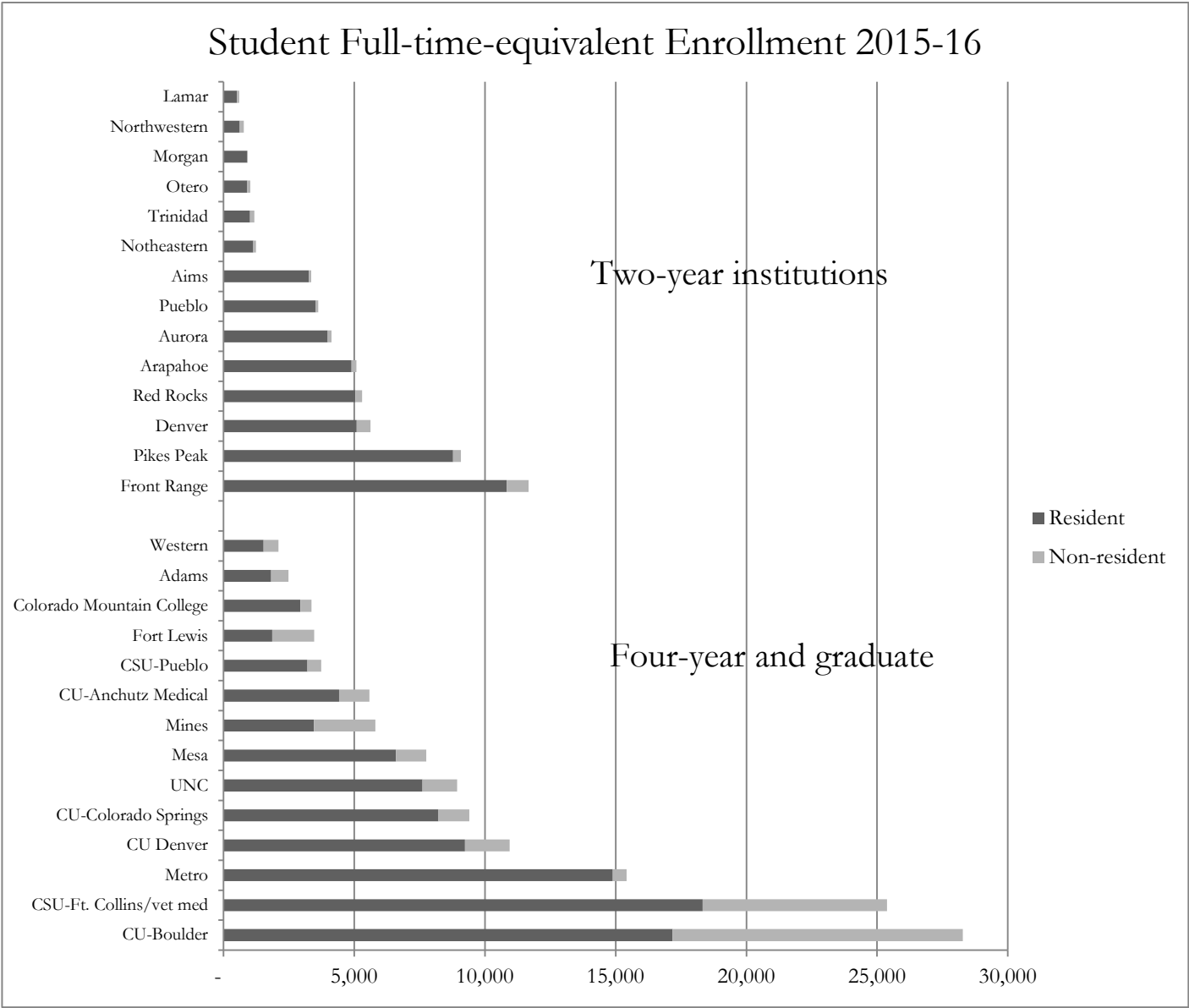
## GENERAL FACTORS DRIVING THE BUDGET

Funding for this department consists of 20.8 percent General Fund, 61.5 percent cash funds, 17.2 percent reappropriated funds, and 0.5 percent federal funds. Some of the major factors driving the Department's budget are discussed below.

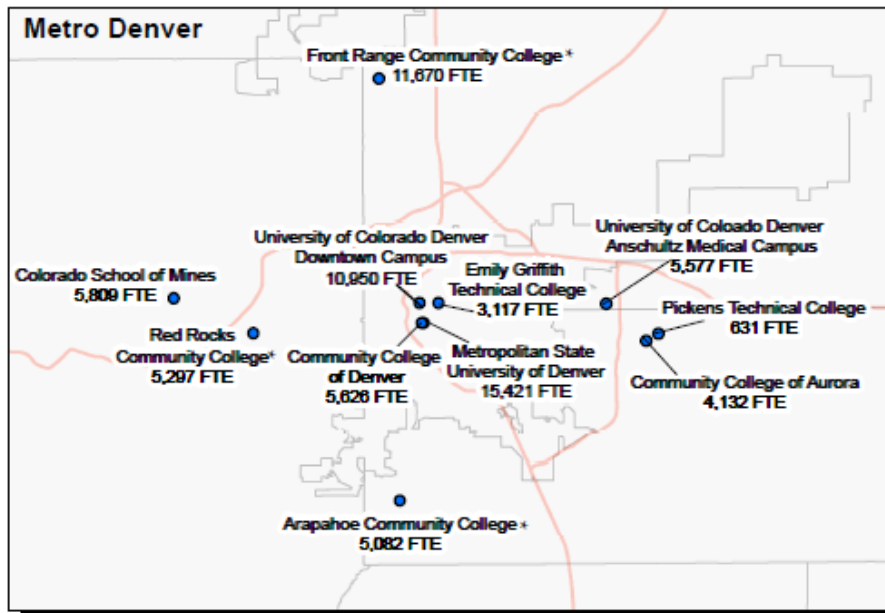
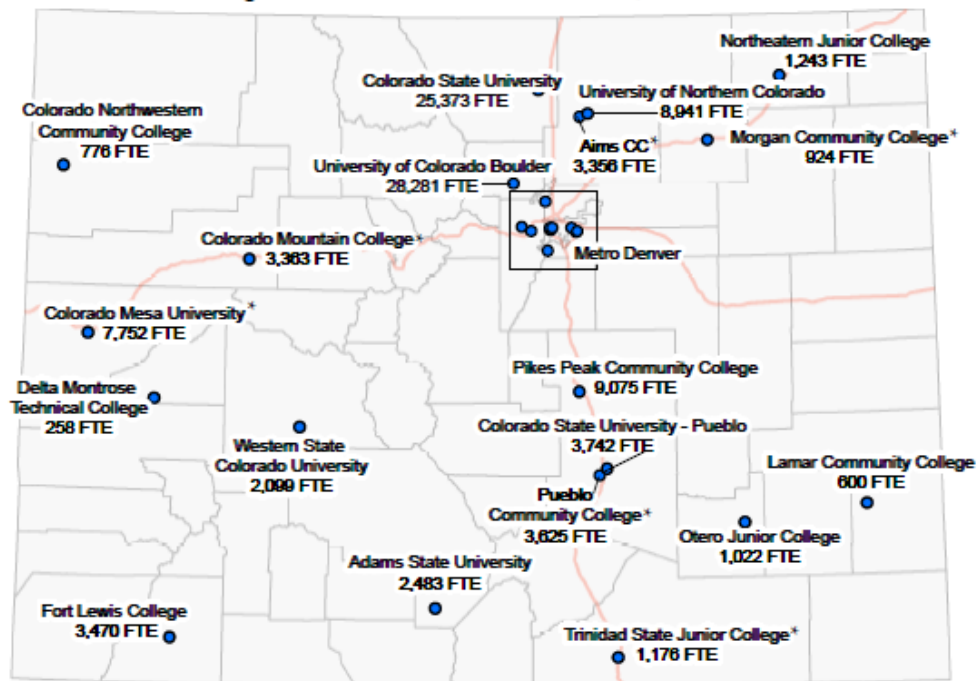
OVERVIEW AND ORGANIZATION

The state higher education system served about 180,000 full-time equivalent students (FTE) in FY 2015-16, including about 146,000 Colorado residents. About 11,000 additional FTE were served by local district colleges, which receive regional property tax revenues in addition to state funding, and area technical colleges, which offer occupational certificates and serve both secondary and post-secondary students. Approximately one-third of student FTE attend two-year and certificate institutions. Students attending institutions that offer baccalaureate and higher degrees are concentrated at the University of Colorado, Colorado State University, and Metropolitan State University of Denver.

The Colorado Commission on Higher Education (Commission) coordinates the higher education delivery system, including requests for state funding. However, each institution has a governing board that makes policy and budget decisions for the institution.



Higher Education Total Student FTE, FY 2015-16



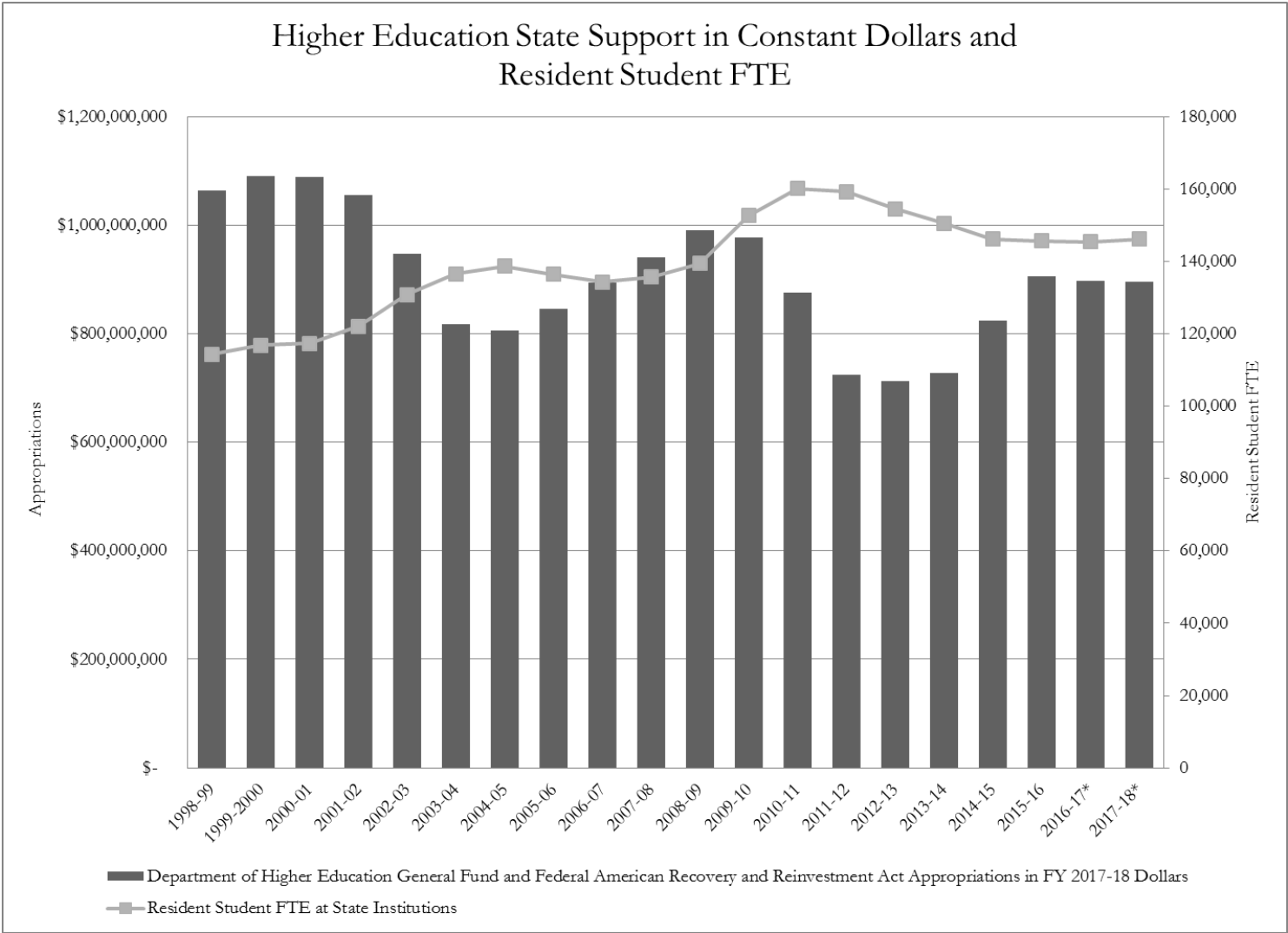
\*This institution has additional campuses that are not reflected on the map. Total enrollment for all campuses is shown at the primary location.

## IMPACT OF THE STATEWIDE BUDGET OUTLOOK

The State has historically subsidized higher education at state institutions based on the public benefits of providing educational access to all citizens and promoting a more educated population. An educated population is associated with higher wages, lower unemployment, and lower dependence on public resources. Higher education may also be part of strategies to fill unmet needs in the community, such as nurses or teachers or engineers. Finally, subsidizing higher education is frequently described as a form of economic development for the community, as it attracts business and cultural resources.

While there are many potential benefits to supporting higher education, there are no statutes, constitutional provisions, or federal guidelines requiring specific amounts of state funding per student. As a result, this is one of the budget areas most affected by the availability of state funds.

The chart below shows how statewide General Fund support for higher education has declined during economic downturns in FY 2002-03 through FY 2004-05 and again in FY 2008-09 through FY 2011-12. The decreases in General Fund appropriations for higher education were disproportionately larger than decreases for other state agencies during the same time frames. As the economy improved, funding increased, including a \$103.0 million (15.6 percent) General Fund increase for FY 2014-15 and a further increase of \$95.3 million (12.5 percent) General Fund for FY 2015-16. As also reflected in the chart, student demand for higher education tends to be higher during recessions and lower as the economy improves. FY 2016-17 and FY 2017-18 General Fund appropriations were above FY 2015-16 appropriations in nominal dollars but, as shown, fell below FY 2015-16 appropriations after adjusting for estimated inflation.



\*Resident student FTE for FY 2016-17 and FY 2017-18 are based on the projections used for state budgeting purposes (institutional projections in most cases). Students at local district colleges and area technical colleges are not included in student FTE figures.

The table below shows the allocation of the overall increase in General Fund support from FY 2016-17 to FY 2017-18 by governing board and funding category.

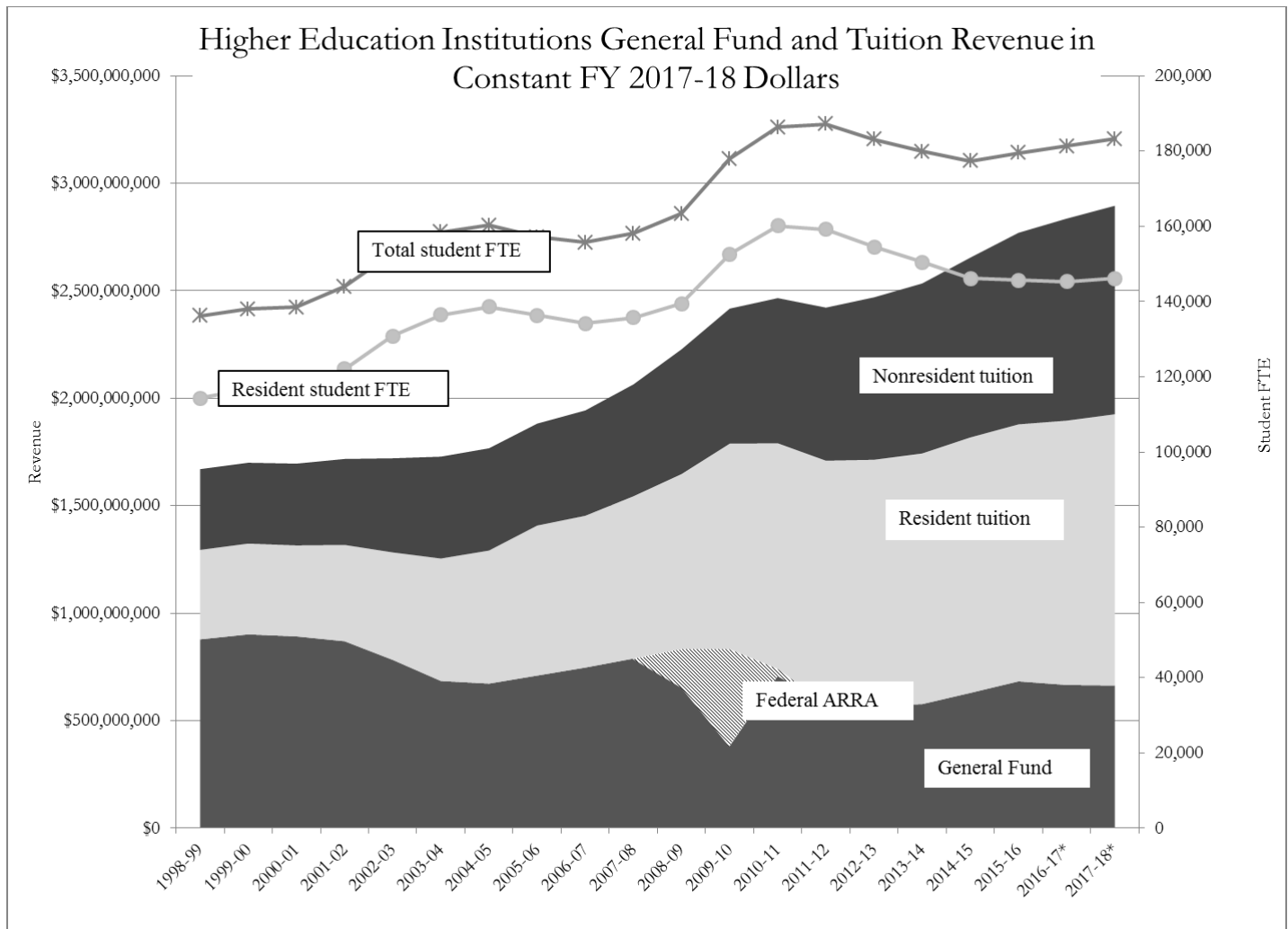
**DEPARTMENT OF HIGHER EDUCATION OPERATING BUDGET:  
GENERAL FUND APPROPRIATIONS CHANGES BY CATEGORY AND GOVERNING BOARD  
FY 2016-17 TO FY 2017-18**

GOVERNING BOARDS/INSTITUTIONS <sup>1</sup>	FY 2016-17	FY 2017-18	AMOUNT CHANGE	PERCENTAGE CHANGE
Adams State University	\$14,076,360	\$14,259,963	\$183,603	1.3%
Colorado Mesa University	24,280,729	25,951,161	1,670,432	6.9%
Metropolitan State University of Denver	51,415,001	51,626,603	211,602	0.4%
Western State Colorado University	11,534,927	11,821,897	286,970	2.5%
Colorado State University System	134,518,307	139,285,526	4,767,219	3.5%
Fort Lewis College	11,481,200	11,784,939	303,739	2.6%
University of Colorado System	186,532,686	194,318,227	7,785,541	4.2%
Colorado School of Mines	20,639,050	21,484,706	845,656	4.1%
University of Northern Colorado	39,113,234	39,597,408	484,174	1.2%
Community College System	153,330,147	153,709,215	379,068	0.2%
Colorado Mountain College	7,143,039	7,319,484	176,445	2.5%
Aims Community College	8,446,176	8,654,810	208,634	2.5%
Area Technical Colleges	9,971,721	10,218,039	246,318	2.5%
<b>Subtotal - Governing Boards/Institutions</b>	<b>\$672,482,577</b>	<b>\$690,031,978</b>	<b>\$17,549,401</b>	<b>2.6%</b>
Financial Aid	\$175,203,345	\$177,783,660	\$2,580,315	1.5%
Lease Purchase Payments for HED Buildings	19,374,501	21,534,800	2,160,299	11.2%
History Colorado	1,295,000	2,756,401	1,461,401	112.8%
Other	2,679,293	2,801,061	121,768	4.5%
<b>Total - Department of Higher Education</b>	<b>\$871,034,716</b>	<b>\$894,907,900</b>	<b>\$23,873,184</b>	<b>2.7%</b>

<sup>1</sup>Includes College Opportunity Fund stipends, fee-for-service contracts, and grants to local district colleges and area technical colleges in all enacted bills.

One reason this budget area is more subject to state-funding adjustments than some others is that there is an alternative funding source: individual tuition payments. Colorado has always expected that individuals and families who benefit from higher education will bear at least some portion of the cost. Policymakers differ in the extent to which they believe higher education should be an individual versus a public responsibility. However, limited state funds and the ability to increase tuition have, together, pushed Colorado and other states toward a funding model in which the share of higher education costs borne by individuals and families has increased dramatically while state funding has declined.

The chart below illustrates how tuition, as well as temporary federal American Recovery and Reinvestment Act (ARRA) funds, have augmented and substituted for General Fund revenues for the higher education institutions. As shown, tuition revenue increases have more than compensated for declines in General Fund support.



\*FY 2016-17 and FY 2017-18 tuition revenue and student FTE reflect estimates used for budgeting purposes.

## TUITION AND FEES

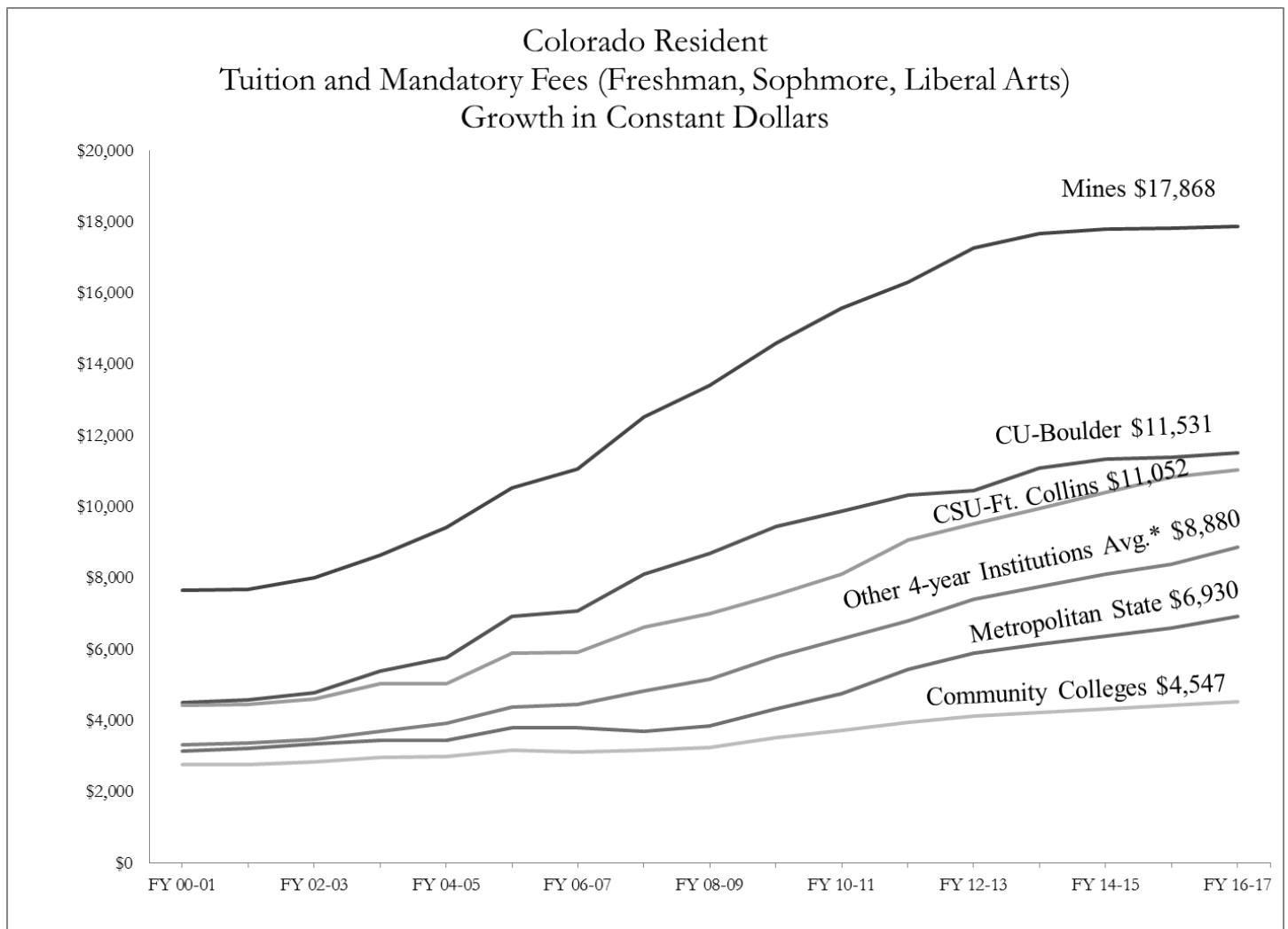
Public access to higher education is significantly influenced by tuition and fee rates: high rates may discourage participation or may result in high debt loads for those who do participate. Nonetheless, Colorado and other states have often used tuition increases to substitute for higher education General Fund support due to the multiple demands on state General Fund revenue.

The General Assembly has provided more flexibility for institutions to increase tuition revenue in times of state General Fund cuts and has restricted tuition growth when more state revenue is available for higher education.

- Prior to FY 2011-12, the General Assembly appropriated tuition revenue to the institutions and set forth its assumptions about tuition increases in a Long Bill footnote.
- S.B. 10-003 temporarily delegated tuition authority to higher education governing boards for five years from FY 2011-12 through FY 2015-16.
- From FY 2011-12 through FY 2013-14, governing boards could increase resident undergraduate tuition rates up to 9.0 percent per year, and could submit a plan to ensure access and affordable tuition for low- and middle-income students to the Commission for permission to implement larger rate increases.
- For FY 2014-15 and FY 2015-16, the General Assembly paired increases in state funding with a 6.0 percent "hard" cap on undergraduate resident tuition increases through S.B. 14-001 (College Affordability Act).

- Beginning in FY 2016-17, the responsibility to set tuition spending authority reverted to the General Assembly for all institutions except the Colorado School of Mines [Section 23-5-129 (10), C.R.S.], and the tuition increases used to derive the total spending authority for each governing board are detailed in a footnote to the Long Bill [Section 23-18-202 (3)(b), C.R.S.].
- For FY 2017-18, Long Bill footnotes and tuition spending authority reflect maximum resident undergraduate tuition increases by governing board of 5.0 percent to 7.7 percent. Many, but not all, tuition increases that have been approved thus far by governing boards for FY 2017-18 are lower than the approved caps.

The chart below shows rates through FY 2016-17. All rates are for students who are full-time (30 credit hours per year), beginning their studies, Colorado resident, undergraduate, and taking liberal arts and sciences courses. The amounts for prior years are shown *after* adjusting for inflation (FY 2017-18 dollars).

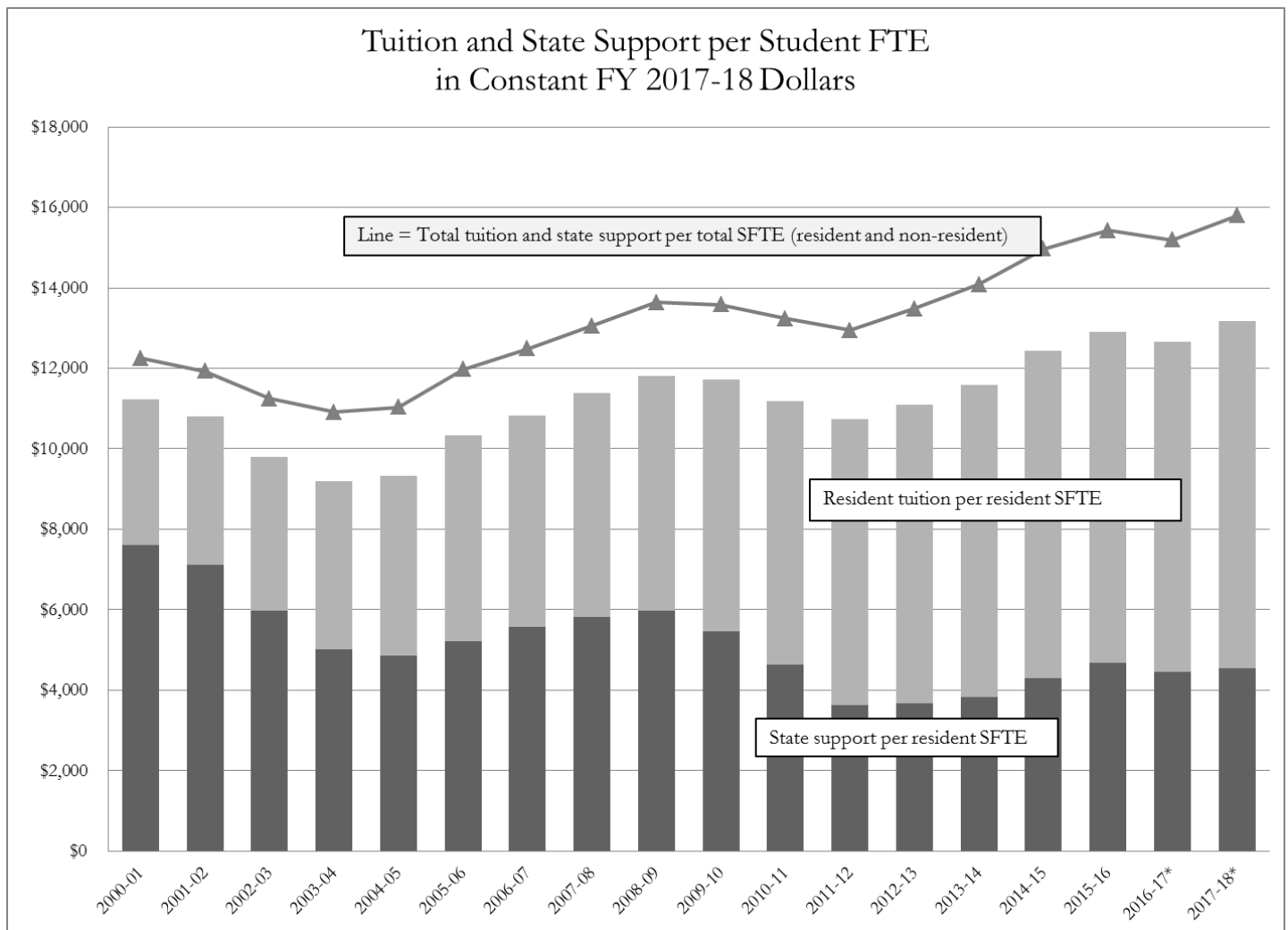


\*CSU-Pueblo, Fort Lewis College, University of Northern Colorado, Adams State University, Colorado Mesa University, Western State Colorado University

Most, but not all, tuition increases in recent years are explained by declines in state support per student FTE. The chart on the following page shows the change in General Fund and tuition revenue to the institutions per student since FY 2000-01 after adjusting for inflation (years prior to FY 2017-18 are reflected in FY 2017-18 dollars, based on the Denver-Boulder-Greeley consumer price index/CPI). Fiscal year FY 2015-16 and prior years reflect actual amounts, while FY 2016-17 and FY 2017-18 amounts are based on current year Long Bill estimates.



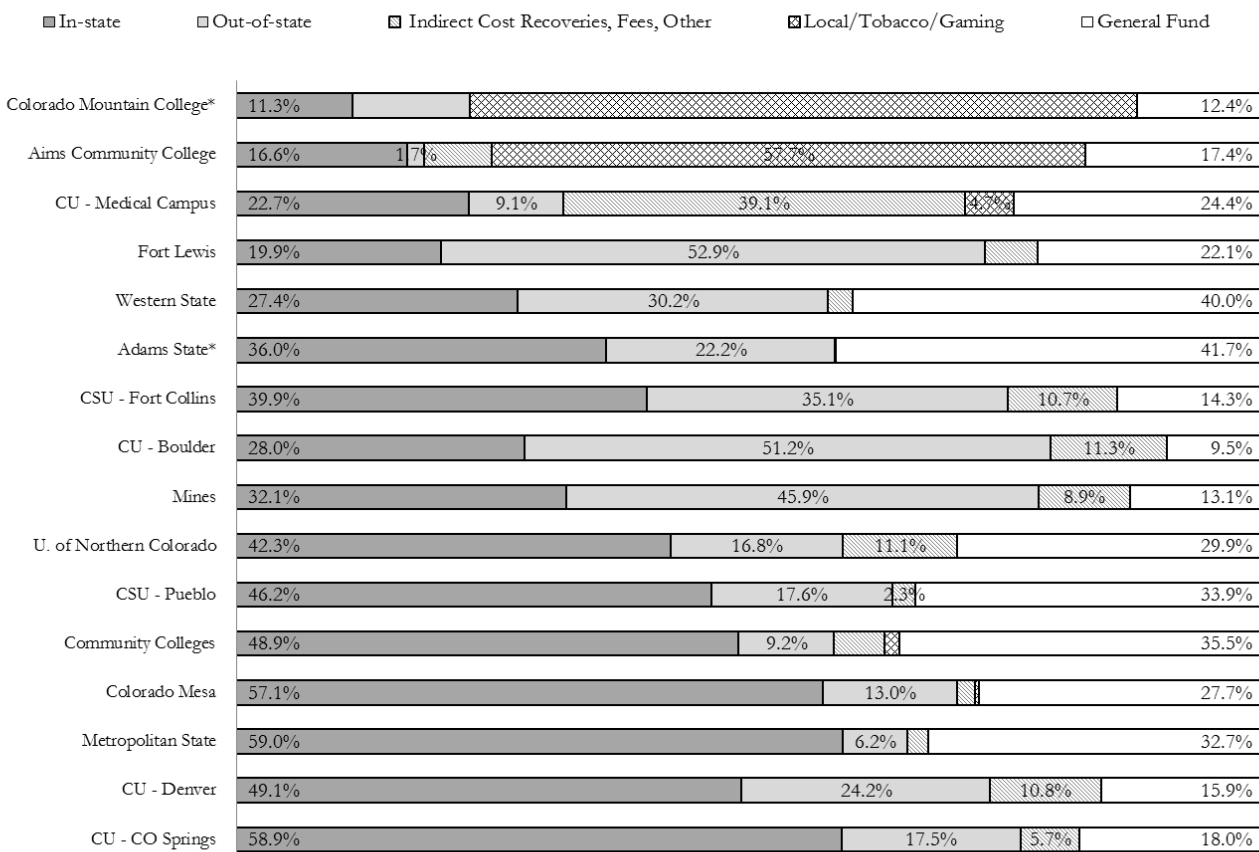
- The share of costs covered by the *resident* student—as opposed to the General Fund—has changed substantially, as reflected by the bars on the chart. In FY 2000-01, the General Fund provided about two-thirds of the revenue per resident student; for FY 2015-16, it provided 36.4 percent.
- Revenue to the institutions per resident student (bars on the chart; combination of General Fund and resident tuition revenue) has varied over time but reached a new high point in FY 2015-16, even after adjusting for inflation. In FY 2013-14, total revenue per resident student FTE after adjusting for inflation was similar to the FY 2000-01 revenue per resident. However, between FY 2013-14 and FY 2015-16, total average revenue per resident increased sharply, placing revenue per resident well above both the previous FY 2000-01 and FY 2008-09 high points.
- When non-resident students and related revenue are included, overall revenue to the institutions per student (the line on the chart) has increased far more rapidly than CPI inflation: per-student revenue from tuition and state support increased 26.0 percent from FY 2000-01 to FY 2015-16 after adjusting for inflation.



\*FY 2016-17 and FY 2017-18 tuition revenue and student FTE reflect the figures used for budgeting purposes.

Institutions have different abilities to bring in out-of-state student tuition revenue or to raise tuition above that of other institutions based upon their individual missions and the populations they serve. The chart below compares the revenue mix at various state institutions for educational expenditures reported to the General Assembly in FY 2015-16. Note that this excludes revenue and expenditures for research grants and auxiliary facilities such as dormitories and dining halls.

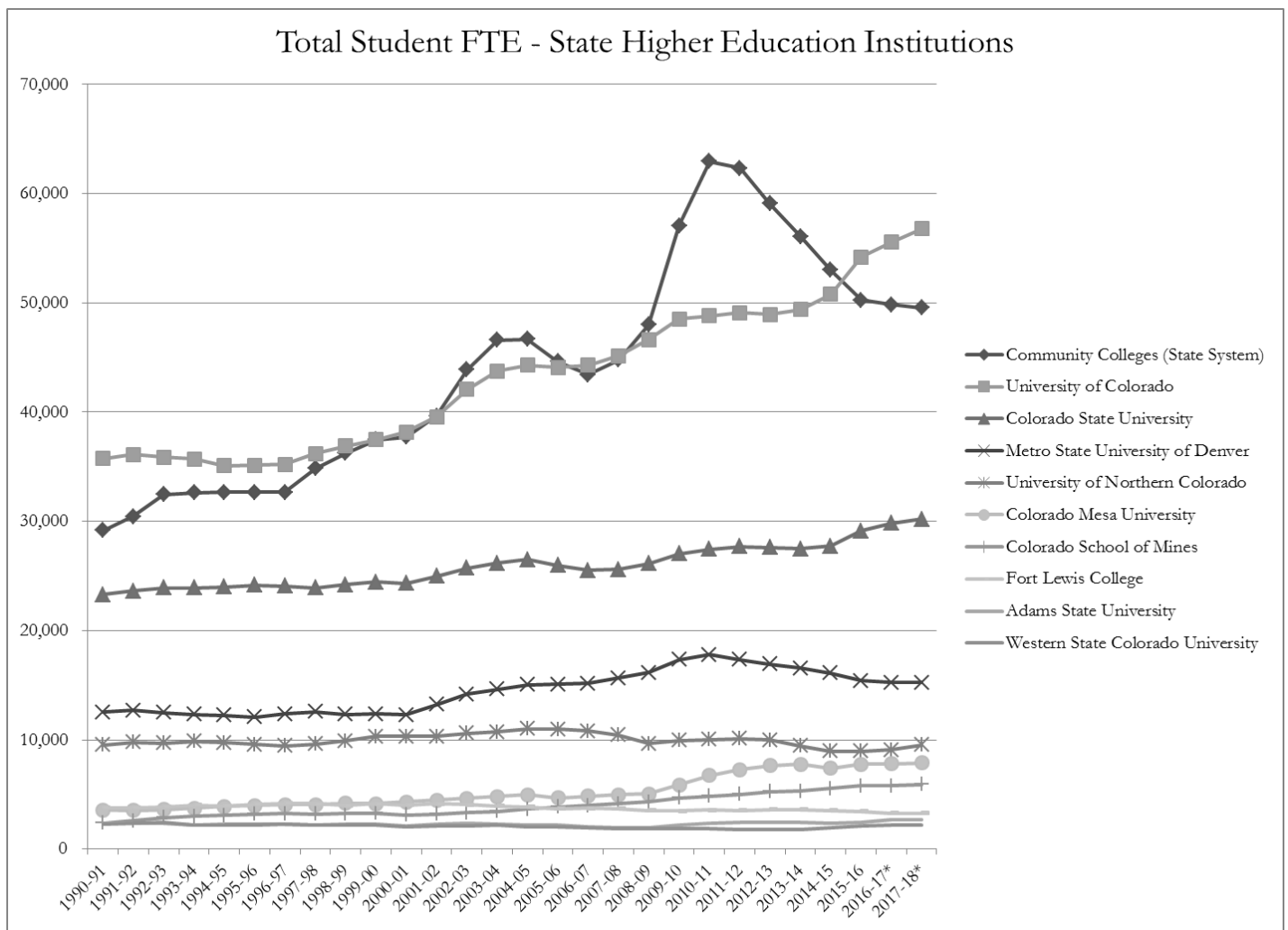
## Proportion of Funding from Students vs the State FY 2015-16



## ENROLLMENT

Enrollment is both a workload and performance measure for campuses, and it affects tuition and fee revenue. For some institutions, nonresident enrollment is important because nonresident tuition helps subsidize resident education. Increases in enrollment also drive costs for faculty, advising, and general operating.

Enrollment tends to be counter-cyclical: when the economy slows, higher education enrollment grows more rapidly. This affects most institutions to some extent but is particularly notable for the community college system. The following chart reports student FTE since FY 1991-92 (excluding local district college and area technical college data). Thirty credit hours in a year equals one full-time-equivalent student for undergraduates. In FY 2015-16, total student FTE enrollment increased for the first time since FY 2011-12, but there was wide variation in the enrollment trend by institution.



## PERSONNEL

Higher education governing boards are allowed by statute to determine the number of employees they need, but the Long Bill reflects estimates provided by the governing boards of the numbers of employees at their institutions. In FY 2015-16, the institutions employ an estimated 24,044.7 FTE, excluding employees of self-supporting auxiliary programs such as food services, book stores, or housing.

Of the amount state-operated institutions spend on education, approximately two-thirds is spent on salaries and benefits, and most of this is spent on instructional faculty. Some higher education FTE such as administrative support and maintenance staff are classified staff for whom salaries and benefits are defined by the state personnel system and the policies of the General Assembly. However, the majority of FTE and personal services expenditures are for exempt staff such as faculty for whom governing boards have control of compensation.

Increases in benefit costs have been a consistent cost driver at state institutions. Staff salary trends, however, have varied by institution in response to a range of internal and external factors. In general, when institutions faced enrollment increases and state funding declines during the recession, both 4-year and 2-year institutions increased the number of lower-paid, often part-time staff, thus reducing average compensation costs. As the economy and state funding have increased, institutions have faced pressure to improve salaries and have often done so.

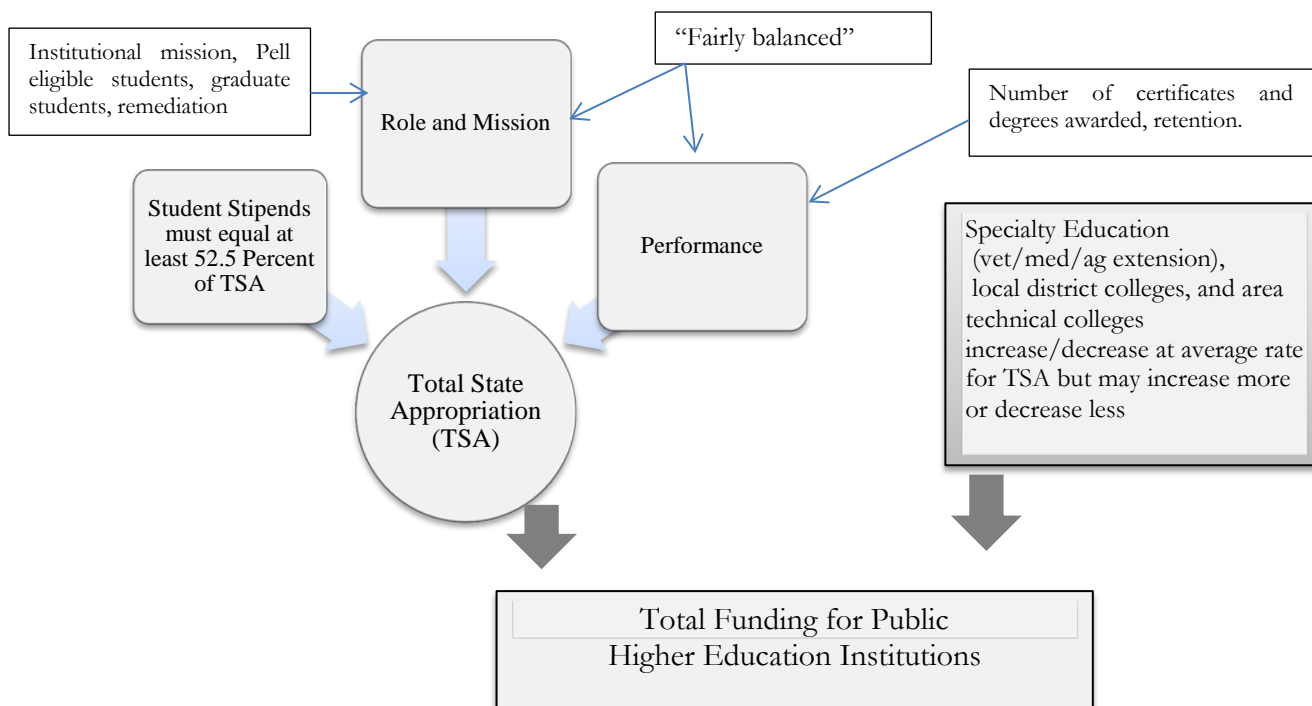
Generally speaking, four-year institutions that employ tenure-track faculty in high-demand fields may need to offer compensation to professors competitive with peer institutions in other states and, in some cases, the private sector. However, this pressure is not consistent across all academic fields. At two year institutions, the vast majority of staff are adjunct faculty who carry part-time teaching loads and receive modest compensation.

## THE HIGHER EDUCATION FUNDING MODEL

Pursuant to the provisions of H.B. 14-1319 (Outcomes-based Funding for Higher Education), Colorado adopted a new model for allocating funds among the higher education governing boards effective FY 2015-16. The new model includes three major components:

- funding for institutional roles and missions;
- funding for institutional outcomes (such as numbers of graduates); and
- funding provided per resident undergraduate student (student stipends).

As reflected chart below, each state-operated governing board receives an allocation that includes student stipends for resident undergraduate students, an allocation for role and mission, and an allocation for performance/outcomes based primarily on numbers and types of degrees awarded. In addition, the University of Colorado and Colorado State University receive allocations for their specialty education programs (such as the medical and veterinary schools), and local district colleges and area technical colleges also receive allocations. Specialty education programs, local district colleges, and area technical colleges increase and decrease at the same rate as overall funding for the model.



The funding formula for state-operated governing boards for FY 2017-18 includes the following components. This excludes additional support provided for certain "limited purpose" contracts (special initiatives such as pilot programs that have been authorized by the General Assembly in Section 23-18-308, C.R.S.) and support for local district colleges and area technical colleges (which by law must receive funding increases consistent with the average for the state-operated boards).

## HIGHER EDUCATION FUNDING MODEL FY 2017-18

	TOTAL FROM COF STIPEND	TOTAL FROM ROLE & MISSION	TOTAL FROM PERFORMANCE	SPECIALTY EDUCATION	TOTAL FROM MODEL
Adams State University	\$2,829,163	\$8,551,417	\$2,879,383	\$0	\$14,259,964
Colorado Mesa University	14,646,059	6,375,070	4,930,032	0	25,951,161
Metropolitan State University	31,937,232	8,568,412	11,120,959	0	51,626,603
Western State Colorado University	3,096,055	6,824,688	1,901,154	0	11,821,896
Colorado State University System	44,082,292	20,931,300	18,247,325	55,149,609	138,410,526
Fort Lewis College	3,928,733	5,279,409	2,576,796	0	11,784,938
University of Colorado System	64,865,863	33,045,098	32,157,196	64,150,070	194,218,227
Colorado School of Mines	6,321,656	10,032,268	5,130,782	0	21,484,706
University of Northern Colorado	15,477,118	16,251,093	7,794,197	0	39,522,408
Community College System	104,075,673	26,268,712	23,202,869	0	153,547,255
<b>Total</b>	<b>\$291,259,844</b>	<b>\$142,127,467</b>	<b>\$109,940,693</b>	<b>\$119,299,679</b>	<b>\$662,627,684</b>

\*The CSU amount excludes an additional Specialty Education appropriation for Western Slope Agricultural Extension.

The model relies on the most recent actual data available, rather than projections. Thus, funding for the governing boards in FY 2017-18 was based on their actual enrollment, degrees awarded, and other relevant data from FY 2015-16. To a significant extent, the changes in individual governing board support from FY 2016-17 to FY 2017-18 reflected relative growth or decline in the governing board's enrollment in FY 2015-16 compared to other governing boards.

Since 2004, funding for state higher education has been provided through student stipends and fee-for-service contracts with the state institutions. This enables the State to designate qualifying state higher education institutions as enterprises under Article X, Section 20 of the Colorado Constitution (TABOR). Revenue, such as tuition, that is generated by enterprises is exempt from the statewide revenue limits imposed by TABOR and has no impact on any refund that may be due pursuant to TABOR. To achieve enterprise status under TABOR, a program must: (1) be a government-owned business; (2) have authority to issue revenue bonds; and (3) receive less than 10 percent of annual revenue from state and local grants. Stipends and fee-for-service contracts are defined in statute as different from a state grant. All of the institutions are generally designated as TABOR enterprises except, for some smaller institutions, in years in which they receive large state capital construction grants.

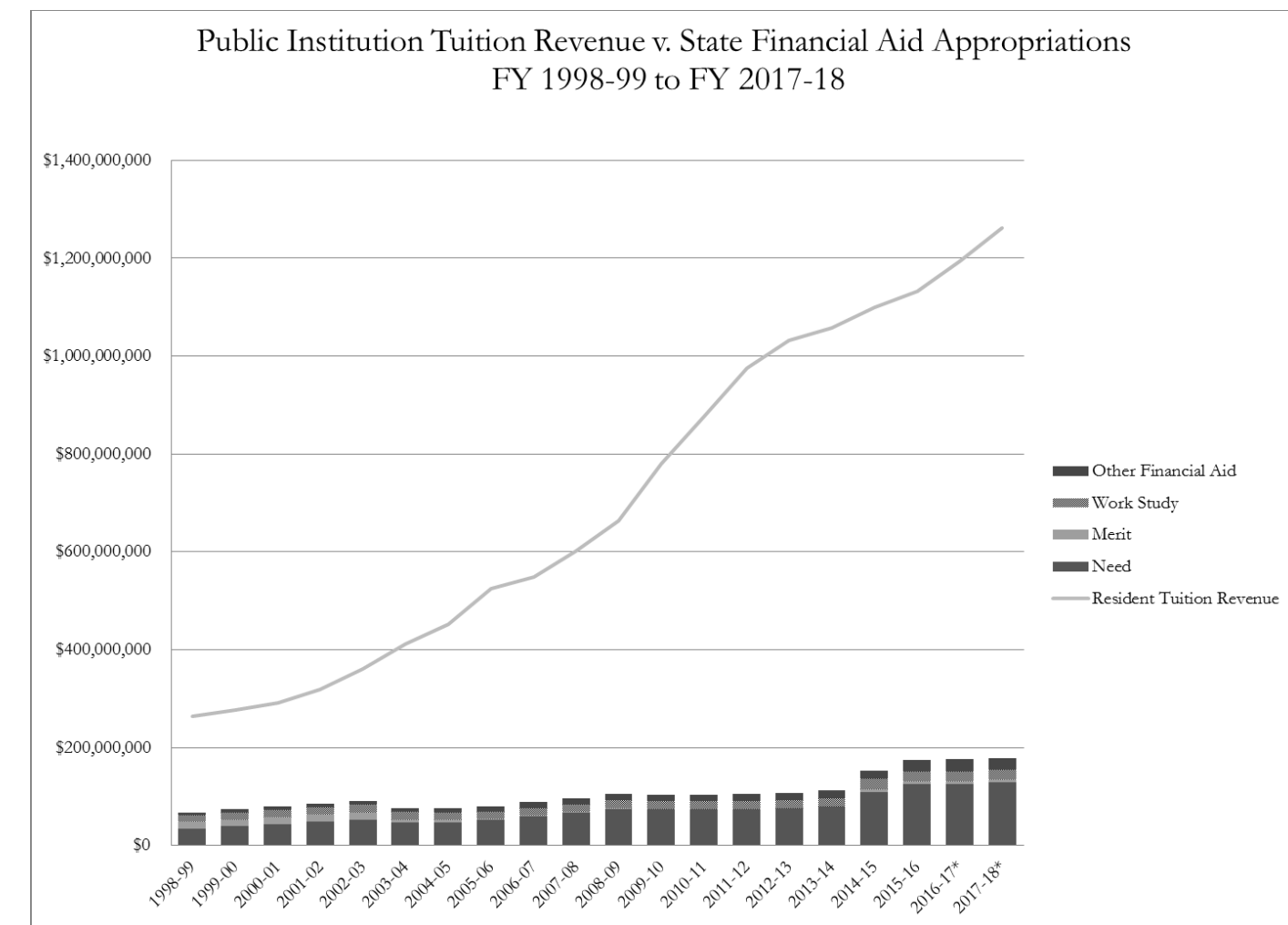
## FINANCIAL AID

Of state appropriations for higher education in FY 2017-18, \$178.0 million, including \$177.8 million General Fund, is for financial aid. This represents 19.9 percent of all the state General Fund appropriations for higher education. The majority of the money goes for need-based aid and work study. A small appropriation for merit-based grants was restored in FY 2014-15 and continued in subsequent years, and there are a number of smaller, special purpose financial aid programs. These include the Fort Lewis College Native American tuition waiver, which covers tuition for any Native American student attending Fort Lewis College pursuant to a treaty obligation, and the Colorado Opportunity Scholarship Initiative, added in FY 2014-15 to fund services and scholarships for high achieving low income students in collaboration with private funders and agencies.

For most of the financial aid programs, the General Assembly appropriates financial aid funds to the Colorado Commission on Higher Education, which allocates them to institutions, including to some private institutions, based on formulas that consider financial need at the schools, total student enrollment, student retention, and program eligibility criteria. A total of 77,801 students received state-supported financial aid in FY 2015-16. The average state need-based award was \$1,963 and the average state work study award was \$2,512.

For FY 2014-15, the General Assembly provided a 37.0 percent increase in financial aid, for FY 2015-16 it provided a 14.0 percent increase, and in FY 2017-18 funding was held almost flat (a 0.6 percent increase). For FY 2017-18, funding increased by 1.5 percent, including an increase of 3.1 percent for need-based aid, offset by a reduction for the Fort Lewis Native American tuition waiver and transfer of the National Guard Tuition Assistance Program to

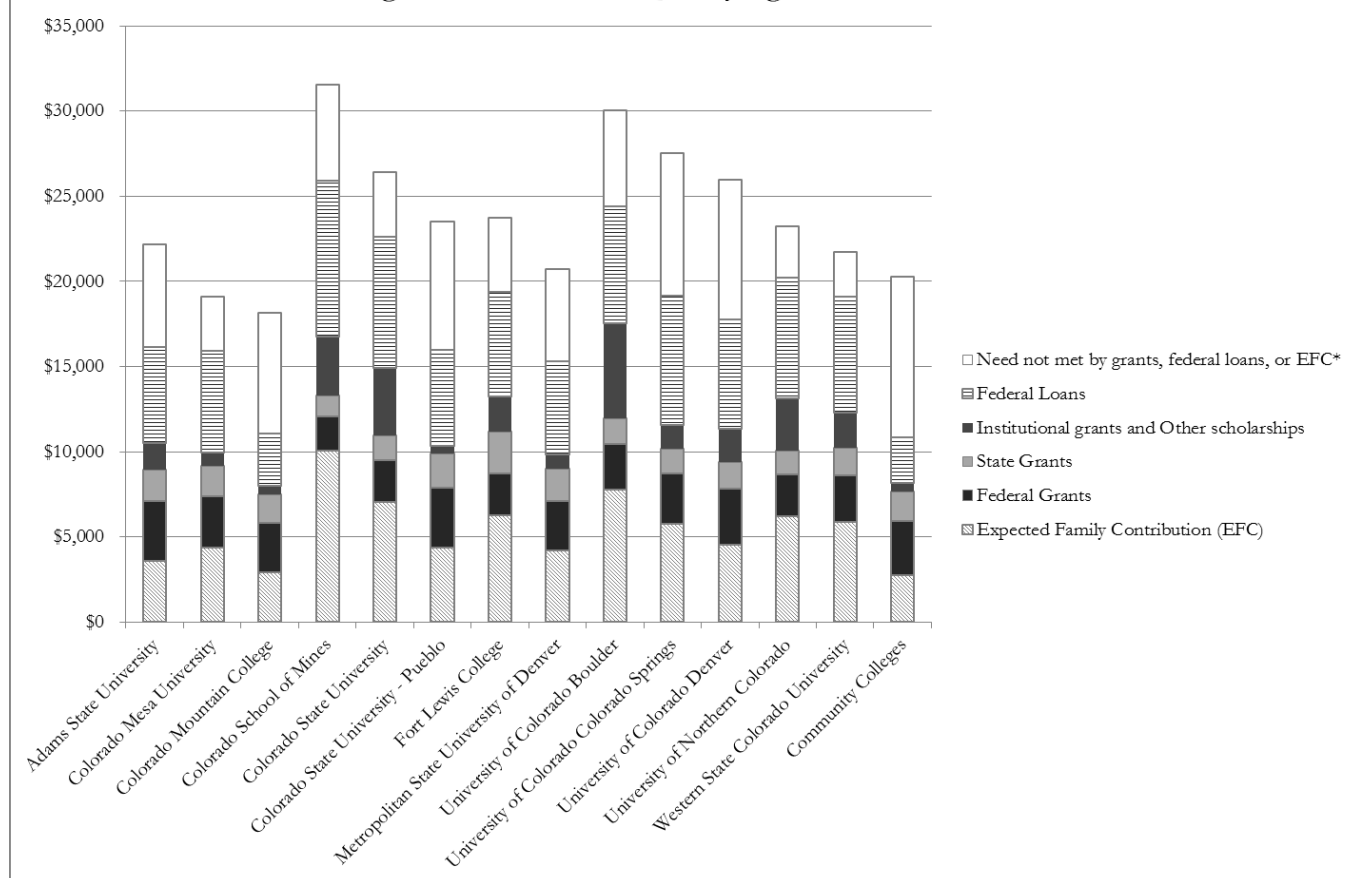
the Department of Military Affairs. Overall demand for aid continues to far outstrip available funding, as suggested by the chart below.



\*Tuition revenue reflects estimates used for budgeting purposes for FY 2016-17 and FY 2017-18.

Most sources of student financial aid are not reflected in the state budget. However, even when these other funding sources are included, financial aid support is far less than the cost of higher education. The following chart compares grants and loans awarded in FY 2015-16 to full-time resident undergraduate students with financial need (calculated based on federal formulas) and the average cost of attendance for a resident student at various institutions. Of the funding sources shown, only state grants are reflected in the state budget.

### Average Student Grants, Federal Loans, and Unmet Need by Institution for Resident Undergraduate Students Qualifying for Financial Aid, FY 2015-16



\*This shortfall may be addressed by the student by reducing their out-of-pocket costs, e.g., by living with family or in less expensive accommodation than the cost of attendance formula calculates, by additional earned income or savings, or by private unsubsidized loans taken out by the student or family.

As reflected in the chart, state grants represent only one relatively small component of financial aid.

The largest source of need-based aid is the federal government, which provides student grants that are not reflected in the state budget. The federal Pell grant program provided up to \$5,775 per eligible student in FY 2015-16, with an average grant of \$3,439. The families of dependent students receiving a full Pell had an average adjusted gross income of \$14,321 while the average for students receiving any Pell award was \$24,436. In FY 2015-16, 74,730 students attending state public institutions received a Pell grant.

Students may also receive grants from the higher education institutions they attend. About 25 percent of all the aid students receive at public and private Colorado institutions is institutional aid. Some institutions make significant funds available from their operating budgets and donated funds, based on money available and the number of students who qualify for institutional aid. About one-third of institutional aid is used for need-based aid, primarily for resident students, and this is reflected in the chart above.

The calculated “Cost of Attendance” is far greater than just tuition and academic fees. It includes expenses related to room, board, transportation, and learning materials, in addition to tuition. Depending on the institution, these other costs of attendance may dwarf the price of tuition. The total cost of attendance for a resident student in FY 2015-16, including room and board and fees, ranged from \$17,169 at Aims Community College to \$31,535 at the Colorado School of Mines.

In order to fill the gap between cost of attendance and available grant funds, students typically rely heavily on student loans. In addition to grant funds, the federal government provides guaranteed loans and tax credits and deductions for tuition.

- Sixty-seven percent of students completing a bachelor's degree from a public institution graduated with debt in FY 2015-16, and the average federal student loan debt at graduation was \$25,877.
- Sixty percent of students completing an associate's degree from a public institution graduated with debt in FY 2015-16, and the average student loan debt at graduation was \$13,374.
- There is a substantial gap between the calculated cost of attendance for students with need and known sources of student support. A portion of this gap may be filled with additional unsubsidized student or family loans which are not included in these figures.

## INSTITUTIONAL FINANCIAL HEALTH

As state institutions become more dependent upon tuition revenue, their survival has become more dependent upon their performance as businesses. While the governing boards have considerable operating autonomy and independent responsibility for their financial well-being, they are components of state government, employ large numbers of state staff, and play a critical role in the state economy. Thus, the General Assembly has an active interest in how well or poorly the institutions are performing financially.

In addition, the State provides a financial backstop for bonds issued by most of the state institutions. For bonds issued under the higher education revenue bond intercept program (Section 23-5-139, C.R.S.), loan rates are based on the state's credit rating rather than the institution's, and the State agrees to make bond payments if the institution is unable to do so. Under statutory provisions amended in S.B. 16-204, the Capital Development Committee and Joint Budget Committee must approve requests that increase a governing board's debt under the program.

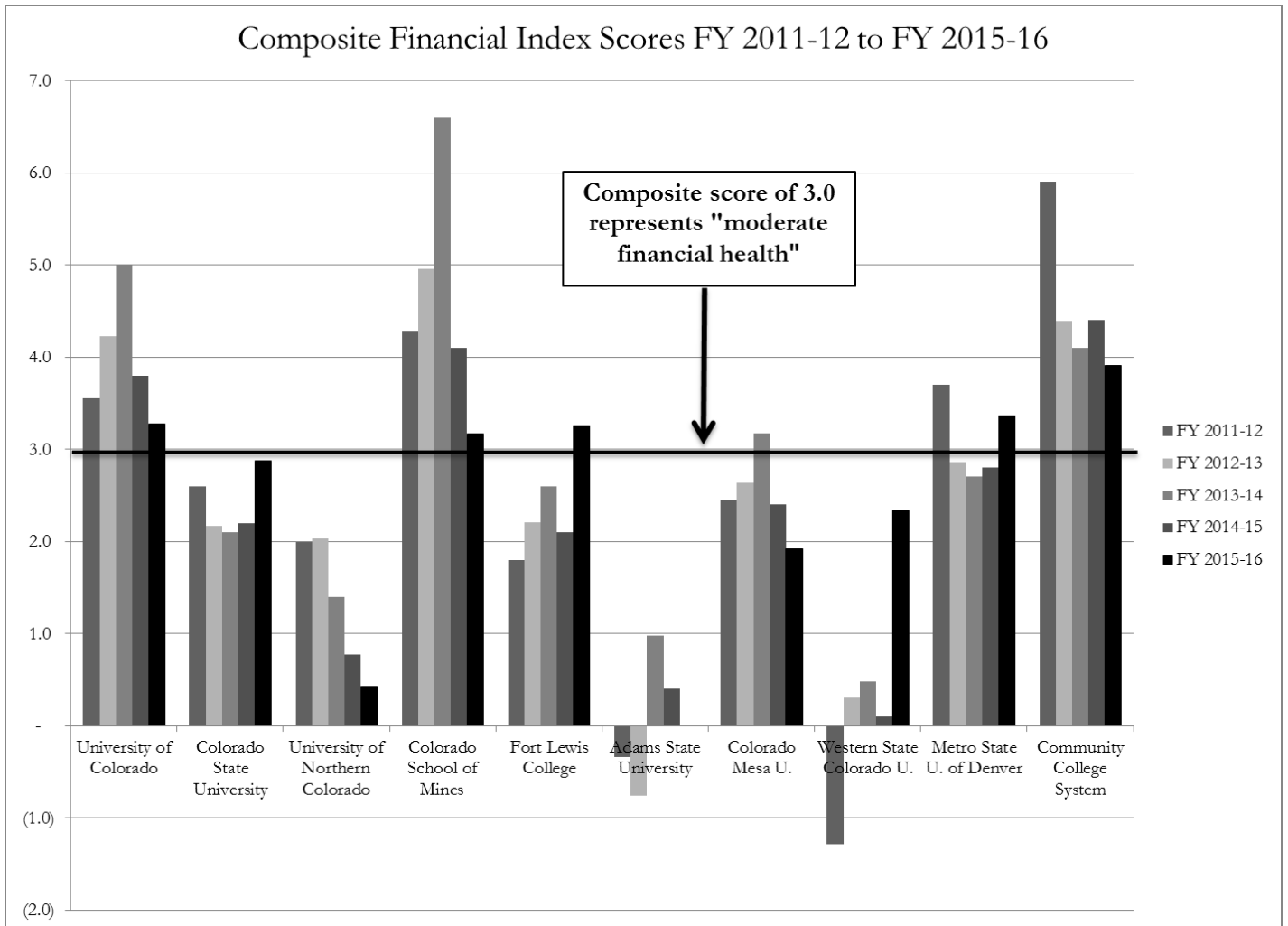
The Composite Financial Index (CFI) is a tool designed to summarize institutional financial health. It combines four financial ratios (primary reserve ratio, viability ratio, return on net assets, and net operating ratio) to provide an overall indicator of a governing board's financial well-being. The CFI is calculated on a scale from below 0 to 10.0, with a result below 0 indicating that the institution's viability is in question and a score of 3.0 representing the threshold for moderate financial health.

An additional source of information is the State Treasurer's Office *First Annual Report on State Institutions of Higher Education* (Sept. 2016), released pursuant to S.B. 16-204 (Concerning the Higher Education Revenue Bond Intercept Program). The report assesses whether institutions qualify for the higher education revenue bond intercept program and, even if they qualify, whether they have been experiencing financial difficulties.

- The majority of governing boards reflect a reasonably strong financial position in FY 2015-16, with six of ten close to or above a score of 3.0 (moderate financial health on the CFI scale) and seven of ten qualified to issue new debt under the intercept program with no specific concerns raised. The three governing boards for which there *are* significant concerns are Adams State University, Western State University, and the University of Northern Colorado.
- The University of Northern Colorado's financial position is weak, and its credit rating was downgraded to A2 based on, according to Moody's ratings services, "several years of weak operations, declining liquidity, and rising fixed costs associated with plans to grow enrollment". Although it remains eligible to expand debt under the revenue bond intercept program, the Treasurer's Office has raised concerns about the institution's financial position.



- Although no new data was submitted by Adams State University for FY 2015-16, the Treasurer's report indicates that its financial situation is troubled, and this is consistent with the prior year's CFI. Adams State University does not qualify to expand its debt under the revenue bond intercept program due to an inadequate debt-coverage ratio.
- Western State University's financial position is substantially improved on the CFI measure for FY 2015-16, primarily reflecting new state investment in its physical plant, as well as stronger operating revenues. However, its credit rating is still Baa1, and it is highly leveraged. Due to its low credit rating, it is not eligible to expand its debt under the revenue bond intercept program.



*Source:* institutional data submissions using the methodology outlined in KPMG, Prager, Sealy & Co, Attain, "Strategic Financial Analysis for Higher Education, Seventh Edition", 2010.

*Notes:* Ratios have been adjusted to eliminate the impact of GASB 68, which requires institutions to include pension liabilities in their financial statements, since the CFI tool has not been updated to address the GASB 68 changes.

# APPROPRIATION HIGHLIGHTS - 2017 LEGISLATIVE SESSION

DEPARTMENT OF HIGHER EDUCATION						
	TOTAL FUNDS	GENERAL FUND <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$4,061,311,383	\$870,343,621	\$2,453,407,936	\$715,047,309	\$22,512,517	24,491.1
SB 16-104	441,095	441,095	0	0	0	0.3
SB 16-191	900,000	0	900,000	0	0	0.0
SB 16-196	500,000	250,000	0	250,000	0	0.0
HB 16-1352	2,000,000	0	2,000,000	0	0	0.0
HB 16-1408	2,972,504	0	2,972,504	0	0	0.0
HB 16-1453	7,932,020	0	7,932,020	0	0	0.0
SB 17-254	46,437,007	0	46,385,624	51,383	0	0.0
<b>TOTAL</b>	<b>\$4,122,494,009</b>	<b>\$871,034,716</b>	<b>\$2,513,598,084</b>	<b>\$715,348,692</b>	<b>\$22,512,517</b>	<b>24,491.4</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$4,122,494,009	\$871,034,716	\$2,513,598,084	\$715,348,692	\$22,512,517	24,491.4
Tuition spending authority increase	125,490,651	0	125,490,651	0	0	0.0
Operating adjustment for public colleges and universities	36,651,857	20,608,853	0	16,043,004	0	0.0
Student fee adjustment	12,967,575	0	12,967,575	0	0	0.0
Higher Ed Federal Mineral Lease COP	3,945,700	3,947,850	(3,950,000)	3,947,850	0	0.0
Higher Ed limited gaming revenue	2,091,955	0	2,091,955	0	0	0.0
CSU Western Slope Agricultural Extension	1,750,000	875,000	0	875,000	0	0.0
Revitalization funds for community museums	1,461,401	1,461,401	0	0	0	6.0
Auraria Higher Ed Center adjustment	1,216,595	0	0	1,216,595	0	0.0
Centrally appropriated line items	1,162,981	58,278	710,982	264,748	128,973	0.0
CSU-Pueblo Cannabis Research Center	900,000	0	900,000	0	0	0.0
History Colorado informational funds adjustments	560,000	0	560,000	0	0	0.0
State assistance for career and tech ed	525,118	0	0	525,118	0	0.0
Division of Private Occupational Schools increased workload	158,912	0	158,912	0	0	2.0
Tobacco master settlement revenue adjustment	140,439	0	140,439	0	0	0.0
WICHE programs	48,125	48,125	0	0	0	0.0
Preservation tax credit transfer	45,900	0	0	45,900	0	0.0
Fitzsimons COP	6,564	(1,787,551)	1,794,115	0	0	0.0
Move Geological Survey centrally appropriated items	0	0	0	0	0	0.0
Indirect cost adjustments	0	(147,718)	52,876	94,842	0	0.0
General Fund Exempt adjustment	0	0	0	0	0	0.0
Governing board FTE adjustments	0	0	0	0	0	586.8
Annualize prior year legislation	(10,132,020)	0	(9,932,020)	(200,000)	0	0.0
Move Natl Guard Tuition Assistance to MIL	(800,000)	(800,000)	0	0	0	0.0
Fort Lewis Native American tuition waiver	(416,054)	(416,054)	0	0	0	0.0
Align History Colorado appropriations with revenue	(400,000)	0	(400,000)	0	0	0.0
Other	(2)	0	5,698	(5,700)	0	0.0

# DEPARTMENT OF HIGHER EDUCATION

	TOTAL FUNDS	GENERAL FUND <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>SB 17-254</b>	<b>\$4,299,869,706</b>	<b>\$894,882,900</b>	<b>\$2,644,189,267</b>	<b>\$738,156,049</b>	<b>\$22,641,490</b>	<b>25,086.2</b>
SB 17-060	218,825	0	0	218,825	0	1.0
SB 17-074	500,000	0	500,000	0	0	0.0
SB 17-193	1,000,000	0	1,000,000	0	0	0.0
SB 17-257	0	0	0	0	0	0.0
SB 17-258	25,000	25,000	0	0	0	0.0
<b>TOTAL</b>	<b>\$4,301,613,531</b>	<b>\$894,907,900</b>	<b>\$2,645,689,267</b>	<b>\$738,374,874</b>	<b>\$22,641,490</b>	<b>25,087.2</b>
<b>INCREASE/(DECREASE)</b>	<b>\$179,119,522</b>	<b>\$23,873,184</b>	<b>\$132,091,183</b>	<b>\$23,026,182</b>	<b>\$128,973</b>	<b>595.8</b>
Percentage Change	4.3%	2.7%	5.3%	3.2%	0.6%	2.4%

<sup>1</sup>Includes General Fund Exempt.

## FY 2016-17 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 17-254 includes adjustments to higher education tuition and fee revenue estimates for FY 2016-17 as reflected in the tables below. These changes sum to a \$46,385,624 cash funds appropriation adjustment.

### FY 2016-17 REVISED TUITION REVENUE ESTIMATE

	FY 2016-17 LONG BILL	FY 2016-17 REVISED FORECAST	CHANGE
Adams State University	\$20,056,050	\$19,879,000	(\$177,050)
Colorado Mesa University	66,827,458	65,022,197	(1,805,261)
Metropolitan State University	105,524,167	107,230,227	1,706,060
Western State Colorado University	17,874,830	18,316,024	441,194
Colorado State University System	417,008,560	431,810,664	14,802,104
Fort Lewis College	40,496,891	38,065,066	(2,431,825)
University of Colorado System	931,319,730	944,777,384	13,457,654
Colorado School of Mines	133,847,436	129,396,963	(4,450,473)
University of Northern Colorado	88,590,203	88,704,974	114,771
Community College System	258,683,346	263,242,577	4,559,231
<b>Total</b>	<b>\$2,080,228,671</b>	<b>\$2,106,445,076</b>	<b>\$26,216,405</b>

### FY 2016-17 REVISED FEE REVENUE ESTIMATE

	FY 2016-17 LONG BILL	FY 2016-17 REVISED FORECAST	CHANGE
Adams State University	\$6,569,160	\$5,752,100	(\$817,060)
Colorado Mesa University	6,094,986	5,424,371	(670,615)
Metropolitan State University	15,642,901	16,596,948	954,047
Western State Colorado University	5,133,893	5,186,945	53,052
Colorado State University System	67,958,136	74,202,469	6,244,333
Fort Lewis College	6,133,000	5,490,523	(642,477)
University of Colorado System	76,454,291	92,414,639	15,960,348
Colorado School of Mines	13,132,026	12,919,122	(212,904)
University of Northern Colorado	18,452,587	17,657,689	(794,898)
Community College System	29,214,555	29,309,948	95,393
<b>Total</b>	<b>\$244,785,535</b>	<b>\$264,954,754</b>	<b>\$20,169,219</b>

In addition, S.B. 17-254:

- Adds \$51,383 reappropriated funds transferred from the Governor's Office to the History Colorado Office of Archeology and Historic Preservation for administration of the historic preservation tax credit; and

- Increases appropriations from the General Fund by \$43,633,333 and reduces appropriations from the General Fund Exempt account by the same amount.

## FY 2017-18 APPROPRIATION HIGHLIGHTS

**TUITION SPENDING AUTHORITY INCREASE:** The appropriation includes an increase of \$125,490,651 cash funds spending authority for state public institutions' tuition revenue for FY 2017-18. The increase is intended to cover base costs and strategic initiatives, given a 2.5 percent General Fund increase. The amount reflects: (1) institutions' base funding needs; (2) the General Fund increase requested for each governing board; and (3) feedback from the affected governing boards. The Long Bill includes footnotes allowing 5.0 percent to 7.7 percent increases in undergraduate resident tuition rates, depending upon the governing board, with no restrictions on non-resident or graduate tuition or mandatory fees. The table below summarizes the footnotes and the tuition revenue change by governing board.

LONG BILL "CAP" ON UNDERGRADUATE RESIDENT RATES: FIGURE IDENTIFIED IN LONG BILL FOOTNOTE AS ASSUMED MAXIMUM UNDERGRADUATE RESIDENT STUDENT RATE INCREASE	
Adams State University	7.0%
Colorado Mesa University	7.0%
Metropolitan State University of Denver	7.0%
Western State Colorado University <sup>1</sup>	6.0%
Colorado State University System <sup>1,2</sup>	6.0%
Fort Lewis College	6.0%
University of Colorado system <sup>1,2</sup>	5.0%
Colorado School of Mines	n/a
University of Northern Colorado	7.0%
Colorado Community College System	7.7%

<sup>1</sup>These governing boards have indicated that their undergraduate resident tuition increases will be lower than the caps reflected, as follows: UCB: 4.9%; UCCS: 4.0%, UCD: 3.2%; CSU Fort Collins: 5.0%; Western State University: 4.9%. These lower figures are incorporated in the revenue projections.

<sup>2</sup>The Long Bill footnote includes exceptions for specific programs.

The FY 2017-18 amounts reflect the following estimates of resident and non-resident tuition, enrollment, and weighted tuition per full-time-equivalent student.

FY 2017-18 ESTIMATED RESIDENT AND NON-RESIDENT TUITION, ENROLLMENT, AND TUITION PER FULL TIME EQUIVALENT (FTE) STUDENT						
	RESIDENT TUITION	RESIDENT STUDENT FTE	WEIGHTED AVG. TUITION PER RESIDENT STUDENT FTE	NON-RESIDENT TUITION	NON-RESIDENT STUDENT FTE	WEIGHTED AVG. TUITION PER NON-RESIDENT STUDENT FTE
Adams State University	\$12,562,180	1,780.0	\$7,057	\$8,550,270	877.0	\$9,749
Colorado Mesa University	56,913,522	6,630.6	8,583	13,356,394	1,274.6	10,479
Metropolitan State University	104,433,434	14,662.1	7,123	9,628,887	597.5	16,115
Western State Colorado University	9,252,275	1,618.6	5,716	9,758,387	566.1	17,238
Colorado State University System	234,911,503	21,723.3	10,814	222,974,291	8,456.8	26,366
Fort Lewis College	11,250,728	1,737.0	6,477	28,823,731	1,562	18,459
University of Colorado System	476,853,131	40,433.0	11,794	516,532,541	16,357.0	31,579
Colorado School of Mines	51,600,380	3,372.6	15,300	84,393,498	2,561.4	32,948
University of Northern Colorado	69,968,705	7,895.0	8,862	29,522,771	1,634.0	18,068
Community College System	234,315,561	46,285.7	5,062	46,333,537	3,246.0	14,274
<b>Total/Weighted Average</b>	<b>\$1,262,061,419</b>	<b>146,137.9</b>	<b>\$8,636</b>	<b>\$969,874,307</b>	<b>37,131.9</b>	<b>\$26,120</b>

*Resident student perspective – tuition and fees:* The impact of these changes on the sum of weighted average resident student tuition and estimated mandatory fees, if institutions increase tuition at the estimated levels (incorporates maximum allowed by caps on resident undergraduates) and increase mandatory fees consistent with projections, are shown in the table below.

RESIDENT STUDENT WEIGHTED AVERAGE TUITION AND FEES FY 2016-17 TO FY 2017-18				
	FY 2016-17	FY 2017-18	CHANGE	PERCENTAGE CHANGE
Adams State University	\$8,761	\$9,223	\$462	5.3%
Colorado Mesa University	8,716	9,278	562	6.4%
Metropolitan State University	7,744	8,210	466	6.0%
Western State Colorado University	7,821	8,090	269	3.4%
Colorado State University System	12,787	13,302	515	4.0%
Fort Lewis College	7,775	8,142	367	4.7%
University of Colorado System	13,150	13,457	307	2.3%
Colorado School of Mines	17,228	17,527	298	1.7%
University of Northern Colorado	10,228	10,808	580	5.7%
Community College System	5,289	5,651	362	6.8%

*Institutional perspective – revenue per student:* The impact of all changes in the Long Bill on total institutional revenue per student including General Fund, other state support (e.g. gaming revenue), resident and non-resident tuition, and anticipated fee revenue increases are shown below for FY 2016-17 (including mid-year adjustments), and FY 2017-18.

TOTAL AMOUNT REFLECTED IN THE LONG BILL PER STUDENT FTE (RESIDENT AND NON-RESIDENT)				
	FY 2016-17 TOTAL PER SFTE	FY 2017-18 TOTAL PER SFTE	CHANGE	PERCENTAGE CHANGE
Adams State University	\$14,957	\$15,673	\$716	4.8%
Colorado Mesa University	12,167	12,926	759	6.2%
Metropolitan State University	11,484	12,007	523	4.6%
Western State Colorado University	16,038	16,702	664	4.1%
Colorado State University System	21,475	22,317	842	3.9%
Ft. Lewis College	16,685	17,463	778	4.7%
University of Colorado System	22,444	22,903	459	2.0%
Colorado School of Mines	28,090	28,786	696	2.5%
University of Northern Colorado	16,030	16,728	698	4.4%
Community College System	9,079	9,537	458	5.0%
<b>Total</b>	<b>\$16,814</b>	<b>\$17,449</b>	<b>\$635</b>	<b>3.8%</b>

**OPERATING ADJUSTMENT FOR PUBLIC COLLEGES AND UNIVERSITIES:** The appropriation includes an increase of \$20,608,853 General Fund allocated among public institutions of higher education (state governing boards, local district colleges, and area technical colleges) and financial aid. The appropriation includes: (1) an overall increase of \$16,674,401 (2.5 percent) for the governing boards, allocated based on the H.B. 14-1319 higher education funding model; (2) an increase of \$3,895,962 for need-based financial aid, consistent with statutory requirements that financial aid increase at the same rate as support for the governing boards; and (3) an increase of \$38,490 for College Opportunity Fund (COF) stipends for students attending private institutions, consistent with statutory requirements that align COF stipends for students attending public and private institutions. The model is unchanged from the H.B. 14-1319 higher education allocation model used for the FY 2016-17 Long Bill. Under the model, the state-operated boards receive increases that range from 0.2 percent to 6.9 percent, based on the distribution of institutional enrollment and degrees awarded in actual FY 2015-16. Specialty education programs such as the health sciences campus at the University of Colorado and the veterinary school at Colorado State University, local district colleges, and area technical colleges receive a 2.5 percent increase.

OPERATING ADJUSTMENT FOR PUBLIC COLLEGES AND UNIVERSITIES  
GENERAL FUND APPROPRIATIONS AND CHANGES  
BY CATEGORY AND GOVERNING BOARD  
FY 2016-17 TO FY 2017-18

GOVERNING BOARDS/INSTITUTIONS <sup>1</sup>	FY 2016-17 APPROPRIATION	FY 2017-18 LONG BILL	AMOUNT CHANGE	PERCENTAGE CHANGE
Adams State University	\$14,076,360	\$14,259,963	\$183,603	1.3%
Colorado Mesa University	24,280,729	25,951,161	1,670,432	6.9%
Metropolitan State University of Denver	51,415,001	51,626,603	211,602	0.4%
Western State Colorado University	11,534,927	11,821,897	286,970	2.5%
Colorado State University System <sup>2</sup>	134,518,307	138,410,526	3,892,219	2.9%
Fort Lewis College	11,481,200	11,784,939	303,739	2.6%
University of Colorado System	186,532,686	194,318,227	7,785,541	4.2%
Colorado School of Mines	20,639,050	21,484,706	845,656	4.1%
University of Northern Colorado	39,113,234	39,597,408	484,174	1.2%
Community College System	153,330,147	153,709,215	379,068	0.2%
Colorado Mountain College	7,143,039	7,319,484	176,445	2.5%
Aims Community College	8,446,176	8,654,810	208,634	2.5%
Area Technical Colleges	9,971,721	10,218,039	246,318	2.5%
<b>Subtotal – Public Governing Boards/Institutions</b>	<b>\$672,482,577</b>	<b>\$689,156,978</b>	<b>\$16,674,401</b>	<b>2.5%</b>
Need Based Grants (total funds) <sup>3</sup>	\$124,570,732	\$128,466,694	\$3,895,962	3.1%
COF Stipend - Students at Private Institutions	1,443,375	1,481,865	38,490	2.7%
<b>TOTAL</b>	<b>\$798,496,684</b>	<b>\$819,105,537</b>	<b>\$20,608,853</b>	<b>2.6%</b>

<sup>1</sup> Includes College Opportunity Fund stipends, fee-for-service contracts, and grants to local district colleges and area technical colleges.

<sup>2</sup> Excludes a specialty education increase above the base model amount.

<sup>3</sup> Statute requires a proportionate increase for financial aid on a base that includes other components, in addition to Need Based Grants.

**STUDENT FEE ADJUSTMENT:** The appropriation incorporates projected mandatory student fee adjustments for each institution, based on institutional projections.

FY 2017-18 FEE REVENUE ESTIMATE - MANDATORY FEES

	FY 2016-17 ADJUSTED ESTIMATE	FY 2017-18 ESTIMATE	AMOUNT CHANGE	PERCENTAGE CHANGE
Adams State University	\$5,752,100	\$6,247,500	\$495,400	8.6%
Colorado Mesa University	5,424,371	5,525,694	101,323	1.9%
Metropolitan State University	16,596,948	17,535,770	938,822	5.7%
Western State Colorado University	5,186,945	5,655,581	468,636	9.0%
Colorado State University System	74,202,469	76,344,737	2,142,268	2.9%
Ft. Lewis College	5,490,523	5,741,921	251,398	4.6%
University of Colorado System	92,414,639	97,468,984	5,054,345	5.5%
Colorado School of Mines	12,919,122	13,336,810	417,688	3.2%
University of Northern Colorado	17,657,689	20,316,749	2,659,060	15.1%
Community College System	29,309,948	29,748,583	438,635	1.5%
<b>TOTAL</b>	<b>\$264,954,754</b>	<b>\$277,922,329</b>	<b>\$12,967,575</b>	<b>4.9%</b>

Estimated mandatory fee revenue per student FTE is reflected in the table below. Fees are typically the same for resident and non-resident students.

FY 2017-18 ESTIMATED MANDATORY FEES PER STUDENT FTE

	FEE REVENUE	TOTAL STUDENT FTE	WEIGHTED AVG. MANDATORY FEE REVENUE PER STUDENT FTE
Adams State University	\$6,247,500	2,657.0	\$2,351
Colorado Mesa University	5,525,694	7,905.2	699
Metropolitan State University	17,535,770	15,259.6	1,149
Western State Colorado University	5,655,581	2,184.7	2,589
Colorado State University System	76,344,737	30,180.1	2,530
Ft. Lewis College	5,741,921	3,298.5	1,741

FY 2017-18 ESTIMATED MANDATORY FEES PER STUDENT FTE			
	FEE REVENUE	TOTAL STUDENT FTE	WEIGHTED AVG. MANDATORY FEE REVENUE PER STUDENT FTE
University of Colorado System	97,468,984	56,790.0	1,716
Colorado School of Mines	13,336,810	5,934.0	2,248
University of Northern Colorado	20,316,749	9,529.0	2,132
Community College System	29,748,583	49,531.7	601
<b>Total</b>	<b>\$277,922,329</b>	<b>183,269.8</b>	<b>\$1,516</b>

**HIGHER ED FEDERAL MINERAL LEASE COP:** The appropriation includes an increase of \$3,945,850 General Fund based on a decline in Federal Mineral Lease (FML) revenue available to cover certain state lease-purchase obligations. In 2008, the General Assembly authorized the State to enter into lease-purchase agreements (certificates of participation/COPs) to fund capital construction projects for state-supported institutions of higher education. Annual payments were to be made from FML revenues that were projected to increase. The FML revenue stream has been inconsistent, and General Fund has therefore been required to backfill the obligation. House Bill 16-1229 (HED Financial Obligation Repayment) made some additional FML fund balance available in FY 2016-17, but this will be exhausted for FY 2017-18, and additional General Fund is therefore required.

**HIGHER ED LIMITED GAMING REVENUE:** The appropriation adjusts funding for higher education institutions with a two-year mission to reflect the most recent actual receipts of Amendment 50 limited gaming revenue. These amounts are shown for informational purposes and are based on the most recent actual revenue (FY 2015-16 receipts).

HIGHER EDUCATION (AMENDMENT 50) LIMITED GAMING REVENUE			
	FY 2014-15 ACTUAL	FY 2015-16 ACTUAL	INCREASE IN FY 2017-18 LONG BILL
<i>State Institutions</i>			
State Community College System	\$6,545,140	\$8,255,091	\$1,709,951
Adams State University	21,568	24,487	2,919
Colorado Mesa University	356,644	431,952	75,308
<i>Local District Colleges</i>			
Aims Community College	413,645	569,080	155,435
Colorado Mountain College	365,887	514,229	148,342
<b>Total</b>	<b>\$7,702,884</b>	<b>\$9,794,839</b>	<b>\$2,091,955</b>

**CSU WESTERN SLOPE AGRICULTURAL EXTENSION:** The appropriation includes an increase of \$875,000 General Fund to enable Colorado State University to renovate and reopen agricultural extension facilities on the Western Slope.

**REVITALIZATION FUNDS FOR COMMUNITY MUSEUMS:** The appropriation includes an increase of \$1,461,401 General Fund and 6.0 FTE for History Colorado to support community museums located across the state. A portion of the funding will support FTE whose responsibilities will focus on community museum security, local community involvement, philanthropic development, and educational outreach in remote areas. A portion will also support the development of revenue-generating enterprise programs that will enable the community museums to reduce the General Fund support required over time. General Fund support will step down in FY 2020-21.

**AURARIA HIGHER ED CENTER ADJUSTMENT:** The appropriation increases spending authority for the Auraria Higher Education Center by \$1,216,595 (6.0 percent) for funds received from the institutions operating on the Auraria campus (University of Colorado – Denver, Metropolitan State University of Denver, and the Community College of Denver).

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items based primarily on common policy.

CENTRALLY APPROPRIATED LINE ITEMS					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
<b>COMPENSATION-RELATED COMMON POLICY ADJUSTMENTS</b>					
Health, life, and dental insurance	\$345,777	\$32,599	\$161,580	\$103,306	\$48,292
Short-term disability	2,267	284	1,065	798	120
Amortization equalization disbursement (AED)	59,159	7,821	28,415	18,999	3,924
Supplemental AED	64,919	7,921	31,729	20,043	5,226
Salary survey	236,402	6,713	133,867	46,020	49,802
Merit Pay	99,516	2,940	54,811	20,156	21,609
<b>Subtotal - Compensation</b>	<b>\$808,040</b>	<b>\$58,278</b>	<b>\$411,467</b>	<b>\$209,322</b>	<b>\$128,973</b>
<b>OPERATIONS-RELATED COMMON POLICY ADJUSTMENTS</b>					
Workers' compensation	(\$16,705)	\$0	(\$21,090)	\$4,385	\$0
Legal services	(7,524)	0	(2,076)	(5,448)	0
Administrative Law Judge	507	0	507	0	0
Payment to risk management / property funds adjustment	49,561	0	47,743	1,818	0
Leased space	7,989	0	1,598	6,391	0
<b>Subtotal - Operations</b>	<b>\$33,828</b>	<b>\$0</b>	<b>\$26,682</b>	<b>\$7,146</b>	<b>\$0</b>
<b>IT-RELATED COMMON POLICY ADJUSTMENTS</b>					
Payments to the Office of Information Technology (OIT)	\$308,000	\$0	\$280,330	\$27,670	\$0
CORE (state financial system) Operations	13,113	0	(7,497)	20,610	0
<b>Subtotal - IT</b>	<b>\$321,113</b>	<b>\$0</b>	<b>\$272,833</b>	<b>\$48,280</b>	<b>\$0</b>
<b>Total</b>	<b>\$1,162,981</b>	<b>\$58,278</b>	<b>\$710,982</b>	<b>\$264,748</b>	<b>\$128,973</b>

**CSU-PUEBLO CANNABIS RESEARCH CENTER:** The appropriation increases funding for the CSU-Pueblo Cannabis Research Center by \$900,000 cash funds from the Marijuana Tax Cash Fund to provide a total appropriation of \$1,800,000 from the Marijuana Tax Cash Fund for new and expanded marijuana-related research projects.

**HISTORY COLORADO INFORMATIONAL FUNDS ADJUSTMENTS:** The appropriation includes adjustments to funds shown in History Colorado for informational purposes, including an anticipated increase in limited gaming revenue for preservation grants (\$350,000 increase/\$8,250,000 total), an anticipated increase in limited gaming distributions to local governments for historic preservation (\$300,000 increase/\$5,300,000 total), and an anticipated reduction in funds appropriated by the New Mexico legislature for the Cumbres and Toltec Scenic Railroad (\$90,000 reduction/\$645,000 total)

**STATE ASSISTANCE FOR CAREER AND TECH ED:** The appropriation increases funding for career and technical education by \$525,118 reappropriated funds, to \$26,164,481 reappropriated funds, based on money transferred from the Department of Education.

**DIVISION OF PRIVATE OCCUPATIONAL SCHOOLS INCREASED WORKLOAD:** The appropriation adds \$158,912 cash funds from the Private Occupational School Fund and 2.0 FTE for the Division of Private Occupational Schools for FY 2017-18. This division regulates two-year institutions that provide training in areas such as truck driving, cosmetology, and administrative support. The additional staff will ease workload issues that have been driven by the Division's increased regulatory oversight and school closures.



**TOBACCO MASTER SETTLEMENT REVENUE ADJUSTMENT:** The appropriation increases spending authority for money received by the University of Colorado pursuant to the tobacco master settlement agreement by \$140,439 cash funds to a total of \$12,493,308, based on the tobacco revenue projection, statutory allocation formulas, and projected fund reserves. The funds are used for programs at the Health Sciences Center, including cancer research.

**WICHE PROGRAMS:** The appropriation adds \$48,125 General Fund for Western Interstate Commission on Higher Education (WICHE) programs, including \$44,125 for the WICHE Optometry Professional Student Exchange Program (PSEP). The Optometry PSEP, which receives a total appropriation of \$443,125, allows Colorado resident students to pursue professional degrees in optometry at designated out-of-state institutions at a tuition rate comparable to an in-state tuition rate. The General Assembly appropriates a “support fee” that subsidizes student tuition. Students must commit to return to Colorado. The FY 2017-18 increase for WICHE programs also includes an increase of \$4,000 for WICHE membership dues, bringing the total for dues to \$149,000.

**PRESERVATION TAX CREDIT TRANSFER:** The appropriation adds \$45,900 reappropriated funds transferred from the Governor’s Office of Economic Development for administration of the historic preservation tax credit by History Colorado.

**FITZSIMONS COP:** The appropriation includes an adjustment to the total amount and funding sources for the annual lease-purchase payment (Certificate of Participation/COP) for the University of Colorado Health Sciences Center at Fitzsimons that was authorized by H.B. 03-1256 (Lease Purchase for CSPII and Fitzsimons). The adjustment draws on cash fund reserves to offset \$1.7 million in General Fund otherwise required.

**MOVE GEOLOGICAL SURVEY CENTRALLY APPROPRIATED ITEMS:** The appropriation includes a net zero adjustment to transfer amounts for the Colorado Geological Survey from centrally-appropriated line items to the Colorado Geological Survey line item. The amount transferred is \$274,814, including \$82,766 General Fund, \$184,257 cash funds, and \$7,781 federal funds.

**INDIRECT COST ADJUSTMENTS:** The appropriation includes an increase of \$147,718 in the Department’s indirect cost assessments, comprised of \$52,876 cash funds and \$94,842 reappropriated funds. These additional assessments are used to reduce General Fund appropriations by a total of \$147,718 in the Colorado Commission on Higher Education and Colorado Commission on Higher Education Financial Aid divisions.

**GENERAL FUND EXEMPT ADJUSTMENT:** The appropriation reduces appropriations of General Fund in the Department by a total of \$92,866,666 and increases appropriations from the General Fund Exempt account by the same amount.

**GOVERNING BOARD FTE ADJUSTMENTS:** The appropriation adjusts FTE shown in the Long Bill for each governing board to reflect the most recent estimates available (estimates for FY 2016-17). These FTE figures are shown for informational purposes only.

GOVERNING BOARD EMPLOYEE FTE				
	FY 2016-17	FY 2017-18	LONG BILL	
	(FY 2015-16 ESTIMATES)	(FY 2016-17 ESTIMATES)	CHANGE	PERCENT
Adams State University	331.6	339.5	7.9	2.4%
Colorado Mesa University	705.8	728.3	22.5	3.2%
Metropolitan State University	1,453.2	1392.8	(60.4)	(4.2%)
Western State Colorado University	248.1	250.2	2.1	0.8%
Colorado State University System <sup>1</sup>	4,856.2	5,315.2	259.0	5.3%
Fort Lewis College	430.4	441.4	11.0	2.6%
University of Colorado System	7,982.3	8,255.5	273.2	3.4%
Colorado School of Mines	896.8	952.4	55.6	6.2%
University of Northern Colorado	1,136.5	1,308.0	171.5	15.1%
Community College System	6,003.8	5,848.6	(155.2)	(2.6%)
Auraria Higher Education Center	190.6	190.2	(0.4)	(0.2%)
<b>TOTAL</b>	<b>24,235.3</b>	<b>25,022.1</b>	<b>586.8</b>	<b>2.4%</b>

<sup>1</sup>Incorporates two years of growth, due to errors in the prior year submission.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments for the second- and third-year impact of prior year legislation.

ANNUALIZE PRIOR YEAR LEGISLATION					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
HB 16-1453 Cybersecurity	(\$7,932,020)	\$0	(\$7,932,020)	\$0	\$0
HB 16-1352 History Colorado CF	(2,000,000)	0	(2,000,000)	0	0
HB 15-1274 Career Pathways	(200,000)	0	0	(200,000)	0
<b>Total</b>	<b>(\$10,132,020)</b>	<b>\$0</b>	<b>(\$9,932,020)</b>	<b>(\$200,000)</b>	<b>\$0</b>

**MOVE NAT'L GUARD TUITION ASSISTANCE TO MIL:** The appropriation eliminates an \$800,000 General Fund appropriation for National Guard tuition assistance because this amount is moved to the Department of Military and Veterans Affairs pursuant to S.B. 17-174 (Allocation of Money for National Guard Tuition).

**FORT LEWIS NATIVE AMERICAN TUITION WAIVER:** The appropriation includes a reduction of \$416,054 General Fund for the Fort Lewis College Native American tuition waiver, bringing the total to \$16,948,194 General Fund for the program. Funding for this program is mandated by Section 23-52-105 (1)(b)(I), C.R.S., which requires the General Assembly to fund 100 percent of the tuition obligations for qualifying Native American students attending Fort Lewis College. Funding for the tuition waiver is made one year in arrears and is calculated based on the prior year enrollment estimates. The decrease is based on updated figures from Fort Lewis College.

**ALIGN HISTORY COLORADO APPROPRIATIONS WITH REVENUE:** The appropriation reduces History Colorado appropriations of limited gaming revenue for museum operations to align with anticipated revenue.

**OTHER:** The appropriation includes other minor adjustments.

**ADDITIONAL LEGISLATION:** For information on additional legislation, see the "Recent Legislation" section at the end of Part III of this department.

# DEPARTMENT OF HUMAN SERVICES

The Department of Human Services is responsible for the administration and supervision of all non-medical public assistance and welfare activities of the State, including assistance payments, the Supplemental Nutrition Assistance Program (food stamps), child welfare services, rehabilitation programs, alcohol and drug treatment programs, and programs for the aging. The Department is also responsible for inspecting and licensing child care facilities and for the care and treatment of the State's dependent citizens who are mentally ill, developmentally disabled, or juvenile offenders. The Department operates two mental health institutes, three regional centers for persons with developmental disabilities, and ten institutions for juvenile delinquents. The Department also provides funding for the care of indigent mentally ill people, contracts with community centered boards for services for children qualifying for early intervention services, and contracts for the supervision and treatment of delinquent juveniles.

## DEPARTMENT BUDGET: RECENT APPROPRIATIONS

FUNDING SOURCE	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
General Fund	\$790,048,884	\$818,662,457	\$831,272,286	\$866,955,020
Cash Funds	346,379,985	350,097,641	390,905,724	415,732,200
Reappropriated Funds	128,339,086	132,779,687	129,320,756	174,562,607
Federal Funds	619,824,287	621,989,838	556,277,721	578,354,293
<b>TOTAL FUNDS</b>	<b>\$1,884,592,242</b>	<b>\$1,923,529,623</b>	<b>\$1,907,776,487</b>	<b>\$2,035,604,120</b>
Full Time Equiv. Staff	4,961.2	4,975.8	4,793.4	4,937.6

## GENERAL FACTORS DRIVING THE BUDGET

Funding for this department consists of 42.6 percent General Fund, 20.4 percent cash funds, 8.6 percent reappropriated funds, and 28.4 percent federal funds. Some of the major factors driving the Department's budget are discussed below.

### EMPLOYEE BENEFITS

Due to the large number of employees within the Department, appropriations for common employee benefits are a significant portion of the Executive Director's Office. These costs include the state contribution for the Public Employees' Retirement Association (PERA) and employee health, life, and dental benefits. Additionally, the Department has a sizable appropriation for shift differential, which pays a premium to employees who work non-standard shifts in 24-hour institutional facilities. The following table compares the FY 2016-17 and FY 2017-18 appropriations for costs associated with employee benefits.

EMPLOYEE BENEFIT APPROPRIATIONS					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2016-17 Appropriation					
Health, life, and dental	\$32,736,387	\$22,142,423	\$543,180	\$6,909,927	\$3,140,857
Short-term disability	404,087	273,968	8,271	74,665	47,183
State PERA contribution	20,944,341	14,203,449	419,416	3,936,719	2,384,757
Salary survey and merit pay	895,560	640,505	28,372	155,379	71,304
Shift differential	5,792,948	3,934,215	0	1,858,733	0
<b>FY 2016-17 TOTAL</b>	<b>\$60,773,323</b>	<b>\$41,194,560</b>	<b>\$999,239</b>	<b>\$12,935,423</b>	<b>\$5,644,101</b>

EMPLOYEE BENEFIT APPROPRIATIONS					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2017-18 Appropriation					
Health, life, and dental	\$35,626,745	\$25,469,588	\$204,384	\$7,148,083	\$2,804,690
Short-term disability	415,157	280,491	13,979	74,685	46,002
State PERA contribution	22,511,350	15,208,272	745,690	4,117,036	2,440,352
Salary survey and merit pay	6,086,474	4,108,047	208,002	1,098,877	671,548
Shift differential	5,391,384	3,077,897	0	2,313,487	0
<b>FY 2017-18 TOTAL</b>	<b>\$70,031,110</b>	<b>\$48,144,295</b>	<b>\$1,172,055</b>	<b>\$14,752,168</b>	<b>\$5,962,592</b>

## COMMUNITY PROVIDER RATES

The Department contracts with local community providers to provide services to eligible clients. To ensure that community provider arrangements are viable over the long term, the General Assembly has awarded annual inflationary cost of living increases called community provider rate increases. The following are some of the Department programs that have received the community provider rate increase: county administration, child welfare, child care, behavioral health community programs, adult assistance, and community programs in youth corrections. The General Assembly approved an average community provider rate increase of approximately 1.4 percent for FY 2017-18.

COMMUNITY PROVIDER RATE INCREASE					
DIVISION	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
Executive Director's Office	\$9,467	\$1,915	\$0	\$7,552	\$0
County Administration	1,038,756	345,784	207,751	0	485,221
Division of Child Welfare	5,886,931	3,421,642	1,013,111	213,044	1,239,134
Office of Early Childhood	2,159,294	741,567	312,338	92,006	1,013,383
Office of Behavioral Health	1,812,576	1,503,291	191,606	117,679	0
Adult Assistance Programs	251,191	172,342	50,238	0	28,611
Division of Youth Corrections	690,241	641,896	28,036	11,359	8,950
<b>TOTAL PROVIDER RATE INCREASE</b>	<b>\$11,848,456</b>	<b>\$6,828,437</b>	<b>\$1,803,080</b>	<b>\$441,640</b>	<b>\$2,775,299</b>

## INDIRECT COSTS

Starting in the FY 2017-18 Long Bill, the appropriation of the Department's indirect cost assessments and recoveries is established through the creation of an indirect cost assessment line item in each division and a corresponding appropriation of reappropriated funds in the Executive Director's Office, Information Technology Services, and Office of Operations. This change to the Long Bill appropriation structure results in an increase of \$46,709,360 total funds, the majority of which is reappropriated funds. The implementation of the Long Bill indirect cost plan results in a reduction in General Fund appropriations to the Department of \$5,910,815. This General Fund reduction is primarily the result of the collection of indirect cost assessments on cash funds not historically collected by the Department.

## INFORMATION TECHNOLOGY SYSTEMS

The budget for the Office of Information Technology Systems (OITS) is primarily driven by the personnel, contracting, and operating expenses of the Colorado Benefits Management System (CBMS). CBMS is the computer system used to determine a citizen's eligibility for public assistance programs like Medicaid, the Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), and many others. CBMS is developed and maintained by the State for use by county social or human services departments and various medical assistance sites. The majority of employees assigned to CBMS reside in the Governor's Office of Information Technology.

OITS' FY 2017-18 appropriation for CBMS-related expenditures totals \$35.1 million total funds, including \$23.2 million General Fund, which equals 42.6 percent of OITS' appropriation of \$82.4 million. CBMS expenses are driven by standard operating costs, including contract services, personal services, postage, personal computers, hardware/software, network equipment, and printing supplies. OITS' budget has also been driven by phases one and two of the CBMS modernization project, begun with the passage of H.B. 12-1339 (Colorado Benefits Management System Project). These phases provided appropriations totaling \$71.1 million total funds to the Department from FY 2011-12 through FY 2014-15.

CBMS is not the only system administered with money appropriated to OITS. The following tools support a variety of programs:

- Colorado TRAILS – a statewide system, operational since 2002, that supports activities in the Division of Child Welfare and the Division of Youth Corrections. It provides case management, financial tools, and other resources to users. TRAILS received an appropriation of \$5.0 million total funds, including \$2.7 million General Fund, for FY 2017-18 to support its operation. Note, TRAILS is in the midst of a modernization project funded in the capital construction section of the budget.
- County Financial Management System (CFMS) – a system that tracks expenditures by program, by funding source, and by county track, allocates administrative costs by program, and tracks expenditures that are estimated to count toward federal maintenance-of-effort requirements (MOE). The system manages over \$1.0 billion in payments annually. CFMS received an appropriation of \$1.5 million total funds, including \$0.8 million General Fund, for FY 2017-18 to support its operation.
- Child Care Automated Tracking System (CHATS) – a system for eligibility and payment for the Colorado Child Care Assistance Program. The program provides child care subsidies for low-income families, TANF families, and families transitioning from the Colorado Works program. CHATS received an appropriation of \$2.7 million federal funds for FY 2017-18 to support its operation. Note, CHATS is in the final stages of a modernization project funded through the capital construction section of the budget.

## COUNTY ADMINISTRATION

Colorado has a State-supervised and county-administered social services program, providing a large degree of autonomy to counties. As a result of this high degree of decentralization, most of the County Administration budget line items provide block transfers to the counties. If counties over-expend their allocations, they are responsible for covering the shortfall, although they are able to access federal matching funds for county-only expenditures for some programs.

Over time, funding for the administrative responsibilities for some programs has been moved out of the County Administration section of the Long Bill. Administration for child care services, child welfare services, Temporary Assistance for Needy Families (TANF), adult services, and the Old Age Pension are incorporated into line items in other sections of the Department's budget. County administration of medical assistance programs (e.g. Medicaid) was moved to the Department of Health Care Policy and Financing (HCPF) in FY 2006-07. County activities to determine medical assistance eligibility are essentially the same as the activities to determine eligibility for other social service programs: both involve CBMS, and eligibility-determination costs are allocated between programs and the two departments.

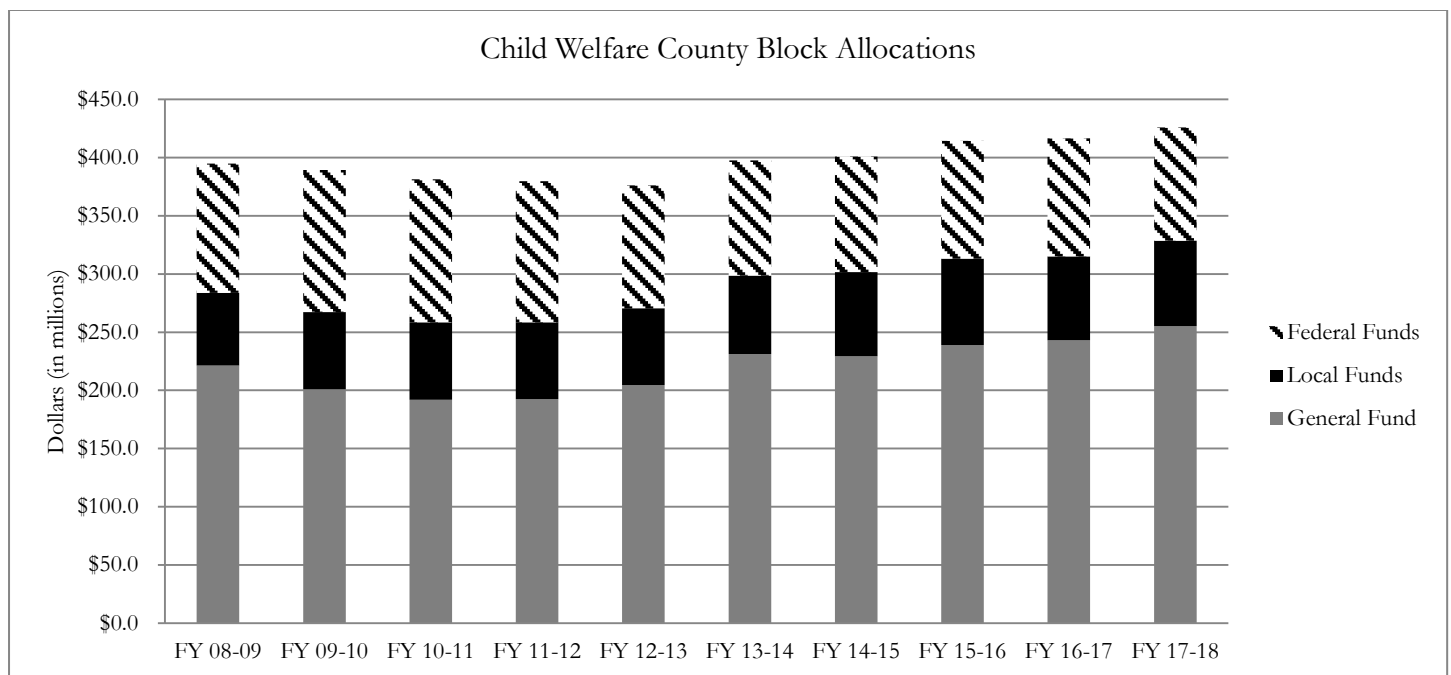
Today, the County Administration section includes funding for eligibility determination for the Supplemental Nutrition Assistance Program (food stamps) and several other smaller programs (e.g. child support services and the Low-income Energy Assistance Program) and to assist counties experiencing severe financial gaps between service needs and property taxes used to maintain program operations. Funding provided by the State for county administration is capped at the level appropriated (as opposed to an entitlement), and county costs and caseload

only affect appropriations to the extent the General Assembly chooses to make related adjustments. Many counties supplement State appropriations with county tax revenues. The appropriation of State funds for the County Administration section equals \$28.9 million General Fund for FY 2017-18.

Additionally, S.B. 16-190 (Improve County Admin Public Assistance Programs) established performance standards for administering the Supplemental Nutrition Assistance Program (SNAP), established a process for distributing monetary bonuses or sanctions associated with SNAP to county departments of social services, outlined the parameters of a data collection and analysis project to capture information regarding costs and performance associated with administering public assistance programs, and required the Department and counties to design a continuous quality improvement program to improve the administration of public assistance programs.

## CHILD WELFARE SERVICES

County departments of human or social services receive and respond to reports of potential child abuse or neglect under the supervision of the Department. Appropriations for child welfare programs for FY 2017-18 total \$485.7 million and consist of 54.5 percent General Fund, 22.0 percent federal funds, 3.5 percent reappropriated funds and 20.0 percent county funds and various cash fund sources. The majority of funds appropriated for child welfare (87.7 percent) are made available to county departments as block allocations for the provision of child welfare services. The chart below provides the history of appropriations for county block allocations (appropriations to the Child Welfare Services, County Level Child Welfare Staffing, and Family and Children's Programs line items) by fund source. Appropriations to line items that fund the county block allocations have increased 7.9 percent from FY 2008-09 to FY 2017-18.

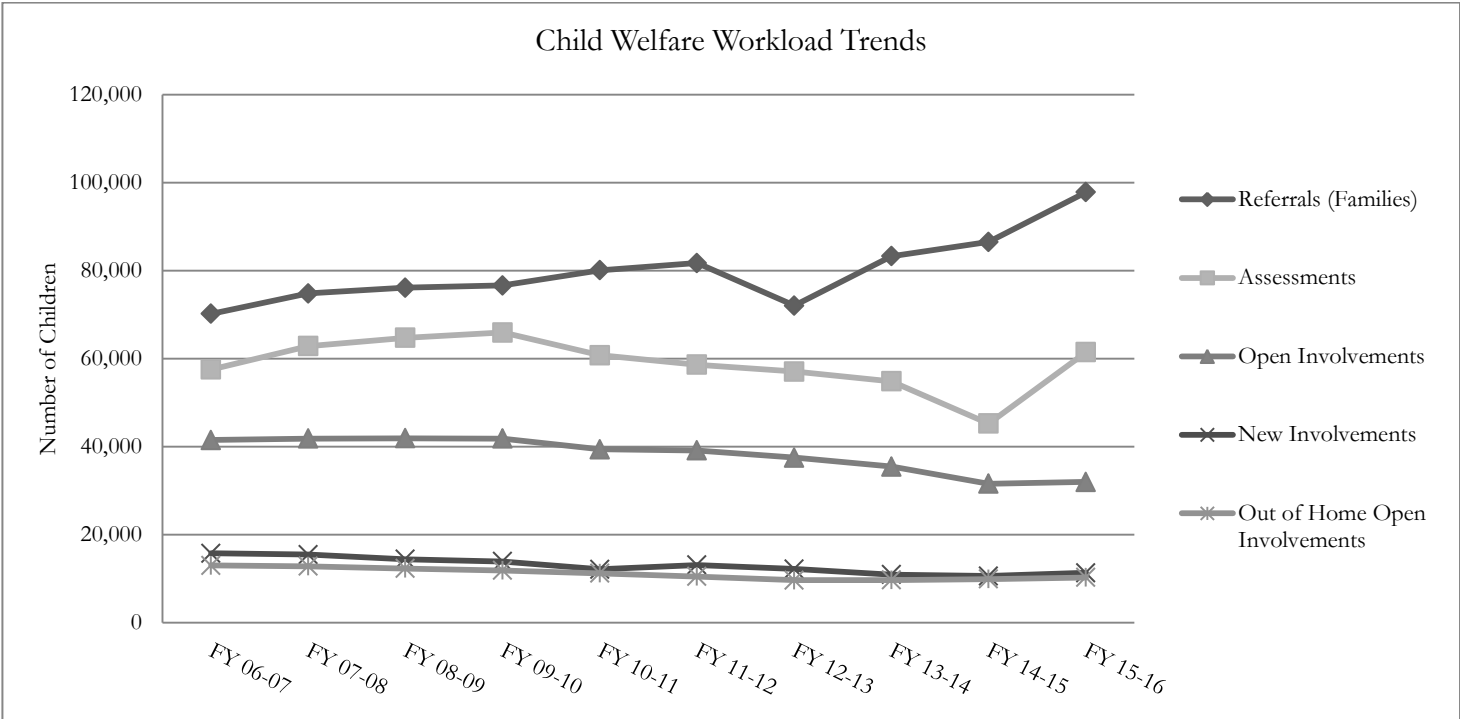


Counties are required to provide a specific funding match for each of the block allocations. For the County Level Child Welfare Staffing block grant, counties are required to cover 10.0 percent of the costs associated with hiring newly created child welfare case aide, case worker, and supervisor positions. For block allocations provided through the Child Welfare Services and Family and Children's Programs line items, counties are required to cover 20.0 percent of most child welfare costs. If counties spend more than the capped allocations, they are responsible for covering any shortfall with other funds, which may include federal Temporary Assistance for Needy Families (TANF) block grant funds or county tax revenue.

Over the last several years, counties have made significant changes in how they respond to allegations of abuse and neglect and the kinds of services they offer, based on funding constraints and changes in what is considered to be best practice. At the county level, expenditures for child welfare services are driven by:

- The number of reports of abuse or neglect received;
- The number of reports that the county determines require further investigation (assessments);
- The number of children requiring child welfare services (open involvements);
- The number of children with open child welfare cases who receive residential services versus alternative services;
- The costs of the various services provided; and
- The total compensation costs for county child welfare employees.

Among these drivers, certain elements are largely beyond county control, such as the number of reports of abuse or neglect, the number of reports that require a child welfare case to be opened based on the severity of an incident and risk to a child, and judicial decisions regarding client placements. Other drivers are within county control, such as the types of services offered, the rates paid for services, and employee compensation packages. After several years of declining trends in most metrics, all child welfare metrics are again on the rise.

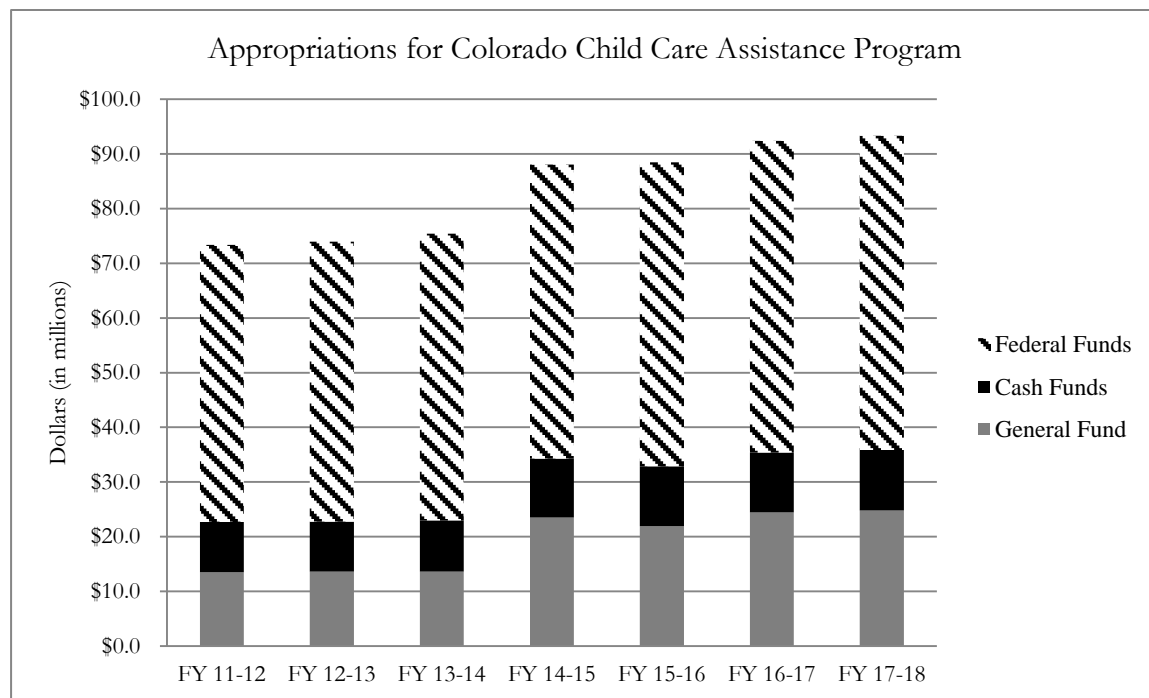


Title IV-E of the federal Social Security Act entitles states to claim a partial reimbursement for the cost of providing foster care, adoption assistance, and kinship guardianship assistance to children who meet federal eligibility criteria. This program provides funds for case management activities, training, data collection, and other program administration costs, in addition to support for monthly payments on behalf of qualifying children. Though increased emphasis has been placed on avoiding out-of-home placements, serving children and families in the home, and reunifying families if this can be done safely, Title IV-E does not provide reimbursement for services provided in order to keep a child in the family home. As a result of a decline in the number of out-of-home placements across the state, Colorado’s Title IV-E revenue began declining in FY 2006-07.

For fiscal years 2013-14 through 2017-18, Colorado was awarded one of ten waivers from federal Title IV-E spending requirements. This approved Title IV-E Waiver Demonstration project provides Colorado with a guaranteed stream of capped federal Title IV-E funds for five years for major portions of its Title IV-E revenue stream, including foster care maintenance (room and board) and administrative costs for case planning, management, and eligibility-determination. The total amount of the award is \$489.1 million and is distributed through scheduled quarterly draws that began July 1, 2013 and continue through April 1, 2018 for both foster care Demonstration maintenance and Demonstration administration. A portion of the Title IV-E revenue stream related to adoption assistance, training, some other administration costs, and computer systems is excluded from the waiver and will continue to be reimbursed based on expenditures and federal Title IV-E reimbursement formulas. While the Title IV-E waiver has allowed Colorado to use these funds to support child welfare interventions, expiration of the waiver will result in a restriction of the funds to expenditures associated with out-of-home placement. If the federal waiver is not reauthorized by Congress, the State will likely face a shortfall in federal funding beginning in FY 2018-19.

## CHILD CARE ASSISTANCE PROGRAM

The Colorado Child Care Assistance Program (CCCAP) provides subsidized child care for low income families and those transitioning from the Colorado Works program, subject to available appropriations. The majority of appropriations are comprised of federal Child Care Development block grant funds, which are subject to appropriation by the General Assembly under federal law. Funding for CCCAP is allocated to counties, which are responsible for administering the program. In addition to appropriated amounts, counties may transfer a portion of their TANF block grant funding to support child care programs. Such transfers are not reflected in the appropriation, but are a driver of overall program expenditures. The following chart provides a history of appropriations for the CCCAP. FY 2014-15 through FY 2017-18 appropriations include funding provided for the CCCAP Cliff Effect Pilot Grant Program through S.B. 14-003.



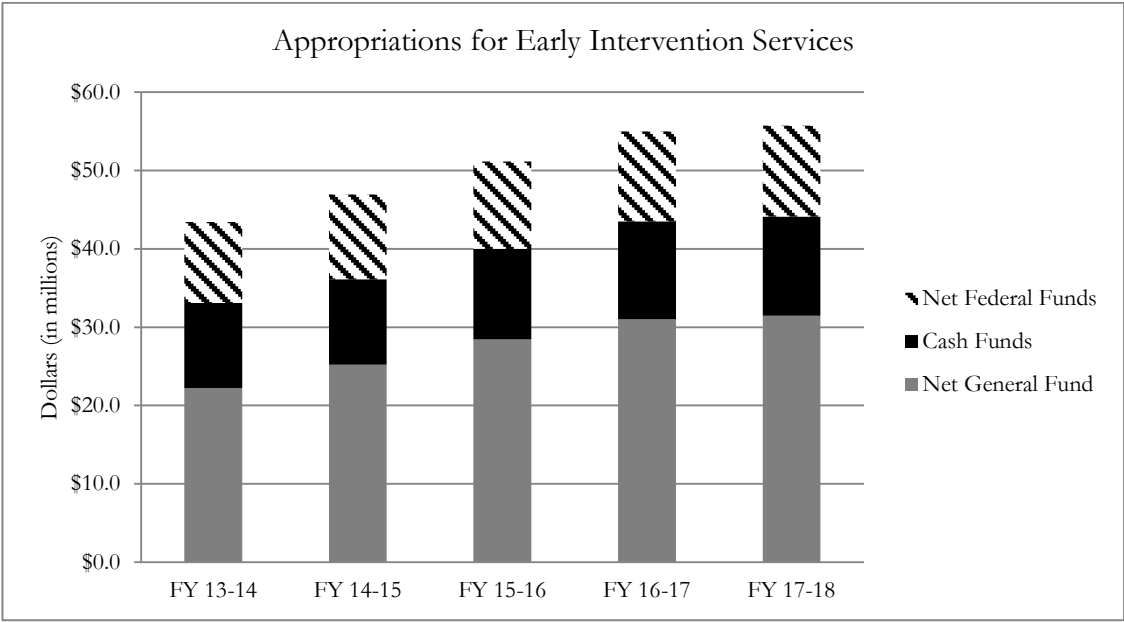


EARLY INTERVENTION SERVICES

Early Intervention Services (EI services) are provided to infants and toddlers, through age two, with one of the following three conditions:

- A developmental delay or disability diagnosis;
- A physical or mental condition with a high probability of resulting in a significant delay in development; or
- A parent or caretaker who has a developmental disability.

Funding for EI services for FY 2017-18 totals \$55.7 million and consists of 50.4 percent General Fund, 22.8 percent cash funds from local funds and the Early Intervention Services Trust Fund, 11.9 percent Medicaid reappropriated funds, and 14.9 percent federal funds. As a condition of receiving federal funds, the State is required to provide EI services to all eligible infants and toddlers whose families seek services. The chart below provides a breakdown by funding source of appropriations made to the Early Intervention Services and Early Intervention Services Case Management line items in FY 2013-14 through FY 2017-18. General Fund appropriations for FY 2017-18 include 89.4 percent General Fund appropriated to the Department and 10.6 percent Medicaid General Fund appropriated to the Department of Health Care Policy and Financing (HCPF) and subsequently reappropriated to the Department of Human Services. Federal funds include 71.3 percent from Part C of the Individuals with Disabilities Education Improvement Act and 28.7 percent federal Medicaid funds transferred from the HCPF in FY 2017-18.



OFFICE OF BEHAVIORAL HEALTH

The Department's Office of Behavioral Health administers funding for community-based mental health and substance use disorder treatment and prevention services (referred to as "behavioral health" services) that are not otherwise accessible. This includes services for people with a low income who are not eligible for Medicaid, as well as services for Medicaid-eligible clients, if such services are not covered by the Medicaid program. The Department also operates two mental health institutes, which provide inpatient hospitalization for individuals with serious mental illness.

## MENTAL HEALTH INSTITUTES

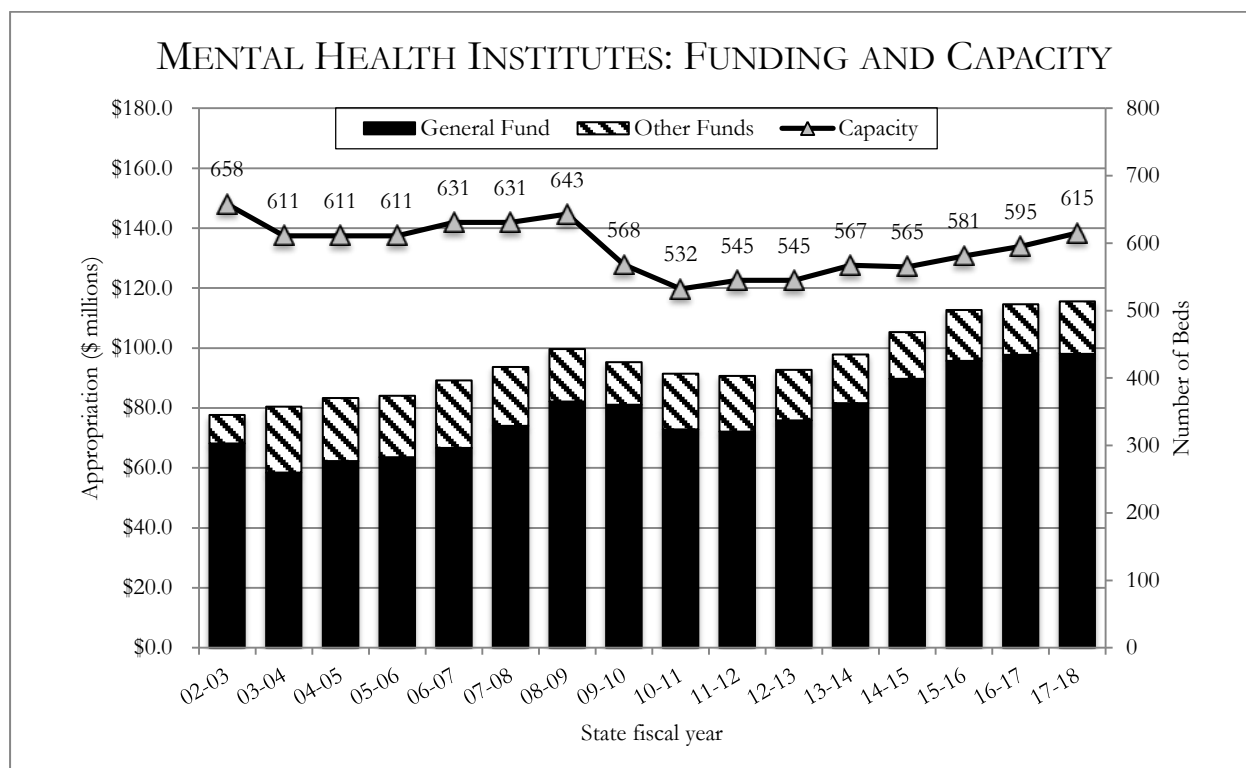
The Department administers and operates two mental health institutes that currently provide inpatient hospitalization for up to 543 individuals with serious mental illness. One institute is located in Pueblo and the other is located on the Fort Logan campus in southwest Denver. The institutes serve three populations:

- Individuals with pending criminal charges who require evaluations of competency to stand trial and services to restore competency;
- Individuals who have been found not guilty by reason of insanity; and
- Adults and adolescents who are referred for admission by community mental health centers, local hospitals, or the Department's Division of Youth Corrections.

The resources for the first two populations are referred to as "forensic" beds, and the resources for the third population are referred to as "civil" beds.

The Department also contracts with a vendor to operate a 52-bed *jail-based* program for individuals requiring competency evaluations or restoration services. This program is called the Restoring Individuals Safely and Effectively (RISE) Program, and is currently operated by Correct Care, LLC, within the Arapahoe County Detention Facility in Centennial.

The chart below depicts recent changes in the institutes' funding and bed capacity; capacity figures reflect both civil and forensic beds, including the RISE Program.



As illustrated in the chart above, the total capacity of the institutes declined during each of the last two economic downturns. During the most recent downturn, the Pueblo medical/surgical unit and the Fort Logan children's, adolescent, and geriatric treatment divisions were closed in FY 2009-10 and the Fort Logan therapeutic residential childcare facility treatment division was closed in FY 2011-12. In addition, in late FY 2014-15, the Department

modified an existing unit at Pueblo to treat patients who had previously been transferred to the DOC, resulting in a reduction of two forensic beds.

This reduction in capacity has been offset by the creation of the RISE program, which was originally funded in FY 2013-14 for 22 beds and was expanded by 30 beds in FY 2015-16. In addition, for FY 2017-18 the General Assembly has provided funding for the Department to relocate some existing programs at Pueblo to address safety risks in the 20-bed adolescent program, and to expand by 20 the number of beds within the existing facility to serve long-term patients who are preparing to re-enter the community. These new beds will free up 20 existing adult beds in various units in early 2018. Finally, the capital construction section of the FY 2017-18 Long Bill includes \$5.4 million for the construction of a new 24-bed high security forensic unit that is anticipated to be operational in FY 2020-21 [this capital construction appropriation is excluded from the funding depicted in above chart].

The institutes are primarily supported by General Fund appropriations. Other sources of revenue include: patient revenues (including federal Medicaid funds transferred from the Department of Health Care Policy and Financing and federal Medicare funds), funds transferred from the Department of Corrections (DOC) for food services provided to DOC facilities on the Pueblo campus, and marijuana tax revenues that support certified addiction counselors at both institutes as well as the Circle Program. Funding for the institutes is affected by capacity, personnel costs, and operational costs (including medication expenses and the cost of purchasing medical services from local hospitals and medical providers).

## COMMUNITY-BASED PROGRAMS AND SERVICES

The Office of Behavioral Health contracts with 17 community mental health centers (Centers) across the state to provide mental health services that are not otherwise available. Each Center is responsible for providing a set of core services, ranging from public education to inpatient services. Each Center has an allocation of inpatient beds at one of the mental health institutes, and is responsible for managing admissions to the allotted beds for adults within their service area.<sup>1</sup> The Office also contracts with four managed service organizations (MSOs) for the provision of substance use disorder treatment and detoxification services that are not otherwise available. MSOs subcontract with local treatment providers across the state to deliver these services. Finally, the Office also contracts with other organizations to provide certain types of treatment services or services targeting specific populations.

Most mental health and substance use disorder services for Medicaid-eligible clients are funded through the Department of Health Care Policy and Financing. Unlike the Medicaid program, behavioral health services provided through this department are not an entitlement. Thus, the number of individuals receiving services and the level of service provided is largely driven by the level of state and federal funds available each year. The General Assembly periodically adjusts funding for the Centers, MSOs, and other community providers to account for inflationary changes and to ensure that programs are viable over the long-term. The rate changes are generally consistent with the common policy adopted by the Joint Budget Committee for a variety of community providers.

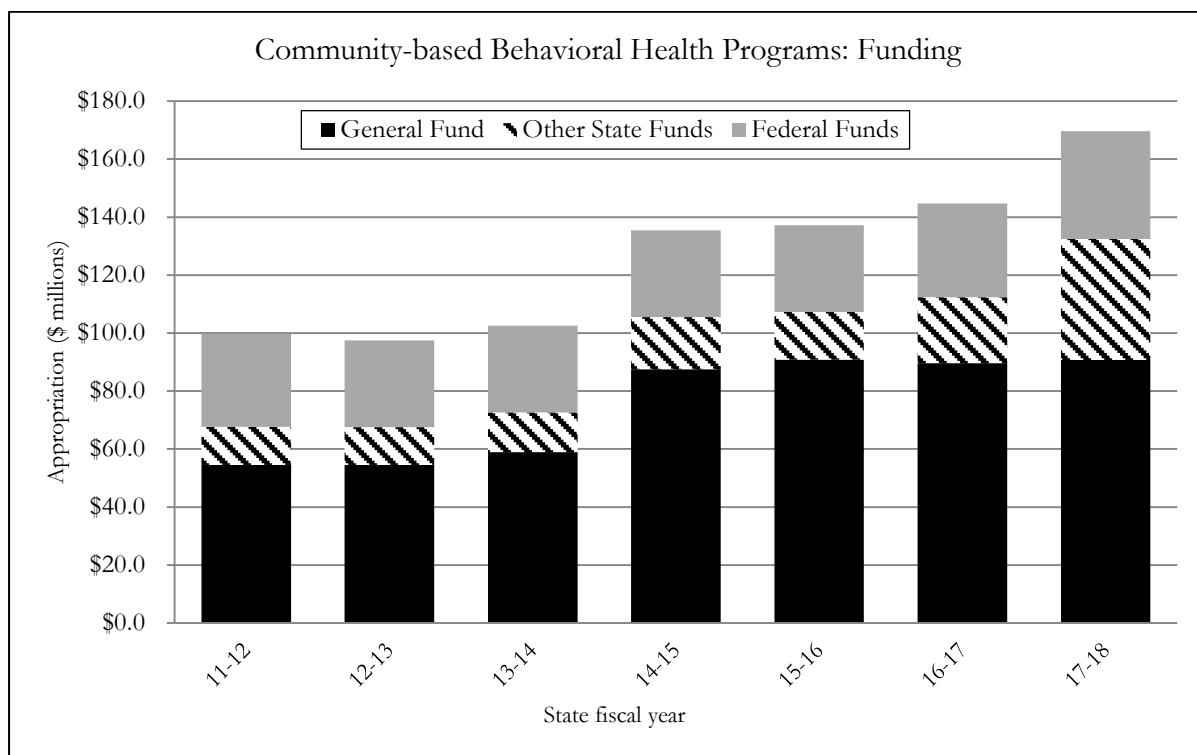
The General Assembly also appropriates additional funds for the provision of specific services or services targeting specific populations (e.g., alternative placements for people who would otherwise require hospitalization at a mental health institute, school-based behavioral health services for children, and services for juvenile and adult offenders).

The following chart depicts funding available for community-based behavioral health services since FY 2011-12. For FY 2017-18, General Fund appropriations provide more than half of available funds. Other significant sources of state funds include: the Marijuana Tax Cash Fund (MTCF), transfers from the Judicial Department from the Correctional Treatment Cash Fund, the Persistent Drunk Driver Cash Fund, and Medicaid funds transferred from

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<sup>1</sup> Please note, however, that due to increased demand for forensic beds at the mental health institutes, the number of beds actually available for civil patients referred by the Centers has declined significantly.

the Department of Health Care Policy and Financing. Federal funds are primarily from the Mental Health Services Block Grant and the Substance Abuse Prevention and Treatment Block Grant.



The significant increase provided in FY 2014-15 primarily relates to the creation of a statewide behavioral health crisis response system (pursuant to S.B. 13-266) and an effort to expand Centers' capacity to deliver behavioral health stabilization services to individuals who would otherwise require treatment at the mental health institutes. More recent increases in state funding are primarily from the MTCF, including:

- \$7.1 million for FY 2017-18 to strengthen the statewide behavioral health crisis response system (S.B. 17-207);
- \$6.0 million for FY 2016-17 and \$12.0 million for FY 2017-18 for managed service organizations to assess the sufficiency of substance use disorder services in their geographic region and increase access to effective substance use disorder services (pursuant to S.B. 16-202);
- \$2.6 million for FY 2017-18 to support programs to divert individuals with substance use disorders from the criminal justice system; and
- \$2.4 million for FY 2017-18 for Centers to provide services for juvenile and adult offenders who have mental health problems.

## SERVICES FOR PEOPLE WITH DEVELOPMENTAL DISABILITIES

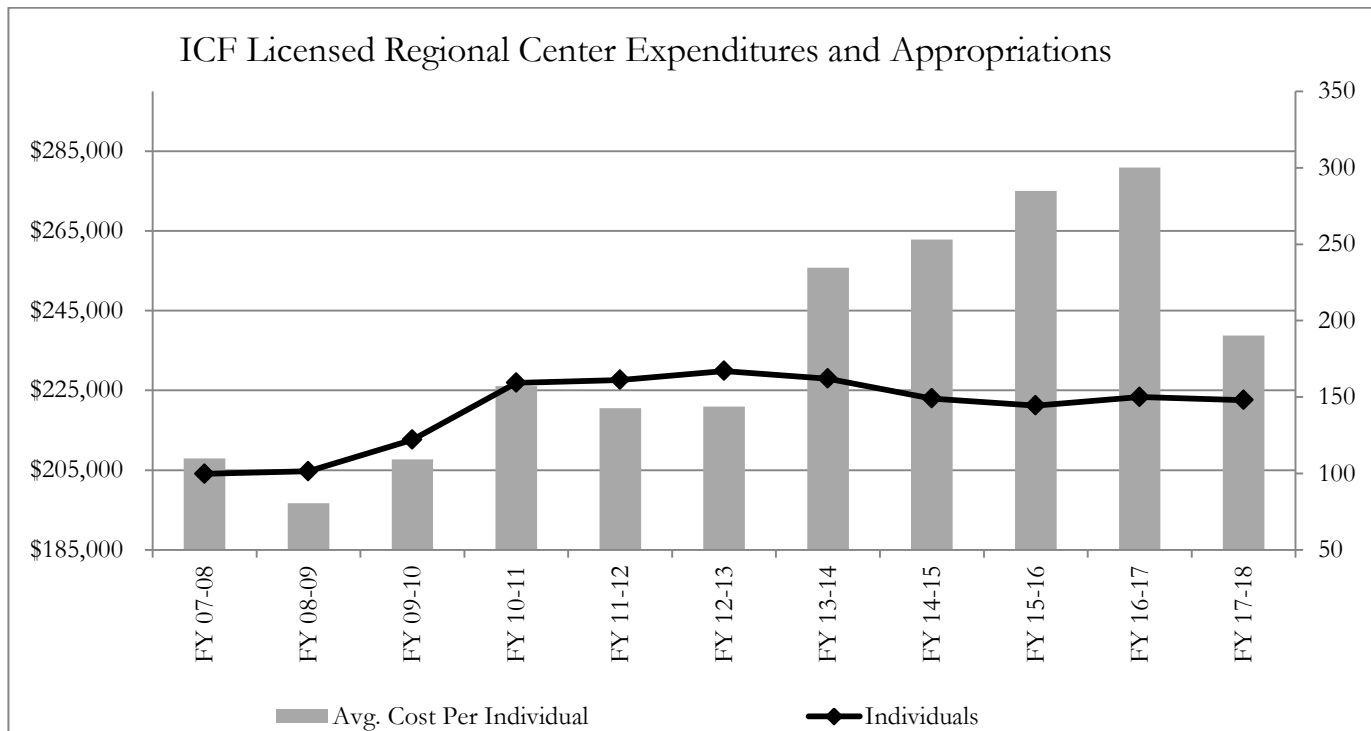
### REGIONAL CENTERS

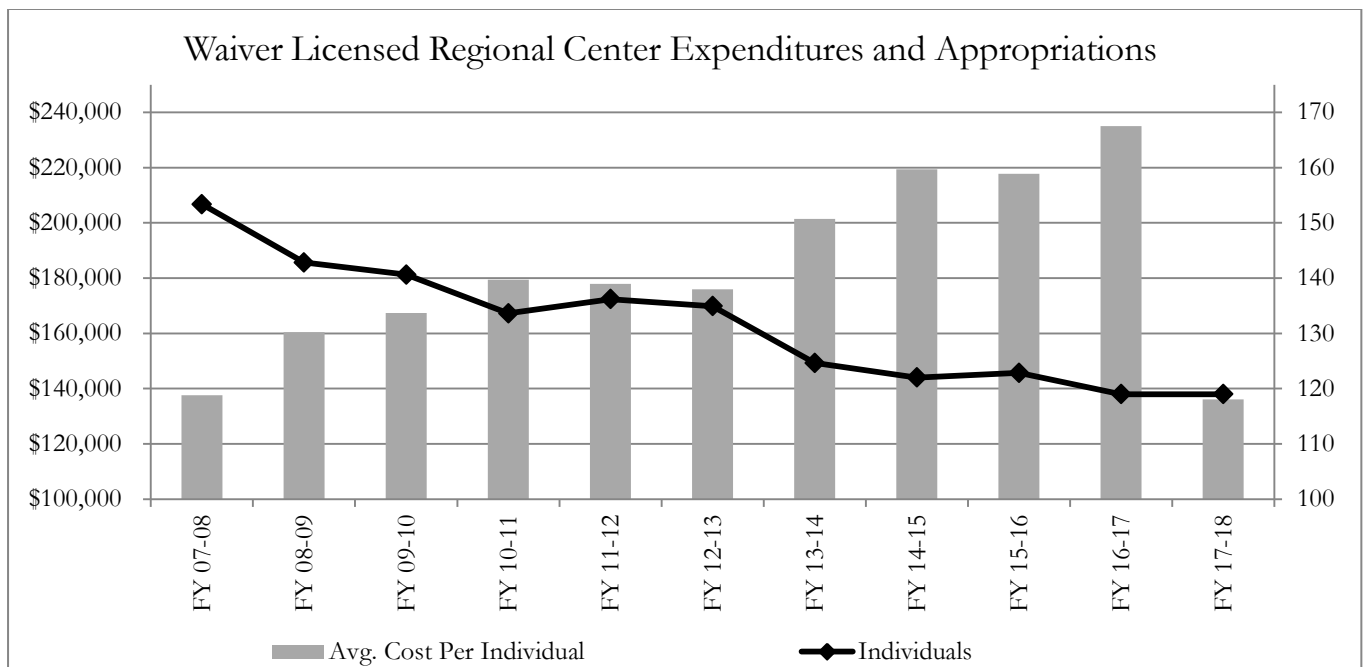
Regional Centers are state operated facilities for individuals with intellectual and developmental disabilities (IDD). Regional Centers provide residential services, medical care, and active treatment programs based on individual assessments and habilitation plans. Regional Center services are provided in one of two settings: large congregate residential settings on the Regional Center campus, or group homes which serve four to eight individuals in a community setting. Regional Centers are licensed as either Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IID) or Adult Comprehensive Waiver Homes (waiver homes). The following table summarizes the licensure type and setting type for each Regional Center.

TYPE OF REGIONAL CENTERS				
	ICF/IID	WAIVER	LARGE CONGREGATE SETTING	GROUP HOMES
Wheat Ridge Regional Center	X			X
Grand Junction Regional Center	X	X	X	X
Pueblo Regional Center		X		X

REGIONAL CENTER CENSUS FY 2016-17			
REGIONAL CENTER	SETTING	TOTAL NUMBER OF BEDS	NUMBER OF OCCUPIED BEDS
Grand Junction	Campus	46	28
	Community	80	54
Wheat Ridge	Campus/ Community	142	117
	Community		
Pueblo	Community	88	58

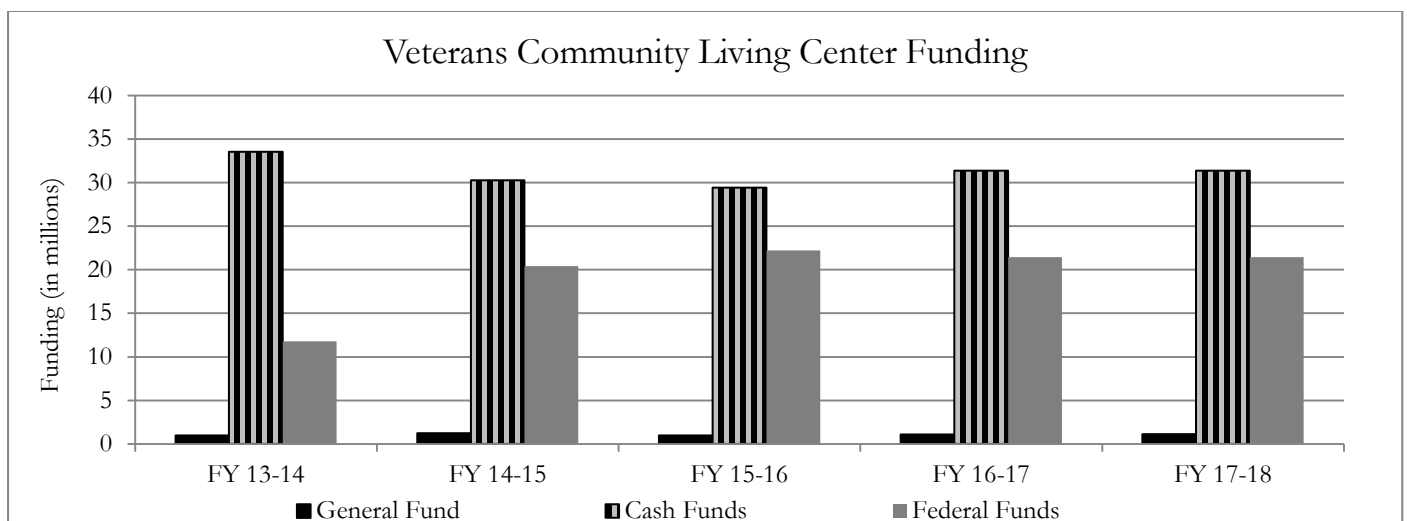
For all the Regional Centers, regardless of licensure type, Medicaid pays a daily rate based on the actual cost of services and the cost of operating the facilities where services are provided. The following two graphs illustrate the average cost per individual and the number of individuals served at the ICF licensed Regional Centers and the waiver licensed Regional Centers.





## VETERANS COMMUNITY LIVING CENTERS

The Department manages and operates five state Veterans Community Living Centers with a total of 554 nursing home beds spread across the Fitzsimons, Florence, Homelake, Rifle, and Walsenburg campuses and a forty-eight bed domiciliary (assisted living facility) on the Homelake campus. Services include long-term care, short-term rehabilitation for individuals seeking to return home following a qualifying hospital stay, memory care services for individuals with dementia, short-term respite care, and end-of-life/hospice services. The Centers are supported primarily by cash funds and federal funds. The cash funds are from the Central Fund for Veterans Community Living Centers (Central Fund), which is created in Section 26-12-108 (1)(a), C.R.S, and are continuously appropriated for direct costs. The Central Fund receives revenue from patient payments, U.S. Veterans Administration operation and construction grants, various sources of other revenue, and a General Fund appropriation pursuant to Section 26-12-108 (1)(a.5), C.R.S. The federal funds are from the U.S. Department of Veterans Affairs. The informational appropriation is adjusted each fiscal year based on projected expenditures for the upcoming fiscal year. The following chart summarizes the actual expenditures for FY 2013-14 through FY 2015-16 and the appropriations for FY 2016-17 and FY 2017-18.



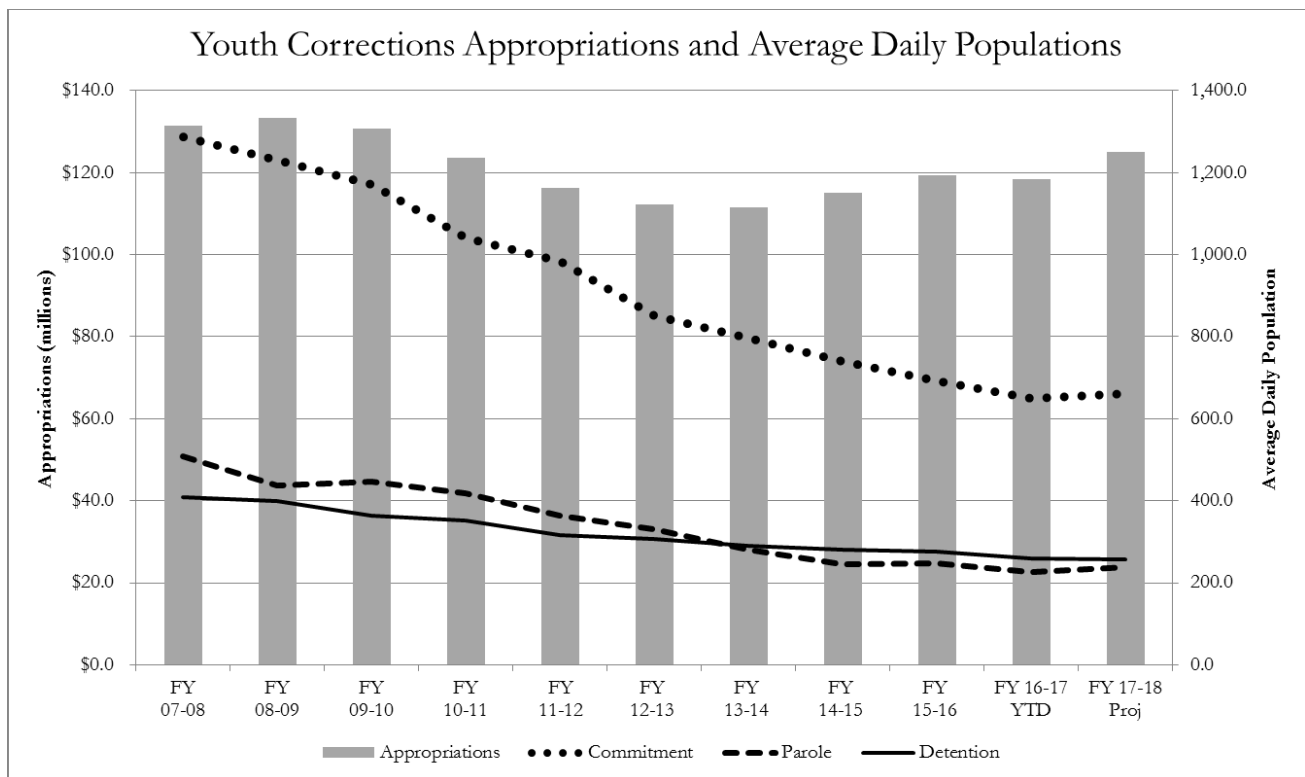
## DIVISION OF YOUTH CORRECTIONS

The Division of Youth Corrections provides for the housing of juveniles who are detained while awaiting adjudication (similar to adult jail), or committed for a period of time as a result of a juvenile delinquent adjudication (similar to adult prison). The Division also supervises juveniles during a mandatory parole period following all commitment sentences.

The majority of the appropriation to support the youth correctional population is from the General Fund. The size of the population of detained, committed, and paroled juveniles significantly affects funding requirements. For FY 2013-14, the General Assembly decreased funding to: (1) reflect a reduction in the number of youth placed in private contract commitment and detention beds due to lower caseloads, (2) close five pods (living units) at Division of Youth Corrections facilities, and (3) consolidate three Front Range juvenile assessment programs for newly committed youth into a single assessment program. All of these decreases were due to the reduced size of the population. However, funding increases and declines have not always aligned with population changes.

- From FY 2000-01 through FY 2003-04, appropriations declined, despite increases in the population of committed youth, in response to state revenue constraints. Parole services and funding for alternatives to secure detention were cut due to a statewide revenue shortfall. For detained (as opposed to committed) youth, S.B. 03-286 capped the youth detention population at 479, limiting any further funding increases associated with growth in the detention population.
- From FY 2006-07 through FY 2009-10, appropriations remained relatively flat, despite sharp declines in the population of committed youth, based on the redirection of funds within the Division's budget. During this period, savings derived from a reduction in the commitment population were in part used to increase services for youth transitioning to parole, and funding was provided for other program enhancements.
- Beginning in mid-FY 2010-11 and continuing in FY 2011-12, reductions were taken in response to the sharp declines in the population of committed and detained youth, as well as in response to statewide revenue constraints. Division funding was more closely aligned with the youth population, and cuts were taken in parole program services and in funding for alternatives to secure placements. In addition, pursuant to S.B. 11-217, the detention cap was lowered to 422, based on lower arrest rates and a reduction in the number of youth in secure detention.
- For FY 2012-13, funding was increased to eliminate overcrowding in state facilities and to address some staffing coverage issues, although the population served continued to decline.
- Beginning in FY 2014-15, the General Assembly increased funding by \$2.0 million from the Marijuana Tax Cash Fund for S.B. 91-094 programming, which provides alternatives to incarceration.
- For FY 2014-15 and FY 2015-16, the General Assembly increased funding by \$3.5 million General Fund for a staffing increase of 75.0 FTE in the Division's ten State-owned and –operated facilities. A portion of this increase was offset by a decrease in funding for community placements due to a shrinking population of youth requiring services.
- For FY 2016-17, the General Assembly increased funding by \$2.2 million General Fund for a staffing increase of 36.3 FTE in the Division's ten State-owned and –operated facilities. Once again, a portion of this increase was offset by a decrease in funding for community placements.
- For FY 2017-18, the General Assembly increased funding by \$4.7 million General Fund for a staffing increase of 59.6 FTE in the Division's ten State-owned and –operated facilities. Additionally, the appropriation includes funding for independent evaluations of Division of Youth Corrections' program practices, including hiring and training practices.

The following chart summarizes appropriations for the Division and the average daily population of youth in commitment, parole, or detention.



## ASSISTANCE FOR LOW-INCOME FAMILIES AND DISABLED AND ELDERLY ADULTS

A wide variety of programs to support low-income families and elderly and disabled adults are included in the budget for the Department of Human Services. This includes programs located in the County Administration, Self Sufficiency, Office of Early Childhood, and Adult Assistance budget sections. Most of these programs are administered at the county level, under the supervision of the Department. The largest share of funding for these programs is from federal sources, including funding shown in the state budget for informational purposes and federal funds that are appropriated by the state General Assembly pursuant to federal law. The budget also includes some state-funded programs for low-income populations. The sections below describe the budget and caseload trends for some of the most significant programs.

### COLORADO WORKS AND THE TEMPORARY ASSISTANCE TO NEEDY FAMILIES BLOCK GRANT

The Colorado Works Program implements the federal Temporary Assistance for Needy Families (TANF) block grant program created in the 1996 welfare reform law (P.L. 104-193). The program provides financial and other assistance to families to enable children to be cared for in their own homes and to assist needy parents in achieving self-sufficiency. Pursuant to federal law, the State receives a fixed amount of \$136.1 million per year in TANF block grant funds. The majority of the TANF funds received each year are appropriated as block allocations to counties for the Colorado Works program. Federal TANF funds are also used by the State and counties to support related programs that assist needy families, including child welfare and child care subsidy programs.

The yearly, fixed amount of TANF block grant funds are not the only TANF money received by the State over the past few fiscal years. Colorado was one of 17 states that received funding in addition to its fixed amount in the form of supplemental grants provided to states that met the criterion of high population growth and/or low historic grants per poor person. However, no federal funding was made available for supplemental grants in recent years, as the money was not reauthorized by Congress. As a result, Colorado's federal allocation in addition to the fixed amount of \$136.1 million per year was cut by \$13.6 million in FY 2012-13 and FY 2013-14. Additionally, pursuant to the American Recovery and Reinvestment Act of 2009 (ARRA), Colorado was able to access \$68.0 million in



supplemental TANF funds in FY 2008-09 and FY 2009-10 through a combination of the TANF Emergency Fund created through ARRA and the Contingency Fund created in 1996.

Although federal and State funding available for the Colorado Works program has been flat or declined, the demand for Colorado Works basic cash assistance climbed sharply starting in FY 2008-09 due to the effects of the recession. From FY 2008-09 through FY 2010-11, counties increased spending for the Colorado Works program in response to the increased demand, relying on county-controlled TANF reserves to support higher spending levels. In FY 2011-12, county expenditures fell in response to reduced federal funding. Finally, as State-controlled TANF reserves have been spent down, the General Assembly has refinanced TANF appropriations for child welfare services with General Fund. By FY 2012-13, only \$3.0 million of the Child Welfare appropriation was comprised of TANF funds, and these remaining funds were replaced by General Fund starting in FY 2013-14.

### OLD AGE PENSION PROGRAM

The Old Age Pension (OAP) Program, authorized by the State Constitution, provides cash assistance to low-income individuals ages 60 and over. It is funded through excise and State sales taxes which are deposited to the OAP cash fund in lieu of the General Fund. Costs for this program are driven by the size of the benefit and the number of qualified individuals. The General Assembly has limited control over OAP expenditures, as benefit levels are set by the State Board of Human Services, and the funds are continuously appropriated by the State Constitution. The Long Bill appropriation reflects anticipated expenditures and is shown for informational purposes.

Increases in expenditures through FY 2008-09 were driven primarily by cost-of-living (COLA) increases approved by the State Board of Human Services, while the caseload remained flat or declined. Between January 2009 and June 2012, no cost-of-living increases were approved. Additionally, expenditures were significantly reduced starting in FY 2010-11 by H.B. 10-1384, which imposed a five year waiting period for most new legal immigrants to become eligible for OAP benefits. Pursuant to H.B. 12-1326, the General Assembly encouraged the State Board of Human Services to provide a COLA increase of 3.7 percent. The Board approved this adjustment effective July 1, 2012, driving an increase of \$6.7 million for FY 2012-13. In December 2012, the Board approved an additional 1.7 percent COLA for the program, effective January 1, 2013, driving an increase of \$1.8 million for FY 2013-14. However, this increase was eclipsed by the impact of H.B. 10-1384, which drove a further reduction of \$7.4 million in FY 2013-14.

For FY 2013-14 and FY 2014-15, the legislature provided funding for a 3.0 percent COLA increase (\$1.3 million cash funds for FY 2013-14 and \$2.7 million cash funds for FY 2014-15). For FY 2015-16, the legislature provided funding for a COLA increase of 1.7 percent (\$1.3 million cash funds). For FY 2016-17 and FY 2017-18, the legislature provided an increase of 0.3 percent COLA increase for OAP recipients.

### AID TO THE NEEDY DISABLED AND AID TO THE BLIND PROGRAMS

The Aid to the Needy Disabled (AND) program provides cash assistance for low income individuals with disabilities. For some beneficiaries, these funds supplement federal Supplemental Security Income (SSI) payments. Other beneficiaries either do not qualify for federal SSI or have pending applications for federal SSI. Funding for this program is comprised of General Fund, county matching funds, and federal reimbursements for payments to individuals who initially receive a State-only subsidy, but are ultimately deemed eligible for federal SSI.

In the last few years, the programs' appropriations have remained relatively flat, and benefits have been adjusted by the Department so that total expenditures remain within appropriated levels. However, some funding adjustments have been required to ensure that the State complies with a federal maintenance-of-effort (MOE) agreement with the Social Security Administration. The MOE applies to state spending for those individuals who receive federal SSI

payments. Spending for the population that is not SSI-eligible has been reduced in the past (most notably in FY 2003-04) in response to State revenue shortfalls.

## COMMUNITY SERVICES FOR THE ELDERLY

The State distributes State and federal funds to Area Agencies on Aging, which provide a variety of community services for the elderly such as transportation, congregate meals, meals on wheels, and in-home support services. Funding levels are adjusted based on available federal and state funding. Funding from state sources increased significantly through FY 2008-09 and again in FY 2013-14 based on statutory changes to increase funding from the Older Coloradans Cash Fund, which originates as state sales and excise taxes. Additionally, the General Assembly provided an increase of \$4.5 million General Fund for FY 2014-15 to improve services for seniors and individuals who are blind or visually impaired. For FY 2015-16, the legislature provided an increase of \$4.0 million total funds for senior services.

Per statute, 95.0 percent of the amount by which the value reflected in the Long Bill for the Senior Citizen and Disabled Veteran Property Tax Exemption line item in the Department of the Treasury exceeds the value local governments submit as claims for reimbursement is deposited in the Older Coloradans Cash Fund. An excess appropriation of \$1,519,482 General Fund occurred in FY 2014-15 and a deposit of this amount was made into the Older Coloradans Cash Fund, per this statutory provision. The Department of Human Services' mid-year adjustment legislation, H.B. 16-1242, added \$1,519,482 cash funds from the Older Coloradans Cash Fund for community-based services to persons sixty years of age or older to assist such persons to live in their own homes and communities for as long as possible. For FY 2016-17, the amount available for appropriation totals \$3.8 million cash funds.

## APPROPRIATION HIGHLIGHTS - 2017 LEGISLATIVE SESSION

DEPARTMENT OF HUMAN SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$1,886,419,116	\$828,943,472	\$375,832,301	\$128,067,449	\$553,575,894	4,786.2
SB 16-019	62,831	62,831	0	0	0	0.4
SB 16-190	550,000	0	0	0	550,000	0.0
SB 16-199	81,675	0	81,675	0	0	1.0
SB 16-202	6,000,000	0	6,000,000	0	0	1.0
HB 16-1112	100,000	100,000	0	0	0	0.0
HB 16-1227	268,562	0	0	0	268,562	0.0
HB 16-1290	1,151,628	1,151,628	0	0	0	1.0
HB 16-1328	4,900	4,900	0	0	0	0.0
HB 16-1398	900,000	900,000	0	0	0	0.0
HB 16-1408	6,743,164	0	6,743,164	0	0	0.0
HB 16-1410	107,076	475,076	0	(368,000)	0	1.8
HB 16-1414	172,778	0	0	172,778	0	2.0
SB 17-163	667,813	(365,621)	291,469	147,349	594,616	0.0
SB 17-254	4,546,944	0	1,957,115	1,301,180	1,288,649	0.0
<b>TOTAL</b>	<b>\$1,907,776,487</b>	<b>\$831,272,286</b>	<b>\$390,905,724</b>	<b>\$129,320,756</b>	<b>\$556,277,721</b>	<b>4,793.4</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$1,907,776,487	\$831,272,286	\$390,905,724	\$129,320,756	\$556,277,721	4,793.4
Long Bill indirect cost plan	46,709,360	(5,910,815)	2,885,732	48,376,980	1,357,463	0.0
County administration funding increase	16,666,666	5,000,000	3,333,333	0	8,333,333	0.0
Centrally appropriated line items	16,215,055	12,009,088	196,359	2,289,312	1,720,296	0.0
Provider rate adjustment	11,848,456	6,828,437	1,803,080	441,640	2,775,299	0.0
Implementation of S.B. 16-202	6,000,000	0	6,000,000	0	0	0.0

DEPARTMENT OF HUMAN SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Informational funds adjustment	5,379,941	0	0	0	5,379,941	7.0
Child welfare indirect cost mitigation	4,955,836	4,955,836	0	0	0	0.0
Youth corrections facility staffing, phase III of III	4,725,301	4,725,301	0	0	0	59.6
County child welfare staffing, phase III	4,087,561	3,676,625	408,756	0	2,180	0.0
Diversion from the criminal justice system	2,557,942	0	2,557,942	0	0	1.3
Mitigation of CCCAP Waitlists	2,471,482	524,482	0	0	1,947,000	0.0
Community mental health center services	2,439,030	0	2,439,030	0	0	0.0
Annualize prior year budget actions	1,768,486	1,004,464	113,358	(104,266)	754,930	40.0
Youth corrections 24 hour medical coverage	1,743,882	1,743,882	0	0	0	16.1
Tony Gramscas Youth Services Program funding	1,000,000	0	1,000,000	0	0	0.0
DOC/DHS interagency agreement true-up	981,655	0	0	981,655	0	1.0
MHI program relocation	889,739	889,739	0	0	0	5.4
Regional Centers electronic health record system project	698,688	0	0	698,688	0	0.0
Youth corrections detention mental health	666,632	666,632	0	0	0	0.0
MHI security enhancements	580,507	580,507	0	0	0	0.0
MHI substance use disorder treatment	556,986	0	556,986	0	0	8.0
Optimization of early childhood alignment	517,458	0	0	0	517,458	1.0
Aging and disabilities resources for Colorado	500,000	(500,000)	0	1,000,000	0	0.0
Mount View Youth Services Center ditch repair	473,000	473,000	0	0	0	0.0
Healthy steps for young children	421,360	421,360	0	0	0	0.0
Crisis services system enhancements	400,000	400,000	0	0	0	0.0
MHI capital outlay	350,377	350,377	0	0	0	0.0
Quality assurance for adult protective services	276,612	276,612	0	0	0	3.7
Old Age Pension cost of living adjustment	169,514	0	169,514	0	0	0.0
Pueblo Regional Center corrective action plan	100,000	0	0	100,000	0	0.0
Native American behavioral health services assistance	67,090	67,090	0	0	0	0.9
Homelake veterans cemetery	59,300	59,300	0	0	0	0.0
Adult protective services additional software licenses	59,029	59,029	0	0	0	0.0
DOC food inflation	42,650	0	0	42,650	0	0.0
Shift differential technical adjustment	1	(823,463)	213,904	(18,575)	628,135	0.0
Child welfare oversight and technical assistance	0	0	0	0	0	0.0
Office of Behavioral Health reorganization	0	0	0	0	0	0.0
Correctional Treatment Cash Fund allocation	0	0	0	0	0	0.0
Youth corrections electronic health records funds transfer	0	0	0	0	0	0.0
Colorado Child Care Assistance Program realignment	0	0	0	0	0	0.0
Regional Center adjustments	(8,418,539)	0	0	(8,418,539)	0	0.0
Annualize prior year legislation	(5,099,543)	(67,848)	(1,813,829)	0	(3,217,866)	0.6
Tobacco Master Settlement Agreement adjustment	(2,023,087)	0	(2,023,087)	0	0	0.0
Employment-focused programs reduction	(2,000,000)	0	0	0	(2,000,000)	0.0
Youth corrections caseload adjustment	(1,884,809)	(1,617,384)	0	(147,694)	(119,731)	0.0
MHI contract medical services adjustment	(557,674)	(557,674)	0	0	0	0.0
Technical changes	(469,615)	25,707	(493,456)	0	(1,866)	0.0
Youth corrections reduction of client managers	(153,818)	(153,818)	0	0	0	(2.0)
Fund source adjustment	(132,840)	(521,213)	388,373	0	0	0.0

DEPARTMENT OF HUMAN SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Staff training	(13,799)	0	(13,799)	0	0	0.0
<b>SB 17-254</b>	<b>\$2,023,402,359</b>	<b>\$865,857,539</b>	<b>\$408,627,920</b>	<b>\$174,562,607</b>	<b>\$574,354,293</b>	<b>4,936.0</b>
SB 17-012	18,000	0	18,000	0	0	0.0
SB 17-019	26,000	26,000	0	0	0	0.0
SB 17-028	12,960	12,960	0	0	0	0.0
SB 17-207	7,086,280	0	7,086,280	0	0	0.9
SB 17-292	4,000,000	0	0	0	4,000,000	0.0
HB 17-1045	0	0	0	0	0	0.0
HB 17-1204	108,710	108,710	0	0	0	0.0
HB 17-1207	(160,270)	(160,270)	0	0	0	0.0
HB 17-1264	75,000	75,000	0	0	0	0.0
HB 17-1284	428,779	428,779	0	0	0	0.4
HB 17-1292	300,000	300,000	0	0	0	0.0
HB 17-1329	306,302	306,302	0	0	0	0.3
<b>TOTAL</b>	<b>\$2,035,604,120</b>	<b>\$866,955,020</b>	<b>\$415,732,200</b>	<b>\$174,562,607</b>	<b>\$578,354,293</b>	<b>4,937.6</b>
<b>INCREASE/(DECREASE)</b>	<b>\$127,827,633</b>	<b>\$35,682,734</b>	<b>\$24,826,476</b>	<b>\$45,241,851</b>	<b>\$22,076,572</b>	<b>144.2</b>
Percentage Change	6.7%	4.3%	6.4%	35.0%	4.0%	3.0%

## FY 2016-17 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 17-163 modifies FY 2016-17 appropriations to:

- Add \$2,471,482 total funds, including \$524,482 General Fund and \$1,947,000 federal Child Care Development Funds, to mitigate county waitlists in the Colorado Child Care Assistance Program;
- Add \$1,242,885 total funds, including an increase of \$1,282,774 General Fund and a decrease of \$39,889 cash funds, based on revised cost allocation trend data for the Colorado Benefits Management System (CBMS) and the Program Eligibility and Application Kit (PEAK);
- Add \$285,179 reappropriated funds from the Department of Corrections (DOC) to true-up the appropriation for maintenance services provided by the Department of Human Services to the Department of Corrections;
- Add \$200,000 cash funds from the Grand Junction Regional Center Transition Cash Fund for resident engagement consultation and consulting fees for a project manager to implement S.B. 16-178 (Grand Junction Regional Center Campus);
- Add \$152,183 cash funds from the Old Age Pension (OAP) Fund to implement a 0.3 percent cost-of-living (COLA) increase for OAP recipients;
- Add \$145,725 General Fund to make physical improvements to address security risks in the adolescent behavioral treatment unit at the Colorado Mental Health Institute at Pueblo (CMHIP);
- Add \$70,000 cash funds spending authority from payments made by the operator of facility schools at three State-owned and privately-operated youth corrections facilities;
- Add \$30,000 cash funds spending authority for program monitoring from payments made by the operator of the Ridge View Youth Services Center facility;
- Adjust appropriations for the mental health institutes to reflect updated estimates of revenues earned, including a reduction of \$141,021 General Fund, a reduction of \$19,181 cash funds, and an increase of \$160,202 reappropriated funds;
- Reduce \$1,683,543 total funds, including a decrease of \$1,410,461 General Fund, based on a decrease in the forecasted caseload for committed youth. This includes an increase of \$32,206 cash funds to conduct background investigations on employees at youth corrections contract facilities to comport with the provisions of the Vulnerable Persons Act (Section 27-90-111, C.R.S.);

- Reduce \$1,215,725 federal Child Care Development Funds (CCDF), including \$877,525 from the Colorado Child Care Assistance Program line item and \$338,200 from the Micro Loans to Increase Access to Child Care line item. It eliminates roll-forward authority for \$455,000 federal CCDF appropriated in FY 2014-15 to the Child Care Automated Tracking System (CHATS) Enhancements Capital IT line item through H.B. 14-1317;
- Reduce General Fund appropriations for behavioral health service contracts by \$700,000 based on updated expenditure and workload projections;
- Reduce \$130,366 total funds, including \$67,120 General Fund, for the annual midyear adjustment to the vehicle lease payment appropriation;
- Make technical corrections to the appropriation clause in H.B. 16-1408, resulting in a net reduction of \$125,007 cash funds; and
- Reduce \$75,000 reappropriated funds from the Department of Health Care Policy and Financing that was used to pay for a contracted auditor to review and determine appropriate rates for the Regional Centers.

Senate Bill 17-254 modifies FY 2016-17 appropriations to:

- Add \$4,455,330 total funds for departmental indirect costs; and
- Add \$91,614 cash funds for the PACE Ombudsman Program.

## FY 2017-18 APPROPRIATION HIGHLIGHTS

**LONG BILL INDIRECT COST PLAN:** The appropriation includes adjustments to implement an indirect cost plan in the Department's Long Bill section. The increase is due to the restructuring of funds appropriated as indirect cost assessments and reappropriated into the Executive Director's Office, Office of Information Technology Services, or Office of Operations.

**COUNTY ADMINISTRATION FUNDING INCREASE:** The appropriation includes an increase of \$16,666,666 total funds, including \$5,000,000 General Fund, to increase funding to counties to administer the Supplemental Nutrition Assistance Program (food stamps) and a variety of small programs. SNAP administrative costs are shared between the U.S. Department of Agriculture (46.0 percent), the State (34.0 percent), and counties (20.0 percent). The increase in State funding will be used to offset county expenditures occurring at match rates greater than 20.0 percent.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to the following centrally appropriated line items:

CENTRALLY APPROPRIATED LINE ITEMS					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
<b>COMPENSATION RELATED COMMON POLICY ADJUSTMENTS</b>					
Salary survey	\$4,224,191	\$2,835,829	\$168,019	\$755,330	\$465,013
Health, life, and dental	2,420,310	2,803,970	(277,722)	238,156	(344,094)
Merit pay	1,903,020	1,272,218	80,720	343,547	206,535
Supplemental amortization equalization disbursement	725,976	408,630	186,599	100,463	30,284
Amortization equalization disbursement	615,782	334,267	183,865	79,853	17,797
Short-term disability	6,719	1,547	6,476	20	(1,324)
Shift differential	(428,873)	(48,888)	(225,180)	473,330	(628,135)
<b>SUBTOTAL, COMPENSATION RELATED ADJUSTMENTS</b>	<b>\$9,467,125</b>	<b>\$7,607,573</b>	<b>\$122,777</b>	<b>\$1,990,699</b>	<b>(\$253,924)</b>

CENTRALLY APPROPRIATED LINE ITEMS					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
<b>OPERATIONS RELATED COMMON POLICY ADJUSTMENTS</b>					
Payment to risk management / property funds	\$606,116	\$318,629	\$48,264	(\$37,032)	\$276,255
Legal services	544,903	540,932	3,971	0	0
Capitol Complex leased space	228,526	0	0	228,526	0
Workers' compensation	80,000	34,400	12,000	(80,269)	113,869
Administrative law judges	71,837	45,893	2,125	0	23,819
Vehicle lease payments	55,716	0	0	55,716	0
<b>SUBTOTAL, OPERATIONS RELATED ADJUSTMENTS</b>	<b>\$1,587,098</b>	<b>\$939,854</b>	<b>\$66,360</b>	<b>\$166,941</b>	<b>\$413,943</b>
<b>OIT RELATED COMMON POLICY ADJUSTMENTS</b>					
Payments to OIT	\$5,418,967	\$3,594,381	\$59,417	\$131,672	\$1,633,497
CORE operations	(258,135)	(132,720)	(52,195)	0	(73,220)
<b>SUBTOTAL, OIT RELATED ADJUSTMENTS</b>	<b>\$5,160,832</b>	<b>\$3,461,661</b>	<b>\$7,222</b>	<b>\$131,672</b>	<b>\$1,560,277</b>
<b>TOTAL, CENTRALLY APPROPRIATED LINE ITEMS</b>	<b>\$16,215,055</b>	<b>\$12,009,088</b>	<b>\$196,359</b>	<b>\$2,289,312</b>	<b>\$1,720,296</b>

**PROVIDER RATE ADJUSTMENT:** The appropriation includes an increase of \$11,848,456 total funds, including \$6,828,437 General Fund, for an across-the-board increase for community providers of approximately 1.4 percent.

**IMPLEMENTATION OF S.B. 16-202:** The appropriation adds \$6,000,000 cash funds from the Marijuana Tax Cash Fund to expand funding available to managed service organizations to implement local community action plans to increase access to effective substance use disorder services.

**INFORMATIONAL FUNDS ADJUSTMENT:** The appropriation includes an increase of \$5,379,941 federal funds and 7.0 FTE to more accurately reflect anticipated expenditures by the Office of Behavioral Health.

**CHILD WELFARE INDIRECT COST MITIGATION:** The appropriation includes an increase of \$4,955,836 General Fund to mitigate the impact of the indirect cost assessment applied to line items in the Division of Child Welfare that fund county block allocations.

**YOUTH CORRECTIONS FACILITY STAFFING, PHASE III OF III:** The appropriation includes an increase of \$4,725,301 General Fund and 59.6 FTE to add staff to State-owned and -operated youth corrections facilities in an effort to improve safety and security of staff and youth. Additionally, the appropriation includes funding for independent evaluations of Division of Youth Corrections' program practices, including hiring and training practices.

**COUNTY CHILD WELFARE STAFFING, PHASE III:** The appropriation includes an increase of \$4,087,561 total funds, including \$3,676,625 General Fund, to increase county level child welfare staffing in response to the Child Welfare Workload Study performed by the Office of the State Auditor in 2014.

**DIVERSION FROM THE CRIMINAL JUSTICE SYSTEM:** The appropriation includes \$2,557,942 cash funds from the Marijuana Tax Cash Fund and 1.3 FTE to support four local Law Enforcement Assisted Diversion ("LEAD") pilot programs to divert individuals with substance use disorders from the criminal justice system.

**MITIGATION OF CCCAP WAITLISTS:** The appropriation includes an increase of \$2,471,482 total funds, including \$524,482 General Fund, to mitigate county waitlists in the Colorado Child Care Assistance Program (CCCAP).

**COMMUNITY MENTAL HEALTH CENTER SERVICES:** The appropriation includes an increase of \$2,439,030 cash funds from the Marijuana Tax Cash Fund for community mental health centers to provide services for juvenile and adult offenders who have mental health problems. This increase restores to FY 2009-10 levels the amounts allocated to 11 community mental health centers, and adds funding for the remaining six rural centers.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second- and third-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
CBMS/PEAK Annual Funding adjustment	\$2,342,353	\$2,258,751	\$83,602	\$0	\$0	0.0
DYC security staffing, phase II	1,466,964	1,466,964	0	0	0	32.4
Continuation of child care quality initiatives	1,431,257	0	0	0	1,431,257	7.3
Supplemental bill	1,070,000	(145,725)	0	0	1,215,725	0.0
Youth corrections background investigations	77,620	0	77,620	0	0	0.0
Annual child care licensing visits	62,003	0	0	0	62,003	0.2
FY 16-17 Court-ordered competency evaluations and restoration treatment	4,726	4,726	0	0	0	0.1
Prior year salary survey	2,136	0	2,136	0	0	0.0
Personal needs allowance for RC	2,001	0	0	2,001	0	0.0
Realignment of Office of Early Childhood programs	0	0	0	0	0	0.0
FY 16-17 Mitigation of CCCAP waitlists	(2,471,482)	(524,482)	0	0	(1,947,000)	0.0
Sunset of HCA grant program	(750,000)	(750,000)	0	0	0	0.0
County child welfare staffing phase II	(500,000)	(450,000)	(50,000)	0	0	0.0
Public awareness campaign	(391,725)	(391,725)	0	0	0	0.0
DYC trauma informed care	(245,700)	(245,700)	0	0	0	0.0
FY 16-17 MHI electronic health record system	(192,557)	(86,290)	0	(106,267)	0	0.0
DYC special education needs assessment	(125,000)	(125,000)	0	0	0	0.0
SNAP administration increase	(14,110)	(7,055)	0	0	(7,055)	0.0
<b>TOTAL</b>	<b>\$1,768,486</b>	<b>\$1,004,464</b>	<b>\$113,358</b>	<b>(\$104,266)</b>	<b>\$754,930</b>	<b>40.0</b>

**YOUTH CORRECTIONS 24 HOUR MEDICAL COVERAGE:** The appropriation includes an increase of \$1,743,882 General Fund and 16.1 FTE to add 38 nurse and mid-level provider staff to State-owned and -operated youth corrections facilities to provide increased coverage for medical services. Additionally, the appropriation includes funding for the provision of contracted psychiatric services to detained juveniles beginning January 2018.

**TONY GRAMPSAS YOUTH SERVICES PROGRAM FUNDING:** The appropriation includes an increase of \$1,000,000 cash funds from the Marijuana Tax Cash Fund to increase funds available for grants to eligible organizations that provide youth prevention, intervention, and mentoring programs.

**DOC/DHS INTERAGENCY AGREEMENT TRUE-UP:** The appropriation includes an increase of \$981,655 reappropriated funds and 1.0 FTE from the Department of Corrections (DOC) for facility maintenance costs at DOC facilities. The Department of Human Services (DHS) provides these maintenance services to DOC facilities located on the Colorado Mental Health Institute at Pueblo campus.

**MHI PROGRAM RELOCATION:** The appropriation includes an increase of \$889,739 General Fund and 5.4 FTE to allow the Department to implement a plan that involves relocating two existing programs at the mental health institute (MHI) in Pueblo and add 20 beds to serve long-term patients who are preparing to re-enter the community.

**REGIONAL CENTERS ELECTRONIC HEALTH RECORD SYSTEM PROJECT:** The appropriation includes an increase of \$698,688 reappropriated funds transferred from the Department's regional centers for individuals with intellectual and developmental disabilities and the Medicaid program in the Department of Health Care Policy and Financing to cover the operating costs associated with implementing an electronic health records system for citizens receiving services in the Department's three regional centers.

**YOUTH CORRECTIONS DETENTION MENTAL HEALTH:** The appropriation includes an increase of \$666,632 General Fund to increase the availability of contract mental health services to detained juveniles at the Division of Youth Corrections' eight detention centers.

**MHI SECURITY ENHANCEMENTS:** The appropriation includes \$580,507 General Fund for security enhancements at both mental health institutes (MHIs), including: \$372,867 for security cameras; \$117,160 for security staff training, weapons, and gear; and \$90,480 for physical modifications to certain entrances and a nurses' station.

**MHI SUBSTANCE USE DISORDER TREATMENT:** The appropriation includes \$556,986 cash funds from the Marijuana Tax Cash Fund to add 8.0 FTE certified addiction counselors to expand substance use disorder treatment at both mental health institutes (MHIs).

**OPTIMIZATION OF EARLY CHILDHOOD ALIGNMENT:** The appropriation includes an increase of \$517,458 federal Child Care Development Funds and 1.0 FTE to align early care and learning programs.

**AGING AND DISABILITIES RESOURCES FOR COLORADO:** The appropriation includes a net increase of \$500,000 total funds, including a decrease of \$500,000 General Fund, to continue the Aging and Disability Resources for Colorado (ADRC) program with Medicaid funding.

**MOUNT VIEW YOUTH SERVICES CENTER DITCH REPAIR:** The appropriation includes an increase of \$473,000 General Fund to repair the non-potable water ditch located on the Mount View Youth Services Center campus.

**HEALTHY STEPS FOR YOUNG CHILDREN:** The appropriation includes \$421,360 General Fund to serve families in seven high-need communities through the evidence-based Healthy Steps program.

**CRISIS SERVICES SYSTEM ENHANCEMENTS:** The appropriation adds \$400,000 General Fund for the behavioral health crisis response system telephone hotline to address increases in the number and duration of contacts.

**MHI CAPITAL OUTLAY:** The appropriation includes \$350,377 General Fund to implement a standardized equipment replacement and minor renovation plan at both mental health institutes (MHIs).

**QUALITY ASSURANCE FOR ADULT PROTECTIVE SERVICES:** The appropriation includes an increase of \$276,612 General Fund and 3.7 FTE to add quality assurance reviewers in the Department's Administrative Review Division to conduct formal reviews of county adult protective services cases.

**OLD AGE PENSION COST OF LIVING ADJUSTMENT:** The appropriation includes an increase of \$169,514 cash funds from the Old Age Pension (OAP) Fund to implement a 0.3 percent cost-of-living (COLA) increase for OAP recipients. This will increase the monthly grant standard from \$771 to \$773.

**PUEBLO REGIONAL CENTER CORRECTIVE ACTION PLAN:** The appropriation includes \$100,000 reappropriated funds to hire a contractor to oversee staffing changes and training related to implementation of the federally required Pueblo Regional Center corrective action plan.



**NATIVE AMERICAN BEHAVIORAL HEALTH SERVICES ASSISTANCE:** The appropriation includes an increase of \$67,090 General Fund and 0.9 FTE for the Office of Behavioral Health to provide training and technical assistance to behavioral health providers in delivering culturally responsive treatment to American Indian and Alaskan Native people seeking care throughout the state.

**HOMELAKE VETERANS CEMETERY:** The appropriation includes an increase of \$59,300 General Fund to pay for maintenance costs of the veterans cemetery at the Homelake Veterans Community Living Center.

**ADULT PROTECTIVE SERVICES ADDITIONAL SOFTWARE LICENSES:** The appropriation includes an increase of \$59,029 General Fund for additional software licenses for counties for the Colorado Adult Protective Services Data System (CAPS).

**DOC FOOD INFLATION:** The appropriation includes an increase of \$42,650 reappropriated funds transferred from the Department of Corrections (DOC) to the Department of Human Services to cover the increased costs of providing food to DOC inmates prepared by the Colorado Mental Health Institute at Pueblo.

**SHIFT DIFFERENTIAL ADJUSTMENT:** The appropriation includes adjustments to fund sources for shift differential costs for employees who work non-traditional hours.

**CHILD WELFARE OVERSIGHT AND TECHNICAL ASSISTANCE:** The appropriation includes a net zero transfer of \$492,144 total funds, including \$408,480 General Fund, and 6.0 FTE from the Administration line item to the Continuous Quality Improvement line item in the Division of Child Welfare.

**OFFICE OF BEHAVIORAL HEALTH REORGANIZATION:** The appropriation includes a number of changes within the Office of Behavioral Health section of the Long Bill that result in a net zero impact. The changes include the consolidation of several line items and modifications to the titles of some subsections and line items.

**CORRECTIONAL TREATMENT CASH FUND ALLOCATION:** The appropriation to the Office of Behavioral Health reflects changes in the allocation of funds transferred from the Judicial Department from the Correctional Treatment Cash Fund that result in a net zero fiscal impact.

**YOUTH CORRECTIONS ELECTRONIC HEALTH RECORDS FUNDS TRANSFER:** The appropriation includes a net zero transfer of \$140,000 General Fund from the Personal Services line item to the Operating Expenses line item in the Division of Youth Corrections' Institutions subdivision to support the costs of cloud hosting, hardware, and software licenses for the Division's new electronic health record system (EHR).

**COLORADO CHILD CARE ASSISTANCE PROGRAM REALIGNMENT:** The appropriation includes a net zero transfer of \$1,200,000 federal Child Care Development Funds from the Colorado Child Care Assistance Program line item to the Child Care Assistance Program Support line item in the Office of Early Childhood.

**REGIONAL CENTER ADJUSTMENTS:** The appropriation includes a decrease of \$8,418,539 reappropriated funds to align the spending authority for the Regional Centers with actual expenditures.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments related to prior year legislation.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 16-1290 (Extend Transitional Jobs Program)	\$1,144,653	\$1,144,653	\$0	\$0	\$0	1.0
SB 15-012 (Colorado Works Pass-through Child Support Payment)	311,035	1,007,190	0	0	(696,155)	0.0
SB 16-202 (Increasing access to effective SUD services)	171,665	0	171,665	0	0	0.0
Technical changes related to HB 16-1408	125,007	0	125,007	0	0	0.0
HB 16-1410 (Competency evaluation location)	1,793	1,793	0	0	0	0.2
Indirect cost supplemental	(3,154,150)	0	(1,865,501)	0	(1,288,649)	0.0
HB 14-1015 (Extend Transitional Jobs Program)	(1,198,202)	(1,198,202)	0	0	0	(1.0)
HB 16-1398 (Implement Respite Care Task Force Recommendations)	(900,000)	(900,000)	0	0	0	0.0
SB 16-190 Improve County Administration public assistance	(550,000)	0	0	0	(550,000)	0.0
Move Older Blind Grants to CDLE	(459,500)	0	(45,000)	0	(414,500)	0.0
HB 16-1227 (Exemptions Child Support Reqmnts Child Care Assist)	(268,562)	0	0	0	(268,562)	0.0
SB 16-178 supplemental funding	(200,000)	0	(200,000)	0	0	0.0
HB 16-1112	(100,000)	(100,000)	0	0	0	0.0
SB 16-019 (Videotape mental condition evaluations)	(23,282)	(23,282)	0	0	0	0.4
<b>TOTAL</b>	<b>(\$5,099,543)</b>	<b>(\$67,848)</b>	<b>(\$1,813,829)</b>	<b>\$0</b>	<b>(\$3,217,866)</b>	<b>0.6</b>

**TOBACCO MASTER SETTLEMENT AGREEMENT ADJUSTMENT:** The appropriation includes a decrease of \$2,023,087 cash funds for programs receiving Tobacco Master Settlement Agreement funds, including the Tony Grampsas Youth Services Program and the Nurse Home Visitors Program, based on projected tobacco settlement receipts and statutory allocation formulas.

**EMPLOYMENT-FOCUSED PROGRAMS REDUCTION:** The appropriation includes a reduction of \$2,000,000 federal funds from the State's Temporary Assistance for Needy Families (TANF) reserve. The intent of this funding is to provide additional money for counties to implement experimental employment-focused tools and programs. However, S.B. 17-292 (CO Works Employment Opportunities With Wages) appropriates \$4,000,000 federal funds from the State's TANF reserve to create a subsidized employment program, and funding for experimental employment-focused tools and programs in the Long Bill is discontinued.

**YOUTH CORRECTIONS CASELOAD ADJUSTMENT:** The appropriation includes a decrease of \$1,884,809 total funds, including \$1,617,384 General Fund, resulting from a forecasted decline in the caseload for committed juveniles in the youth corrections' system. For FY 2017-18, the December 2016 Legislative Council Staff forecast predicts a committed youth caseload of 592.0, down from a forecasted caseload of 630.0 for FY 2016-17.

**MHI CONTRACT MEDICAL SERVICES ADJUSTMENT:** The appropriation includes a decrease of \$557,674 General Fund for the mental health institutes' (MHIs) purchase of outside medical services for patients based on recent expenditures.

**TECHNICAL CHANGES:** The appropriation includes corrections of technical errors related to line item financing that were included in prior year appropriations in the Office of Information Technology Services, County Administration, and Adult Assistance Programs sections of the budget.

**YOUTH CORRECTIONS REDUCTION OF CLIENT MANAGERS:** The appropriation includes a decrease of \$153,818 General Fund and 2.0 FTE to eliminate two client managers in the Division of Youth Corrections due to forecasted declines in committed and paroled youth caseloads.

**FUND SOURCE ADJUSTMENT:** The appropriation includes two fund source adjustments in the Office of Behavioral Health section: (1) the elimination of a \$521,213 General Fund appropriation for a line item that supports behavioral health services for adolescents and adults who have co-occurring mental health and substance use disorders, offset by an equal increase in the cash funds appropriation from the Marijuana Tax Cash Fund; and (2) reductions totaling \$132,840 from two substance use-related cash funds based on available revenues.

**STAFF TRAINING:** The bill includes a decrease of \$13,799 cash fund spending authority as a result of the elimination of the Staff Training line item from the FY 2017-18 Long Bill.

**ADDITIONAL LEGISLATION:** For information on additional legislation, see the "Recent Legislation" section at the end of Part III of this department.

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# JUDICIAL DEPARTMENT

The Judicial Department consists of the Supreme Court, the Court of Appeals, district courts, the Denver probate and juvenile courts, and all county courts except the Denver county court. In addition to resolving disputes and delivering justice in criminal and civil cases, the Judicial Department supervises juvenile and adult offenders who are sentenced to probation. The Judicial Department also currently includes six independent agencies:

- Both the *Office of the State Public Defender* (OSPD) and the *Office of Alternate Defense Counsel* (OADC) provide legal representation for indigent criminal defendants. All cases are first assigned to the OSPD, and if there is an ethical conflict of interest the case is referred to the OADC.
- The *Office of the Child's Representative* oversees the provision of legal services for children, including legal representation of children involved in the court system due to abuse or neglect.
- The *Office of the Respondent Parents' Counsel* oversees the provision of legal representation for indigent parents or guardians who are involved in dependency and neglect proceedings.
- The *Office of the Child Protection Ombudsman* serves as an independent and neutral organization to investigate complaints and grievances about child protection services, make recommendations about system improvements, and serve as a resource for persons involved in the child welfare system.
- The *Independent Ethics Commission* provides advice and guidance on ethics-related matters concerning state legislative and executive branch elected officials and employees, as well as elected officials and employees of most Colorado counties and municipalities.

In addition, H.B. 17-1087 creates a new independent *Office of Public Guardianship* to serve indigent and incapacitated adults in need of guardianship.

## DEPARTMENT BUDGET: RECENT APPROPRIATIONS

FUNDING SOURCE	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
General Fund	\$446,285,574	\$478,617,095	\$491,246,425	\$513,002,350
Cash Funds	135,533,939	156,643,072	164,554,601	157,894,176
Reappropriated Funds	30,798,095	34,086,127	34,268,970	35,062,455
Federal Funds	4,425,000	4,425,000	4,425,000	4,425,000
<b>TOTAL FUNDS</b>	<b>\$617,042,608</b>	<b>\$673,771,294</b>	<b>\$694,494,996</b>	<b>\$710,383,981</b>
Full Time Equiv. Staff	4,522.3	4,592.3	4,615.1	4,648.3

## GENERAL FACTORS DRIVING THE BUDGET

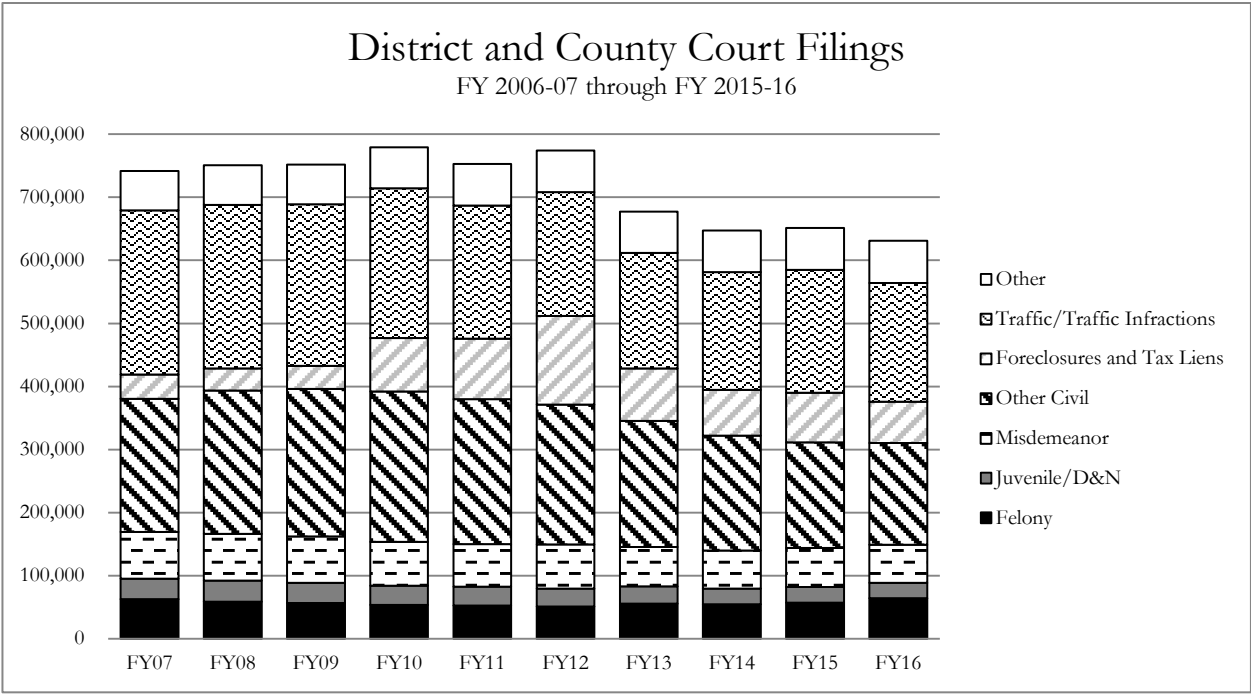
Funding for this department consists of 72.2 percent General Fund, 22.2 percent cash funds, 4.9 percent reappropriated funds, and less than one percent federal funds. Cash funds primarily include: various docket fees and surcharges that support court operations; fees paid by individuals sentenced to probation; attorney licensing fees that are used to regulate the practice of law in Colorado; and fees and cost recoveries related to electronic filings and other information technology services.

The main factor driving the Department's budget is caseload, which affects the ability of judges, attorneys, probation officers, and support staff to fulfill their constitutional and statutory duties in a timely and professional manner. Caseload changes are generally driven by increases in state population, changes in the state's economic climate (which may affect both the crime rate and the proportion of clients eligible for state-funded representation),

and legislative changes. Workload is also impacted by the types of cases filed, as some cases require more time and resources than others. Generally, felony cases, dependency and neglect cases, problem-solving court cases, water cases, and complex civil cases require the most resources.

CASE FILINGS AND THE NEED FOR COURT STAFF

In FY 2015-16, 634,825 cases were filed in the state court system, including 412,714 (65 percent) in county courts, 218,413 (34 percent) in district and water courts, 2,204 in the Court of Appeals, and 1,494 in the Supreme Court. The following chart depicts the number of cases filed in county and district courts in each of the last ten fiscal years, by case type. Cases are depicted using the following categories: felony; juvenile/dependency and neglect (D&N); civil – foreclosures and tax liens; civil – other; misdemeanor; traffic/traffic infractions; and other.



Over the last ten years, *county court* filings decreased by 25.8 percent (143,422 cases). County court cases have declined in every category, but decreases in traffic and civil case filings account for more than 80 percent of the overall decline. Over the same time period, *district court* filings increased by 14.9 percent (28,154 cases), primarily due to increases in tax lien, probate, and mental health cases. As illustrated in the above chart, the number of civil cases involving foreclosures or tax liens increased significantly during the last economic downturn. While some civil cases can require a significant amount of judge and staff time, foreclosure and tax lien cases generally do not. The case filing data for those case types that do have a significant workload impact is mixed. For example, felony criminal case filings have increased by nearly 30 percent in the last four years (10,453 cases), while juvenile cases have declined by 11.0 percent (3,009 cases).

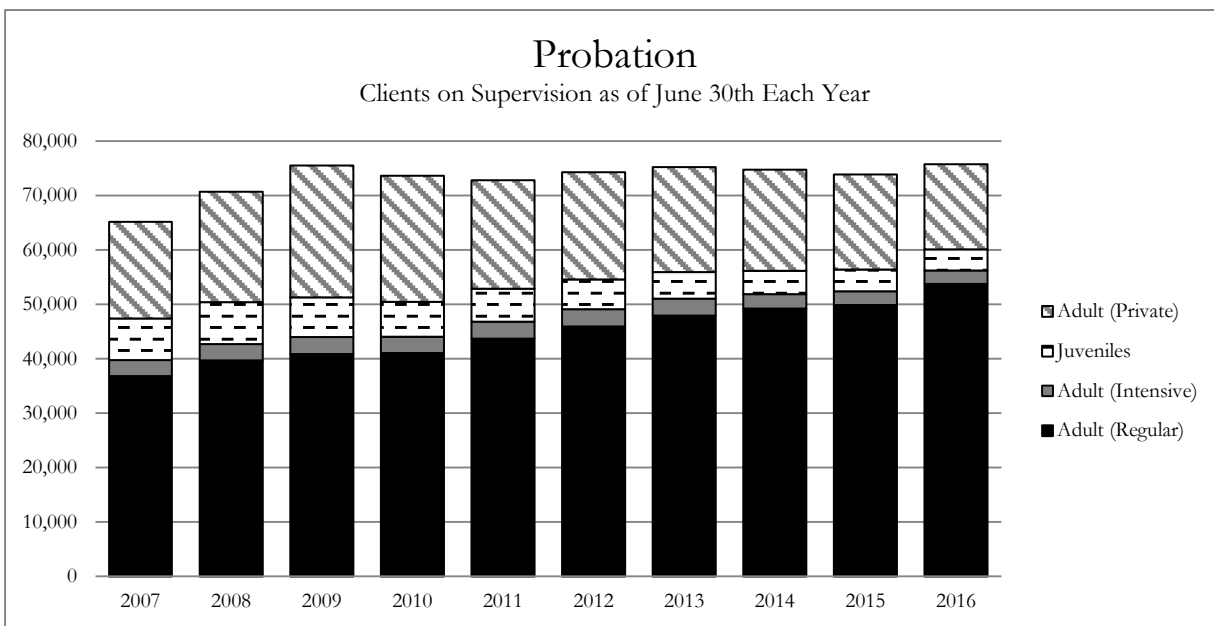
The Department routinely monitors its workload and periodically requests funding through the budget process or through legislation. In response to workload increases, the General Assembly periodically passes legislation to increase the number of judges within one or more judicial districts. Most recently, H.B. 14-1050 added two district court judges and the associated court support staff for the 18<sup>th</sup> judicial district court (Arapahoe, Douglas, Elbert, and Lincoln counties) and H.B. 15-1034 added one judgeship to the 12<sup>th</sup> judicial district court (Alamosa, Conejos, Costilla, Mineral, Rio Grande, and Saguache counties). The Department indicates that FY 2016-17 funding supports 82.3 percent of the full need for district court judges, 103.7 percent of the full need for county court judges, and 90.0 percent of the full staffing need for non-judge staff for “trial courts” (county and district courts).

## PROBATION AND RELATED SERVICES CASELOAD

Individuals sentenced to probation, as an alternative to incarceration, remain under the supervision of the court. Failure to meet the terms of probation set forth in the court's sentencing order may result in incarceration. Managed by the chief probation officer in each judicial district, approximately 1,250 employees prepare assessments, provide pre-sentence investigation services to the courts, and supervise offenders sentenced to probation. Supervision services are provided based on each offender's risk of re-offending.

Funding for probation services is primarily driven by the number and types of offenders sentenced to probation and statutory requirements concerning probation eligibility and supervision time frames. Those offenders that present a higher risk of re-offending require more resources. For example, the most recent data indicates that the average annual cost of probation supervision ranges from \$1,424 for an adult on "regular" probation to \$3,928 for an adult on "intensive" supervision; similarly, the average annual cost of probation supervision ranges from \$2,390 for a juvenile on regular probation to \$5,583 for a juvenile on intensive supervision.

The *total* number of offenders sentenced to probation increased significantly from 2004 to 2009, and has since stabilized. However, the number of adult offenders who are *supervised by state staff* (rather than private probation providers) has increased in every year except one over the last 10 years. The following chart depicts changes in the numbers of adults and juveniles on supervision since 2007. Overall, the number of juvenile and adult offenders who are supervised by state staff increased from 47,424 in June 2007 to 60,157 in June 2016 (26.8 percent). As this number grows, so does the need for probation supervisors, officers, and support staff to adequately supervise offenders. The Department routinely monitors its workload and periodically requests additional funding to adjust probation staffing levels based on the number and types of offenders sentenced to probation. The Department indicates that FY 2016-17 funding supports 91 percent of the full need for probation staff (including probation officers, supervisors, and support staff).

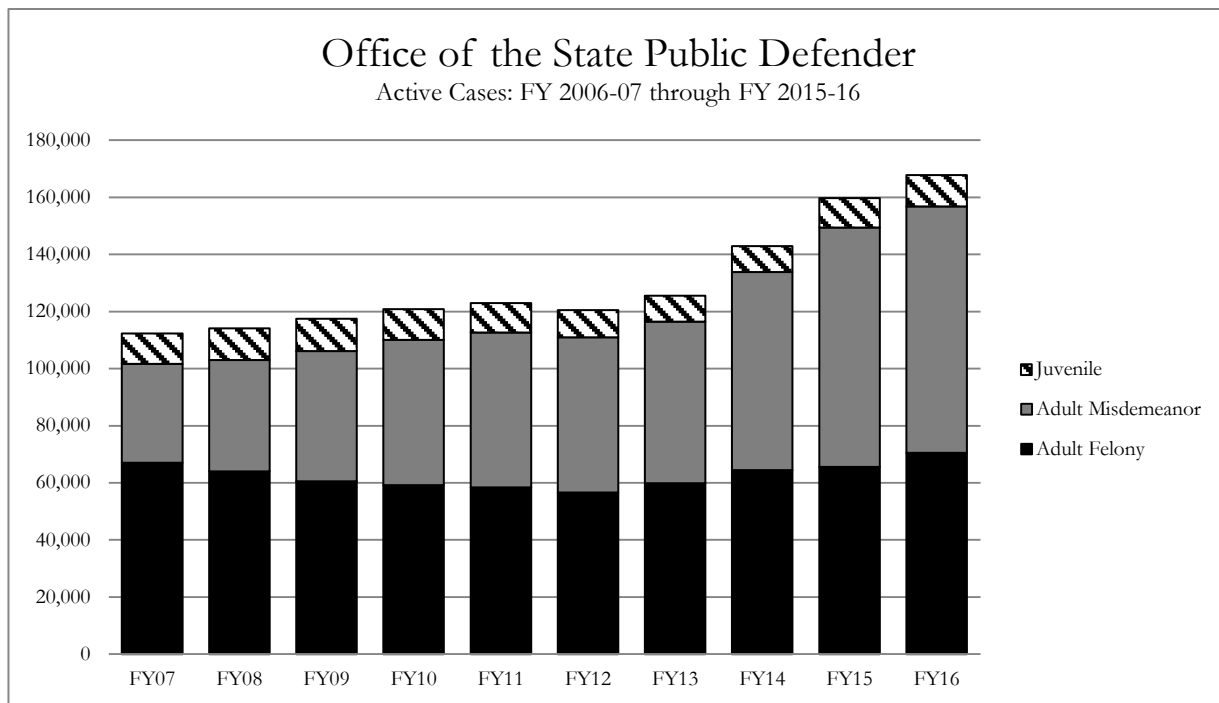


In addition, the General Assembly appropriates state funds to subsidize the cost of required treatment and services for offenders on probation. From FY 2007-08 to FY 2016-17, state funding for treatment and services for probation clients more than doubled, increasing from \$8.5 million to \$19.1 million. In FY 2015-16, 43.5 percent of available state funding was used for substance abuse testing and treatment, and another 17.7 percent was used for sex offender assessment, treatment, and polygraph expenses.

## CASELOAD IMPACTS UNIQUE TO INDEPENDENT AGENCIES

The independent agencies that provide legal representation are affected in different ways by changes in the number of cases filed, based on the clients they represent.<sup>1</sup>

The *Office of the State Public Defender (OSPD)* represents criminal defendants who have inadequate financial resources to pay for their own defense. The OSPD's workload is affected by the number and types of cases filed, as well as the proportion of clients who are eligible for state-funded representation. As in the court system, more complicated cases consume more resources than simpler cases: felonies require more time than misdemeanors, and homicides require more time than assaults or robberies. Recent data indicates that the OSPD spends an average of \$508 to represent a juvenile defendant, \$529 to represent an adult misdemeanor defendant, and \$817 to represent an adult felony defendant. Further, approximately 87 percent of adult felony defendants receive state funded representation (either through the OSPD or the Office of the Alternate Defense Counsel, which is discussed below), compared to 65 percent of adult misdemeanor defendants. Thus, felony and high level misdemeanor cases are the primary factor driving OSPD staffing needs.



As illustrated in the chart above, the total number of cases requiring public defender involvement has increased in every year but one since FY 2006-07, reaching 167,814 in FY 2015-16. In the last three fiscal years alone the total number of cases increased by 42,208 (33.6 percent). This primarily includes an increase of 29,655 (52.4 percent) adult misdemeanor cases largely due to the passage of H.B. 13-1210, which repealed a statute that required an indigent person charged with a misdemeanor or other minor offense to meet with the prosecuting attorney for plea negotiations before legal counsel is appointed<sup>2</sup>. In addition, the number of adult felony cases has increased by 10,696 (17.9 percent) since FY 2012-13. The OSPD routinely monitors its workload and periodically requests additional funding to ensure that staffing levels are sufficient to provide legal representation in an ethical and

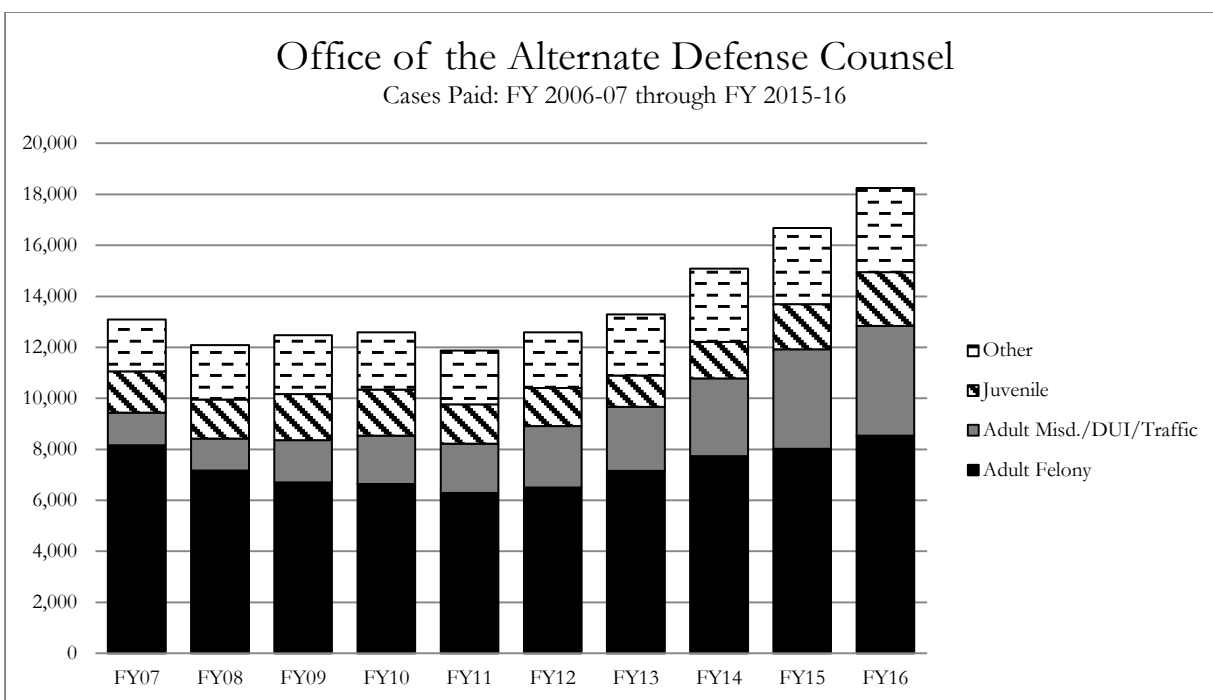
<sup>1</sup> For purposes of this discussion, staff has excluded the Office of the Respondent Parents' Counsel. This newly created office began overseeing the provision of legal representation for indigent parents as of July 1, 2016.

<sup>2</sup> These changes apply to misdemeanors, petty offenses, class 2 and class 3 misdemeanor traffic offenses, and municipal or county ordinance violations committed on or after January 1, 2014.

effective manner. The OSPD indicates that FY 2016-17 funding supports 86 percent of the need for attorneys, and 81 percent of the full need for all public defender staff (including attorneys, investigators, and support staff).

The *Office of the Alternate Defense Counsel (OADC)* contracts with private attorneys to represent indigent defendants in cases where the OSPD has an ethical conflict of interest in providing legal representation. The OADC paid for legal representation in 18,244 cases in FY 2015-16, at an average cost of \$1,581 per case. Similar to the OSPD, certain types of cases (e.g., death penalty cases) are more expensive than others as these cases require more hours of attorney time and may require a higher hourly rate.

As illustrated in the following chart, the OADC's overall caseload is generally more variable than that of the OSPD. However, similar to the OSPD, the OADC has experienced significant caseload increases in the last three fiscal years (an overall increase of 4,954 cases or 37.3 percent). The OADC experienced increases in every case type, but the most significant increases occurred in adult misdemeanors/DUI/Traffic cases (1,794 cases or 71.4 percent) and adult felony cases (1,389 cases or 19.4 percent). As the OADC contracts with private attorneys, it routinely submits requests for budget adjustments to ensure that it has sufficient funding to cover payments for all assigned cases.

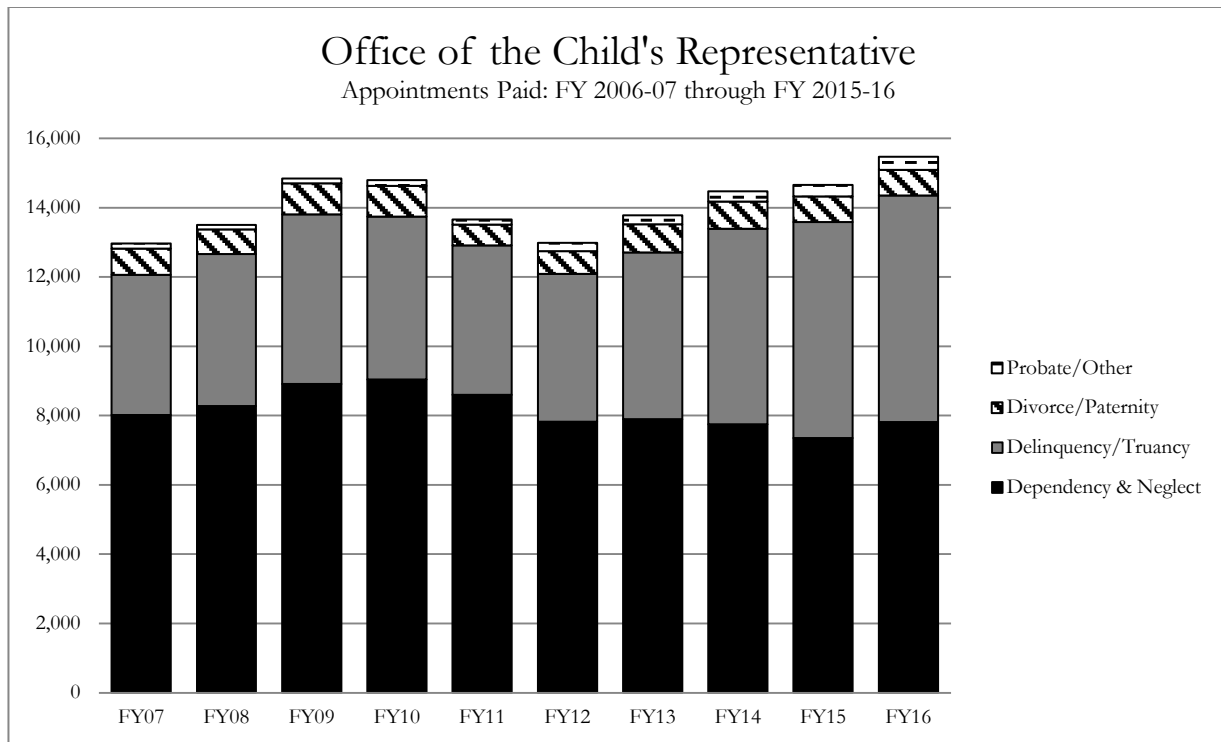


The *Office of the Child's Representative (OCR)* is responsible for providing legal representation for children involved in the court system due to abuse or neglect, delinquency, truancy, high conflict divorce, alcohol or drug abuse, mental health issues, and probate matters. The OCR paid for legal representation in 15,470 court appointments in FY 2015-16 at an average cost of \$1,220 per appointment. Similar to the OSPD and OADC, the average cost per appointment varies significantly for different types of cases. For example, in FY 2015-16 the OCR spent an average of \$277 per appointment in truancy cases, \$558 per appointment in juvenile delinquency cases, \$683 per appointment in domestic relations cases, and \$1,881 per appointment in cases involving abuse and neglect (called dependency and neglect or "D&N" cases). Thus, the OCR's expenditures are primarily driven by the number of D&N cases, as these cases account for the most court appointments and require the most attorney time.

As illustrated in the following chart, the overall number of appointments has increased in each of the last four fiscal years. This overall increase is primarily related to increases in the number of appointments involving juvenile delinquency or truancy; these appointments now account for 42.2 percent of the total, compared to 31.2 percent in



FY 2006-07. The OCR routinely submits requests for budget adjustments to ensure that it has sufficient funding and staffing (in its El Paso county office) for all assigned cases.



## APPROPRIATION HIGHLIGHTS - 2017 LEGISLATIVE SESSION

JUDICIAL DEPARTMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2016-17 APPROPRIATION:</b>						
HB 16-1405	\$690,115,303	\$486,631,108	\$164,813,980	\$34,245,215	\$4,425,000	4,610.7
SB 16-102	65,788	65,788	0	0	0	0.9
SB 16-116	178,173	0	178,173	0	0	3.5
HB 16-1410	(368,000)	(368,000)	0	0	0	0.0
SB 17-164	4,503,732	4,917,529	(437,552)	23,755	0	0.0
<b>TOTAL</b>	<b>\$694,494,996</b>	<b>\$491,246,425</b>	<b>\$164,554,601</b>	<b>\$34,268,970</b>	<b>\$4,425,000</b>	<b>4,615.1</b>
<b>FY 2017-18 APPROPRIATION:</b>						
FY 2016-17 Appropriation	\$694,494,996	\$491,246,425	\$164,554,601	\$34,268,970	\$4,425,000	4,615.1
Centrally appropriated line items	17,802,645	16,969,558	833,087	0	0	0.0
Courthouse furnishings and infrastructure maintenance	3,230,056	2,639,800	590,256	0	0	0.0
OSPD support staff	1,113,027	1,113,027	0	0	0	23.4
OCR case management and billing system	803,000	803,000	0	0	0	0.0
ORPC conversion to hourly billing	785,902	785,902	0	0	0	0.0
OSPD mandated and electronic data management expenses	585,831	585,831	0	0	0	0.0
OCR and ORPC caseload adjustments	501,043	501,043	0	0	0	0.0
Veterans treatment courts	473,699	473,699	0	0	0	6.3
Community provider rate	469,608	213,076	21,728	234,804	0	0.0
Language access caseload and contractor rate increase	307,916	307,916	0	0	0	0.0

JUDICIAL DEPARTMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
ORPC social worker pilot program	301,033	301,033	0	0	0	0.0
OCPO staffing	154,088	154,088	0	0	0	1.5
New criminal judge in the 12th	110,084	110,084	0	0	0	1.8
District attorney mandated costs	67,420	67,420	0	0	0	0.0
Indirect cost adjustment	55,998	(55,998)	42,157	69,839	0	0.0
OCR staffing adjustment	41,914	41,914	0	0	0	0.4
Correctional Treatment Cash Fund allocation	3,069	0	3,069	0	0	0.0
Fund source adjustment	0	(102,160)	0	102,160	0	0.0
OADC salary adjustments	0	0	0	0	0	0.0
Annualize prior year budget actions	(10,035,651)	(1,649,233)	(8,386,418)	0	0	0.5
eDiscovery and annualization of SB 14-190	(1,155,411)	(1,155,411)	0	0	0	0.0
Annualize prior year legislation	(293,731)	(342,203)	48,472	0	0	0.5
OSPD bandwidth	(99,963)	(99,963)	0	0	0	0.0
OSPD vehicles	(2,282)	(2,282)	0	0	0	0.0
Other	599,953	26,047	187,224	386,682	0	(2.0)
<b>SB 17-254</b>	<b>\$710,314,244</b>	<b>\$512,932,613</b>	<b>\$157,894,176</b>	<b>\$35,062,455</b>	<b>\$4,425,000</b>	<b>4,647.5</b>
HB 17-1204	45,237	45,237	0	0	0	0.8
HB 17-1303	24,500	24,500	0	0	0	0.0
<b>TOTAL</b>	<b>\$710,383,981</b>	<b>\$513,002,350</b>	<b>\$157,894,176</b>	<b>\$35,062,455</b>	<b>\$4,425,000</b>	<b>4,648.3</b>
<b>INCREASE/(DECREASE)</b>	<b>\$15,888,985</b>	<b>\$21,755,925</b>	<b>(\$6,660,425)</b>	<b>\$793,485</b>	<b>\$0</b>	<b>33.2</b>
Percentage Change	2.3%	4.4%	(4.0%)	2.3%	0.0%	0.7%

## FY 2016-17 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 17-164 modifies the FY 2016-17 appropriation to:

- Add \$4,643,845 General Fund for higher than anticipated court-appointed counsel expenses and mandated court costs for the Office of the Respondent Parents' Counsel (ORPC), the Office of the Child's Representative, and the Office of the Alternate Defense Counsel (OADC);
- Add \$821,775 General Fund to address increases in the need for language interpreter services for individuals who are involved in court proceedings and who are not proficient in English;
- Add \$146,820 General Fund for the Office of the State Public Defender to increase the bandwidth for its regional offices to the level of service needed to support the new statewide discovery sharing system;
- Add \$122,704 cash funds from the Restorative Justice Surcharge Fund to expand funding and support for local restorative justice programs;
- Add \$45,268 General Fund to allow the Judicial Department to purchase additional legal services from the Department of Law;
- Add \$37,931 General Fund for leave payouts for two OADC employees;
- Add \$23,755 reappropriated funds to reflect anticipated ORPC training expenditures using federal funds transferred from the Department of Human Services;
- Add \$6,890 General Fund to make reasonable accommodations for a new ORPC staff member in compliance with the federal Americans with Disabilities Act; and
- Reduce appropriations by \$1,345,256 total funds, including a decrease of \$785,000 General Fund and \$560,256 cash funds, for the State's share of district and county courthouse facilities (e.g., furnishings, phone systems, and communication systems) to reflect the impact of several local courthouse facility projects that have been delayed by the counties involved and to reflect updated scope and cost estimates.

## FY 2017-18 APPROPRIATION HIGHLIGHTS

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items, as detailed in the following table.

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Compensation-related common policy adjustments						
Salary survey	\$6,112,567	\$5,808,857	\$303,710	\$0	\$0	0.0
Health, life, and dental insurance	3,795,993	3,394,148	401,845	0	0	0.0
Merit pay	2,037,842	1,908,974	128,868	0	0	0.0
SAED	1,086,265	1,091,379	(5,114)	0	0	0.0
AED	980,406	994,658	(14,252)	0	0	0.0
Short-term disability	16,900	14,797	2,103	0	0	0.0
<b>Subtotal</b>	<b>\$14,029,973</b>	<b>\$13,212,813</b>	<b>\$817,160</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
IT-related common policy adjustments						
Payments to the Office of Information Technology (OIT) and other OIT budget actions	\$3,466,254	\$3,466,254	\$0	\$0	\$0	0.0
CORE adjustment	(20,296)	(20,296)	0	0	0	0.0
<b>Subtotal</b>	<b>\$3,445,958</b>	<b>\$3,445,958</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Operations-related common policy adjustments						
Payment to risk management and property funds	\$254,509	\$254,509	\$0	\$0	\$0	0.0
Workers' compensation	88,157	88,157	0	0	0	0.0
Leased space	39,097	39,097	0	0	0	0.0
OCR El Paso office relocation	16,408	16,408	0	0	0	0.0
Carr Center debt service payments	15,927	0	15,927	0	0	0.0
Vehicle lease payments	(81,581)	(81,581)	0	0	0	0.0
Legal services	(5,803)	(5,803)	0	0	0	0.0
<b>Subtotal</b>	<b>\$326,714</b>	<b>\$310,787</b>	<b>\$15,927</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>TOTAL</b>	<b>\$17,802,645</b>	<b>\$16,969,558</b>	<b>\$833,087</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**COURTHOUSE FURNISHINGS AND INFRASTRUCTURE MAINTENANCE:** The appropriation includes a total of \$3,230,056, including \$2,639,800 General Fund and \$590,256 cash funds, to fulfill the State's responsibility to provide furnishing and equipment for district and county courthouse facilities, including:

- \$1,919,800 for new projects in 10 judicial districts; and
- \$1,310,256 for projects that were delayed from FY 2016-17 to FY 2017-18.

**OSPD SUPPORT STAFF:** The appropriation includes \$1,113,027 General Fund for the Office of the State Public Defender (OSPD) to add 23.4 FTE investigators, paralegals, and administrative staff to improve the ratio of support staff to attorneys.

**OCR CASE MANAGEMENT AND BILLING SYSTEM:** The appropriation includes \$803,000 General Fund to replace the Office of the Child's Representative (OCR) case management and billing system.

**ORPC CONVERSION TO HOURLY BILLING:** The appropriation includes \$785,902 General Fund for the Office of the Respondent Parents' Counsel (ORPC) to convert to a consistent hourly contractor payment system, eliminating flat fee payments to attorneys in eight jurisdictions.

**OSPD MANDATED AND ELECTRONIC DATA MANAGEMENT EXPENSES:** The appropriation includes \$585,831 General Fund for OSPD mandated court costs and data management expenses, including:

- An increase of \$469,585 to adjust the mandated costs appropriation based on recent caseload increases; and
- A one-time appropriation of \$116,246 to acquire the hardware and software necessary to receive and manage the electronic discovery that will be made available through the new statewide discovery sharing system.

**OCR AND ORPC CASELOAD ADJUSTMENTS:** The appropriation includes \$501,043 General Fund to align the OCR and ORPC appropriations with the projected caseload and expenditures for state-paid court-appointed counsel. Primarily these increases are based on a projected increase in the number of dependency and neglect case filings.

**VETERANS TREATMENT COURTS:** The appropriation includes \$473,699 General Fund for veterans treatment courts, including: \$432,779 to add peer mentor coordinators in each of the six operational veterans treatment courts (5.8 FTE), and \$40,920 to add a half-time position (0.5 FTE) to provide training for local peer mentor coordinators and to provide statewide technical support and coordination for veterans treatment courts.

**COMMUNITY PROVIDER RATE:** The appropriation includes \$469,608 total funds, including \$213,076 General Fund, for the community provider rate increase of approximately 1.4 percent.

**LANGUAGE ACCESS CASELOAD AND CONTRACTOR RATE INCREASE:** The appropriation includes \$307,916 General Fund to increase by \$5.00 the hourly rate for independent contract court language interpreters.

**ORPC SOCIAL WORKER PILOT PROGRAM:** The appropriation includes \$301,033 General Fund to allow the ORPC to implement a pilot program that will provide respondent parents' counsel in two judicial districts with access to contract social workers.

**OCPO STAFFING:** The appropriation includes \$154,088 General Fund for the Office of the Child Protection Ombudsman to add 1.0 FTE to address an increasing number of calls and complaints concerning child protection services, and to convert a half-time Communications Director to a full-time position (an increase of 0.5 FTE).

**NEW CRIMINAL JUDGE IN THE 12TH:** The appropriation includes \$110,084 General Fund for the OSPD to add 1.8 FTE to address the workload impact of adding a new district court judge in the 12th judicial district (H.B. 15-1034).

**DISTRICT ATTORNEY MANDATED COSTS:** The appropriation includes \$67,420 General Fund to cover projected increases in mandated costs incurred by district attorneys.

**INDIRECT COST ADJUSTMENT:** The appropriation includes an increase of \$55,998 in the Department's indirect cost assessments, comprised of \$42,157 cash funds and \$13,841 reappropriated funds. These additional assessments are used to reduce the General Fund appropriation by \$55,998 in the Courts Administration section.

**OCR STAFFING ADJUSTMENT:** The appropriation includes \$41,914 General Fund to convert a part-time (0.6 FTE) OCR staff attorney position to a full time position.

**CORRECTIONAL TREATMENT CASH FUND ALLOCATION:** The appropriation includes \$3,069 cash funds to implement the Correctional Treatment Board's recommended allocation of money in the Correctional Treatment Cash Fund and to reflect updated information concerning indirect cost recoveries and employee benefits.

**FUND SOURCE ADJUSTMENT:** The appropriation reflects a \$102,160 increase in the leased space payments paid by tenants within the Ralph L. Carr Colorado Judicial Center (reappropriated funds), which allows for a \$102,160 decrease in the General Fund share of Carr Center expenses.

**OADC SALARY ADJUSTMENTS:** The appropriation includes an increase of \$106,924 General Fund to increase base salaries for four employees of the Office of the Alternate Defense Counsel (OADC). This increase is fully offset by a \$106,924 decrease in the General Fund appropriation for OADC's payments for court-appointed counsel.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Reverse supplemental action	\$1,255,167	\$694,911	\$560,256	\$0	\$0	0.0
FY 16-17 Salary survey and merit pay	0	0	0	0	0	0.0
FY 16-17 JUD R1 Information Security and Supervisor Staff, Server Replacement, and Disaster Recovery	(6,593,764)	36,559	(6,630,323)	0	0	0.5
FY 16-17 JUD R2 Courthouse Capital and Infrastructure Maintenance	(4,692,351)	(2,376,000)	(2,316,351)	0	0	0.0
FY 16-17 OADC R2 Social Worker Coordinator	(4,703)	(4,703)	0	0	0	0.0
<b>TOTAL</b>	<b>(\$10,035,651)</b>	<b>(\$1,649,233)</b>	<b>(\$8,386,418)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.5</b>

**EDISCOVERY AND ANNUALIZATION OF SB 14-190:** The appropriation includes a decrease of \$1,155,411 General Fund for the first full year of operating eDiscovery, a statewide discovery sharing system that will enable the sharing and transfer of information electronically between law enforcement agencies, district attorneys' offices, and defense counsel. As this system is implemented in each judicial district, defense counsel is no longer required to reimburse district attorneys for duplicating discoverable materials. The appropriation thus reflects:

- a reduction of \$1,529,303 from existing appropriations for state agencies to reimburse the prosecution for discoverable materials; and
- an increase of \$373,892 for the ongoing operations of eDiscovery and the associated ACTION case management system.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments related to prior year legislation.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 08-054 Judicial Performance Evaluations	\$30,000	\$0	\$30,000	\$0	\$0	0.0
SB 16-116 Alternate Process for Sealing Criminal Records	18,472	0	18,472			0.5
SB 14-203 and HB 15-1149 Office of the Respondent Parents Counsel	(337,500)	(337,500)	0	0	0	0.0
SB 16-102 Repeal Certain Mandatory Minimum Sentences	(4,703)	(4,703)	0	0	0	0.0
<b>TOTAL</b>	<b>(\$293,731)</b>	<b>(342,203)</b>	<b>\$48,472</b>	<b>\$0</b>	<b>\$0</b>	<b>0.5</b>

**OSPD BANDWIDTH:** The appropriation includes a reduction of \$99,963 General Fund related to a project to increase the bandwidth in OSPD regional offices to the level of service needed to support eDiscovery. The appropriation eliminates one-time funding that was provided in FY 2016-17 to purchase and install routers capable of handling the higher bandwidth for several regional offices, and provides \$46,857 General Fund for the ongoing costs of upgraded circuits that will accommodate the increased bandwidth needs.

**OSPD VEHICLES:** The appropriation includes a reduction of \$2,282 General Fund based on a proposal to increase the OSPD fleet of state-owned vehicles by four (from 26 to 30). The net change is the result of an increase of \$5,552 for Vehicle Lease Payments and a decrease of \$7,834 for Operating Expenses (for employee mileage reimbursements).

**OTHER:** The appropriation includes other minor adjustments.

OTHER						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Long Bill clean-up and FTE true-up	\$361,823	\$0	\$0	\$361,823	\$0	(2.0)
State Patrol contract adjustment for Carr Center security	147,224	0	147,224	0	0	0.0
OADC Increase training cash funds spending authority	40,000	0	40,000	0	0	0.0
CASA volunteer background checks	30,000	30,000	0	0	0	0.0
OCR federal grant adjustment	17,519	0	0	17,519	0	0.0
ORPC grant spending authority	7,340	0	0	7,340	0	0.0
Inflation for payments to exonerated persons	3,104	3,104	0	0	0	0.0
Adjustment based on recent actual expenditures	(7,057)	(7,057)	0	0	0	0.0
<b>TOTAL</b>	<b>\$599,953</b>	<b>\$26,047</b>	<b>\$187,224</b>	<b>\$386,682</b>	<b>\$0</b>	<b>(2.0)</b>

**ADDITIONAL LEGISLATION:** For information on additional legislation, see the "Recent Legislation" section at the end of Part III of this department.

# DEPARTMENT OF LABOR AND EMPLOYMENT

The Department consists of seven divisions:

- 1 The Executive Director's Office is responsible for providing common services to all divisions, including human resources and accounting services.
- 2 The Division of Unemployment Insurance is responsible for the administration and monitoring of Colorado's unemployment insurance programs, including audits and investigations to ensure proper payment of premiums and benefits.
- 3 The Division of Employment and Training is responsible for the administration of the workforce development programs, state-run workforce centers, and research and analysis on Colorado's employment trends.
- 4 The Division of Labor Standards and Statistics is responsible for ensuring employer compliance with State and federal employment laws and provides annual and monthly information on general labor market trends including: unemployment rates, industry trends, and employee compensation by region and industry.
- 5 The Division of Oil and Public Safety is responsible for the inspection of boilers, conveyances, amusement park and carnival rides, distribution centers of petroleum products, storage sites for explosive materials, and monitoring the clean-up of leaking underground storage tanks.
- 6 The Division of Workers' Compensation is responsible for enforcing workers' compensation laws and the administration of the Major Medical Insurance and Subsequent Injury Funds.
- 7 The Division of Vocational Rehabilitation and Independent Living Services is responsible for providing vocational rehabilitation services to individuals with disabilities so they can obtain employment and assisting the Independent Living Centers with the provision of independent living services that allow individuals with disabilities to live and work independently in the community of their choice.

## DEPARTMENT BUDGET: RECENT APPROPRIATIONS

FUNDING SOURCE	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
General Fund	\$661,690	\$8,008,584	\$20,786,362	\$21,380,958
Cash Funds	66,168,686	74,251,770	71,493,888	72,525,276
Reappropriated Funds	650,740	4,439,547	9,401,877	9,515,450
Federal Funds	100,027,649	100,821,204	142,469,635	145,439,550
<b>TOTAL FUNDS</b>	<b>\$167,508,765</b>	<b>\$187,521,105</b>	<b>\$244,151,762</b>	<b>\$248,861,234</b>
Full Time Equiv. Staff	1,016.5	1,030.3	1,279.8	1,279.8

## GENERAL FACTORS DRIVING THE BUDGET

Funding for this department consists of 8.6 percent General Fund, 29.2 percent cash funds, 3.8 percent reappropriated funds, and 58.4 percent federal funds. Some of the major factors driving the Department's budget are discussed below.

## WORKFORCE DEVELOPMENT PROGRAMS

These programs provide employment services for businesses and job training and placement services for job seekers through a network of state- and county-run one-stop workforce centers. Many workforce development programs are funded with federal funds not subject to appropriation by the General Assembly. Employment and training programs account for 27 percent of the total funding for the Department.

## UNEMPLOYMENT INSURANCE PROGRAMS

The Unemployment Insurance Programs (UI Programs) provide temporary compensation to individuals who are laid off through no fault of their own. The appropriation for UI Programs in the Long Bill reflects the cost of administering the UI Programs. Pursuant to Section 8-77-104 (1), C.R.S., the funds used to pay benefits are not subject to appropriation by the General Assembly and do not appear in the Long Bill. Unemployment Insurance claims are paid from the Unemployment Insurance Trust Fund (UITF), which resides in the federal treasury and is maintained by the federal Unemployment Insurance Program.

The appropriation for administering the UI Programs accounts for 16.7 percent of the Department's FY 2017-18 appropriation. Approximately 71.0 percent of the UI Programs appropriation is federal funds. In a healthy economy the number of claims is lower resulting in fewer benefits being paid, which builds up the balance of the UITF. During challenging economic times, the number of claims and benefits paid increases, resulting in a decrease in the balance of the UITF.

## WORKERS' COMPENSATION

Colorado employers are required to carry workers' compensation insurance to pay for medical expenses incurred during the treatment of work-related injuries and for partial wage replacement. The Division of Workers' Compensation provides services to support this mandate including: customer service, claims resolution, employer and employee education, and cost containment programs. The budget for the Division of Worker's Compensation is driven by the number of workers injured in a given year, and the number of hearings requested by an employer, insurance company, or injured worker to determine what benefits should be provided. The Workers' Compensation program offers claims intervention, mediation, pre-hearing conferences, settlement conferences, and arbitration to assist with dispute resolution.

The Division also administers the Major Medical and Subsequent Injury programs, which provide benefits to individuals injured at work. The Major Medical program is available to industrial workers who sustained catastrophic injuries between 1971 and 1981. The Subsequent Injury program is designed to compensate employers for hiring an individual who has an existing partial disability. The injury must have been sustained before 1993 for traumatic injuries and before 1994 for occupational diseases. Funds for both programs are continuously appropriated pursuant Sections 8-46-202 (1)(c) and 8-46-101 (4)(b), C.R.S., respectively, and expenditures are dependent on claims processed during the fiscal year.

## TRANSFER OF DIVISION OF VOCATIONAL REHABILITATION AND INDEPENDENT LIVING CENTERS

On July 1, 2016 the Department of Labor and Employment began administering services previously provided by the Department of Human Services in the newly created Division of Vocational Rehabilitation and Independent Living Services. This division, created in FY 2016-17, consists of two subdivisions: (A) Vocational Rehabilitation Programs and (B) Office of Independent Living Services.



(A) Vocational Rehabilitation Programs assists individuals, whose disabilities result in barriers to employment or independent living, with attaining and maintaining employment and/or independent living. At any of the 43 field and satellite offices located throughout the state, rehabilitation counselors work with clients to assess their needs and identify appropriate vocational rehabilitation services. Funding for the Vocational Rehabilitation Programs is 69.3 percent federal funds and 30.7 percent state funds.

(B) Independent Living Services provides funding to the nine Independent Living Centers in Colorado that provide services to individuals with significant disabilities. The goal of independent living services is to provide individuals with the resources and skills to live independently in the community. Funding for independent living services is primarily General Fund.

## APPROPRIATION HIGHLIGHTS - 2017 LEGISLATIVE SESSION

DEPARTMENT OF LABOR AND EMPLOYMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$243,615,012	\$20,749,612	\$70,993,888	\$9,401,877	\$142,469,635	1,279.1
SB 16-179	36,750	36,750	0	0	0	0.5
HB 16-1267	500,000	0	500,000	0	0	0.2
<b>TOTAL</b>	<b>\$244,151,762</b>	<b>\$20,786,362</b>	<b>\$71,493,888</b>	<b>\$9,401,877</b>	<b>\$142,469,635</b>	<b>1,279.8</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$244,151,762	\$20,786,362	\$71,493,888	\$9,401,877	\$142,469,635	1,279.8
Centrally appropriated line items	4,240,065	651,188	906,286	13,740	2,668,851	0.0
Replace conveyance database	445,000	0	445,000	0	0	0.0
Transfer of Older Blind Grants	362,000	0	0	0	362,000	0.0
Additional funding for veteran service to career program	125,000	0	125,000	0	0	0.0
Indirect cost assessment	78,446	0	76,125	(30)	2,351	0.0
Annualize prior year budget action	0	0	0	0	0	0.0
Annualize prior year legislation	(298,389)	101,611	(500,000)	100,000	0	0.0
Technical changes	(248,650)	(158,203)	(27,023)	(137)	(63,287)	0.0
<b>SB 17-254</b>	<b>\$248,855,234</b>	<b>\$21,380,958</b>	<b>\$72,519,276</b>	<b>\$9,515,450</b>	<b>\$145,439,550</b>	<b>1,279.8</b>
HB 17-1119	6,000	0	6,000	0	0	0.0
<b>TOTAL</b>	<b>\$248,861,234</b>	<b>\$21,380,958</b>	<b>\$72,525,276</b>	<b>\$9,515,450</b>	<b>\$145,439,550</b>	<b>1,279.8</b>
<b>INCREASE/(DECREASE)</b>	<b>\$4,709,472</b>	<b>\$594,596</b>	<b>\$1,031,388</b>	<b>\$113,573</b>	<b>\$2,969,915</b>	<b>0.0</b>
Percentage Change	1.9%	2.9%	1.4%	1.2%	2.1%	0.0%

### FY 2017-18 APPROPRIATION HIGHLIGHTS

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; salary survey; shift differential; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; leased space; Capitol complex leased space; payments to OIT; and CORE.

**REPLACE CONVEYANCE DATABASE:** The appropriation provides \$445,000 cash funds for implementation of a new software system in the Division of Oil and Public Safety. The funds for this request come entirely from the Conveyance Safety Fund.

**TRANSFER OF OLDER BLIND GRANTS:** The appropriation provides \$362,000 federal funds for Older Blind Grants. The program and the federal funds associated with the program have been transferred from the Department of Human Services to the Department of Labor and Employment. This transfer was made because the Older Blind Grants program is required to accompany vocational rehabilitation services. These funds are for information purposes only.

**ADDITIONAL FUNDING FOR VETERAN SERVICE TO CAREER PROGRAM:** The appropriation includes an increase of \$125,000 cash funds for the Veteran Service to Career program.

**INDIRECT COST ASSESSMENT:** The appropriation includes an increase of \$78,446 total funds in the department's indirect cost assessment.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS AND LEGISLATION:** The appropriation includes a decrease of \$298,389 total funds to reflect the FY 2017-18 impact of budget actions and legislation that passed in previous legislative sessions, including the following acts:

ANNUALIZE PRIOR YEAR BUDGET ACTIONS AND LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 15-1276 (Skilled Worker Outreach, Recruitment and Training)	\$200,000	\$100,000	\$0	\$100,000	\$0	0.0
SB 16-179 (CDLE Unemployment Insurance Classification)	1,611	1,611	0	0	0	0.0
HB 16-1267 (Colorado Veterans' Service-To-Career Pilot Program)	(500,000)	0	(500,000)	0	0	0.0
<b>TOTAL</b>	<b>(\$298,389)</b>	<b>\$101,611</b>	<b>(\$500,000)</b>	<b>\$100,000</b>	<b>\$0</b>	<b>0.0</b>

**TECHNICAL CHANGES:** The appropriation includes a decrease of \$248,650 total funds, which includes a decrease of \$158,203 General Fund, for various technical changes, including the following:

TECHNICAL CHANGES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Service to career pilot program	\$40,296	\$0	\$40,296	\$0	\$0	0.3
Changes for UI fraud investigators	0	0	0	0	0	0.0
Changes for veterans pilot program	(157,950)	(157,950)	0	0	0	(0.3)
Miscellaneous changes	(119,673)	(253)	(55,996)	(137)	(63,287)	0.0
Changes for Labor Market Information Sub-Division	(11,323)	0	(11,323)	0	0	0.0
<b>TOTAL</b>	<b>(\$248,650)</b>	<b>(\$158,203)</b>	<b>(\$27,023)</b>	<b>(\$137)</b>	<b>(\$63,287)</b>	<b>0.0</b>

**ADDITIONAL LEGISLATION:** For information on additional legislation, see the "Recent Legislation" section at the end of this department.

# DEPARTMENT OF LAW

The Attorney General is one of five independently elected constitutional officers of the State, whose powers and duties are prescribed by the General Assembly. As the chief executive officer of the Department of Law, the Attorney General represents and defends the legal interests of the people of the State of Colorado, and serves as chief legal counsel and advisor to state government, its statewide elected officials, and its many state agencies, boards, and commissions.

The Attorney General also has primary authority for: enforcement of consumer protection and antitrust laws; prosecution of criminal appeals and some complex white-collar crimes; the statewide grand jury; training and certification of peace officers; and certain natural resource and environmental matters. The Attorney General and her staff also work concurrently with Colorado's 22 locally elected district attorneys and other local, state, and federal law enforcement authorities to carry out the criminal justice responsibilities and activities of the office.

## DEPARTMENT BUDGET: RECENT APPROPRIATIONS

FUNDING SOURCE	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
General Fund	\$13,575,405	\$15,283,511	\$15,190,519	\$16,214,183
Cash Funds	15,578,104	15,807,162	15,629,323	17,314,175
Reappropriated Funds	43,867,145	44,919,639	45,875,081	45,720,252
Federal Funds	1,747,272	1,796,425	1,785,637	1,828,471
<b>TOTAL FUNDS</b>	<b>\$74,767,926</b>	<b>\$77,806,737</b>	<b>\$78,480,560</b>	<b>\$81,077,081</b>
Full Time Equiv. Staff	469.0	477.6	484.5	473.4

## GENERAL FACTORS DRIVING THE BUDGET

Funding for this department consists of 20.0 percent General Fund, 21.4 percent cash funds, 56.4 percent reappropriated funds, and 2.3 percent federal funds. Some of the major factors driving the Department's budget are discussed below.

### LEGAL SERVICES TO STATE AGENCIES

Prior to 1973, most state agencies were represented by "assistant solicitors" who were housed within and paid by the agencies they represented. The system became problematic as there were serious differences in legal policy between agencies, resulting in an inconsistent legal policy for the State in the courts. In 1973, the General Assembly passed legislation that moved all the assistant solicitors into the Department of Law, and prohibited any state agency from employing a person to perform legal services. As a trade-off, the Department of Law became subject to the "Oregon Plan," whereby the General Assembly appropriates money for legal services to the various state agencies, who in turn purchase services from the Department of Law at hourly rates (one rate for attorneys and one rate for legal assistants). The General Assembly provides spending authority to the Department of Law to spend money received from other state agencies.

For FY 2017-18, the General Assembly has authorized the Department of Law to spend up to \$42.8 million providing legal services to state agencies (including associated central appropriations for items such as employee benefits, leased space, and information technology costs). This amount represents 52.7 percent of the Department's total appropriation. As shown in the table below, eight agencies account for more than 84.0 percent of these services. The table also details the total number of hours of legal services provided and the blended hourly rate charged by the Department.

## LEGAL SERVICES TO STATE AGENCIES: FY 2013-14 TO FY 2017-18

STATE DEPARTMENT	FY 13-14 ACTUAL	FY 14-15 ACTUAL	FY 15-16 ACTUAL	FY 16-17 APPROP./ ESTIM.	FY 17-18 APPROP./ ESTIM.	PERCENT OF TOTAL
Regulatory Agencies	\$8,969,467	\$9,965,585	\$8,480,393	\$10,562,762	\$10,112,352	23.7%
Personnel	3,504,482	4,262,304	4,440,913	5,743,414	7,288,282	17.0%
Natural Resources	4,563,407	5,105,845	4,881,713	4,844,889	5,433,175	12.7%
Revenue	3,409,251	3,971,975	3,839,366	4,565,981	4,218,602	9.9%
Public Health and Environment	2,840,844	2,958,702	3,024,527	2,929,751	3,266,490	7.6%
Human Services	1,680,642	2,122,858	1,995,197	1,675,594	2,263,270	5.3%
Corrections	1,240,836	1,985,056	1,728,433	1,877,523	1,869,702	4.4%
Transportation	1,265,248	1,488,468	1,480,174	1,561,862	1,576,768	3.7%
Other agencies <sup>1</sup>	5,674,798	6,068,147	5,761,599	6,878,577	6,718,670	15.7%
<b>Total Expenditures/ Appropriation</b>	<b>\$33,148,975</b>	<b>\$37,928,940</b>	<b>\$35,632,315</b>	<b>\$40,640,353</b>	<b>\$42,747,311</b>	<b>100.0%</b>
% change of total from prior year	25.1%	14.4%	(6.1%)	14.1%	5.2%	
% of total Department of Law appropriations	48.0%	50.7%	45.8%	51.8%	52.7%	
% of total state operating appropriations	0.1%	0.2%	0.1%	0.1%	0.1%	
<b>Blended Legal Rate</b>	<b>\$91.08</b>	<b>\$99.01</b>	<b>\$95.01</b>	<b>\$95.05</b>	<b>\$106.56</b>	
% change from prior year	17.9%	8.7%	(4.0%)	0.0%	12.1%	
<b>Total Hours</b>	<b>363,954</b>	<b>383,032</b>	<b>375,058</b>	<b>427,570</b>	<b>402,949</b>	
% change from prior year	0.1%	5.2%	(2.1%)	14.0%	(5.8%)	

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

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

## CRIMINAL JUSTICE AND APPELLATE

The largest allocation of General Fund in the Department is for the Criminal Justice and Appellate section, which accounts for 37.4 percent of General Fund appropriations to the Department for FY 2017-18. More than half of the General Fund in this section is devoted to the Appellate Unit, which represents the State in criminal appeals, and about one-third is devoted to the Special Prosecutions Unit, which investigates and prosecutes a variety of crimes. The following table provides expenditure and workload data for the Appellate Unit. In FY 2013-14, the General Assembly appropriated funding to add 6.0 attorney FTE to allow the Department to address a growing backlog of criminal appeals cases. The FY 2014-15 appropriation added an additional administrative assistant to support the expanded Appellate Unit. The FY 2016-17 appropriation eliminated 1.0 attorney FTE added on a time-limited basis in FY 2014-15 to address the case backlog.

APPELLATE UNIT DATA: FY 2012-13 TO FY 2017-18						
	FY 12-13 ACTUAL	FY 13-14 ACTUAL	FY 14-15 ACTUAL	FY 15-16 ACTUAL	FY 16-17 APPROP.	FY 17-18 APPROP.
Expenditures/Appropriations (excluding central appropriations)	\$2,709,335	\$3,230,248	\$3,692,658	\$3,498,574	\$3,854,792	\$3,858,054
FTE	31.3	37.0	37.7	36.2	38.0	38.0
Opening briefs received	1,018	911	952	1,056	n/a	n/a
Answer briefs filed	885	1,149	1,017	911	n/a	n/a
Case backlog	564	320	264	428	n/a	n/a

## DISTRICT ATTORNEYS' SALARIES

The Colorado Constitution requires each judicial district to elect a district attorney. Similar to the Attorney General, district attorneys (DAs) are part of the executive branch of government and their powers and duties are prescribed by the General Assembly. Each DA is responsible for representing the legal interests of the people of the State of Colorado and prosecuting criminal cases for crimes committed within his or her judicial district on behalf of the

people. Upon request, DAs provide legal advice and legal representation to county officers and employees, and render legal advice to peace officers pertaining to affidavits and warrants for arrests, searches, seizures, and court orders for the production of records.

While DAs' office budgets are primarily set and provided by their respective boards of county commissioners within each judicial district, the State provides direct funding for DAs, via state agencies, for certain purposes. The Department of Law's budget includes an annual appropriation for DA salaries. Pursuant to Section 20-1-306, C.R.S., the State contributes 80.0 percent of the funding for a minimum DA salary that is established in statute (including the associated costs of employer Public Employees' Retirement Association contributions). In 2007 (H.B. 07-1170), the General Assembly raised the statutory minimum salary for DAs over a four-year period. A judicial district may choose to pay a salary that exceeds the statutory minimum using local funds.

The appropriation to the Department of Law for the State's contribution for DA salaries currently accounts for 17.0 percent of total General Fund appropriations to the Department. The following table details recent expenditures/appropriations for this purpose.

STATE EXPENDITURES FOR DISTRICT ATTORNEY SALARIES: FY 2007-08 TO FY 2017-18			
FISCAL YEAR	EXPENDITURES/ APPROPRIATIONS	ANNUAL INCREASE	CUMULATIVE INCREASE
2007-08	\$1,315,985	n/a	n/a
2008-09	1,654,605	\$338,620	\$338,620
2009-10	2,096,027	441,422	780,042
2010-11	2,263,229	167,202	947,244
2011-12	2,479,847	216,618	1,163,862
2012-13	2,656,471	176,624	1,340,486
2013-14	2,676,960	20,489	1,360,975
2014-15	2,697,640	20,680	1,381,655
2015-16	2,718,249	20,609	1,402,264
2016-17 appropriation	2,738,841	20,592	1,422,856
2017-18 appropriation	2,749,138	10,297	1,433,153

## APPROPRIATION HIGHLIGHTS - 2017 LEGISLATIVE SESSION

DEPARTMENT OF LAW						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$77,471,983	\$15,003,005	\$15,612,031	\$45,073,913	\$1,783,034	480.4
SB 16-036	100,000	0	0	100,000	0	0.0
SB 16-040	71,258	0	0	71,258	0	0.4
SB 16-058	3,800	0	0	3,800	0	0.0
SB 16-069	3,802	0	0	3,802	0	0.0
SB 16-161	10,071	0	0	10,071	0	0.1
SB 16-193	135,942	135,942	0	0	0	1.0
SB 16-197	228,024	0	0	228,024	0	1.3
HB 16-1034	3,800	0	0	3,800	0	0.0
HB 16-1047	47,505	0	0	47,505	0	0.1
HB 16-1097	23,753	0	0	23,753	0	0.1
HB 16-1160	15,202	0	0	15,202	0	0.1
HB 16-1197	2,850	0	0	2,850	0	0.0
HB 16-1211	9,501	0	0	9,501	0	0.0
HB 16-1261	9,501	0	0	9,501	0	0.0
HB 16-1280	3,800	0	0	3,800	0	0.0
HB 16-1324	9,501	0	0	9,501	0	0.0

DEPARTMENT OF LAW						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 16-1328	4,900	0	0	4,900	0	0.0
HB 16-1404	9,501	0	0	9,501	0	0.0
SB 17-196	144,776	51,572	17,292	73,309	2,603	0.0
SB 17-197	171,090	0	0	171,090	0	1.0
<b>TOTAL</b>	<b>\$78,480,560</b>	<b>\$15,190,519</b>	<b>\$15,629,323</b>	<b>\$45,875,081</b>	<b>\$1,785,637</b>	<b>484.5</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$78,480,560	\$15,190,519	\$15,629,323	\$45,875,081	\$1,785,637	484.5
Centrally appropriated line items	2,311,391	654,333	353,487	1,258,612	44,959	0.0
POST on-line training	500,010	0	500,010	0	0	0.0
Financial fraud investigators	223,577	0	186,127	37,450	0	2.0
Consumer protection FTE	178,483	66,550	275,760	(163,827)	0	3.0
Security asset maintenance and FTE	109,325	12,490	5,111	90,575	1,149	0.0
Custodial funds adjustment	56,990	0	56,990	0	0	1.0
Annualize prior year legislation	39,001	(4,703)	0	43,704	0	0.2
Fund source adjustments	0	282,447	0	(282,447)	0	0.0
Appellate FTE retention	0	0	0	0	0	0.0
POST audit FTE	0	0	0	0	0	3.0
Legal allocations and billings	(760,273)	0	0	(760,273)	0	(21.3)
Indirect cost assessments	(221,438)	0	302,930	(521,094)	(3,274)	0.0
Annualize prior year budget actions	(18,157)	(4,703)	(4,703)	(8,751)	0	0.1
Adjust anticipated grant funding	(10,365)	0	0	(10,365)	0	0.0
<b>SB 17-254</b>	<b>\$80,889,104</b>	<b>\$16,196,933</b>	<b>\$17,305,035</b>	<b>\$45,558,665</b>	<b>\$1,828,471</b>	<b>472.5</b>
SB 17-126	19,750	17,250	2,500	0	0	0.0
SB 17-198	9,505	0	0	9,505	0	0.1
SB 17-216	6,640	0	6,640	0	0	0.0
HB 17-1221	4,753	0	0	4,753	0	0.0
HB 17-1284	42,773	0	0	42,773	0	0.3
HB 17-1313	4,753	0	0	4,753	0	0.0
HB 17-1326	4,753	0	0	4,753	0	0.0
HB 17-1367	95,050	0	0	95,050	0	0.5
<b>TOTAL</b>	<b>\$81,077,081</b>	<b>\$16,214,183</b>	<b>\$17,314,175</b>	<b>\$45,720,252</b>	<b>\$1,828,471</b>	<b>473.4</b>
<b>INCREASE/(DECREASE)</b>	<b>\$2,596,521</b>	<b>\$1,023,664</b>	<b>\$1,684,852</b>	<b>(\$154,829)</b>	<b>\$42,834</b>	<b>(11.1)</b>
Percentage Change	3.3%	6.7%	10.8%	(0.3%)	2.4%	(2.3%)

## FY 2016-17 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 17-196 modifies the FY 2016-17 appropriation to add \$144,776 total funds, including \$51,572 General Fund, to improve the Department's information technology (IT) security based on the recommendations of an external audit of the Department's IT security systems and procedures. Senate Bill 17-197 modifies the FY 2016-17 appropriation to add \$171,090 reappropriated funds and 1.0 FTE to support additional legal services provided to the Department of Education.

## FY 2017-18 APPROPRIATION HIGHLIGHTS

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; salary survey; merit pay; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; vehicle lease payments; workers' compensation; attorney registration and continuing legal education; legal services; administrative law judges; payment to risk management and property funds; Ralph L. Carr Colorado Judicial Center leased space; payments to the Governor's Office of Information Technology (OIT); and CORE operations.

### CENTRALLY APPROPRIATED LINE ITEMS

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Salary survey adjustment	\$808,565	\$209,785	\$92,959	\$488,602	\$17,219	0.0
Payments to OIT adjustments	413,550	116,166	60,680	226,208	10,496	0
Supplemental PERA contribution adjustments	380,802	81,242	60,729	243,141	(4,310)	0
Merit pay adjustment	322,498	90,300	40,389	184,300	7,509	0.0
Health, life, and dental adjustment	310,430	123,499	63,889	108,344	14,698	0
Carr Center leased space adjustment	59,058	33,886	24,360	1,469	(657)	0.0
Workers' compensation adjustment	27,011	7,401	5,530	13,462	618	0
Administrative law judges adjustment	6,217	0	6,217	0	0	0
Short-term disability adjustment	3,656	438	773	2,612	(167)	0.0
CORE operations adjustment	3,119	330	1,402	1,317	70	0.0
Payment to risk management / property funds adjustment	1,235	(49)	4,941	(3,473)	(184)	0
Legal services adjustment	(17,221)	(8,380)	(8,841)	0	0	0
Vehicle lease payments adjustment	(2,687)	247	1,076	(3,875)	(135)	0
Attorney registration and CLE adjustment	(4,842)	(532)	(617)	(3,495)	(198)	0.0
<b>TOTAL</b>	<b>\$2,311,391</b>	<b>\$654,333</b>	<b>\$353,487</b>	<b>\$1,258,612</b>	<b>\$44,959</b>	<b>0.0</b>

**POST ON-LINE TRAINING:** The appropriation adds \$500,010 cash funds from the P.O.S.T. Board Cash Fund to provide online peace officer training to 11,905 peace officers statewide. While focusing specifically on rural peace officers, the initiative is expected to provide training to an estimated 88.0 percent of the 13,500 certified peace officers in Colorado.

**FINANCIAL FRAUD INVESTIGATORS:** The appropriation adds \$223,577 total funds and 2.0 FTE to support two additional financial fraud investigators to the Special Prosecution Unit, including a criminal investigator II position to support additional insurance fraud investigations and a criminal investigator III (chief investigator) position to both conduct investigations and oversee investigative teams in both the insurance fraud unit and the securities fraud unit.

**CONSUMER PROTECTION FTE:** The appropriation includes a net increase of \$178,483 total funds, including \$66,550 General Fund, and 3.0 FTE to augment staffing of the Consumer Protection Section. The changes include two components: (1) realigning and refinancing a portion of the staff currently focused on mortgage and foreclosure fraud based on a decrease in mortgage-related workload; and (2) adding 3.0 centralized administrative staff supported by custodial cash funds to support the consumer protection division.

**SECURITY ASSET MAINTENANCE AND FTE:** The appropriation includes an increase of \$109,325 total funds, including \$12,490 General Fund (above the FY 2016-17 appropriation as adjusted by S.B. 17-196), to improve information technology (IT) security based on the recommendations of a recent external audit of the Department's IT security procedures.

**CUSTODIAL FUNDS ADJUSTMENT:** The appropriation adds \$56,990 custodial cash funds and 1.0 FTE to reflect the Department's use of consumer protection custodial funds. Because custodial funds are continuously appropriated to the Department, these funds are shown in the Long Bill for informational purposes only.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments related to prior year legislation.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 16-1404 (Regulate Fantasy Contests)	\$57,006	\$0	\$0	\$57,006	\$0	0.4
HB 16-1324 (Veterinary Access Compounded Pharmaceutical Drugs)	20,902	0	0	20,902	0	0.0
HB 16-1211 (Marijuana Transporter License)	9,501	0	0	9,501	0	0.0
HB 16-1097 (PUC Permit for Medicaid Transportation Providers)	4,750	0	0	4,750	0	0.0
SB 16-197 (Liquor-licensed Drugstores Multiple Licenses)	(38,004)	0	0	(38,004)	0	(0.2)
SB 16-193 (Safe2Tell Provide Materials and Training)	(4,703)	(4,703)	0	0	0	0.0
HB 16-1160 (Sunset Surgical Assistants Surgical Technicians)	(3,801)	0	0	(3,801)	0	0.0
SB 16-058 (CO Farm to Consumer Sales)	(3,800)	0	0	(3,800)	0	0.0
HB 16-1280 (Update Air Ambulance Regulation)	(2,850)	0	0	(2,850)	0	0.0
<b>TOTAL</b>	<b>\$39,001</b>	<b>(\$4,703)</b>	<b>0</b>	<b>\$43,704</b>	<b>\$0</b>	<b>0.2</b>

**FUND SOURCE ADJUSTMENTS:** The appropriation includes an increase of \$282,447 General Fund to offset a decrease of \$282,447 reappropriated funds in the Appellate Unit to align appropriations with available revenues from indirect cost recoveries.

**APPELLATE FTE RETENTION:** The appropriation maintains funding to allow the Department to retain 3.0 attorney FTE in the Appellate Unit originally provided through a FY 2013-14 budget action to reduce the backlog of appellate cases. While the FY 2013-14 budget action anticipated that the 3.0 FTE would no longer be necessary after FY 2016-17, the appropriation maintains funding and staff based in increasing appellate workload.

**POST AUDIT FTE:** The appropriation adds 3.0 FTE to the Peace Officers Standards and Training (P.O.S.T.) Board Support line item in response to an external audit of the P.O.S.T. Board. The Department hired the additional staff within existing resources in FY 2016-17 and no additional funds are required.

**LEGAL ALLOCATIONS AND BILLINGS:** The appropriation includes a reduction of \$760,273 reappropriated funds and 21.3 FTE for legal services provided to state agencies based on a change in the administration of monthly legal allocations and billings to client agencies. Prior to FY 2017-18, the Department has billed client agencies each month for the hours of legal services actually provided to the client during the previous month. Similar to other common policies, beginning in FY 2017-18 the Department will base each client agency's annual appropriation on prior years' usage of legal services and then bill agencies in twelve equal monthly installments rather than bill monthly based on actual usage.

**INDIRECT COST ASSESSMENTS:** The appropriation includes a net decrease in the Department's indirect cost assessments.



**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Prior year salary survey	\$0	\$0	\$0	\$0	\$0	0.0
FY 16-17 Accounting tech	(4,703)	0	0	(4,703)	0	0.0
FY 2016-17 Senior AAG special prosecution	(4,703)	(4,703)	0	0	0	0.1
FY 2016-17 Compliance investigator	(4,703)	0	(4,703)	0	0	0.0
SB 17-197 (Legal Services for Department of Education)	(4,048)	0	0	(4,048)	0	0.0
<b>TOTAL</b>	<b>(\$18,157)</b>	<b>(\$4,703)</b>	<b>(\$4,703)</b>	<b>(\$8,751)</b>	<b>\$0</b>	<b>0.1</b>

**ADJUST ANTICIPATED GRANT FUNDING:** The appropriation includes a decrease of \$10,365 reappropriated funds to reflect the total amount of grant funding anticipated to be available from the Department of Public Safety. The total change includes: (1) an increase of \$3,262 associated with victims' assistance programs; and (2) a reduction of \$13,627 associated with efforts to investigate and prosecute multi-jurisdictional auto theft.

**ADDITIONAL LEGISLATION:** For information on additional legislation, see the "Recent Legislation" section at the end of Part III of this department.

# LEGISLATIVE BRANCH

The Legislative Branch includes the elected officials of the House of Representatives and the Senate and the necessary staff to support them in their duties and responsibilities. The staff includes those assigned to both the House and the Senate; the State Auditor's Office; the Joint Budget Committee; the Legislative Council; the Office of Legislative Legal Services; and the Colorado Reapportionment Commission. The service agency staff is full-time nonpartisan professionals, while the majority of the House and Senate staff serves only when the General Assembly is in session.

## DEPARTMENT BUDGET: RECENT APPROPRIATIONS

FUNDING SOURCE	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
General Fund	\$40,962,675	\$43,297,162	\$44,789,293	\$48,280,517
Cash Funds	179,000	179,000	179,000	470,869
Reappropriated Funds	903,816	1,165,000	900,000	1,177,000
Federal Funds	0	0	0	0
<b>TOTAL FUNDS</b>	<b>\$42,045,491</b>	<b>\$44,641,162</b>	<b>\$45,868,293</b>	<b>\$49,928,386</b>
Full Time Equiv. Staff	278.6	281.3	285.0	287.7

## GENERAL FACTORS DRIVING THE BUDGET

Funding for this department consists of 96.7 percent General Fund, 0.9 percent cash funds, and 2.4 percent reappropriated funds. Some of the major factors driving the Department's budget are discussed below.

### SPECIAL STUDIES OR FUNCTIONS

The appropriations for the majority of the functions and activities for the Legislature are contained in a separate legislative appropriation bill. This separate appropriation funds the staff and operating expenses for: (1) the House of Representatives and the Senate; (2) the Legislative Council; (3) the State Auditor; (4) the Joint Budget Committee; and (5) the Office of Legislative Legal Services. Typically, the legislative appropriation bill provides funding for the 120-day regular session, staffing of four interim committees, and up to 20 days of a special session. Special studies or functions account for the factors driving the budget beyond funding for continued operations.

LEGISLATIVE SPECIAL STUDIES				
SPECIAL STUDY	FY 2014-15 ACTUAL	FY 2015-16 ACTUAL	FY 2016-17 ESTIMATE	FY 2017-18 ESTIMATE
Property Tax Study	\$616,000	\$624,000	\$660,000	\$660,000
Ballot Analysis	\$998,534	\$497,888	\$2,105,693	\$700,000

# APPROPRIATION HIGHLIGHTS - 2017 LEGISLATIVE SESSION

LEGISLATIVE DEPARTMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1353 (Legislative Appropriation)	\$41,573,865	\$40,494,865	\$179,000	\$900,000	\$0	281.3
HB 16-1405 (Long Bill)	3,811,594	3,811,594	0	0	0	0.0
SB 16-163	26,111	26,111	0	0	0	0.4
SB 16-183	19,698	19,698	0	0	0	0.3
SB 16-203	212,149	212,149	0	0	0	2.7
HB 16-1077	21,628	21,628	0	0	0	0.3
HB 16-1172	3,248	3,248	0	0	0	0.0
HB 16-1411	200,000	200,000	0	0	0	0.0
<b>TOTAL</b>	<b>\$45,868,293</b>	<b>\$44,789,293</b>	<b>\$179,000</b>	<b>\$900,000</b>	<b>\$0</b>	<b>285.0</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$45,868,293	\$44,789,293	\$179,000	\$900,000	\$0	285.0
Salary/benefits/operating adjustments	1,293,946	1,355,946	(89,000)	27,000	0	1.9
Ballot analysis	1,000,000	1,000,000	0	0	0	0.0
Centrally appropriated line items	808,904	808,904	0	0	0	0.0
Cost of living analysis	250,000	0	0	250,000	0	0.0
<b>SB 17-230 (Legislative Appropriation)<sup>1</sup></b>	<b>\$43,595,138</b>	<b>\$42,578,138</b>	<b>\$90,000</b>	<b>\$927,000</b>	<b>\$0</b>	<b>286.9</b>
<b>SB 17-254 (Long Bill)<sup>1</sup></b>	<b>5,626,005</b>	<b>5,376,005</b>	<b>0</b>	<b>250,000</b>	<b>0</b>	<b>0.0</b>
HB 17-1216	26,374	26,374	0	0	0	0.4
HB 17-1340	380,869	0	380,869	0	0	0.4
HB 17-1361	300,000	300,000	0	0	0	0.0
<b>TOTAL</b>	<b>\$49,928,386</b>	<b>\$48,280,517</b>	<b>\$470,869</b>	<b>\$1,177,000</b>	<b>\$0</b>	<b>287.7</b>
<b>INCREASE/(DECREASE)</b>	<b>\$4,060,093</b>	<b>\$3,491,224</b>	<b>\$291,869</b>	<b>\$277,000</b>	<b>\$0</b>	<b>2.7</b>
Percentage Change	8.9%	7.8%	163.1%	30.8%	n/a	0.9%

<sup>1</sup> The FY 2016-17 Appropriation plus the sum of the incremental changes described in the appropriation highlights equals the combined appropriation in S.B. 17-230 (Legislative Appropriation) and S.B. 17-254 (Long Bill).

## FY 2017-18 APPROPRIATION HIGHLIGHTS

**SALARY/BENEFITS/OPERATING ADJUSTMENTS:** The appropriation includes a net increase of \$1,293,946, including an increase of \$1,355,946 General Fund, that is primarily the result of changes in health, life, and dental insurance benefits; increases for a 2.5 percent base salary increase; increases to specific agencies' personal services, operating, and travel budgets; an increase for the Capitol Building Advisory Committee; an increase for non-metro legislator per diem pursuant to statute; increases for the Legislative Aides Program; and dues for joint governmental agencies.

**BALLOT ANALYSIS:** The appropriation includes an increase of \$1,000,000 General Fund for the costs associated with an analysis of measures on the ballot. Section 1 (7.5) of Article V of the State Constitution requires the nonpartisan research staff of the General Assembly to perform this function.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items for the following: supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund, Capitol Complex maintenance costs, workers compensation, payments to risk management and property funds, CORE operations, legal services, and information technology costs.

**COST OF LIVING ANALYSIS:** The appropriation includes an increase of \$250,000 reappropriated funds from a transfer from the Department of Education for a cost of living study. Legislative Council staff, pursuant to Section 22-54-104 (5)(c)(III)(A), C.R.S., is required to certify the cost of living factor for each school district every two years based on a cost of living analysis that is typically conducted through a contract.

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# DEPARTMENT OF LOCAL AFFAIRS

The Department is responsible for building community and local government capacity by providing training, as well as technical and financial assistance, to localities. The Department's budget is comprised of four sections: the Executive Director's Office, Property Taxation, the Division of Housing, and the Division of Local Government.

## DEPARTMENT BUDGET: RECENT APPROPRIATIONS

FUNDING SOURCE	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
General Fund <sup>1</sup>	\$22,039,101	\$24,626,224	\$25,487,580	\$32,086,084
Cash Funds	209,046,453	209,312,306	194,098,487	181,821,729
Reappropriated Funds	9,412,579	10,487,107	10,915,745	11,319,391
Federal Funds	70,345,868	76,876,045	75,085,768	80,705,121
<b>TOTAL FUNDS</b>	<b>\$310,844,001</b>	<b>\$321,301,682</b>	<b>\$305,587,580</b>	<b>\$305,932,325</b>
Full Time Equiv. Staff	168.4	172.5	173.9	179.2

<sup>1</sup> Includes General Fund Exempt.

## GENERAL FACTORS DRIVING THE BUDGET

Funding for this department consists of 10.5 percent General Fund, 59.4 percent cash funds, 3.7 percent reappropriated funds, and 26.4 percent federal funds. Some of the major factors driving the Department's budget are discussed below.

### DEDICATED FUNDING SOURCES

The Department awards grants and oversees direct distributions to local governments for various programs with dedicated cash fund revenue sources. The FY 2017-18 appropriation for the Department reflects \$180.1 million cash funds for these programs or nearly sixty percent of the Department's overall budget. These amounts are shown for informational purposes only, and actual expenditures may differ significantly from the amounts shown in the Long Bill. They include:

- Local Government Mineral and Energy Impact Grants and Disbursements – state severance tax revenues and federal mineral lease revenues that are distributed to local governments affected by mineral extraction activities through statutory formulas (for direct distributions) and grants;
- Conservation Trust Fund Disbursements – state lottery proceeds distributed to local entities on a formula basis for parks, recreation, and open space purposes; and
- Limited Gaming Impact Grants – limited gaming tax revenues distributed to communities impacted by gaming activities.

Available revenue, rather than Long Bill appropriations, determines the amount of funding allocated to local governments for these programs. The following table summarizes recent actual and estimated revenue.

**MAJOR CONSTITUTIONALLY OR STATUTORILY DEDICATED CASH REVENUES  
ADMINISTERED BY THE DEPARTMENT OF LOCAL AFFAIRS (\$ MILLIONS)**

REVENUES	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 ACTUAL	FY 2016-17 ESTIMATE <sup>1</sup>	FY 2017-18 ESTIMATE <sup>1</sup>
Severance Tax	127.1	\$140.1	\$43.9	\$38.1	\$75.0
Federal Mineral Lease <sup>2</sup>	72.3	59.6	36.7	36.4	42.2
Conservation Trust Fund	52.1	51.2	57.1	50.0	50.0
Limited Gaming Fund	5.0	5.0	5.0	4.9	4.9
<b>TOTALS</b>	<b>\$256.5</b>	<b>\$255.9</b>	<b>\$142.7</b>	<b>\$129.4</b>	<b>\$172.1</b>

<sup>1</sup> Severance Tax and Federal Mineral Lease Revenue estimates are based on the March 2017 Legislative Council Staff forecast. The FY 2016-17 figure reflects the Department's share of revenue collected in the Severance Tax Trust Fund, which *excludes* those severance tax refunds that will be paid by the General Fund in FY 2016-17 pursuant to S.B. 16-218.

<sup>2</sup> Excludes additional transfers to the Local Government Mineral Impact Fund of \$3.2 million per year in FY 2015-16, FY 2016-17 and FY 2017-18 that are authorized pursuant to Section 34-63-102 (1)(c)(I)(A) and (C), C.R.S.

As reflected in the table, severance tax and federal mineral lease revenue is volatile. Oil, gas, and mineral prices and production volumes dictate annual revenue, and these are difficult to project. Further, funds received in one year are not always awarded in the same year and, once awarded, may be expended over multiple years. Because of this, the informational amount included in the Long Bill for Local Government Mineral and Energy Impact Grants and Disbursements is not typically adjusted from year to year. However, in light of actual and projected declines in severance tax and federal mineral lease revenues, this figure was reduced from \$125.0 million to \$100.0 million for FY 2017-18.

Senate Bill 17-260 (Severance Tax Cash Fund Transfers to General Fund) transfers \$22,850,000 from the Local Government Severance Tax Fund to the General Fund on June 30, 2018. Senate Bill 16-218 (State Severance Tax Refunds) froze \$48.3 million in revenue in the Local Government Severance Tax Fund from distribution to local governments for grants pending further action by the Joint Budget Committee; however, these funds were released by the Joint Budget Committee during FY 2016-17.

## DISCRETIONARY STATE APPROPRIATIONS

In recent years, General Fund and Marijuana Tax Cash Fund appropriations have been provided for a number of new initiatives.

### *HOUSING INITIATIVES*

The State supports the construction and rehabilitation of affordable housing throughout Colorado through grants and loans that provide gap funding for qualified local affordable housing projects. It also provides rental assistance for individuals with disabilities and mental health and substance use issues, often as an alternative to a congregate care placement. In FY 2017-18, \$15.3 million cash funds from the Marijuana Tax Cash Fund were added to provide construction funding, rental assistance, administration and case management for people with substance use and mental health issues who require supportive services to obtain and retain housing. This includes individuals exiting or at risk of entering the criminal justice system.

The Department also contracts for operation of the Fort Lyon Supportive Residential Community. This program brings chronically homeless individuals with alcoholism and chemical dependency to a residential community in Bent County in the rural southeast corner of the state. The program opened in September 2013 and serves up to 250 men and women at any given time. Residents may live on the historic campus for up to two years. They must remain alcohol- and drug-free and may choose to participate in various kinds of programming (e.g., alcoholics anonymous, educational programs).

### STATE FUNDS APPROPRIATIONS FOR HOUSING

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Low-income rental subsidies	\$445,524	\$1,248,287	\$1,360,813	\$2,135,938	\$2,660,938
Affordable housing grants and loans <sup>1</sup>	4,200,000	8,200,000	8,200,000	8,200,000	23,500,000
Fort Lyon supportive housing	2,788,851	3,223,851	3,223,851	4,989,637	4,989,637
<b>TOTAL</b>	<b>\$7,434,375</b>	<b>\$12,672,138</b>	<b>\$12,784,664</b>	<b>\$15,325,575</b>	<b>\$31,150,575</b>

<sup>1</sup>Includes \$15,300,000 in FY 2017-18 from the Marijuana Tax Cash Fund that may be used in part for rental subsidies as well as construction grants.

#### LOCAL GOVERNMENT GRANT PROGRAMS

The General Assembly has created a number of new programs in recent years that authorize the Department of Local Affairs to distribute grant funds to local entities. House Bill 15-1367 (Retail Marijuana Taxes) added \$1.0 million from the Marijuana Tax Cash Fund for a new Retail Marijuana Impact Grant Program; H.B. 17-1221 adds \$5.9 million from the Marijuana Tax Cash Fund for a new Gray and Black Market Marijuana Enforcement Grant Program; and H.B. 17-1326 adds \$5.9 million General Fund for a new crime-prevention program to provide small business loans and grants in the target communities of north Aurora and southeast Colorado Springs.

#### FEDERAL FUNDS

Federal funds comprise about one quarter (\$80.7 million) of the Department of Local Affairs' FY 2017-18 appropriation. Most of the Department's federally-funded programs do not require state matching funds and are provided at the discretion of federal authorities. Annual expenditures from some of the major ongoing federal grants administered by this department are summarized in the following table.

#### ANNUAL EXPENDITURES FROM MAJOR ONGOING FEDERAL GRANTS ADMINISTERED BY DEPARTMENT OF LOCAL AFFAIRS (\$ MILLIONS)<sup>1</sup>

	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 ACTUAL	FY 2016-17 APPROP. <sup>2</sup>	FY 2017-18 APPROP. <sup>2</sup>
Federal Department of Housing and Urban Development (HUD) rental subsidies	\$40.3	\$43.6	\$48.4	\$45.4	\$50.5
HUD affordable housing development <sup>3</sup>	6.5	5.5	4.4	12.0	12.0
HUD Community Development Block Grant <sup>3</sup>	7.2	14.0	7.7	5.2	5.2
Health and Human Services Community Services Block Grant	5.4	5.6	5.9	6.0	6.0
HUD Emergency Shelter and Homeless Prevention Programs	2.2	1.5	1.5	1.5	1.8
<b>TOTAL</b>	<b>\$61.6</b>	<b>\$70.2</b>	<b>\$67.9</b>	<b>\$70.1</b>	<b>\$75.5</b>

<sup>1</sup> Amounts exclude portions used for administration and overhead except for the FY 2014-15 amounts which include all related costs due to the data available.

<sup>2</sup> Reflects amounts shown for informational purposes in the Long Bill in FY 2016-17 and FY 2017-18.

<sup>3</sup> The portion of the Community Development Block Grant (CDBG) used for affordable housing development in the appropriation years is included in the affordable housing development amount, rather than the CDBG amount. However, actual years reflect a department practice of expending all CDBG funds in the CDBG line item. The CDBG amount does not include CDBG-DR (disaster recovery) amounts that are not reflected in the Long Bill.

# APPROPRIATION HIGHLIGHTS - 2017 LEGISLATIVE SESSION

DEPARTMENT OF LOCAL AFFAIRS						
	TOTAL FUNDS	GENERAL FUND <sup>1,2</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$306,083,310	\$25,983,310	\$194,098,487	\$10,915,745	\$75,085,768	173.4
HB 16-1175	29,270	29,270	0	0	0	0.5
SB 17-254	(525,000)	(525,000)	0	0	0	0.0
<b>TOTAL</b>	<b>\$305,587,580</b>	<b>\$25,487,580</b>	<b>\$194,098,487</b>	<b>\$10,915,745</b>	<b>\$75,085,768</b>	<b>173.9</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$305,587,580	\$25,487,580	\$194,098,487	\$10,915,745	\$75,085,768	173.9
Supportive housing initiatives	15,600,000	0	15,300,000	300,000	0	2.0
Informational funds adjustment	5,451,316	0	0	0	5,451,316	0.0
Centrally appropriated line items	875,980	366,177	197,092	221,850	90,861	0.0
Reflect admin funds in correct line item	246,000	0	0	246,000	0	0.0
Rural economic stabilization	83,525	0	0	83,525	0	1.0
Homeless Prevention Activities Program Fund	60,000	0	60,000	0	0	0.0
Board of Assessment Appeals Cash Fund	0	(75,000)	75,000	0	0	0.0
REDI roll forward	0	0	0	0	0	0.0
Severance tax and FML revenue reduction	(25,000,000)	0	(25,000,000)	0	0	0.0
Annualize prior year budget actions	(8,225,000)	525,000	(8,752,940)	1,996	944	0.0
Indirect cost assessment	(344,795)	0	(71,302)	(349,725)	76,232	0.0
Eliminate unused appropriations	(230,000)	(100,000)	(30,000)	(100,000)	0	0.0
Annualize prior year legislation	(67,306)	(67,306)	0	0	0	(0.3)
<b>SB 17-254</b>	<b>\$294,037,300</b>	<b>\$26,136,451</b>	<b>\$175,876,337</b>	<b>\$11,319,391</b>	<b>\$80,705,121</b>	<b>176.6</b>
HB 17-1221	5,945,392	0	5,945,392	0	0	1.3
HB 17-1313	84,451	84,451	0	0	0	0.5
HB 17-1326	5,865,182	5,865,182	0	0	0	0.8
<b>TOTAL</b>	<b>\$305,932,325</b>	<b>\$32,086,084</b>	<b>\$181,821,729</b>	<b>\$11,319,391</b>	<b>\$80,705,121</b>	<b>179.2</b>
<b>INCREASE/(DECREASE)</b>	<b>\$344,745</b>	<b>\$6,598,504</b>	<b>(\$12,276,758)</b>	<b>\$403,646</b>	<b>\$5,619,353</b>	<b>5.3</b>
Percentage Change	0.1%	25.9%	(6.3%)	3.7%	7.5%	3.0%

<sup>1</sup> Includes General Fund Exempt.

<sup>2</sup> Includes \$4,230,000 in FY 2016-17 and in FY 2017-18 that is not subject to the statutory restriction on state General Fund appropriations imposed by Section 24-75-201.1, C.R.S.

## FY 2016-17 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 17-254 modifies the FY 2016-17 appropriation to:

- Reduce \$525,000 General Fund for state rental vouchers because people who were issued new rental vouchers in FY 2016-17 will not be able to find and enter into leases for qualified rental units in time to fully use the FY 2016-17 appropriation.
- Add a footnote to allow roll-forward of unused FY 2016-17 appropriations for the Rural Economic Development Initiative program for use in FY 2017-18.



## FY 2017-18 APPROPRIATION HIGHLIGHTS

**SUPPORTIVE HOUSING INITIATIVES:** The appropriation adds \$15,300,000 cash funds from the Marijuana Tax Cash Fund (MTCF) for supportive housing initiatives. This includes \$4,000,000 to support the development of permanent supportive housing (PSH) units (housing with intensive support services) for behavioral health consumers, including those exiting or at risk of entering hospitals or state mental health institutes, and \$11,300,000 for other permanent supportive housing and rapid rehousing initiatives. Residents are expected to remain in permanent supportive housing indefinitely and in rapid rehousing units for up to two years. The initiatives are for people who are permanently disabled, including those with serious mental illness and those who are dually diagnosed with mental illness and substance use issues, as well as others with significant needs who are homeless or at risk of homelessness including veterans, youth, and people transitioning from the Department of Corrections. The funds are for grants to facilitate construction of new service-enriched affordable units and for state housing rental vouchers and related case management, with the portion devoted to each use expected to change over time. Of the total, \$300,000 is reappropriated in a separate line item to support 2.0 FTE and other administrative costs. For additional information, see the issue description in Part III of this report for the Department of Local Affairs, Division of Housing.

**INFORMATIONAL FUNDS ADJUSTMENT:** The appropriation includes a net increase of \$5.5 million to federal funds amounts shown for informational purposes in the Division of Housing, based on updated estimates.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items, as detailed in the table below.

CENTRALLY APPROPRIATED LINE ITEMS					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
COMPENSATION-RELATED COMMON POLICY ADJUSTMENTS					
Health, life, and dental	\$187,064	\$85,702	\$2,398	\$49,092	\$49,872
Short-term disability	713	787	(487)	487	(74)
Amortization equalization disbursement (AED)	49,946	27,114	(8,703)	26,690	4,845
Supplemental AED	55,788	28,197	(7,790)	29,256	6,125
Salary survey	232,794	49,971	30,090	104,101	48,632
Merit pay	96,785	19,790	12,295	40,776	23,924
OPERATIONS-RELATED COMMON POLICY ADJUSTMENTS					
Workers' compensation	16,299	15,134	495	670	0
Legal services	(14,997)	(13,245)	(1,096)	(184)	(472)
Payment to risk management / property funds	10,117	9,418	609	90	0
Vehicle lease payments	(11,912)	(10,713)	0	(1,199)	0
Capitol Complex leased space	115,694	(85,457)	6,941	184,965	9,245
IT-RELATED COMMON POLICY ADJUSTMENTS					
Payments to the Office of Information Technology (OIT)	178,336	256,904	162,340	(193,258)	(47,650)
CORE (state financial system) operations	(40,647)	(17,425)	0	(19,636)	(3,586)
<b>TOTAL</b>	<b>\$875,980</b>	<b>\$366,177</b>	<b>\$197,092</b>	<b>\$221,850</b>	<b>\$90,861</b>

**REFLECT ADMIN FUNDS IN CORRECT LINE ITEM:** The appropriation adds \$246,000 reappropriated funds to ensure administrative costs associated with housing development grants are recorded in an appropriate line item. Up to 3.0 percent of state funds that are appropriated for affordable housing construction grants and loans may be used for administration, based on statutory provisions. These related administrative expenses will now be recorded as reappropriated funds in a separate line item.

**RURAL ECONOMIC STABILIZATION:** The appropriation adds \$83,525 reappropriated funds from energy and mineral impact assistance funds (severance tax and federal mineral lease receipts) to hire 1.0 FTE to coordinate state resources in rural communities. The position will help coordinate resources for rural communities that are economically impacted by closures of major employers, such as coal production facilities. The amount annualizes to \$92,869 and 1.0 FTE in FY 2018-19.

**HOMELESS PREVENTION ACTIVITIES PROGRAM FUND:** The appropriation increases spending authority from the Homeless Prevention Activities Program Fund by \$60,000 cash funds to enable spend-down of reserves in the Fund for homeless prevention grants.

**BOARD OF ASSESSMENT APPEALS CASH FUND:** The appropriation increases appropriations from the Board of Assessment Appeals (BAA) Cash Fund by \$75,000 and decreases appropriations from the General Fund by the same amount to spend down reserves in the Fund. Amounts available in this fund vary based on the number of property tax assessments appealed to the State.

**REDI ROLL FORWARD:** The appropriation provides roll-forward authority to enable up to \$750,000 General Fund appropriated in the Rural Economic Development Initiatives (REDI) line item in FY 2017-18 to roll forward for expenditure in FY 2018-19. This will enable the program to provide grants for small construction projects and other activities that may require more than one year to complete.

**SEVERANCE TAX AND FML REVENUE REDUCTION:** The appropriation decreases the line item for Local Government Mineral and Energy Impact Grants and Disbursements based on anticipated severance tax and federal mineral lease (FML) revenue available for distribution to local governments. This line item is shown for informational purposes only in the Long Bill, based on statute that provides the Department with continuous spending authority for these funds.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 16-17 Local Government Permanent Fund	(\$8,750,000)	\$0	(\$8,750,000)	\$0	\$0	0.0
FY 2016-17 salary survey	0	0	(2,940)	1,996	944	0.0
FY 2016-17 supplemental housing voucher reduction	525,000	525,000	0	0	0	0.0
<b>TOTAL</b>	<b>(\$8,225,000)</b>	<b>\$525,000</b>	<b>(\$8,752,940)</b>	<b>\$1,996</b>	<b>\$944</b>	<b>0.0</b>

**INDIRECT COST ASSESSMENT:** The appropriation includes a net reduction to indirect cost assessments. These changes do not affect General Fund appropriations required, as the decrease in assessments is offset by increased use of reserves from the Indirect Costs Excess Recoveries Fund.

**ELIMINATE UNUSED APPROPRIATIONS:** The appropriation reduces the amount for the Firefighter Heart and Circulatory Malfunction Benefit by \$100,000 General Fund and \$100,000 reappropriated funds. The program has stabilized at a lower spending level than was originally estimated to be required. The appropriation also eliminates the Other Local Government Grants line item, which previously received a \$30,000 cash funds appropriation, as no funding source remains for this line item.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments for the second- and third-year impact of prior year legislation.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 16-1175 Prop Tax Exempt Admin	(\$2,352)	(\$2,352)	\$0	\$0	\$0	0.0
HB 15-1033 Strategic Planning Group on Aging	(64,954)	(64,954)	0	0	0	(0.3)
<b>TOTAL</b>	<b>(\$67,306)</b>	<b>(\$67,306)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(0.3)</b>

**ADDITIONAL LEGISLATION:** For information on additional legislation, see the "Recent Legislation" section at the end of Part III of this department.

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# DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

The Department of Military and Veterans Affairs has approximately 5,500 Army and Air National Guard members trained and ready for federal active duty abroad and for preserving life and property during natural disasters and civil emergencies at home in Colorado.

The Department maintains the equipment and facilities for the state military forces; provides for safekeeping of the public arms, military records, relics and banners of the state; assists veterans and National Guard members with benefits claims; maintains the Western Slope Veterans' Cemetery; supports the Civil Air Patrol, Colorado Wing; and assists in fighting the spread of drug trafficking and abuse.

Approximately 94.9 percent of the Department's budget is federal funds, which fully funds the training of National Guard troops and provides the majority of the funding for the construction of armories and other military buildings. Under the cooperative agreements with the federal government, the State provides funding for 50.0 percent of maintenance and utilities costs at the fifteen armories located on state land, and between 20.0 to 25.0 percent of costs at four other facilities.

## DEPARTMENT BUDGET: RECENT APPROPRIATIONS

FUNDING SOURCE	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
General Fund	\$8,244,667	\$8,294,927	\$8,443,132	\$10,530,168
Cash Funds	1,282,783	1,281,079	1,211,976	1,135,343
Reappropriated Funds	1,100,000	800,000	800,000	0
Federal Funds	214,750,293	215,007,350	215,043,743	215,302,549
<b>TOTAL FUNDS</b>	<b>\$225,377,743</b>	<b>\$225,383,356</b>	<b>\$225,498,851</b>	<b>\$226,968,060</b>
Full Time Equiv. Staff	1,391.2	1,392.3	1,392.4	1,393.3

## GENERAL FACTORS DRIVING THE BUDGET

Funding for this department consists of 4.6 percent General Fund, 0.5 percent cash funds, and 94.9 percent federal funds. Some of the major factors driving the Department's budget are discussed below. The primary factors driving the budget are National Guard operations and services provided for veterans. The Department also provides limited assistance to the Colorado Wing of the Civil Air Patrol.

### COLORADO NATIONAL GUARD

The primary budget driver for the Colorado National Guard is the "federal force structure" (the number of Guard personnel authorized by the U.S. National Guard Bureau) and the State's ability to fill the force structure. Combined with the associated facilities maintenance and utilities needs, this determines the amount of federal funds flowing into and through the Department. The table below shows the authorized strength and active membership of the Colorado National Guard.

COLORADO NATIONAL GUARD AUTHORIZED STRENGTH AND MEMBERSHIP				
TOTAL AUTHORIZED STRENGTH	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
Army National Guard	3,998	3,980	3,825	3,812
Air National Guard	1,553	1,566	1,559	1,559
TOTAL NATIONAL GUARD MEMBERS	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
Army National Guard	3,992	3,964	3,787	3,933
Air National Guard	1,534	1,544	1,518	1,507
<b>Total Members</b>	<b>5,526</b>	<b>5,508</b>	<b>5,305</b>	<b>5,440</b>
Percentage of Slots Filled	99.5%	99.3%	98.5%	101.3%

## DIVISION OF VETERANS AFFAIRS

The primary budget drivers for the Division of Veterans Affairs (DVA) are the number of veterans who need assistance with federal benefits claims, the amount of Tobacco Master Settlement funds received and disbursed from the Colorado State Veterans Trust Fund, and the operation of the Western Slope Veterans' Cemetery in Grand Junction. The primary use of General Fund appropriated to this Division is for veterans service operations. Veterans service operations assists veterans with claims before the U.S. Department of Veterans Affairs and administers the County Veterans Service Officer programs with training and other support. The Division administers the Veterans Assistance Grant Program, which provides grants to non-profit or governmental entities that provide mental health, family counseling, job training, employment, housing, and other services to veterans.

From July 1, 2016 through June 1, 2017, the DVA and the County Veterans Service Officer program have assisted with 30,357 benefit claims from veterans. For FY 2016-17, the number of veterans in Colorado eligible to receive assistance was 413,271.

## APPROPRIATION HIGHLIGHTS - 2017 LEGISLATIVE SESSION

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$225,411,689	\$8,305,504	\$1,211,976	\$800,000	\$215,094,209	1,392.4
SB 17-166	87,162	137,628	0	0	(50,466)	0.0
<b>TOTAL</b>	<b>\$225,498,851</b>	<b>\$8,443,132</b>	<b>\$1,211,976</b>	<b>\$800,000</b>	<b>\$215,043,743</b>	<b>1,392.4</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$225,498,851	\$8,443,132	\$1,211,976	\$800,000	\$215,043,743	1,392.4
Centrally appropriated line items	845,467	600,536	(13,875)	0	258,806	0.0
Increase county veterans service officer payments	300,000	300,000	0	0	0	0.0
Increase Colorado National Guard Tuition Fund	212,838	1,012,838	0	(800,000)	0	0.0
State Cooperative Agreement program manager	60,704	60,704	0	0	0	0.9
Annualize terms of new lease agreement	13,220	13,220	0	0	0	0.0
Tobacco Master Settlement revenue adjustment	(62,758)	0	(62,758)	0	0	0.0
Annualize prior year budget actions	(262)	(262)	0	0	0	0.0
<b>SB 17-254</b>	<b>\$226,868,060</b>	<b>\$10,430,168</b>	<b>\$1,135,343</b>	<b>\$0</b>	<b>\$215,302,549</b>	<b>1,393.3</b>
SB 17-183	100,000	100,000	0	0	0	0.0
<b>TOTAL</b>	<b>\$226,968,060</b>	<b>\$10,530,168</b>	<b>\$1,135,343</b>	<b>\$0</b>	<b>\$215,302,549</b>	<b>1,393.3</b>
<b>INCREASE/(DECREASE)</b>	<b>\$1,469,209</b>	<b>\$2,087,036</b>	<b>(\$76,633)</b>	<b>(\$800,000)</b>	<b>\$258,806</b>	<b>0.9</b>
Percentage Change	0.7%	24.7%	(6.3%)	(100.0%)	0.1%	0.1%

## FY 2016-17 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 17-166 modifies the FY 2016-17 appropriation to:

- Add \$87,162 General Fund for tuition assistance for Colorado National Guard (CNG) members; and
- Add \$50,466 General Fund and decrease federal funds by a corresponding amount for the refinance of CORE operations expenses paid to the Department of Personnel.

## FY 2017-18 APPROPRIATION HIGHLIGHTS

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; salary survey; merit pay; workers' compensation; shift differential; legal services; payment to risk management and property funds; Capitol complex leased space; and CORE operations.

**INCREASE COUNTY VETERANS SERVICE OFFICER PAYMENTS:** The appropriation includes an increase of \$300,000 General Fund for county veterans services officer payments. This appropriation funds a reimbursement program that assists all Colorado counties with the personal services and operating costs associated with their veterans services offices, which assist Colorado's military veterans in claiming their federal benefits.

**INCREASE COLORADO NATIONAL GUARD TUITION FUND:** The appropriation includes a net increase of \$212,838 total funds, including an increase of \$1,012,838 General Fund, to support tuition assistance for Colorado National Guard (CNG) members. The funding increase will help the Colorado National Guard Tuition Fund keep pace with tuition increases at institution of higher education across the state.

**STATE COOPERATIVE AGREEMENT PROGRAM MANAGER:** The appropriation includes an increase of \$60,704 General Fund and 0.9 FTE to add a program manager to provide oversight for the Department's cooperative agreement programs with the federal government.

**ANNUALIZE TERMS OF NEW LEASE AGREEMENT:** The appropriation includes an increase of \$13,220 General Fund to reflect the terms of the Division of Veterans Affairs' new lease agreement for its space at 1355 S. Colorado Blvd. in Denver. The new lease will begin July 1, 2017 and includes option years through FY 2020-21.

**TOBACCO MASTER SETTLEMENT REVENUE ADJUSTMENT:** The appropriation includes a reduction of \$62,758 cash funds based on the Legislative Council FY 2017-18 Master Settlement revenue projections.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year salary survey.

**ADDITIONAL LEGISLATION:** For information on additional legislation, see the "Recent Legislation" section at the end of Part III for this department.

# DEPARTMENT OF NATURAL RESOURCES

The Department of Natural Resources is responsible for developing, protecting, and enhancing Colorado's natural resources for the use and enjoyment of present and future residents and visitors. The Department is comprised of the following divisions: the Executive Director's Office, including the Colorado Avalanche Information Center; the Division of Reclamation, Mining, and Safety; the Oil and Gas Conservation Commission; the State Board of Land Commissioners; the Division of Parks and Wildlife; the Colorado Water Conservation Board; and the Water Resources Division.

## DEPARTMENT BUDGET: RECENT APPROPRIATIONS

FUNDING SOURCE	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
General Fund	\$26,309,329	\$27,671,518	\$28,742,941	\$30,864,532
Cash Funds	192,487,142	198,404,864	202,967,586	230,795,872
Reappropriated Funds	8,103,450	8,701,045	7,703,225	6,932,593
Federal Funds	28,852,895	29,141,800	26,641,222	26,699,468
<b>TOTAL FUNDS</b>	<b>\$255,752,816</b>	<b>\$263,919,227</b>	<b>\$266,054,974</b>	<b>\$295,292,465</b>
Full Time Equiv. Staff	1,444.7	1,462.6	1,462.7	1,458.6

## GENERAL FACTORS DRIVING THE BUDGET

Funding for the Department of Natural Resources in FY 2017-18 consists of 10.5 percent General Fund, 78.2 percent cash funds, 2.3 percent reappropriated funds, and 9.0 percent federal funds. Some of the major factors driving the Department's budget are discussed below.

### SEVERANCE TAX REVENUE (OPERATIONAL FUND)

The availability of severance tax revenues affects funding for many programs in the Department. Pursuant to Section 39-29-108 (2)(a), C.R.S., total severance tax revenues are divided equally between the State Severance Tax Trust Fund, administered by the Department of Natural Resources, and the Local Government Severance Tax Fund, which is administered by the Department of Local Affairs to provide funding to local governments impacted by mining activities. Of revenues credited to the State Severance Tax Trust Fund, 50.0 percent (or 25.0 percent of total severance tax revenues) are allocated to the Severance Tax Perpetual Base Fund, used by the Colorado Water Conservation Board for water construction projects. The other 50.0 percent of State Severance Tax Trust Fund revenues (or 25.0 percent of total severance tax revenues) are allocated to the Severance Tax Operational Fund for "programs that promote and encourage sound natural resource planning, management, and development related to minerals, energy, geology, and water."

Severance tax revenues are highly variable and programs supported by the Operational Fund are divided into two tiers to manage the impact of this variability. Tier I expenditures primarily support employee salaries and on-going costs for programs in the Department. The required reserve for Tier I programs is equal to total appropriations for Tier I programs in a given fiscal year. Tier II programs generally support grants, loans, research, and construction and the distribution of funding is staggered: 40.0 percent released July 1, 30.0 percent released January 4, and the remaining 30.0 percent released April 1 of a given fiscal year. The required reserve for Tier II programs is equal to 15.0 percent of the authorized expenditures for Tier II programs in that fiscal year. Tier II programs are subject to proportional reductions if revenue projections indicate there are insufficient funds available to support authorized expenditures.

Based on the March 2017 Legislative Council Staff severance tax revenue forecast, Tier 2 programs received zero percent of authorized distributions in FY 2016-17 after maintaining the Tier 1 reserve requirement. For FY 2017-18, revenues are anticipated to recover slightly and Tier 2 programs are forecast to experience proportional reductions totaling 25.4 percent.

SEVERANCE TAX OPERATIONAL FUND SUMMARY						
	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 ACTUAL	FY 2016-17 ESTIMATE	FY 2017-18 ESTIMATE
Beginning Balance	\$25,665,238	\$18,981,012	\$34,935,927	\$52,759,696	\$16,352,419	\$7,851,995
Revenues	32,567,255	65,222,486	68,307,732	16,972,369	20,392,583	24,408,303
SB 16-218 Restricted Funds <sup>a</sup>	0	0	0	0	(10,000,000)	10,000,000
<b>Total Funds Available</b>	<b>\$58,232,493</b>	<b>\$84,203,498</b>	<b>\$103,243,659</b>	<b>\$69,732,065</b>	<b>\$26,745,002</b>	<b>\$42,260,298</b>
Tier I Appropriations	\$13,612,136	\$13,135,215	\$12,680,817	\$14,698,496	\$17,729,448	\$16,641,746
Tier II Transfers <sup>b</sup>	25,610,735	36,078,691	38,251,072	38,306,150	0	8,976,806
Other <sup>c</sup>	28,593	53,665	64,305	375,000	1,163,559	0
<b>Total Expenditures</b>	<b>\$39,251,464</b>	<b>\$49,267,571</b>	<b>\$50,996,194</b>	<b>\$53,379,646</b>	<b>\$18,893,007</b>	<b>\$25,618,552</b>
Ending Balance	\$18,981,012	\$34,935,927	\$52,247,464	\$16,352,419	\$7,851,995	\$16,641,746
Tier 1 and 2 Reserve Requirements	17,974,796	18,497,876	18,418,478	21,010,207	20,281,159	22,098,457
<b>Unobligated Balance</b>	<b>\$1,006,215</b>	<b>\$16,438,051</b>	<b>\$33,828,986</b>	<b>(\$4,657,788)</b>	<b>(\$12,429,164)</b>	<b>(\$5,456,711)</b>

<sup>a</sup> Senate Bill 16-218 (State Severance Tax Refunds) included a provision restricting \$10.0 million in Operational Fund revenue from being spent for any purpose. This restriction was released upon a majority vote of the Joint Budget Committee on April 11, 2017.

<sup>b</sup> Tier II spending in FY 2016-17 and FY 2017-18 is based on the March 2017 Legislative Council Staff Revenue Forecast.

<sup>c</sup> Includes roll-forwards and off the top expenditures. See Appendix H for more detail.

## STATE BOARD OF LAND COMMISSIONERS

The State Board of Land Commissioners (State Land Board) manages agricultural, commercial, mineral, and other leases on eight public trusts of land and is tasked with generating reasonable and consistent revenue for trust beneficiaries over time. Total trust revenues have more than tripled over the past ten years, with a record high of \$191.4 million in FY 2014-15. This growth is largely driven by record bonus payments on mineral leases and by rental payments and royalties on oil and gas production. However, bonus payments are expected to taper off significantly over the next two years as the number of available land parcels decreases and payments for oil and gas development leases on the State Land Board's Lowry Range and 70 Ranch properties are completed.

The Public School Trust benefiting K-12 education is the largest of the trusts managed by the State Land Board, accounting for more than 98 percent of total trust revenues. House Bill 08-1335, also known as the Building Excellent Schools Today or BEST Act, significantly changed the distribution of state public school land revenue (see Section 22-43.7-104, C.R.S.). Fifty percent of the gross amount of income received during the fiscal year from state public school lands is deposited in the Public School Capital Construction Assistance Fund for the BEST program. Of the remaining 50.0 percent, approximately \$10.2 million will support State Land Board operations and the Investment and Development Fund in FY 2017-18 and the remainder will be deposited into the Public School (Permanent) Fund.



### PUBLIC SCHOOL TRUST REVENUE

	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 ACTUAL	FY 2016-17 FORECAST	FY 2017-18 FORECAST*
Mineral Royalties	\$49,464,902	\$101,215,660	\$113,189,670	\$63,157,705	\$62,140,826	\$43,641,000
Mineral Bonuses	53,183,032	50,038,216	50,445,063	42,672,837	20,162,974	2,500,000
Mineral Rental	2,963,852	2,849,719	2,231,912	1,771,837	1,371,448	1,779,340
Surface Rental	10,389,785	10,010,655	11,744,758	13,149,443	15,733,435	13,636,768
Commercial/Other	7,051,629	7,449,732	7,208,034	9,124,821	4,582,398	9,259,062
Land and Timber Sales	975	86,250	58,558	32,431	669,097	44,553
Non-Reinvested Sales	0	0	3,750,892	5,302,996	0	0
Interest Income	273,360	185,148	875,725	952,322	240,000	952,322
<b>Total Revenues</b>	<b>\$123,327,535</b>	<b>\$171,835,380</b>	<b>\$189,504,612</b>	<b>\$136,164,392</b>	<b>\$104,900,178</b>	<b>\$71,813,045</b>

\*Based on the State Land Board's Fall 2016 revenue forecast. Out-year estimates are updated annually; revised figures for FY 2017-18 will be available in Fall 2017.

## OIL AND GAS ACTIVITY

The Colorado Oil and Gas Conservation Commission (OGCC) is responsible for promoting the exploration, development, and conservation of Colorado's oil and natural gas resources. The level of oil and gas drilling activity, shown in the table below, impacts the OGCC's workload and necessary expenditures:

OGCC WORKLOAD MEASURES						
	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 ACTUAL	FY 2016-17 ESTIMATE <sup>a</sup>	FY 2017-18 ESTIMATE <sup>a</sup>
Active Wells	50,909	52,337	53,608	53,651	54,400	55,400
Drilling Permits Requested	3,893	4,401	3,895	3,317	4,460	4,500
Well Starts (Spud)	1,852	2,133	1,977	1,075	1,420	1,800
Active Drilling Rigs	60	66	58	25	25	30
Site Investigations & Remediation Workplans	640	546	551	514	430	450
Avg. Inspection Frequency (per year)	2.7	1.8	1.5	1.3	1.4	1.4
Hearing Applications	525	614	672	680	632	640
OGCC Expenditures <sup>b</sup>	\$7,624,914	\$9,619,457	\$10,307,697	\$11,403,628	\$12,501,619	\$12,471,154
Total FTE	72.2	82.4	94.6	104.0	110.3	110.3

<sup>a</sup>Data included for FY 2016-17 and FY 2017-18 are estimates provided by the Oil and Gas Conservation Commission.

<sup>b</sup>Expenditures are shown for the division only. They include all fund sources (including bond claims) but do not include centrally appropriated items funded in the Executive Director's Office. Expenditures for FY 2016-17 and FY 2017-18 reflect the appropriated amount.

## DIVISION OF PARKS AND WILDLIFE

Senate Bill 11-208 merged the Division of Parks and Outdoor Recreation and the Division of Wildlife into the new Division of Parks and Wildlife (CPW), effective July 1, 2011.

### STATE PARKS

The CPW manages 42 state parks and several special purpose programs including the snowmobile program, the off-highway vehicle program, river outfitters regulation, federal grants, aquatic nuisance species control and prevention, and the distribution of trails grants. The level of services at existing state parks and the acquisition and development of new properties are driven by available funding sources. Workload, and some revenue, is driven by visitation. For FY 2016-17, State Parks are expected to have an estimated 12.7 million visitors and will receive an estimated \$72.7 million in total revenue from fees, lottery funds, and other state and federal funds, as shown in the following tables:

STATE PARKS VISITATION				
	FY 2014-15 ACTUAL	FY 2015-16 ACTUAL	FY 2016-17 ESTIMATE	FY 2017-18 ESTIMATE
State Parks Visitation	12,464,445	13,635,112	14,378,864	14,378,864

STATE PARK REVENUES				
	FY 2014-15 ACTUAL	FY 2015-16 ACTUAL	FY 2016-17 ESTIMATE	FY 2017-18 ESTIMATE
Licenses, Passes, Fees, and Permits	\$22,369,227	\$24,364,158	\$24,360,000	\$24,360,000
Registrations	8,783,582	9,261,437	9,260,000	9,260,000
Federal and State Grants	4,826,688	6,202,454	6,200,000	6,200,000
Lottery and Great Outdoors Colorado	24,609,078	28,852,271	28,850,000	28,850,000
Sale of Goods, Services, and Assets	1,978,655	2,109,164	2,110,000	2,110,000
Interest Income	497,366	399,187	400,000	400,000
Other Revenues	4,268,693	4,154,115	4,150,000	4,150,000
General Fund and Severance Tax	5,315,063	5,309,836	5,310,000	5,310,000
<b>Revenues Before Transfers</b>	<b>\$72,648,352</b>	<b>\$80,652,622</b>	<b>\$80,640,000</b>	<b>\$80,640,000</b>
Intra-Agency, Inter-Fund Transfers	8,679,179	13,483,874	13,480,000	13,480,000
<b>Total Revenues</b>	<b>\$81,327,531</b>	<b>\$94,136,496</b>	<b>\$94,120,000</b>	<b>\$94,120,000</b>

## GREAT OUTDOORS COLORADO (GOCO) BOARD GRANTS

GOCO awards annual grants to the Division of Parks and Wildlife. Grants for State Parks are used for developing new parks (capital) as well as enhancing and maintaining existing parks (operating). Wildlife grants are used for species protection, habitat development, watchable wildlife, and wildlife education. Pursuant to Article XXVII of the State Constitution, these grants are not subject to legislative appropriation. The table below shows recent GOCO awards:

GREAT OUTDOORS COLORADO (GOCO) BOARD GRANTS				
	FY 2014-15 AWARD	FY 2015-16 AWARD	FY 2016-17 AWARD	FY 2017-18 ESTIMATE
Parks Capital Budget	\$12,686,153	\$13,954,544	\$10,144,085	\$11,227,434
Parks Operating Budget	5,124,000	5,056,500	5,106,500	5,381,500
<b>Total GOCO Grants for State Parks</b>	<b>\$17,810,153</b>	<b>\$19,011,044</b>	<b>\$15,250,585</b>	<b>\$16,608,934</b>
Wildlife Base Capital Budget	\$4,527,000	\$4,319,500	\$7,660,085	\$7,220,000
Wildlife Operating Budget	7,273,000	7,480,500	7,590,500	7,965,500
<b>Total GOCO Grants for Wildlife</b>	<b>\$11,800,000</b>	<b>\$11,800,000</b>	<b>\$15,250,585</b>	<b>\$15,185,500</b>

## WILDLIFE

CPW also manages the state's 900 game and non-game wildlife species by issuing fishing and hunting licenses, enforcing wildlife regulations, protecting habitat and native wildlife populations, and managing approximately 1.54 million acres, including 350 state wildlife areas. Funding for Wildlife operations and programs is a mixture of cash funds from license fees, federal funds, Great Outdoors Colorado funds, and various other sources. Hunting and fishing licenses provide more than half of the revenue for wildlife programs. Approximately 71.0 percent of all hunting licenses sold are for big game species (mainly elk and deer), and 58.8 percent of all revenue from the sale of hunting and fishing licenses comes from the sale of non-resident big game hunting licenses. The table below shows Wildlife revenues by category:

WILDLIFE REVENUES				
	FY 2014-15 ACTUAL	FY 2015-16 ACTUAL	FY 2016-17 ESTIMATE	FY 2017-18 ESTIMATE
Licenses, Passes, Fees, and Permits	\$85,006,475	\$89,655,303	\$89,660,000	\$89,660,000
Federal and State Grants	28,655,467	24,582,662	24,580,000	24,580,000
Lottery and Great Outdoors Colorado	12,085,392	10,782,205	10,780,000	10,780,000
Sale of Goods, Services, and Assets	828,831	380,085	380,000	380,000
Donations	879,269	1,134,258	1,130,000	1,130,000
Interest Income	687,521	674,038	670,000	670,000
Other Revenues	4,669,762	917,896	920,000	920,000
General Fund and Severance Tax	4,228,180	3,639,255	3,640,000	3,640,000
<b>Revenues Before Transfers</b>	<b>\$137,040,897</b>	<b>\$131,765,702</b>	<b>\$131,760,000</b>	<b>\$131,760,000</b>
Intra-Agency, Inter-Fund Transfers	15,907,070	10,370,511	10,370,000	10,370,000
<b>Total Revenues</b>	<b>\$152,947,967</b>	<b>\$142,136,213</b>	<b>\$142,130,000</b>	<b>\$142,130,000</b>

## WATER RESOURCES DIVISION (STATE ENGINEER'S OFFICE)

The Water Resources Division (DWR) is responsible for the supervision and control of water resources in the state of Colorado (Section 37-80-102 (1)(h), C.R.S.), which includes administration and operation of 170,000 surface and ground water rights. This includes daily oversight of water allocation to farmers, industries, municipalities, and all other water users within the state. This allocation system operates in accordance with the Doctrine of Prior Appropriation (i.e., those that put the water to use first are entitled to get their water first during periods of water shortage), Colorado Supreme Court decisions, water court decrees, and rules and regulations issued by the State Engineer. The DWR has contractual water delivery obligations for each of its nine compacts, two United States Supreme Court decrees, and interstate water allocation agreements.

The DWR also safeguards the public health of the people of Colorado and protects the ground water in Colorado by setting and enforcing minimum standards through permit applications and inspections for the construction and repair of wells. The DWR oversees approximately 297,000 permitted and decreed wells. Additionally, the dam safety program protects public safety through the regulation of 1,962 jurisdictional dams, including an average of 550 dam inspections annually. The DWR staff also maintains 570 streamflow, ditch and reservoir gages used for administration of water rights and reservoir operations. In order to accomplish these and other work duties, the DWR staff drives approximately 2.1 million miles annually.

## COLORADO WATER CONSERVATION BOARD CONSTRUCTION FUND

The Colorado Water Conservation Board (CWCB) Construction Fund, created in Section 37-60-121 (1)(a), C.R.S., provides loans and grants for projects that will increase the beneficial consumptive use of Colorado's waters. Sections 37-60-122 (1)(b) and 37-60-121 (1)(b)(IV), C.R.S., authorize the CWCB to make loans up to \$10.0 million without General Assembly approval, but limit participation to projects that can repay the CWCB's investment unless specifically authorized by the legislature. The unappropriated balance of money in the CWCB Construction Fund and the Severance Tax Trust Fund Perpetual Base Account are continuously appropriated for this purpose. The CWCB Construction Fund also pays for the administrative expenses of the CWCB.

CWCB Construction Fund revenues are from interest earnings, transfers from the Severance Tax Perpetual Base Fund, and Federal Mineral Lease Fund distributions, as shown in the following table. For FY 2017-18, H.B. 17-1248 (CWCB Construction Fund Projects) appropriates \$30,134,000 funds from the CWCB Construction Fund to the Department of Natural Resources in FY 2017-18 for various water-related projects. Authorizes the following transfers:

- \$30,000,000 from the Severance Tax Perpetual Base Fund to the Loan Guarantee Fund for repayment of loans made for water projects;
- \$20,000,000 from the Severance Tax Perpetual Base Fund to the CWCB Construction Fund to support appropriations made in other sections of the bill;
- \$10,000,000 from the Severance Tax Perpetual Base Fund to the Water Supply Reserve Fund to support water basin roundtable approved projects;
- \$1,500,000 from the CWCB Construction Fund to replenish the continuously-appropriated Fish and Wildlife Resources Fund;
- \$1,300,000 from the CWCB Construction Fund to replenish the continuously-appropriated Litigation Fund;
- \$500,000 from the CWCB Construction Fund to replenish the continuously-appropriated Flood and Drought Response Fund;
- \$300,000 from the CWCB Construction Fund to replenish the continuously-appropriated Feasibility Study Small Grant Fund; and
- \$260,000 from the CWCB Construction Fund to the Public and Private Utilities Sector Fund to support appropriations made in other sections of the bill.

COLORADO WATER CONSERVATION BOARD CONSTRUCTION FUND (CASH FLOW SUMMARY REPORT BASED ON MARCH 2017 LEGISLATIVE COUNCIL STAFF REVENUE ESTIMATE)				
	FY 2014-15 ACTUAL	FY 2015-16 ACTUAL	FY 2016-17 ESTIMATE	FY 2017-18 ESTIMATE
Interest (Loans, Treasury, Miscellaneous)	\$10,355,755	\$10,788,108	\$9,633,469	\$9,562,037
Federal Mineral Lease (FML) Revenues	14,395,034	8,614,578	8,725,427	10,116,275
Other Revenues (including pass-through)	1,761,462	2,577,773	2,316,247	2,436,810
Contingent Transfer of General Fund Surplus pursuant to S.B. 13-236	30,000,000	0	0	0
Water Plan Implementation	0	0	5,000,000	10,000,000
Chatfield Reservoir Reallocation Project	0	0	29,000,000	0
Windy Gap Reservoir Bypass Channel Project	0	0	200,000	0
Watershed Grants	0	0	0	5,000,000
Rio Grande Cooperative Project	0	0	0	10,000,000
Transfers from other sources (Gen Fund and Nat Resources)	0	4,767,498	778,887	778,887
State Gov't Grant – Other State Depts	1,483,845	2,244,452	0	0
Governor's Executive Order for Forest Fires	529,135	276,191	1,089,449	0
<b>Total Revenues</b>	<b>\$58,525,230</b>	<b>\$29,268,600</b>	<b>\$56,743,479</b>	<b>\$47,894,009</b>
Cash Expenditures/CWCB Operating Costs <sup>1</sup>	\$7,775,070	\$9,205,725	\$8,804,557	\$9,027,886
Non-Reimbursable Expenditures	4,963,800	5,731,211	6,805,000	4,514,042
Transfer to Other CWCB Funds	0	564,873	1,100,000	554,958
Water Plan Implementation	0	0	0	10,000,000
Flood Emergency Funds (from Dept of Public Safety)	1,496,127	379,008	0	0
Rio Grande Cooperative Project Expense	439,761	146,500	0	10,000,000
Windy Gap Reservoir Bypass Channel	0	0	200,000	2,000,000
Long Hollow Reservoir Project	1,575,000	0	0	0
Chatfield Reservoir Reallocation Project	0	0	29,000,000	0
Governor's Executive Order for Forest Fires	529,135	276,191	1,089,449	0
Transfer to Natural Resources (Operating)	0	625,190	0	0
Nonpotable Water Reuse funds (for CDPHE)	0	0	0	260,000
Watershed Grants	0	565,876	0	5,000,000
<b>Total Expenditures</b>	<b>\$16,778,893</b>	<b>\$17,494,574</b>	<b>\$46,999,006</b>	<b>\$41,356,886</b>
<b>Net Cash Flow</b>	<b>\$41,746,337</b>	<b>\$11,774,026</b>	<b>\$9,744,473</b>	<b>\$6,537,123</b>

<sup>1</sup>Includes cash expenditures for all Long Bill line items less non-reimbursable expenditures.

## SEVERANCE TAX PERPETUAL BASE FUND

The Severance Tax Perpetual Base Fund (Section 39-29-109 (2)(a), C.R.S.) receives half of the revenue allocated to the State Severance Tax Trust Fund, or 25.0 percent of total severance tax revenue, and provides loans or grants for construction, rehabilitation, enlargement, or improvement of water projects. This fund is a revolving loan account, and as such no permanent programs depend on this fund. The tables below summarize recent fund activity:

SEVERANCE TAX PERPETUAL BASE FUND				
FUND BALANCE REPORT				
	FY 2014-15 ACTUAL	FY 2015-16 ESTIMATE	FY 2016-17 ESTIMATE	FY 2017-18 ESTIMATE
Net Cash Assets <u>Less</u> Loan Obligations	\$60,566,562	\$21,761,101*	\$51,570,479	(\$26,720,355)
New Project Loans	\$18,282,615	\$2,912,840	\$30,000,000	\$30,000,000

\* Reflects the restriction of \$19.1 million in accordance with provisions in S.B. 16-218 (State Severance Tax Refunds).

SEVERANCE TAX PERPETUAL BASE FUND CASH FLOW SUMMARY				
(CASH FLOW SUMMARY REPORT BASED ON MARCH 2017 LEGISLATIVE COUNCIL STAFF REVENUE ESTIMATE)				
	FY 2014-15 ACTUAL	FY 2015-16 ACTUAL	FY 2016-17 ESTIMATE	FY 2017-18 ESTIMATE
Severance Tax Revenues	\$67,872,895	\$17,129,382	\$6,954,730	\$35,714,658
Interest (Loans and Treasury)	6,687,885	5,678,271	5,760,803	5,285,606
<b>Total Revenues</b>	<b>\$74,560,780</b>	<b>\$22,807,653</b>	<b>\$12,715,533</b>	<b>\$41,000,264</b>
Agriculture Emergency Drought Grants	\$444,594	\$0	\$1,000,000	\$1,000,000
Transfer to Construction Fund for Water Plan Implementation	0	0	5,000,000	10,000,000
Transfer to Construction Fund for Watershed Grants	0	0	0	5,000,000
Transfer to Construction Fund for Water Supply Reserve Fund	0	0	0	10,000,000
Transfer to Construction Fund for Rio Grande Coop Project	0	0	0	10,000,000
Transfer to Loan Guarantee Fund	0	0	0	30,000,000
Chatfield Reservoir Reallocation Project (2013 Projects Bill)	0	0	29,000,000	0
Statutory Transfer to CDPHE	10,000,000	0	0	0
Governor's Energy Office	64,305	0	6,607	24,207
Other Real Property	0	1,359,837	0	0
Misc. Fines and Fees	89	586	0	0
<b>Total Expenditures</b>	<b>\$10,508,988</b>	<b>\$1,360,423</b>	<b>\$35,006,607</b>	<b>\$66,024,207</b>
<b>Net Cash Flow</b>	<b>\$64,051,792</b>	<b>\$21,447,230</b>	<b>(\$22,291,074)</b>	<b>(\$25,023,943)</b>

# APPROPRIATION HIGHLIGHTS - 2017 LEGISLATIVE SESSION

DEPARTMENT OF NATURAL RESOURCES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$254,938,806	\$28,742,941	\$191,851,418	\$7,703,225	\$26,641,222	1,462.7
SB 16-174	7,905,000	0	7,905,000	0	0	0.0
HB 16-1256	211,168	0	211,168	0	0	0.0
HB 16-1458	3,000,000	0	3,000,000	0	0	0.0
<b>TOTAL</b>	<b>\$266,054,974</b>	<b>\$28,742,941</b>	<b>\$202,967,586</b>	<b>\$7,703,225</b>	<b>\$26,641,222</b>	<b>1,462.7</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$266,054,974	\$28,742,941	\$202,967,586	\$7,703,225	\$26,641,222	1,462.7
Centrally appropriated line items	8,914,183	2,196,450	7,536,061	(914,434)	96,106	0.0
Chatfield reallocation loan repayment	216,829	0	216,829	0	0	0.0
Satellite monitoring system	70,176	0	70,176	0	0	0.0
Water Division 3 assistant subdistrict coordinator	68,943	68,943	0	0	0	0.9
Instream flow program assistant	59,958	0	59,958	0	0	1.0
DWR federal funds adjustment	35,740	0	0	0	35,740	0.0
Fund source adjustment	0	0	0	0	0	0.0
OGCC cash fund adjustment	0	0	0	0	0	0.0
DWR FTE true-up	0	0	0	0	0	(6.0)
Annualize prior year legislation	(13,318,865)	0	(13,318,865)	0	0	0.0
Indirect cost assessment	(788,440)	(143,802)	(714,840)	143,802	(73,600)	0.0
Annualize prior year budget actions	(5,033)	0	(5,033)	0	0	0.0
<b>SB 17-254</b>	<b>\$261,308,465</b>	<b>\$30,864,532</b>	<b>\$196,811,872</b>	<b>\$6,932,593</b>	<b>\$26,699,468</b>	<b>1,458.6</b>
SB 17-202	3,850,000	0	3,850,000	0	0	0.0
HB 17-1248	30,134,000	0	30,134,000	0	0	0.0
<b>TOTAL</b>	<b>\$295,292,465</b>	<b>\$30,864,532</b>	<b>\$230,795,872</b>	<b>\$6,932,593</b>	<b>\$26,699,468</b>	<b>1,458.6</b>
<b>INCREASE/(DECREASE)</b>	<b>\$29,237,491</b>	<b>\$2,121,591</b>	<b>\$27,828,286</b>	<b>(\$770,632)</b>	<b>\$58,246</b>	<b>(4.1)</b>
Percentage Change	11.0%	7.4%	13.7%	(10.0%)	0.2%	(0.3%)

## FY 2017-18 APPROPRIATION HIGHLIGHTS

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; salary survey; merit pay; shift differential; workers' compensation; legal services; payment to risk management and property funds; leased space; Capitol complex leased space; payments to the Governor's Office of Information Technology (OIT); and CORE operations.

**CHATFIELD REALLOCATION LOAN REPAYMENT:** The appropriation includes an increase of \$216,829 cash funds from the Wildlife Cash Fund for the repayment of a 30-year interest free loan from the Colorado Water Conservation Board for the Chatfield Reservoir Reallocation Project. The project will reduce depletions and dependency on non-renewable basin groundwater, facilitate re-use of water, and use the existing reservoir capacity to provide additional supplies for municipal and agricultural users without requiring new dam construction.

**SATELLITE MONITORING SYSTEM:** The appropriation includes an increase of \$70,176 cash funds from the Satellite Monitoring Cash Fund to assist with hydrography and water rights administration statewide.

**WATER DIVISION 3 ASSISTANT SUBDISTRICT COORDINATOR:** The appropriation includes an increase of \$68,943 General Fund and 0.9 FTE for the Division of Water Resources to add an Assistant Subdistrict Coordinator for the Water Division 3 Office, which serves the San Luis Valley. This position will assist coordination and direction of other Division 3 staff working on augmentation related projects, verify compliance with approved Water Court decrees, and ensure that interstate compacts are followed.

**INSTREAM FLOW PROGRAM ASSISTANT:** The appropriation includes an increase of \$59,958 cash funds spending authority from the Colorado Water Conservation Board Construction Fund for 1.0 FTE to address an increase in workload in the Instream Flow and Natural Lake Level Protection Section of the Colorado Water Conservation Board.

**DWR FEDERAL FUNDS ADJUSTMENT:** The appropriation includes an increase of \$35,740 federal funds for the Division of Water Resources to account for additional revenue from federal sources. These funds are included in the bill for informational purposes only.

**FUND SOURCE ADJUSTMENT:** The appropriation includes a budget neutral change to the allocation of indirect cost recoveries for 2,194 square feet of capitol complex leased space at 1313 Sherman St. from the Division of Water Resources to the Executive Director's Office. This capitol complex leased space is used for department-wide purposes.

**OGCC CASH FUND ADJUSTMENT:** The appropriation includes a net zero fund source adjustment to the appropriation for the Oil and Gas Conservation Commission, reducing \$1.0 million cash funds from the Oil and Gas Conservation and Emergency Response Fund (Response Fund) and increasing cash funds by the same amount from the Severance Tax Operational Fund. No additional spending capacity is available in FY 2017-18 in the Response Fund.

**DWR FTE TRUE-UP:** The appropriation includes a reduction of 6.0 FTE for the Division of Water Resources to better reflect actual resource usage.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments for the second- and third-year impacts of prior year legislation.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 15-1016 Precipitation Harvest Pilot Projects	\$20,400	\$0	\$20,400	\$0	\$0	0.0
SB 16-174 CWCB Projects Bill	(7,905,000)	0	(7,905,000)	0	0	0.0
HB 16-1458 Species Conservation Fund Bill	(3,000,000)	0	(3,000,000)	0	0	0.0
HB 15-1006 Phreatophyte Control Cost Sharing	(2,000,000)	0	(2,000,000)	0	0	0.0
HB 16-1256 South Platte Water Storage Study	(211,168)	0	(211,168)	0	0	0.0
HB 15-1178 Emergency Dewatering Grant	(209,497)	0	(209,497)	0	0	0.0
Annualize S.B. 15-008 Water Conservation Training	(13,600)	0	(13,600)	0	0	0.0
<b>TOTAL</b>	<b>(\$13,318,865)</b>	<b>\$0</b>	<b>(\$13,318,865)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**INDIRECT COST ASSESSMENT:** The appropriation includes a decrease of \$788,440 total funds, including a decrease of \$143,802 General Fund, for departmental indirect cost recoveries from its various divisions.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year salary survey and FY 2016-17 Western Slope Asset Manager.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Annualize prior year salary survey	\$0	\$0	\$0	\$0	\$0	0.0
Annualize FY16-17 Western Slope Asset Manager	(5,033)	0	(5,033)	0	0	0.0
<b>TOTAL</b>	<b>(\$5,033)</b>	<b>\$0</b>	<b>(\$5,033)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**ADDITIONAL LEGISLATION:** For information on additional legislation, see the "Recent Legislation" section at the end of Part III for this department.



# DEPARTMENT OF PERSONNEL

The Department of Personnel administers the state personnel system, which includes approximately 32,200 full-time-equivalent (FTE) employees reflected in appropriations, excluding the Department of Higher Education. The Department's personnel responsibilities include developing the annual employee compensation plan, administering personnel policies for classified employees, administering the state's employee group benefit plans such as health, life, and dental insurance, as well as short-term disability insurance, and providing support to the State Personnel Board, which is responsible for ensuring compliance with the state personnel system as authorized in Sections 13 through 15 of Article XII of the Colorado Constitution. The Department also provides general support services for state agencies including overseeing state fiscal rules through the Office of the State Controller, administering the state's procurement policies, maintaining the state archives and public records, providing for statewide planning and post-appropriation construction for capital construction and controlled maintenance and overseeing statewide lease and building energy policy through the Office of the State Architect, maintaining the buildings in the capitol complex, providing mail services for state agencies, providing document handling services such as printing and copying, administering the state's motor vehicle fleet, and providing administrative law judge services.

## DEPARTMENT BUDGET: RECENT APPROPRIATIONS

FUNDING SOURCE	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
General Fund	\$7,130,338	\$11,817,618	\$13,145,504	\$12,499,410
Cash Funds	14,873,826	14,293,652	16,928,150	13,927,636
Reappropriated Funds	153,203,279	163,651,651	162,444,496	168,790,189
Federal Funds	0	0	0	0
<b>TOTAL FUNDS</b>	<b>\$175,207,443</b>	<b>\$189,762,921</b>	<b>\$192,518,150</b>	<b>\$195,217,235</b>
Full Time Equiv. Staff	393.1	410.1	421.5	422.1

## GENERAL FACTORS DRIVING THE BUDGET

Funding for this department consists of 6.4 percent General Fund, 7.1 percent cash funds, and 86.5 percent reappropriated funds. The primary source of reappropriated funds is user fees transferred from other agencies for the provision of statewide services. Some of the major factors driving the Department's budget are discussed below.

### NUMBER OF STATE EMPLOYEES

The Department administers the state's policies and programs related to employee compensation and benefits. Statewide expenditures are driven by the number of employees, the percentage of employees who choose to participate in optional benefit plans, and the Department's contracts with the benefit providers. The following table shows the number of FTE appropriated statewide, excluding employees in the Department of Higher Education.

State Employees <sup>1</sup> - FTE Reflected in Appropriations										
	FY07-08	FY08-09	FY09-10	FY10-11	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17
Total FTE	30,211.0	31,142.5	31,070.5	31,466.9	30,657.3	30,559.8	30,787.2	31,480.9	31,878.2	32,174.8
Percent Change		3.1%	(0.2%)	1.3%	(2.6%)	(0.3%)	0.7%	2.3%	1.3%	0.9%
Average FTE Percentage Change										0.71%
Colorado Population Average Growth - 2006-2015 (10 years) <sup>2</sup>										1.56%

<sup>1</sup> Excludes Department of Higher Education

<sup>2</sup> Data from the State Demography Office

The Department's Executive Director serves as the State Personnel Director, and pursuant to Section 24-50-104 (4) (c), C.R.S., submits to the Governor and the Joint Budget Committee of the General Assembly annual recommendations and estimated costs for salaries and group benefit plans for state employees.

## RISK MANAGEMENT

The state's Risk Management Program provides insurance coverage to departments and state agencies for workers' compensation and property and liability insurance. The state is self-insured for workers' compensation and liability and purchases property insurance from a commercial insurer. Appropriations and allocations to state agencies for risk management coverage are calculated using actuarially-determined prospective claims losses. The larger higher education institutions administer their own risk management programs, and for those programs, funds are not included in the following table.

STATEWIDE RISK MANAGEMENT SERVICES - PREMIUMS AND ADMINISTRATIVE EXPENSES						
	FY12-13 ACTUAL	FY13-14 ACTUAL	FY14-15 ACTUAL	FY15-16 ACTUAL	FY16-17 APPROP.	FY17-18 APPROP.
Workers' Comp. Claims and Excess Policy	\$40,447,902	\$32,783,361	\$32,874,194	\$31,187,469	\$36,100,175	\$36,464,233
Property Policies and Deductibles and Payouts	7,668,912	7,618,195	15,306,364	10,675,326	7,779,922	8,309,696
Liability Claims and Excess Policy	<u>5,404,465</u>	<u>4,040,406</u>	<u>6,877,063</u>	<u>4,571,238</u>	<u>7,362,548</u>	<u>5,856,007</u>
<b>SUBTOTAL Claims, Premiums, and Deductibles</b>	<b>\$53,521,279</b>	<b>\$44,441,962</b>	<b>\$55,057,621</b>	<b>\$46,434,033</b>	<b>\$51,242,645</b>	<b>\$50,629,936</b>
Claims, Premiums, and Deductibles as % of Total	94.6%	83.9%	85.2%	83.2%	83.1%	82.3%
Workers' Compensation Legal Services	n/a	\$2,231,183	\$2,235,456	\$2,269,200	\$2,452,571	\$2,380,838
Liability Legal Services	<u>2,276,115</u>	<u>3,105,358</u>	<u>3,426,764</u>	<u>3,370,249</u>	<u>3,985,654</u>	<u>4,556,435</u>
<b>SUBTOTAL Legal Services</b>	<b>\$2,276,115</b>	<b>\$5,336,541</b>	<b>\$5,662,220</b>	<b>\$5,639,449</b>	<b>\$6,438,225</b>	<b>\$6,937,273</b>
Legal Services as % of Total	4.0%	10.1%	8.8%	10.1%	10.4%	11.3%
<b>Risk Management Administrative Expense and Third Party Administrator Fees<sup>1</sup></b>	<b>\$777,763</b>	<b>\$3,216,405</b>	<b>\$3,887,040</b>	<b>\$3,725,048</b>	<b>\$4,019,021</b>	<b>\$3,944,413</b>
Administrative Expense as % of Total	1.4%	6.7%	6.6%	7.4%	6.5%	6.4%
<b>TOTAL Risk Management</b>	<b>\$56,575,157</b>	<b>\$52,994,908</b>	<b>\$64,606,881</b>	<b>\$55,798,530</b>	<b>\$61,699,891</b>	<b>\$61,511,622</b>
% change of Total from prior year	14.5%	(6.3%)	21.9%	(13.6%)	n/a	n/a
Appropriation	59,928,651	58,473,182	60,348,176	59,185,915	n/a	n/a
Expenditure Under (Over) Appropriation	3,353,494	5,478,274	(4,258,705)	3,387,385	n/a	n/a

<sup>1</sup> Third party administrator fees are paid to Broadspire, the State's third party administrator for the workers' compensation program.

## STATE FLEET PROGRAM

Pursuant to Section 24-30-1104 (2) (a), C.R.S., the Division of Central Services administers the state's fleet management program, which purchases vehicles, manages maintenance and repairs, manages the fleet, auctions older vehicles, and manages the state motor pool.

FLEET MANAGEMENT PROGRAM							
	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18
Total Fleet Program Appropriation	\$43,602,451	\$42,834,398	\$44,845,691	\$46,180,744	\$44,263,947	\$39,564,702	\$42,342,661
Total Fleet Program Actual Expenditure	39,194,682	38,778,051	40,427,656	38,200,135	36,555,881	n/a	n/a
Fleet Vehicles	5,912	5,918	5,938	5,956	5,975	6,353	6,368
Change in Number of Vehicles	0.2%	0.1%	0.3%	0.3%	0.3%	6.7%*	0.2%
Replacement Vehicles Approved	285	585	635	695	634	573	715
Replacement Percentage of Total Vehicles	4.8%	9.9%	10.7%	11.7%	10.6%	9.6%	12.0%
Annual Cost per Vehicle	\$6,630	\$6,553	\$6,808	\$6,414	\$6,118	n/a	n/a
Monthly Cost per Vehicle	\$552	\$546	\$567	\$534	\$510	n/a	n/a
Change in Cost per Vehicle	6.7%	(1.2%)	3.9%	(5.8%)	(4.6%)	n/a	n/a

\* The 6.7 percent increase in fleet vehicles in FY 16-17 reflects a hard count by the Department as of November 2016 to true-up this data point.

Vehicle costs include variable and fixed expenses. Variable costs are billed at a rate per mile based on department and vehicle type and are typically paid from operating expenses line items. Variable costs include insurance, fuel, maintenance, and repairs. Fixed costs include the vehicle lease payments and the Department's vehicle management fee and are included in each department's *Vehicle Lease Payments* line item. The Department acquires private-sector financing for new or replacement vehicles. Leases vary between 72 and 120 months, with the exception of State Patrol vehicles which are leased for 48 months.

## APPROPRIATION HIGHLIGHTS - 2017 LEGISLATIVE SESSION

DEPARTMENT OF PERSONNEL						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$189,285,533	\$13,145,504	\$16,006,122	\$160,133,907	\$0	421.0
SB 16-040	4,950	0	0	4,950	0	0.0
HB 16-1362	42,283	0	42,283	0	0	0.5
HB 16-1408	879,745	0	879,745	0	0	0.0
SB 17-167	2,305,639	0	0	2,305,639	0	0.0
<b>TOTAL</b>	<b>\$192,518,150</b>	<b>\$13,145,504</b>	<b>\$16,928,150</b>	<b>\$162,444,496</b>	<b>\$0</b>	<b>421.5</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$192,518,150	\$13,145,504	\$16,928,150	\$162,444,496	\$0	421.5
Fleet Management adjustments	2,897,133	0	0	2,897,133	0	0.0
Indirect cost assessment	1,795,729	0	228,590	1,567,139	0	0.0
Training Services adjustment	1,000,000	0	0	1,000,000	0	0.0
Capitol Complex maintenance and historical renovation	1,000,000	1,000,000	0	0	0	0.0
Tobacco Master Settlement revenue adjustment	714,254	0	714,254	0	0	0.0
Centrally appropriated line items	212,359	192,166	(320,741)	340,934	0	0.0
Administrative Courts electronic case management system	54,429	0	0	54,429	0	0.0
CORE Operations adjustments	6,720	0	(2,715,727)	2,722,447	0	0.0
Fund source adjustment	0	(1,805,024)	(15,651)	1,820,675	0	0.0
Annualize prior year budget actions	(2,347,946)	(104,674)	5,438	(2,248,710)	0	0.0
Personal services and operating expenses adjustments	(1,838,529)	(6,033)	(97,601)	(1,734,895)	0	0.0
Annualize prior year legislation	(701,079)	69,371	(799,076)	28,626	0	0.8
Capitol Complex adjustments	(171,838)	0	0	(171,838)	0	0.0
Risk Management adjustments	(126,482)	0	0	(126,482)	0	0.0
<b>SB 17-254</b>	<b>\$195,012,900</b>	<b>\$12,491,310</b>	<b>\$13,927,636</b>	<b>\$168,593,954</b>	<b>\$0</b>	<b>422.3</b>
SB 17-121	8,100	8,100	0	0	0	0.0
HB 17-1296	196,235	0	0	196,235	0	(0.2)
<b>TOTAL</b>	<b>\$195,217,235</b>	<b>\$12,499,410</b>	<b>\$13,927,636</b>	<b>\$168,790,189</b>	<b>\$0</b>	<b>422.1</b>
<b>INCREASE/(DECREASE)</b>	<b>\$2,699,085</b>	<b>(\$646,094)</b>	<b>(\$3,000,514)</b>	<b>\$6,345,693</b>	<b>\$0</b>	<b>0.6</b>
Percentage Change	1.4%	(4.9%)	(17.7%)	3.9%	n/a	0.1%

### FY 2016-17 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 17-167 modifies the FY 2016-17 appropriation to:

- Add \$2,202,940 reappropriated funds spending authority for Vehicle Lease Payments in Fleet Management; and
- Add \$102,699 reappropriated funds to reflect Motor Pool vehicle lease payments in Fleet Management's Vehicle Lease Payments line item.

## FY 2017-18 APPROPRIATION HIGHLIGHTS

**FLEET MANAGEMENT ADJUSTMENTS:** The appropriation adds \$2,897,133 reappropriated funds for vehicle lease-purchase payments in the Fleet Management Program for approved replacement vehicles and new vehicles.

**INDIRECT COST ASSESSMENT:** The appropriation includes a net increase in the department's indirect cost assessments.

**TRAINING SERVICES ADJUSTMENT:** The appropriation adds \$1,000,000 reappropriated funds for Training Services to provide Human Resource Information System (HRIS) training to state agencies.

**CAPITOL COMPLEX MAINTENANCE AND HISTORICAL RENOVATION:** The appropriation adds \$1,000,000 General Fund for repairs and maintenance for the Governor's Mansion property managed by Capitol Complex.

**TOBACCO MASTER SETTLEMENT REVENUE ADJUSTMENT:** The appropriation adds \$714,254 cash funds for the Supplemental State Contribution Fund informational appropriation in the Division of Human Resources due to an increase in Tobacco Master Settlement Agreement allocations.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; salary survey; merit pay; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; shift differential; vehicle lease payments; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; Capitol complex leased space; payments to the Governor's Office of Information Technology (OIT); and CORE operations.

**ADMINISTRATIVE COURTS ELECTRONIC CASE MANAGEMENT SYSTEM:** The appropriation adds \$54,429 reappropriated funds for the Office of Administrative Courts to pay for licensing costs of an online, electronic case management system (E-CAM).

**CORE OPERATIONS ADJUSTMENTS:** The appropriation adds \$6,720 total funds including a \$2,715,727 cash funds to reappropriated funds refinancing due to a decrease in available cash funds from the Supplier Database Cash Fund for CORE Operations from the prior fiscal year.

**FUND SOURCE ADJUSTMENT:** The appropriation includes a decrease in General Fund and cash funds offset by an increase in reappropriated funds. This includes an increase in the amount of total department indirect cost recoveries applied to offset the need for General Fund, which necessitates an increase in the reappropriated funds appropriation.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the out-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY13-14 Employee Engagement Survey	\$215,000	\$215,000	\$0	\$0	\$0	0.0
FY16-17 CBMS 1095-B Client	59,844	0	0	59,844	0	0.0
FY16-17 West Slope Asset Mgt	3,864	0	0	3,864	0	0.0
FY16-17 OAC Resources	2,175	0	0	2,175	0	0.0
FY16-17 Income Tax Refund	325	0	0	325	0	0.0
Prior year salary survey	0	(19,674)	5,438	14,236	0	0.0
Supplemental appropriation	(2,305,639)	0	0	(2,305,639)	0	0.0

### ANNUALIZE PRIOR YEAR BUDGET ACTIONS

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY14-15 Total Comp Vendor	(300,000)	(300,000)	0	0	0	0.0
FY16-17 OAC Resources	(23,515)	0	0	(23,515)	0	0.0
<b>TOTAL</b>	<b>(\$2,347,946)</b>	<b>(\$104,674)</b>	<b>\$5,438</b>	<b>(\$2,248,710)</b>	<b>\$0</b>	<b>0.0</b>

**PERSONAL SERVICES AND OPERATING EXPENSES ADJUSTMENTS:** The appropriation includes a decrease of \$1,838,529 total funds, including \$6,033 General Fund, for adjustments to personal services and operating expenses based on recent actual usage by the Department.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments related to prior year legislation.

### ANNUALIZE PRIOR YEAR LEGISLATION

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 13-276 Disability Investigational and Pilot Support Procurement	\$82,000	\$0	\$82,000	\$0	\$0	0.0
HB 13-1286 Suspend Recovery Audits	58,777	58,777	0	0	0	0.8
HB 16-1467 First-time Home Buyer	21,276	0	0	21,276	0	0.0
SB 15-270 Create the Office of the State Architect	6,193	6,193	0	0	0	0.0
SB 16-040 MJ Owner Changes	4,950	0	0	4,950	0	0.0
SB 16-120 Review by Medicaid Client	4,401	4,401	0	0	0	0.0
HB 16-1194 Income Tax Deduct	2,400	0	0	2,400	0	0.0
HB 16-1408 Cash Fund Allocations	(879,745)	0	(879,745)	0	0	0.0
HB 16-1362 License Plate Auction Transfer	(1,331)	0	(1,331)	0	0	0.0
<b>TOTAL</b>	<b>(\$701,079)</b>	<b>\$69,371</b>	<b>(\$799,076)</b>	<b>\$28,626</b>	<b>\$0</b>	<b>0.8</b>

**CAPITOL COMPLEX ADJUSTMENTS:** The appropriation includes a net decrease of \$171,838 reappropriated funds, comprised of a \$63,856 increase for Capitol Complex Security paid to the Department of Public Safety and a \$235,694 decrease for utilities.

**RISK MANAGEMENT ADJUSTMENTS:** The appropriation includes a net decrease of \$126,482 reappropriated funds for risk management adjustments. Adjustments determined by the State's actuary include:

- A 14.3 percent increase of \$571,000 for liability legal services;
- A 1.2 percent increase of \$433,000 for workers' compensation claims;
- A 5.2 percent increase of \$270,000 for property policies;
- A 4.1 percent increase of \$14,000 for liability excess policy;
- A 21.7 percent decrease of \$1.5 million for liability claims;
- A 2.9 percent decrease of \$72,000 for workers' compensation legal services; and
- An 8.4 percent decrease of \$69,000 for workers' compensation excess policy.

# DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT

The Department of Public Health and Environment consists of the following 11 divisions:

## 1 Administration and Support

- a. Provides department-wide administrative services
- b. Houses the Health Disparities Program, which provides grants for health initiatives aimed at reducing and eliminating disparities currently existing in the provision of health services across the state
- c. Houses the Office of Planning and Partnerships which oversees the distribution of state funds to local public health agencies

## 2 Center for Health and Environmental Information

- a. Maintains a database of all Colorado births, deaths, marriages, and divorces
- b. Provides birth and death certificates
- c. Gathers and analyzes health data for use by public and private agencies
- d. Operates the Medical Marijuana Registry

## 3 Laboratory Services

- a. Provides testing, analysis, and results reporting of laboratory tests on specimens and samples submitted by other divisions, departments, and private clients
- b. Includes the following laboratory units:
  - i. Molecular Sciences and Newborn Screening Units
  - ii. Public Health Microbiology and Environmental Microbiology Units
  - iii. Radiation counting facility
  - iv. Organic and Inorganic Units
  - v. Evidential Breath and Alcohol Testing and Certification Units

## 4 Air Pollution Control Division

- a. Performs statewide air monitoring, pollutant analysis, and air emission modeling
- b. Researches the causes and effects of pollution from mobile vehicles and implements strategies aimed at reducing emissions from mobile sources
- c. Permits, monitors, and inspects factories, power plants, and other commercial air pollutant emitters for compliance with air pollutant emissions standards

## 5 Water Quality Control Division

- a. Issues waste water discharge permits and, if necessary, takes enforcement action to ensure compliance with water quality standards
- b. Issues water quality permits for the following sectors: construction, public and private utilities, commerce and industry, pesticides, and water quality certification
- c. Monitors the pollutant levels in rivers, streams, and other bodies of water
- d. Conducts surveillance of public and non-public drinking water sources to ensure compliance with federal and state water quality standards
- e. Reviews designs and specifications of new and/or expanding water treatment facilities

- 6 Hazardous Materials and Waste Management Division
  - a. Regulates the treatment, storage, and disposal of solid and hazardous waste in Colorado
  - b. Performs inspections of solid waste facilities
  - c. Oversees hazardous waste generators, transporters, and storage facilities
  - d. Regulates commercial radioactive materials in Colorado
  - e. Administers the Waste Tire Program
- 7 Division of Environmental Health and Sustainability
  - a. Certifies and inspects wholesale food distributors and dairy processors
  - b. Oversees restaurant, child care facility, and school inspections done by local public health agencies (with a few exceptions where the State is responsible for these inspections)
  - c. Administers the following environmental sustainability programs:
    - i. Environmental Leadership Program
    - ii. Pollution Prevention Program
    - iii. Pharmaceutical Take-Back Program
  - d. Administers the Recycling Resources Opportunity Program
  - e. Administers the Animal Feeding Operations Program
- 8 Disease Control and Environmental Epidemiology Division
  - a. Responsible for identifying, containing, controlling, and tracking the spread of communicable diseases, with a focus on: hepatitis, tuberculosis, sexually transmitted infections, and HIV/AIDS
  - b. Operates the Immunization Program which includes the Immunization Outreach Program, the Colorado Immunization Information System, and grants to local public health agencies for operation of immunization clinics
  - c. Assesses the threat risk from environmental contaminants on human health, and when needed, takes action to contain and/or nullify these threats
- 9 Prevention Services Division
  - a. Administers the Tobacco Education, Prevention, and Cessation Program and the Cancer, Cardiovascular Disease, and Chronic Pulmonary Disease Prevention, Early Detection, and Treatment Program
  - b. Operates the Breast and Cervical Cancer Screening Program
  - c. Operates programs for children with special needs and the Genetics Counseling Program
  - d. Administers the School-Based Health Centers Program
  - e. Administers injury and suicide prevention programs
  - f. Operates the Primary Care Office and Oral Health Program
  - g. Administers the following two federal food assistance programs:
    - i. Women, Infants, and Children Program, and
    - ii. Child and Adult Care Food Program.
- 10 Health Facilities and Emergency Medical Services Division
  - a. Enforces, through certification and inspections, the standards for the operation of health care facilities, including hospitals and nursing facilities
  - b. Inspects and certifies emergency medical and trauma service providers

## 11 Office of Emergency Preparedness and Response

- a. Works with local agencies and other state departments to ensure Colorado is prepared for, and able to respond to, a variety of natural and man-made disasters
- b. Coordinates a statewide network of laboratories, local agencies, hospitals, and other resources that can be utilized during disaster response

## DEPARTMENT BUDGET: RECENT APPROPRIATIONS

FUNDING SOURCE	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
General Fund <sup>1</sup>	\$64,322,851	\$48,015,287	\$47,629,976	\$48,798,277
Cash Funds	161,438,088	157,897,569	189,303,546	188,457,556
Reappropriated Funds	35,141,182	37,770,563	41,342,484	45,239,889
Federal Funds	291,317,631	294,153,882	288,692,568	297,512,266
<b>TOTAL FUNDS</b>	<b>\$552,219,752</b>	<b>\$537,837,301</b>	<b>\$566,968,574</b>	<b>\$580,007,988</b>
Full Time Equiv. Staff	1,265.0	1,288.6	1,311.3	1,336.0

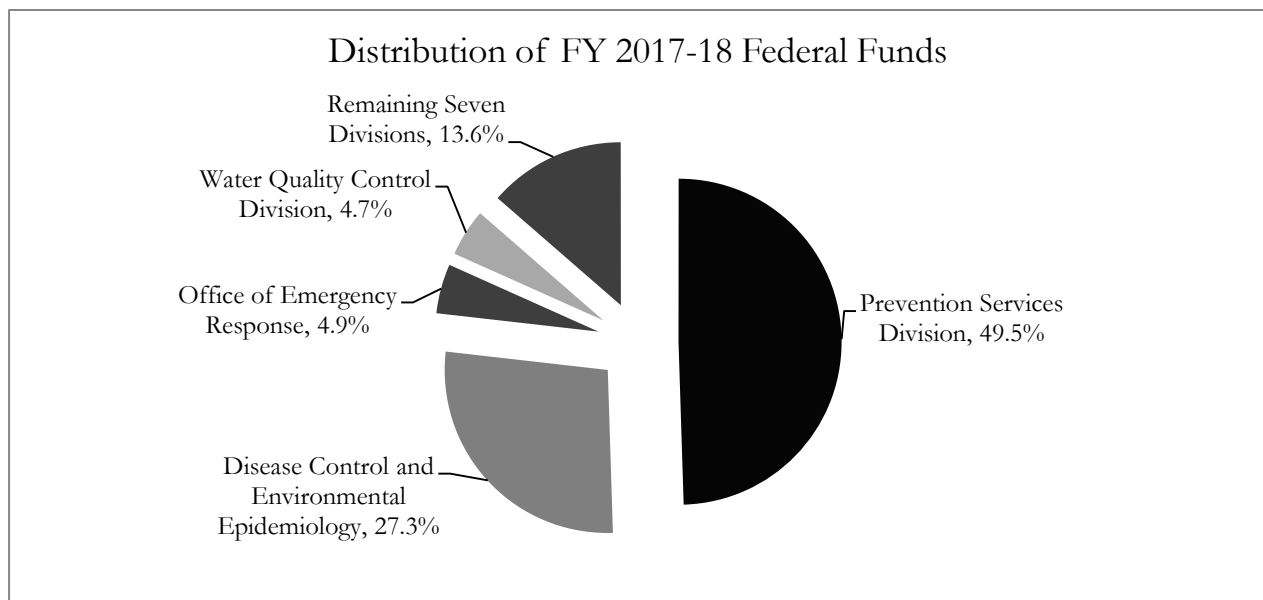
<sup>1</sup> Includes General Fund Exempt.

## GENERAL FACTORS DRIVING THE BUDGET

Funding for the Department for FY 2017-18 consists of 8.4 percent General Fund (including appropriations from the General Fund Exempt account), 32.5 percent cash funds, 7.8 percent reappropriated funds, and 51.3 percent federal funds. Some of the major factors driving the budget are reviewed below.

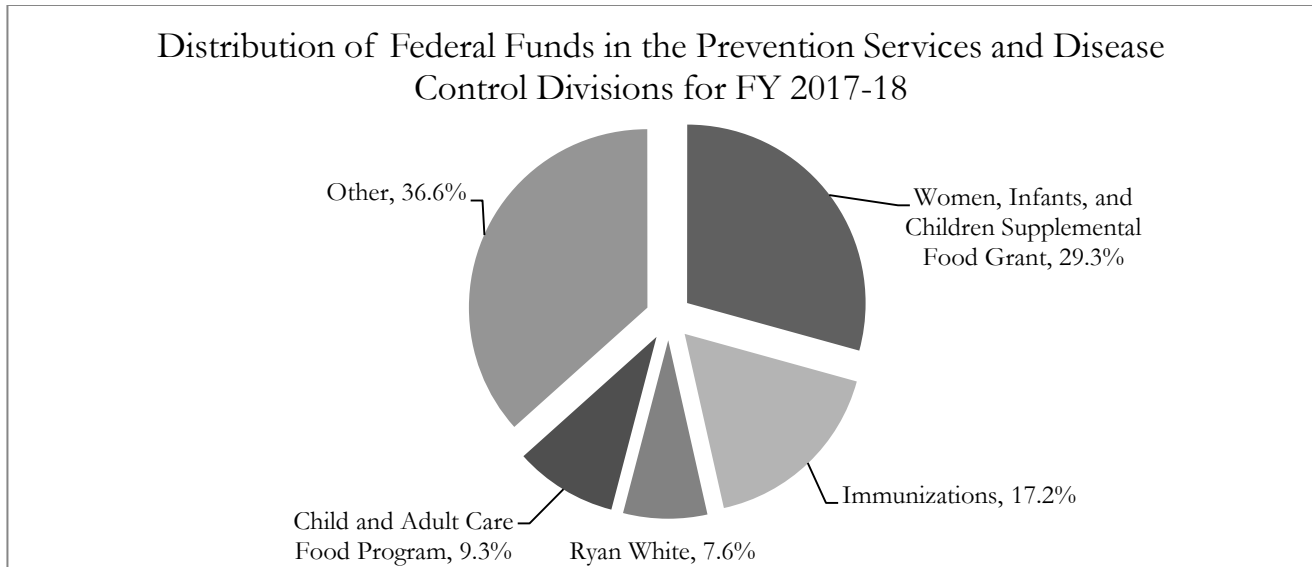
### FEDERAL FUNDS

Federal funds account for 51.3 percent of the Department's FY 2017-18 total appropriation. The Department receives federal funds from multiple federal agencies ranging from the Environmental Protection Agency to the U.S. Department of Health and Human Services. The majority of the federal funds in the Department's Long Bill are shown for informational purposes because the General Assembly does not have the authority to limit the amount of federal funds the Department may receive and expend. The following graphic illustrates the projected distribution of federal funds by division for FY 2017-18.





The majority of federal funds (\$114.8 million of \$140.9 million) within the Prevention Services Division are for two federally funded nutrition programs: the Women, Infants, and Children Program (WIC), and the Adult and Child Food Care Program (CACFP). Within the Disease Control and Environmental Epidemiology Division, 62.9 percent of the federal funds are for the purchase of immunizations for local public health agencies and 27.8 percent are for the Ryan White Comprehensive AIDS Resources Emergency Act. The Ryan White Act funds are used for primary care and support services for individuals living with HIV and AIDS who lack health insurance and the financial resources to pay for their care.



## REVENUE FROM AMENDMENT 35 TOBACCO TAX AND THE TOBACCO MASTER SETTLEMENT AGREEMENT

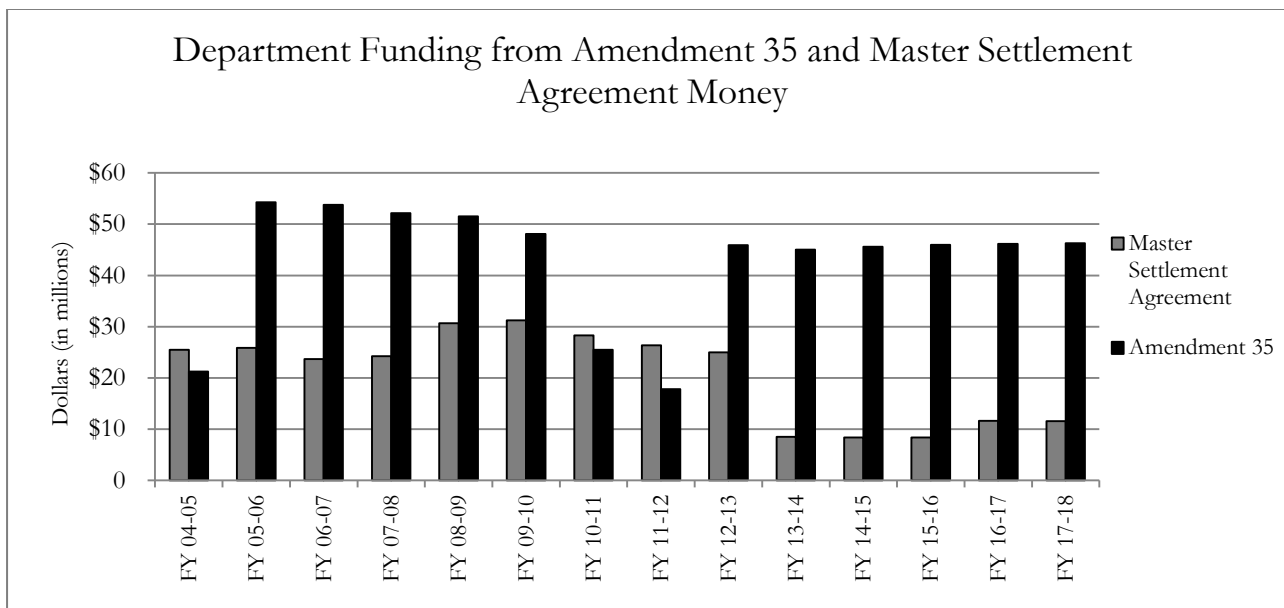
The Department receives revenue from the Amendment 35 tobacco tax and from the Tobacco Master Settlement Agreement. Amendment 35 was approved by voters in 2004 and imposed a \$0.64 tax on each pack of cigarettes sold in Colorado and related taxes on other tobacco products. Amendment 35 revenues are distributed based on a state constitutional formula. The following department programs receive Amendment 35 revenue:

- Tobacco Education, Prevention, and Cessation Program;
- Health Disparities Grant Program;
- Cardiovascular, Pulmonary, and Chronic Disease Grant Program; and
- Breast and Cervical Cancer Screening Program.

Revenue from the Tobacco Master Settlement Agreement (MSA) is the product of a 1998 legal settlement between tobacco manufacturers and the states who sued the tobacco manufacturers as a way to recover Medicaid and other health-related costs they incurred as a result of treating smoking related illnesses. Statutory formulas dictate the distribution of MSA revenue, and the Department receives revenue for:

- A Drug Assistance Program;
- Colorado AIDS and HIV Prevention Grant Program (CHAPP);
- Colorado Immunizations Program;
- Health Care Professional Loan Forgiveness Program (i.e. the Health Services Corps); and
- Dental Loan Repayment Program.

As these two revenue streams decrease over time, programs must reassess the amount of funds available for administrative overhead and the amount of funds available for grants. The following table summarizes the Department's funding from these two revenue sources from FY 2004-05 through projections for FY 2017-18.



The following are explanations of significant revenue changes shown in the above table:

- Amendment 35 tobacco tax revenues were first generated for the second part of FY 2004-05.
- The significant drop in FY 2010-11 and FY 2012-13 of Amendment 35 tobacco tax revenue was due to the declaration of a fiscal emergency by the General Assembly and the diversion of Amendment 35 revenue from the Department to the Department of Health Care Policy and Financing to offset the need for General Fund for health related programs.
- The reduction of Master Settlement Agreement funds starting in FY 2013-14 was due to the transfer of the Nurse Home Visitor Program and the Tony Gramscas Youth Services Program to the Department of Human Services.
- House Bill 16-1408 (Cash Fund Allocations for Health-related Programs) included adjustments to the amount of Tobacco Master Settlement money received by department programs, including increases for the AIDS & HIV Prevention Grants, the Dental Loan Repayment Program, and the Immunization Program. Local Public Health Agencies prior to H.B. 16-1408 received Tobacco Master Settlement money, but instead receive Marijuana Tax Cash Fund dollars starting in FY 2016-17.

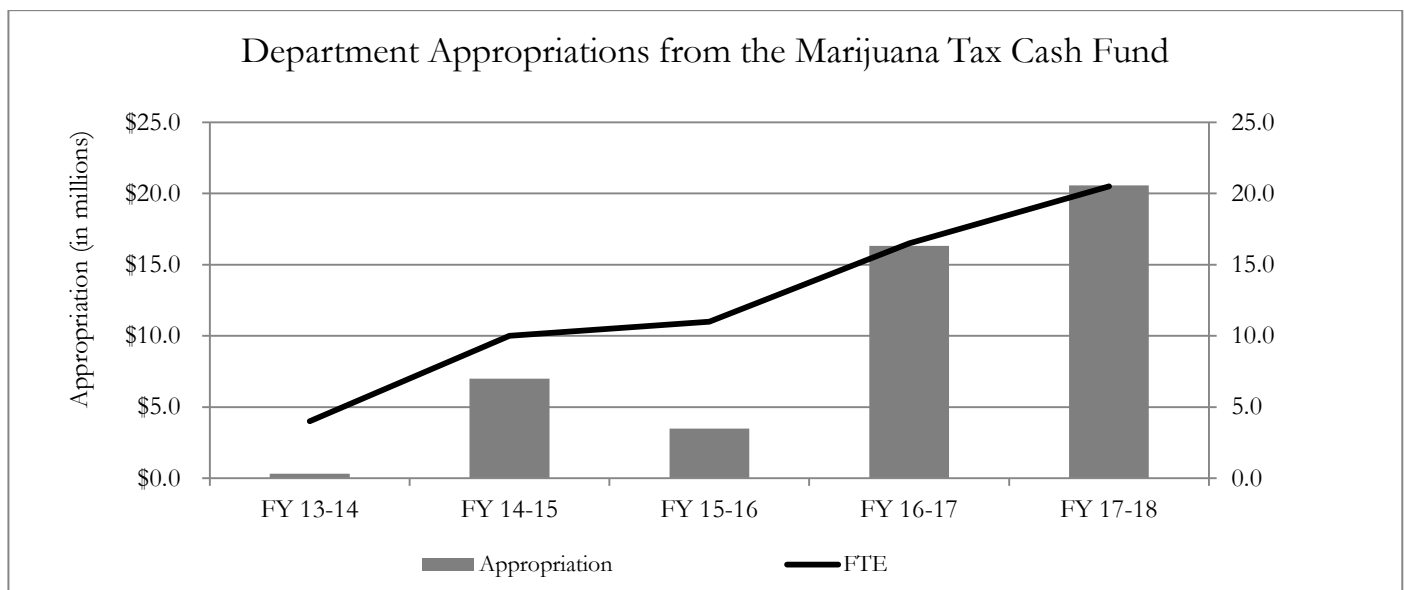
## PROGRAMS FUNDED WITH MARIJUANA TAX REVENUE

The legalization of recreational marijuana by voters in 2012 and subsequent voter approval of new taxes on recreational marijuana resulted in the passage of legislation authorizing the Department to use a portion of the new marijuana tax revenue for new and existing programs. The following is a summary of recent legislation related to programs funded with marijuana tax revenue:

- Senate Bill 13-283 (Implement Amendment 64 Consensus Recommendations) required the Department to monitor the emerging science and medical information regarding marijuana use.

- House Bill 13-1317 (Implement Amendment 64 Majority Recommendations) required the State Laboratory within the Department to develop and provide to the Department of Revenue standards for licensing marijuana testing laboratories.
- Senate Bill 14-215 (Disposition of Legal Marijuana Related Revenue):
  - Created the prevention and education campaigns about the appropriate and legal use of marijuana; and
  - Required the Department to obtain health data through surveys or other means regarding marijuana and other drug use and to monitor the health effects of marijuana.
- House Bill 15-1283 (Marijuana Reference Library and Lab Testing Access) required the Department to:
  - Maintain a marijuana laboratory testing reference library (the Department also has the option to contract out this duty); and
  - Conduct proficiency testing of, and problem remediation with, licensed marijuana testing laboratories.
- House Bill 15-1367 (Retail Marijuana Taxes) appropriates money to the following programs in the Department due to the passage of Proposition BB:
  - The Poison Control Center for the development of a system that can disseminate poison control information via text messaging, instant messaging, or email; and
  - The marijuana prevention and education campaign.

The net impact of the legislation and budget decisions made by the General Assembly has increased the number of programs and the amount of funding the Department receives from the Marijuana Tax Cash Fund. The following table summarizes appropriations of marijuana tax revenues to the Department for FY 2013-14 through FY 2017-18.



The following table summarizes the programs receiving appropriations from the Marijuana Tax Cash Fund for FY 2017-18 and associated FTE.

FY 2017-18 DEPARTMENT MARIJUANA TAX CASH FUND APPROPRIATIONS AND FTE		
PROGRAM	APPROPRIATION	FTE
Substance abuse prevention	\$9,408,800	4.5
Public awareness campaign	4,650,000	3.7
Distributions to Local Public Health Agencies (H.B. 16-1408)	1,767,584	0.0
Healthy Kids Colorado Survey	745,124	0.0
Retail marijuana health research grants	866,122	0.3
Marijuana health effects monitoring	320,388	4.0
Marijuana lab certification	294,394	2.5
Health survey data collection	238,000	4.0
Enhanced marijuana data collection through Rocky Mountain Poison and Drug	60,100	0.0
Data collection and analysis (S.B. 16-283)	89,550	1.0
Marijuana reference laboratory	1,001,402	4.0
Indirect cost assessments not accounted for above	950,444	0.0
Centrally appropriated amounts not accounted for above	167,252	0.0
<b>TOTAL</b>	<b>\$20,559,160</b>	<b>24.0</b>

## REGULATORY STAFF

The Department is responsible for the regulation, inspection, and enforcement of numerous health and environment statutes designed to protect the health of Coloradans and the environment. In order to meet the growing regulatory workload, which is a result of both population growth and an increasing number of statutory and regulatory requirements, the Department has expanded regulatory resources. Due to the diversity of the Department's regulatory programs, the resource increases range from air emission inspectors to manufactured food inspectors to assisted living residence surveyors. The following table summarizes the recent resource increases.

SUMMARY OF FTE ADDITIONS TO THE DEPARTMENT SINCE FY 2012-13		
DIVISION, PROGRAM	FTE	FISCAL YEAR
Air Pollution Control Division		
Oil and Gas Inspectors	13.0	FY 2012-13
IR Camera and Title V Inspectors	13.0	FY 2015-16
Water Quality Control Division		
Clean Water Sectors	16.0	FY 2013-14
Construction Sector via HB 15-1249	5.0	FY 2016-17
Division of Environmental Health and Sustainability		
Manufactured Food Programs	2.0	FY 2015-16
Health Facilities Surveys		
Home Care Agencies	2.1	FY 2014-15
Assisted Living Residences	2.0	FY 2015-16
IDD Facility Surveyors	5.0	FY 2017-18
Various Health Facility Surveyors (including freestanding emergency rooms, hospitals, community clinics, and nursing homes)	8.0	FY 2017-18
Hazardous Materials and Solid Waste Division		
Solid Waste Program	6.2	FY 2012-13
Waste Tire Program	1.0	FY 2014-15
State Laboratory		
Marijuana laboratory certification and proficiency testing	2.5	FY 2015-16
Marijuana reference library	4.0	FY 2017-18
<b>TOTAL New FTE</b>	<b>79.8</b>	

# APPROPRIATION HIGHLIGHTS - 2017 LEGISLATIVE SESSION

## DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT

	TOTAL FUNDS	GENERAL FUND <sup>1,2</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$556,505,747	\$46,047,983	\$180,597,712	\$41,167,484	\$288,692,568	1,308.5
SB 16-069	73,986	73,986	0	0	0	1.0
HB 16-1034	24,985	0	24,985	0	0	0.3
HB 16-1141	199,456	0	199,456	0	0	0.8
HB 16-1280	21,836	0	21,836	0	0	0.2
HB 16-1386	300,000	300,000	0	0	0	0.0
HB 16-1408	5,109,621	0	5,109,621	0	0	0.0
HB 16-1413	1,208,007	1,208,007	0	0	0	0.0
HB 16-1424	30,298	0	30,298	0	0	0.5
SB 17-254	3,494,638	0	3,319,638	175,000	0	0.0
<b>TOTAL</b>	<b>\$566,968,574</b>	<b>\$47,629,976</b>	<b>\$189,303,546</b>	<b>\$41,342,484</b>	<b>\$288,692,568</b>	<b>1,311.3</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$566,968,574	\$47,629,976	\$189,303,546	\$41,342,484	\$288,692,568	1,311.3
Centrally appropriated line items	6,937,284	758,255	1,129,392	2,999,738	2,049,899	0.0
Informational funds adjustment	6,500,000	0	0	0	6,500,000	4.0
Indirect cost assessment	5,316,182	338,876	5,124,644	(62,355)	(84,983)	0.0
Rural landfill	1,595,000	1,345,000	250,000	0	0	0.0
Marijuana reference library	1,001,402	0	1,001,402	0	0	4.0
Amendment 35 tobacco tax revenue adjustment	847,301	7,750	875,358	(35,807)	0	0.0
Health facility surveyors	644,578	40,362	94,849	154,585	354,782	8.0
Local public health agency partnerships	355,500	(355,500)	0	711,000	0	0.0
IDD facility surveyors	322,908	0	0	322,908	0	5.0
Community provider rate	128,270	93,525	24,778	9,967	0	0.0
Transfer to Department of Law	85,613	0	85,613	0	0	0.0
Colorado End of Life Options Act	44,041	0	44,041	0	0	0.5
Long Bill adjustments	0	0	(130,924)	130,924	0	0.0
Waste Tire Program repeal	(4,847,379)	0	(4,847,379)	0	0	0.0
Annualize prior year budget actions	(3,434,067)	(281,483)	(2,813,677)	(338,907)	0	0.0
Cash fund balance adjustments	(1,877,457)	0	(1,877,457)	0	0	0.0
Tobacco Master Settlement Agreement revenue adjustment	(1,418,626)	0	(1,418,626)	0	0	0.0
Annualize prior year legislation	(1,116,298)	(1,211,526)	95,228	0	0	1.8
Wholesale food program repeal	(491,510)	0	(491,510)	0	0	(3.0)
<b>SB 17-254</b>	<b>\$577,561,316</b>	<b>\$48,365,235</b>	<b>\$186,449,278</b>	<b>\$45,234,537</b>	<b>\$297,512,266</b>	<b>1,331.6</b>
HB 17-1079	491,510	0	491,510	0	0	3.0
HB 17-1248	260,000	0	260,000	0	0	0.0
HB 17-1285	1,258,007	433,042	824,965	0	0	0.0
HB 17-1306	431,803	0	431,803	0	0	1.3
HB 17-1315	5,352	0	0	5,352	0	0.1
<b>TOTAL</b>	<b>\$580,007,988</b>	<b>\$48,798,277</b>	<b>\$188,457,556</b>	<b>\$45,239,889</b>	<b>\$297,512,266</b>	<b>1,336.0</b>
<b>INCREASE/(DECREASE)</b>						
	\$13,039,414	\$1,168,301	(\$845,990)	\$3,897,405	\$8,819,698	24.7
Percentage Change	2.3%	2.5%	(0.4%)	9.4%	3.1%	1.9%

<sup>1</sup> Includes General Fund Exempt.

<sup>2</sup> Includes \$432,590 in FY 2016-17 and \$440,340 in FY 2017-18 that is not subject to the statutory restriction on state General Fund appropriations imposed by Section 24-75-201.1, C.R.S.

## FY 2016-17 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 17-254 modifies the FY 2016-17 appropriation to:

- Add \$3,319,638 cash funds from the End User Fund to pay end user Waste Tire rebates; and
- Add \$175,000 reappropriated funds to address a technical error in the indirect cost assessment appropriation for the Health Facilities and Emergency Medical Services Division.

## FY 2017-18 APPROPRIATION HIGHLIGHTS

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; shift differential; salary survey; merit pay; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; vehicle lease payments; Capitol complex leased space; payments to the Governor's Office of Information Technology (OIT); and CORE operations.

**INFORMATIONAL FUNDS ADJUSTMENT:** The appropriation includes an increase of \$6.5 million federal funds reflected for informational purposes only. Of the increase, \$3.0 million is for the Child and Adult Food Program, \$2.0 million is for the Injury Prevention Program, \$1.0 million is for Chronic Disease and Cancer Prevention Grants, and \$0.5 million is for the Primary Care Office.

**INDIRECT COST ASSESSMENT:** The appropriation includes a net increase in the Department's indirect cost assessment.

**RURAL LANDFILLS:** The appropriation includes an increase of \$1,595,000 total funds, of which \$1,345,000 is General Fund and \$250,000 is cash funds from the Solid Waste Management Fund, to assist local governments with the closure or upgrading of twenty-two small landfills that are out of compliance with regulations.

**MARIJUANA REFERENCE LIBRARY:** The appropriation includes an increase of \$1,001,402 cash funds from the Marijuana Tax Cash Fund and 4.0 FTE to enable the State Laboratory to purchase equipment and add staff for a marijuana reference library.

**AMENDMENT 35 TOBACCO TAX REVENUE ADJUSTMENT:** The appropriation includes an increase of cash funds based on the Legislative Council Amendment 35 revenue forecast for FY 2017-18.

**HEALTH FACILITY SURVEYORS:** The appropriation includes an increase of \$644,578 total funds, including \$40,362 General Fund, and 8.0 FTE to increase the number of health facility surveyors for nursing homes, hospitals, community clinics, and freestanding emergency rooms.

**LOCAL PUBLIC HEALTH AGENCY PARTNERSHIPS:** The appropriation includes a net increase of \$355,500 total funds to finance four partnerships between Local Public Health Agencies and the Accountable Care Collaborative so they can work collaboratively to address health outcomes for the Medicaid population they both serve. There is a corresponding adjustment in the Department of Health Care Policy and Financing for an increase in General Fund to offset the decrease in this department. The net effect of both adjustments is to increase federal financing for Local Public Health Agencies by \$355,500 with no change in statewide General Fund.

**IDD FACILITY SURVEYORS:** The appropriation includes an increase of \$322,908 reappropriated funds transferred from the Department of Health Care Policy and Financing and 5.0 FTE to increase the number of health facility surveyors (inspectors) for programs and providers that serve individuals with intellectual and developmental disabilities (IDD).

**COMMUNITY PROVIDER RATE:** The appropriation includes an increase of \$128,270 total funds, including \$93,525 General Fund, for an across-the-board increase for community providers of approximately 1.4 percent.

**TRANSFER TO DEPARTMENT OF LAW:** The appropriation includes an increase of \$85,613 cash funds to reflect adjustments in the Department of Law for expenses charged to the Hazardous Substance Response Fund. These funds are appropriated to the Department of Public Health and Environment first then transferred to the Department of Law.

**COLORADO END OF LIFE OPTIONS ACT:** The appropriation includes \$44,041 cash funds from the Vital Statistics Cash Fund and 0.5 FTE for the Department's costs associated with the 2016 voter approved Proposition 106 Colorado End of Life Options Act.

**LONG BILL ADJUSTMENTS:** The appropriation includes a fund source adjustment of cash funds to reappropriated funds in order to consolidate of the appropriations for legal services into a single line item in the Administration and Support Division.

**WASTE TIRE PROGRAM REPEAL:** The appropriation includes a reduction of \$4,847,379 cash funds from the Waste Tire Market Development Fund and the End User Fund because these two programs are repealed on January 1, 2018, pursuant to Sections 30-20-1406 (5) and 30-20-1405 (5), C.R.S.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second- and third-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 16-17 Substance abuse grants	\$2,281,188	\$0	\$2,281,188	\$0	\$0	0.0
FY 16-17 Marijuana research grants	522,500	0	522,500	0	0	0.0
FY 16-17 Oil and gas health study	386,516	0	193,258	193,258	0	0.0
FY 16-17 POMPE adjustment	6,797	0	6,797	0	0	0.0
FY16-17 Home settings rule	4,200	0	0	4,200	0	0.0
Prior year salary survey	0	0	0	0	0	0.0
Long Bill supplemental	(3,494,638)	0	(3,319,638)	(175,000)	0	0.0
FY 16-17 Trusted adult campaign	(2,375,000)	0	(2,375,000)	0	0	0.0
FY 16-17 Lab building maintenance	(338,507)	0	0	(338,507)	0	0.0
FY 16-17 Commission on Afford Health Care	(177,755)	(177,755)	0	0	0	0.0
FRAPPE data analysis	(103,728)	(103,728)	0	0	0	0.0
FY 16-17 Poison control center	(63,283)	0	(63,283)	0	0	0.0
FY 15-16 Wholesale foods	(59,499)	0	(59,499)	0	0	0.0
FY 16-17 Centers for Medicare and Medicaid Services settings rule	(18,155)	0	0	(18,155)	0	0.0
FY 16-17 Compliance accountant	(4,703)	0	0	(4,703)	0	0.0
<b>TOTAL</b>	<b>(\$3,434,067)</b>	<b>(\$281,483)</b>	<b>(\$2,813,677)</b>	<b>(\$338,907)</b>	<b>\$0</b>	<b>0.0</b>

**CASH FUND BALANCE ADJUSTMENTS:** The appropriation includes adjustments to various appropriations based on available uncommitted cash fund reserves.

CASH FUND BALANCE ADJUSTMENTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Drug Assistance Program Fund	\$822,401	\$0	\$822,401	\$0	\$0	0.0
Tobacco Education Fund	530,913	0	530,913	0	0	0.0
Health Disparities Grant Cash Fund	139,256	0	139,256	0	0	0.0
Prevention, Early Detection and Treatment Fund	(2,570,027)	0	(2,570,027)	0	0	0.0
Recycling Resources Economic Opportunity Fund	(800,000)	0	(800,000)	0	0	0.0
<b>TOTAL</b>	<b>(\$1,877,457)</b>	<b>\$0</b>	<b>(\$1,877,457)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**TOBACCO MASTER SETTLEMENT AGREEMENT REVENUE ADJUSTMENT:** The appropriation includes adjustments related to the projected amount of Tobacco Master Settlement Agreement revenue allocated to Department programs for FY 2017-18.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments for the second- and third-year impact of prior year legislation.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 16-1280 (Air Ambulance)	\$113,952	\$0	\$113,952	\$0	\$0	0.6
HB 16-1141 (Radon)	100,057	0	100,057	0	0	0.2
HB 16-1034 (EMS Registration)	32,934	0	32,934	0	0	0.6
HB 16-1386 (Necessary Document Assistance)	0	0	0	0	0	0.1
HB 16-1413 (Clean Water Sectors Funding)	(1,208,007)	(1,208,007)	0	0	0	0.0
HB 15-1015 (EMS Compact)	(128,200)	0	(128,200)	0	0	0.3
HB 15-1249 (Clean Water Sectors)	(23,515)	0	(23,515)	0	0	0.0
SB 16-069 (Community Paramedicine)	(3,519)	(3,519)	0	0	0	0.0
<b>TOTAL</b>	<b>(\$1,116,298)</b>	<b>(\$1,211,526)</b>	<b>\$95,228</b>	<b>\$0</b>	<b>\$0</b>	<b>1.8</b>

**WHOLESALE FOOD PROGRAM REPEAL:** The appropriation includes a reduction of \$491,510 cash funds and 3.0 FTE because the Wholesale Food Manufacturing and Storage Program repeals on July 1, 2017, pursuant to Section 25-5-426 (6), C.R.S.

**ADDITIONAL LEGISLATION:** For information on additional legislation, see the "Recent Legislation" section at the end of Part III for this department.



# DEPARTMENT OF PUBLIC SAFETY

The Department consists of six divisions: the Executive Director's Office, Colorado State Patrol, Division of Fire Prevention and Control, Division of Criminal Justice, Colorado Bureau of Investigation, and Division of Homeland Security and Emergency Management.

The Executive Director's Office is responsible for department-wide management and administration, including policy development, human resources, accounting, purchasing and budgeting. This office includes the Witness Protection Program, the Colorado Integrated Criminal Justice Information System (CICJIS), and the School Safety Resource Center.

The Colorado State Patrol facilitates motor vehicle traffic and enforces all applicable laws on approximately 9,100 miles of state and federal highways and more than 57,000 miles of county roads. Port of Entry officers collect fuel taxes and registration fees and ensure compliance with statutory weight and size restrictions for commercial vehicles. State Troopers perform commercial motor vehicle safety, hazardous materials routing and rule making, aviation, homeland security, communications, investigative services, capitol complex security, and criminal interdiction.

The Division of Fire Prevention and Control is tasked with fire code enforcement, training, and certification, as well as wildfire preparedness, response, suppression, coordination, and management.

The Division of Criminal Justice conducts criminal justice research, assists with policy formation, administers grants for law enforcement and community crime control programs, addresses the needs of crime victims, manages community corrections programs, and sets standards for the treatment of sex and domestic violence offenders.

The Colorado Bureau of Investigation assists state and local law enforcement in investigating crime and enforcing criminal laws, maintains fingerprint records and DNA profiles, oversees the statewide crime reporting program, and operates scientific laboratories.

The Division of Homeland Security and Emergency Management consists of three offices: Office of Emergency Management, Office of Prevention and Security, and Office of Preparedness. The Division is tasked with consolidating and restructuring the state's homeland security and disaster preparedness and response functions through better coordination of emergency management and homeland security entities in the state.

## DEPARTMENT BUDGET: RECENT APPROPRIATIONS

FUNDING SOURCE	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
General Fund	\$134,566,411	\$119,777,386	\$122,680,880	\$123,448,065
Cash Funds	175,622,518	185,772,422	190,524,914	200,251,200
Reappropriated Funds	33,311,956	34,381,520	38,933,169	40,958,581
Federal Funds	58,435,885	59,519,141	61,508,579	56,736,427
<b>TOTAL FUNDS</b>	<b>\$401,936,770</b>	<b>\$399,450,469</b>	<b>\$413,647,542</b>	<b>\$421,394,273</b>
Full Time Equiv. Staff	1,688.6	1,727.1	1,783.4	1,802.0

## GENERAL FACTORS DRIVING THE BUDGET

Funding for this Department consists of 29.3 percent General Fund, 47.5 percent cash funds, 9.7 percent reappropriated funds, and 13.5 percent federal funds. Some of the major factors driving the Department's budget are discussed below.

### HIGHWAY SUPERVISION AND THE HIGHWAY USERS TAX FUND

The Highway Users Tax Fund (HUTF) is the primary source of state highway funds in Colorado. HUTF revenues include gas and special-fuel taxes, driver's license fees, motor vehicle title and registration fees, fines, license plate fees, and passenger-mile taxes. Pursuant to Section 18 of Article X of the Colorado Constitution, HUTF revenues are required to be used exclusively for the construction, maintenance, and supervision of state public highways, and associated administrative costs.

Prior to appropriating HUTF revenue for construction and maintenance of highways, the General Assembly appropriates HUTF revenues to the Department of Public Safety for highway-related administrative and supervisory functions. The distribution to the State Patrol is taken "off-the-top," before the statutory formula allocation of HUTF to the state highway fund, counties, and cities. Pursuant to Section 43-4-201 (3)(a)(I)(C), C.R.S., off-the-top appropriations are limited to a 6.0 percent annual growth from the prior year's total HUTF appropriation, and may not exceed 23.0 percent of the total prior fiscal year HUTF revenue. After the off-the-top share is disbursed, remaining HUTF revenues are distributed to cities, counties, and the State Highway Fund. For more information about HUTF off-the-top, see Appendix G.

### COMMUNITY CORRECTIONS

The primary factor driving the Division of Criminal Justice's General Fund budget is the cost of community corrections programs. Community corrections facilities, also called halfway houses, are operated by local governments, private providers, and non-profit agencies. They provide convicted offenders with supervision and structure in both residential and nonresidential settings. There are three types of community corrections placements:

- Diversion placements for offenders sentenced directly to community corrections in lieu of a prison sentence;
- Transition placements for offenders who have served a sentence in the Department of Corrections and are released to a residential community corrections bed in preparation for parole; and
- Parole placements for offenders who are required to spend part of their time on parole in a community corrections facility.

Residential community corrections offenders are placed either in standard residential programs or, if they have high needs, in more expensive specialized programs that deal with criminogenic needs, substance abuse, and/or mental illness. The additional cost of a specialized residential program, over and above the standard residential rate, is called a differential. The following table summarizes the number of placements by type in recent years.

COMMUNITY CORRECTIONS POPULATION, RATES, AND EXPENDITURES					
	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 ACTUAL	FY 2016-17 ESTIMATE	FY 2017-18 APPROP.
Average daily population (ADP) in Community Corrections	3,917.3	3,813.2	3,612.2	3,574.1	3,690.0
Residential ADP	3,111.0	3,077.4	2,938.7	2,934.4	3,018.0
Nonresidential ADP	806.3	735.8	673.5	639.7	672.0
Percentage of ADP that is residential	79.4%	80.7%	81.4%	82.1%	81.8%
Percentage of residential ADP in:					
Diversion	51.2%	49.5%	49.8%	53.7%	50.5%
Transition	42.4%	43.6%	43.5%	39.2%	42.0%
Parole	6.5%	6.9%	6.6%	7.1%	7.5%
Specialized programs <sup>1</sup>	17.9%	17.7%	18.5%	19.3%	20.4%
Daily residential rate for a standard bed	\$38.68	\$41.34	\$42.09	\$42.09	\$42.68
Percent change	2.5%	6.9%	1.8%	0.0%	1.4%
Average daily differential for specialized programs <sup>2</sup>	\$33.02	\$36.57	\$37.46	\$37.33	\$35.20
Percent change	42.7%	10.7%	2.5%	-0.3%	-5.7%
Daily non-residential rate	\$5.25	\$6.03	\$6.13	\$6.13	\$6.22
Percent change	2.5%	14.9%	1.7%	0.0%	1.5%
GF expenditure of Community Corrections subdivision (\$ mil.)	\$54.4	\$58.5	\$57.4	\$62.2	\$63.1
General Fund expenditure change	1.3%	7.6%	(2.0%)	8.5%	1.4%

<sup>1</sup> Diversion + transition + parole = 100%. A portion of each of these populations is in specialized programs.

<sup>2</sup> The average differential is a weighted average of differentials for the various types of specialized residential programs. This average changes when rates change or when the mix of offenders in specialized programs changes.

## LABORATORY AND INVESTIGATIVE SERVICES

The Colorado Bureau of Investigation (CBI) provides information technology, laboratory, and investigative services to local, state, and federal law enforcement agencies upon request. Pursuant to Section 24-33.5-412 (1)(a), C.R.S., the CBI is charged with assisting any sheriff, chief of police, district attorney, head of a state agency, or chief law enforcement officer in the investigation and detection of crime and in the enforcement of the laws of the state. CBI laboratories provide forensic evidence analysis, including: DNA, fingerprint, firearm, physiological fluid, chemical, digital, shoe, and tire tracks evidence. In addition, the CBI field team investigates crime scenes upon the request of local, state, and federal law enforcement agencies.

CBI's laboratory services and budget have increased in recent years due to legislation passed by the General Assembly. House Bill 14-1340 (State Toxicology Laboratory) requires the CBI to operate a state toxicology laboratory and to assist local law enforcement agencies in the enforcement of laws for driving under the influence of alcohol or drugs. House Bill 13-1020 (Testing Evidence of Sexual Assault) added new requirements for the Department regarding the processing and reduction of the backlog of sexual assault kits. Due to the increase in required laboratory services, the General Assembly authorized expansion of the Pueblo and Denver/Arvada labs to accommodate growing caseloads.

The Colorado Crime Information Center (CCIC) provides information to law enforcement agencies on warrants, case status, stolen property, registrations, known offenders, and drivers' licenses. The CCIC maintains system hardware and software, including a statewide telecommunications network connecting more than 500 client law enforcement agencies to the CCIC. The CCIC provides criminal identification checks, criminal background checks, and fingerprint-based criminal background checks, and also operates the State's "instacheck" criminal background check program for the firearms industry. The budget is driven primarily by information technology enhancement needs and the expansion of statutory requirements.

## COLORADO BUREAU OF INVESTIGATION WORKLOAD MEASURES

	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17*
Total laboratory specimens analyzed	116,528	117,358	138,986	137,554	154,992
Total civil fingerprint and name checks	481,543	458,632	500,620	546,014	514,594
Total criminal fingerprints processed	216,491	209,738	240,421	224,340	212,238
Total instant criminal background checks (for firearms)	436,553	310,807	325,085	372,386	356,149

\* Fiscal year to date total as of May 31, 2017.

## DISASTER AND EMERGENCY RESPONSE

In the event of a natural or man-made disaster, divisions within the Department may act as the central coordinating point at the state level. As a result, disasters and emergencies can play a significant role in the Department budget.

## WILDLAND FIRES AND THE COLORADO FIREFIGHTING AIR CORPS

The recent wildfire seasons combined with the consolidation of fire prevention and safety responsibilities from various other departments have driven the budget for the Division of Fire Prevention and Control (DFPC). The following table summarizes the Division's appropriations for the last four fiscal years.

DIVISION OF FIRE PREVENTION AND CONTROL				
	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
General Fund	\$20,839,905	\$11,537,430	\$11,080,481	\$11,080,481
Cash Funds	9,557,995	12,896,372	10,811,586	9,331,121
Reappropriated Funds	4,890,741	4,897,439	4,813,248	4,803,763
Federal Funds	336,609	341,734	342,419	349,575
<b>TOTAL</b>	<b>\$35,625,250</b>	<b>\$29,672,975</b>	<b>\$27,047,734</b>	<b>\$25,564,940</b>
FTE	109.1	118.9	110.9	106.4

Much of the change in General Fund is attributed to the Colorado Firefighting Air Corps (CFAC), which authorized the Division of Fire Prevention and Control to purchase, lease, and contract with aviation firefighting resources and to establish the Center of Excellence for Advanced Technology Aerial Firefighting to research, test, and evaluate existing and new technologies for aerial firefighting.

## DFPC AVIATION PROGRAM AND CENTER OF EXCELLENCE COSTS

	FY 2014-15 ACTUAL	FY 2015-16 ACTUAL	FY 2016-17 ESTIMATE
Aviation Program Aircraft and Operating Expenses	\$14,757,485	\$5,769,183	\$6,733,242
Aviation Program - Personal Services	492,391	1,498,761	2,200,000
Center of Excellence (CoE) Costs	33,935	826,653	1,526,668
<b>TOTAL</b>	<b>\$15,283,811</b>	<b>\$8,094,597</b>	<b>\$10,459,910</b>

## EMERGENCY RESPONSE

The Division of Homeland Security and Emergency Management (DHSEM) supports the State's response to all hazards and disasters such as flooding, tornadoes, wildfires, hazardous materials incidents, and acts of terrorism. During and following a significant emergency event in the state, DHSEM serves as a central hub for receiving and distributing funds for emergency response and recovery. This can significantly impact the budget, as it did following the 2013 floods in Colorado. From September 9-12, 2013, a series of floods impacted multiple communities across the Front Range, causing approximately \$4 billion in damage and resulting in 10 deaths. The Governor has set aside \$111.5 million from the Disaster Emergency Fund thus far for flood response efforts. In the weeks following the flooding, Governor Hickenlooper also pledged to impacted communities that the State would provide one half of the 25.0 percent match required for Federal Emergency Management (FEMA) grants. As recovery efforts have progressed, costs and estimates for rebuilding have increased. At this time, the Governor's Office and the Division of Homeland Security and Emergency Management have identified a \$62.1 million shortfall related to flood

recovery. As a result, legislation was passed during the 2017 session to provide additional General Fund dollars for recovery efforts through FY 2020-21.

## APPROPRIATION HIGHLIGHTS - 2017 LEGISLATIVE SESSION

DEPARTMENT OF PUBLIC SAFETY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$412,926,609	\$122,983,130	\$190,112,734	\$38,322,166	\$61,508,579	1,778.2
SB 16-040	15,296	0	0	15,296	0	0.0
SB 16-191	79,992	0	79,992	0	0	1.0
SB 16-197	2,135	0	2,135	0	0	0.0
HB 16-1040	60,238	60,238	0	0	0	0.0
HB 16-1047	31,600	0	0	31,600	0	0.3
HB 16-1097	2,636	0	2,636	0	0	0.0
HB 16-1160	114,188	0	114,188	0	0	0.6
HB 16-1404	527	0	527	0	0	0.0
HB 16-1453	67,980	67,980	0	0	0	1.0
SB 17-168	346,341	(430,468)	212,702	564,107	0	2.3
<b>TOTAL</b>	<b>\$413,647,542</b>	<b>\$122,680,880</b>	<b>\$190,524,914</b>	<b>\$38,933,169</b>	<b>\$61,508,579</b>	<b>1,783.4</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$413,647,542	\$122,680,880	\$190,524,914	\$38,933,169	\$61,508,579	1,783.4
Centrally appropriated line items	8,971,603	3,214,061	6,961,918	(1,519,752)	315,376	0.0
Additional troopers and support staff	1,524,338	0	1,495,389	28,949	0	12.0
Vehicular Crimes Unit GPS total mapping stations	952,000	0	952,000	0	0	0.0
Community provider rate	933,685	860,822	0	72,863	0	0.0
Indirect cost assessment	420,208	(3,900,258)	278,460	3,728,304	313,702	0.0
Incident Management Team sustainability	364,000	364,000	0	0	0	0.0
Funding for expedited process to seal criminal records	346,153	0	346,153	0	0	4.7
Patrol of managed lanes	177,962	0	177,962	0	0	2.0
Overtime budget for crime scene call-outs	125,000	125,000	0	0	0	0.0
Capitol Complex surveillance camera maintenance	81,200	81,200	0	0	0	0.0
Technical changes	0	0	(10,174)	11,404	(1,230)	(0.1)
Informational funds adjustment	(5,400,000)	0	0	0	(5,400,000)	0.0
Annualize prior year budget actions	(1,331,027)	366,147	(1,399,659)	(297,515)	0	(1.2)
Payments to community corrections facilities	(357,043)	(357,043)	0	0	0	0.0
Annualize prior year legislation	(72,970)	962	(73,932)	0	0	(0.3)
<b>SB 17-254</b>	<b>\$420,382,651</b>	<b>\$123,435,771</b>	<b>\$199,253,031</b>	<b>\$40,957,422</b>	<b>\$56,736,427</b>	<b>1,800.5</b>
SB 17-096	814,834	0	814,834	0	0	0.3
SB 17-187	1,159	0	0	1,159	0	0.0
SB 17-240	162,983	0	162,983	0	0	0.8
HB 17-1204	12,294	12,294	0	0	0	0.4
HB 17-1315	20,352	0	20,352	0	0	0.0
<b>TOTAL</b>	<b>\$421,394,273</b>	<b>\$123,448,065</b>	<b>\$200,251,200</b>	<b>\$40,958,581</b>	<b>\$56,736,427</b>	<b>1,802.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$7,746,731</b>	<b>\$767,185</b>	<b>\$9,726,286</b>	<b>\$2,025,412</b>	<b>(\$4,772,152)</b>	<b>18.6</b>
Percentage Change	1.9%	0.6%	5.1%	5.2%	(7.8%)	1.0%

## FY 2016-17 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 17-168 modifies the FY 2016-17 appropriation to:

- Reduce \$430,468 General Fund for adjustments to fleet vehicle expenses and the statewide alert notification system;
- Add \$212,702 cash funds for adjustments to fleet vehicle expenses, increased personnel costs for the State Toxicology Laboratory, and adjustments to the appropriation and FTE for S.B. 16-116 (Simplified Process for the Sealing of Criminal Justice Records); and
- Add \$564,107 reappropriated funds for adjustments to fleet vehicle expenses and technical adjustments to the FY 2016-17 consolidation of financial and logistical services staff in the Executive Director's Office.

## FY 2017-18 APPROPRIATION HIGHLIGHTS

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes the following adjustments to centrally appropriated line items:

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Salary survey	\$5,139,708	\$867,257	\$3,846,480	\$289,657	\$136,314	0.0
Health, life, and dental insurance	\$1,775,422	543,170	1,330,466	(154,905)	56,691	0.0
Merit pay	\$956,942	236,617	624,206	65,506	30,613	0.0
Other OIT budget actions	\$711,990	300,454	386,901	23,182	1,453	0.0
Supplemental AED	\$701,713	163,822	593,167	(100,559)	45,283	0.0
Amortization equalization disbursement (AED)	\$632,514	149,413	546,305	(106,530)	43,326	0.0
Capitol complex leased space	\$76,892	757,844	60,868	(741,820)	0	0.0
CORE	\$31,364	(13,001)	49,427	(5,062)	0	0.0
Legal services	\$23,555	16,850	(111,118)	117,823	0	0.0
Short-term disability	\$17,450	2,919	17,773	(4,684)	1,442	0.0
Payments to the Office of Information Technology (OIT)	(\$516,572)	(92,390)	(198,454)	(209,441)	(16,287)	0.0
Payment to risk management and property funds	(\$459,704)	24,311	80,008	(564,023)	0	0.0
Workers' compensation	(\$85,163)	240,343	(150,788)	(174,718)	0	0.0
Vehicle lease payments	(\$26,013)	14,816	(50,016)	(5,290)	14,477	0.0
Shift differential	(\$8,495)	1,636	(63,307)	51,112	2,064	0.0
<b>TOTAL</b>	<b>\$8,971,603</b>	<b>3,214,061</b>	<b>\$6,961,918</b>	<b>(\$1,519,752)</b>	<b>\$315,376</b>	<b>0.0</b>

**ADDITIONAL TROOPERS AND SUPPORT STAFF:** The appropriation includes \$1,524,338 total funds, including \$1,495,389 cash funds from the Highway Users Tax Fund, for an additional 12.0 FTE in FY 2017-18, including 11.0 FTE troopers and 1.0 FTE support staff. The troopers will be allocated along the I-25 and I-70 corridors.

**VEHICULAR CRIMES UNIT GPS TOTAL MAPPING STATIONS:** The appropriation includes \$952,000 cash funds from Off-the-Top Highway Users Tax Fund to purchase 28 Global Positioning System (GPS) Total Mapping Stations for the Colorado State Patrol to more accurately and efficiently document crash and crime scenes.

**COMMUNITY PROVIDER RATE:** The appropriation includes an increase of \$933,685 total funds and \$860,822 General Fund for the 1.4 percent community provider rate increase.

**INDIRECT COST ASSESSMENT:** The appropriation includes a net increase in the Department's indirect cost assessment.

**INCIDENT MANAGEMENT TEAM SUSTAINABILITY:** The appropriation includes \$364,000 General Fund to fund Incident Management Teams within the Division of Homeland Security and Emergency Management.

**FUNDING FOR EXPEDITED PROCESS TO SEAL CRIMINAL RECORDS:** The appropriation includes \$346,153 cash funds and 4.7 FTE to accommodate an increase in requests for the sealing of criminal justice records following the passage of S.B. 16-116 (Simplified Process for the Sealing of Criminal Justice Records).

**PATROL OF MANAGED LANES:** The appropriation includes \$177,962 cash funds and 2.0 FTE to increase highway patrols for the Highway 36 managed lanes.

**OVERTIME BUDGET FOR CRIME SCENE CALL-OUTS:** The appropriation includes \$125,000 General Fund to pay overtime costs for crime scene and investigative call-outs and rush laboratory services.

**CAPITOL COMPLEX SURVEILLANCE CAMERA MAINTENANCE:** The appropriation includes \$81,200 General Fund for the ongoing maintenance of the recently installed video surveillance systems for the Capitol Complex area.

**TECHNICAL CHANGES:** The appropriation includes a net zero adjustment to align dispatch billing within the Colorado State Patrol and a minor FTE adjustment within the Colorado Bureau of Investigation.

**INFORMATIONAL FUNDS ADJUSTMENT:** The appropriation includes a decrease of \$5,400,000 federal funds that are reflected in the Long Bill for informational purposes only.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second- [and third-] year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 16-17 Cognitive behavioral treatment pilot program	\$366,147	\$366,147	\$0	\$0	\$0	0.3
FY 16-17 Salary survey	0	0	0	0	0	0.0
Local Firefighter Safety Grant Adjustment	(1,350,000)	0	(1,350,000)	0	0	(1.5)
FY 16-17 Realignment of EDO	(297,515)	0	0	(297,515)	0	0.0
FY 16-17 Additional E-470 Troopers	(49,659)	0	(49,659)	0	0	0.0
<b>TOTAL</b>	<b>(\$1,331,027)</b>	<b>\$366,147</b>	<b>(\$1,399,659)</b>	<b>(\$297,515)</b>	<b>\$0</b>	<b>(1.2)</b>

**PAYMENTS TO COMMUNITY CORRECTIONS FACILITIES:** The appropriation reduces appropriations for payments to community corrections facilities by \$357,043 General Fund, which is the net effect of decreased placements in those facilities and increased facility payments.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments for the second- [and third-] year impact of prior year legislation.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
S.B. 16-040 Marijuana Owner Changes	\$14,614	\$0	\$14,614	\$0	\$0	0.1
S.B. 16-197 Liquor-licensed Drugstore Locations	5,325	0	5,325	0	0	0.0
H.B. 16-1453 Colorado Cybersecurity	962	962	0	0	0	0.1
H.B. 16-1160 Sunset Surgical Assistants and Technicians	(93,871)	0	(93,871)	0	0	(0.5)
<b>TOTAL</b>	<b>(\$72,970)</b>	<b>\$962</b>	<b>(\$73,932)</b>	<b>\$0</b>	<b>\$0</b>	<b>(0.3)</b>

**ADDITIONAL LEGISLATION:** For information on additional legislation, see the "Recent Legislation" section at the end of Part III of this department.

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# DEPARTMENT OF REGULATORY AGENCIES

The Department of Regulatory Agencies consists of the following ten divisions:

- 1 The Executive Director's Office is responsible for department-wide administrative functions and houses the Office of Policy, Research and Regulatory Reform, which conducts sunrise and sunset reviews.
- 2 Division of Banking is responsible for enforcement and compliance with banking laws.
- 3 Civil Rights Division is responsible for enforcing state and federal laws regarding the civil rights of individuals and resolving complaints of rights violations.
- 4 Office of Consumer Counsel is responsible for representing the rights of small businesses and consumers at hearings before the Public Utilities Commission.
- 5 Division of Financial Services is responsible for enforcing state and federal laws relating to the regulation of credit unions and savings and loan associations.
- 6 Division of Insurance is responsible for licensing insurance agents and companies.
- 7 Public Utilities Commission is responsible for regulating utilities throughout the state.
- 8 Division of Real Estate licenses real estate agents and mortgage brokers and investigates allegations of real estate and mortgage fraud.
- 9 Division of Professions and Occupations licenses individuals in over 50 professions and occupations.
- 10 Division of Securities licenses securities agents and investigates allegations of securities misconduct.

## DEPARTMENT BUDGET: RECENT APPROPRIATIONS

FUNDING SOURCE	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
General Fund	\$1,884,591	\$1,923,405	\$1,769,297	\$1,844,627
Cash Funds	78,741,802	80,625,258	78,137,343	91,024,582
Reappropriated Funds	4,725,487	4,875,289	4,852,173	5,060,383
Federal Funds	1,391,262	1,486,010	1,383,918	1,268,645
<b>TOTAL FUNDS</b>	<b>\$86,743,142</b>	<b>\$88,909,962</b>	<b>\$86,142,731</b>	<b>\$99,198,237</b>
Full Time Equiv. Staff	587.6	585.5	588.2	573.1

## GENERAL FACTORS DRIVING THE BUDGET

Funding for this department consists of 1.9 percent General Fund, 91.7 percent cash funds, 5.1 percent reappropriated funds, and 1.3 percent federal funds. Some of the major factors driving the Department's budget are discussed below.

### LEGAL SERVICES

Due to the impact on parties involved in many of the Department's regulatory decisions, legal services has been, and will continue to be, a driving factor of the Department's budget. Legal services accounted for 10.2 percent of the Department's FY 2017-18 total appropriation.

### DEPARTMENT OF REGULATORY AGENCIES LEGAL SERVICES EXPENDITURES

	FY 13-14 ACTUAL	FY 14-15 ACTUAL	FY 15-16 ACTUAL	FY 16-17 ACTUAL	FY 17-18 APPROP.
Legal services	\$9,767,656	\$10,049,506	\$8,498,999	\$10,464,959	\$10,539,009
Legal services hours	107,243	101,500	89,454	110,009	110,879
Change in hours	1,545	(5,743)	(12,046)	20,555	870
Percent change in hours	1.5%	(5.4%)	(11.9%)	23.0%	0.7%
Percent of Department total	12.0%	12.6%	10.8%	12.2%	10.2%
Dept. of law blended legal rate	\$91.08	\$99.01	\$95.01	\$95.05	\$95.05

Over the period from FY 2011-12 through FY 2015-16, five divisions have accounted for between 81.0 and 88.8 percent of the Department's legal services.

### LEGAL SERVICES EXPENDITURES BY TOP FIVE DIVISIONS

	FY 11-12 ACTUAL	FY 12-13 ACTUAL	FY 13-14 ACTUAL	FY 14-15 ACTUAL	FY 15-16 ACTUAL
Professions & Occupations	\$3,336,464	\$3,426,052	\$3,806,424	\$4,186,650	\$3,400,984
Public Utilities Commission + Office of Consumer Counsel	1,835,306	1,759,139	2,358,562	2,857,499	2,461,920
Real Estate	787,757	837,152	942,438	980,635	966,702
Insurance	743,813	594,427	918,930	898,837	716,746
Top Five Subtotal	<b>6,703,340</b>	<b>6,616,770</b>	<b>8,026,354</b>	<b>8,923,621</b>	<b>7,546,352</b>
<b>Department Total</b>	<b>\$8,088,494</b>	<b>\$8,165,123</b>	<b>\$9,767,656</b>	<b>\$10,049,506</b>	<b>\$8,498,999</b>
Top Five Percent of Total	82.9%	81.0%	82.2%	88.8%	88.8%

## LICENSES ISSUED

The Department is responsible for consumer protection and licenses professionals in various industries as part of this mission. The Divisions of Insurance, Real Estate, Professions and Occupations, and Securities issue the majority of individual licenses. Budgets in these divisions are driven primarily by the number of individuals requiring licensure. The following table outlines the number of licenses regulated by these divisions.

### NUMBER OF LICENSES REGULATED BY THE DIVISIONS OF INSURANCE, REAL ESTATE, REGISTRATIONS, AND SECURITIES

	FY 11-12 ACTUAL	FY 12-13 ACTUAL	FY 13-14 ACTUAL	FY 14-15 ACTUAL	FY 15-16 ACTUAL
<b>Div. of Insurance - Producer Licenses</b>					
New licenses	30,556	30,900	31,603	33,160	37,198
Active licenses	128,710	134,951	142,105	150,058	157,913
<b>Div. of Real Estate</b>					
Broker & salesperson	37,560	37,439	38,729	40,268	35,276
Mortgage loan originators	5,443	7,182	8,074	8,494	9,538
Appraisers	3,209	3,068	2,833	2,734	2,637
<b>Div. of Professions and Occupations</b>					
New licenses	35,210	36,152	35,793	40,257	42,096
Active licenses	347,285	366,402	368,851	387,924	396,319
<b>Div. of Securities</b>					
Sales representative license renewals	163,818	165,433	171,999	187,878	195,108
Investment advisor license renewals	9,743	10,297	11,103	12,287	12,803

## NUMBER OF EXAMINATIONS BY THE DIVISIONS OF BANKING AND SECURITIES

The deterioration of the financial sector in 2008 increased the workload of the examination sections of the Divisions of Banking, Financial Services, and Securities, which have since decreased for the Banking and Financial Services Divisions. Securities examinations increased in FY 2011-12 due to additional oversight requirements in federal law. The following table outlines the changes in the number of examinations conducted by these three divisions since FY 2011-12.

EXAMINATIONS CONDUCTED BY THE DIVISIONS OF BANKING, FINANCIAL SERVICES, AND SECURITIES						
	FY 11-12 ACTUAL	FY 12-13 ACTUAL	FY 13-14 ACTUAL	FY 14-15 ACTUAL	FY 15-16 ACTUAL	CHANGE SINCE FY 11-12
Banking examinations	171	180	141	146	161	(5.8%)
Credit union examinations	34	31	34	34	44	29.4%
Securities examination	110	175	138	174	138	25.5%

## OTHER LEGISLATION

The General Assembly has passed an average of 10.2 bills per session over the last ten sessions that increased the Department's regulatory responsibilities. The 2017 session included 5 bills with appropriations for an additional \$93,897 cash funds and 0.6 FTE. The following table shows the impact of other legislation on the Department's budget.

OTHER LEGISLATION						
SESSION	NO. OF BILLS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	TOTAL FUNDS	FTE
2008	19	149,205	2,233,416	0	2,233,416	17.3
2009	10	0	947,305	0	947,305	7.5
2010	13	0	507,245	593,333	1,100,578	6.4
2011	11	0	954,420	0	954,420	6.8
2012	5	0	378,246	0	378,246	2.0
2013	16	0	334,518	0	334,518	12.8
2014	10	0	802,770	0	802,770	7.0
2015	5	0	148,422	0	148,422	0.0
2016	8	0	875,311	0	0	2.7
2017	5	0	93,897	0	93,897	0.6
<b>AVERAGE</b>	<b>10.2</b>	<b>\$14,921</b>	<b>\$727,555</b>	<b>\$59,333</b>	<b>\$699,357</b>	<b>6.3</b>

## APPROPRIATION HIGHLIGHTS - 2017 LEGISLATIVE SESSION

DEPARTMENT OF REGULATORY AGENCIES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
SB 16-087	480,000	0	240,000	240,000	0	0.0
SB 16-161	25,134	0	25,134	0	0	0.3
HB 16-1047	331,019	0	331,019	0	0	0.3
HB 16-1160	32,342	0	32,342	0	0	0.3
HB 16-1186	150,000	0	150,000	0	0	0.0
HB 16-1197	73,551	0	73,551	0	0	0.9
HB 16-1324	12,941	0	12,941	0	0	0.0
HB 16-1404	77,546	0	77,546	0	0	0.9
HB 16-1405	84,787,420	1,769,297	77,022,032	4,612,173	1,383,918	585.5
HB 16-1414	172,778	0	172,778	0	0	0.0
<b>TOTAL</b>	<b>\$86,142,731</b>	<b>\$1,769,297</b>	<b>\$78,137,343</b>	<b>\$4,852,173</b>	<b>\$1,383,918</b>	<b>588.2</b>

DEPARTMENT OF REGULATORY AGENCIES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$86,142,731	\$1,769,297	\$78,137,343	\$4,852,173	\$1,383,918	588.2
Rural broadband	9,450,000	0	9,450,000	0	0	0.0
Centrally appropriated line items	5,372,075	304,409	4,723,081	373,064	(28,479)	0.0
Indirect cost assessment	446,522	(119,525)	512,004	119,525	(65,482)	0.0
Medical marijuana grey market enforcement	304,225	0	304,225	0	0	1.0
Fund source adjustment	0	12,146	21,335	(33,522)	41	0.0
Technical changes	(2,057,734)	(23,387)	(1,757,337)	(255,657)	(21,353)	(18.0)
Leased space reduction	(459,714)	(98,313)	(361,401)	0	0	0.0
Division streamlining savings	(80,000)	0	(80,000)	0	0	0.0
Annualize prior year budget actions and legislation	(13,765)	0	(18,565)	4,800	0	1.3
<b>SB 17-254</b>	<b>\$99,104,340</b>	<b>\$1,844,627</b>	<b>\$90,930,685</b>	<b>\$5,060,383</b>	<b>\$1,268,645</b>	<b>572.5</b>
SB 17-088	42,006	0	42,006	0	0	0.5
SB 17-148	10,000	0	10,000	0	0	0.0
SB 17-198	9,505	0	9,505	0	0	0.0
HB 17-1057	12,386	0	12,386	0	0	0.1
HB 17-1165	20,000	0	20,000	0	0	0.0
<b>TOTAL</b>	<b>\$99,198,237</b>	<b>\$1,844,627</b>	<b>\$91,024,582</b>	<b>\$5,060,383</b>	<b>\$1,268,645</b>	<b>573.1</b>
<b>INCREASE/(DECREASE)</b>	<b>\$13,055,506</b>	<b>\$75,330</b>	<b>\$12,887,239</b>	<b>\$208,210</b>	<b>(\$115,273)</b>	<b>(15.1)</b>
Percentage Change	15.2%	4.3%	16.5%	4.3%	(8.3%)	(2.6%)

## FY 2017-18 APPROPRIATION HIGHLIGHTS

**RURAL BROADBAND:** The appropriation includes an increase of \$9,450,000 cash funds for rural broadband, which is shown for informational purposes only.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; salary survey; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; vehicle lease payments; payments to the Governor's Office of Information Technology (OIT); and CORE operations.

**INDIRECT COST ASSESSMENT:** The appropriation includes a net increase in the department's indirect cost assessment.

**MEDICAL MARIJUANA GREY MARKET ENFORCEMENT:** The appropriation includes an increase of \$304,225 cash funds from the Marijuana Tax Cash Fund to improve enforcement of the medical marijuana grey market.

**FUND SOURCE ADJUSTMENT:** The appropriation includes a net zero change for adjusting funding splits in the department.

**TECHNICAL CHANGES:** The appropriation includes a decrease of \$2,057,734 total funds for various technical changes, including the following:

TECHNICAL CHANGES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Changes for PUC FTE	\$0	\$0	\$0	\$0	\$0	(6.0)
Changes for Division of Real Estate FTE	0	0	0	0	0	(3.0)
Changes for P&O FTE	0	0	0	0	0	(10.0)
FTE technical change	0	0	0	0	0	1.0
Miscellaneous changes	(1,196,885)	(23,387)	(1,141,288)	(10,857)	(21,353)	0.0
Changes for PUC TUDF	(600,000)	0	(600,000)	0	0	0.0
Law Line Item Adjustment	(166,049)	0	(166,049)	0	0	0.0
Change for Division of Insurance	(50,000)	0	(50,000)	0	0	0.0
Change for Division of Real Estate	(40,000)	0	(40,000)	0	0	0.0
Change to remove annualization of SB 16-087	(4,800)	0	240,000	(244,800)	0	0.0
<b>TOTAL</b>	<b>(\$2,057,734)</b>	<b>(\$23,387)</b>	<b>(\$1,757,337)</b>	<b>(\$255,657)</b>	<b>(\$21,353)</b>	<b>(18.0)</b>

**LEASED SPACE REDUCTION:** The appropriation includes a decrease of \$459,714 total funds, of which \$98,313 is General Fund. This decrease is the result of rent credit allocation in FY 2017-18.

**DIVISION STREAMLINING SAVINGS:** The appropriation includes a decrease of \$80,000 cash funds due to the streamlining of functions in the Division of Banking and the Division of Insurance.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS AND LEGISLATION:** The appropriation includes adjustments for the second year impact of prior year's budget actions and legislation, including the following acts:

ANNUALIZE PRIOR YEAR BUDGET ACTIONS AND LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 16-1404 (Regulate Fantasy Contests)	\$129,932	\$0	\$129,932	\$0	\$0	1.2
HB 16-1414 (Funding Base For Telecom Relay Services)	99,441	0	99,441	0	0	0.0
HB 14-1328 (Connect Colorado Broadband Act)	95,828	0	95,828	0	0	0.0
HB 16-1324 (Veterinary Access Compounded Pharmaceutical Drugs)	18,662	0	18,662	0	0	0.0
SB 16-087 (Highway-rail Crossing Signalization Fund Funding)	(230,400)	0	(235,200)	4,800	0	0.0
HB 16-1047 (Interstate Medical Licensure Compact)	(114,050)	0	(114,050)	0	0	0.2
HB 16-1160 (Sunset Surgical Assistants Surgical Technicians)	(8,475)	0	(8,475)	0	0	(0.1)
HB 16-1197 (Military Veteran Occupational Credentials)	(4,703)	0	(4,703)	0	0	0.0
<b>TOTAL</b>	<b>(\$13,765)</b>	<b>\$0</b>	<b>(\$18,565)</b>	<b>\$4,800</b>	<b>\$0</b>	<b>1.3</b>

**ADDITIONAL LEGISLATION:** For information on additional legislation, see the "Recent Legislation" section at the end of this department.

# DEPARTMENT OF REVENUE

The Department of Revenue is organized into three functional groups: Taxation, Motor Vehicles, and Enforcement. The Taxation Business Group collects revenues for state and local governments. The Division of Motor Vehicles regulates motor vehicle safety, issues personal identification documents, issues titles and registration documents for motor vehicles, enforces vehicle emission standards, operates the Motorist Insurance Identification Database Program, and regulates commercial truck drivers. The Enforcement Group regulates limited stakes gambling, alcohol, tobacco, racing events, and motor vehicle dealers, and regulates medical and retail marijuana dispensaries, cultivation facilities, and infused products manufacturing facilities. The three functional areas are supported by the Executive Director's Office and Information Technology Division. The hearings division operates under the Executive Director's Office and conducts hearings for each of the enforcement programs.

The Department is statutorily authorized to contract with cities and counties to collect any tax that it also collects for State government. The Department currently receives and distributes sales and use taxes on behalf of approximately 250 local governments and special districts.

The Department also operates the State Lottery, which accounts for approximately one-third of the Department's annual budget. Lottery proceeds (sales less prizes and expenses) are distributed to the Conservation Trust Fund, Great Outdoors Colorado, Parks and Outdoors Recreation, and the Public School Capital Construction Fund.

## DEPARTMENT BUDGET: RECENT APPROPRIATIONS

FUNDING SOURCE	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
General Fund	\$103,605,100	\$97,942,157	\$100,886,490	\$107,595,006
Cash Funds	219,536,248	221,218,250	233,790,126	241,710,307
Reappropriated Funds	5,534,457	5,314,170	6,522,588	6,245,246
Federal Funds	824,388	824,388	824,388	824,388
<b>TOTAL FUNDS</b>	<b>\$329,500,193</b>	<b>\$325,298,965</b>	<b>\$342,023,592</b>	<b>\$356,374,947</b>
Full Time Equiv. Staff	1,332.8	1,371.4	1,430.4	1,437.2

## GENERAL FACTORS DRIVING THE BUDGET

The Department's funding for FY 2017-18 consists of 30.2 percent General Fund, 67.8 percent cash funds, 1.8 percent reappropriated funds, and 0.2 percent federal funds. The Department's primary budget drivers are the State's tax structure, population levels, business activity in regulated industries, and technological capabilities. In addition, mineral severance activity and legislative changes related to identification document requirements have increased demands on Department staff and systems in recent years.

## HEARINGS DIVISION

The Hearings Division, which exists within the Executive Director's Office, conducts administrative hearings regarding various licenses issued by the Department, including driver's licenses, liquor licenses, horse and dog racing licenses, and motor vehicle dealer's licenses.

EXECUTIVE DIRECTOR'S OFFICE—HEARINGS DIVISION					
	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Total motor vehicle related hearings <sup>1</sup>	22,710	21,867	20,390	22,188	19,424
Other hearings <sup>2</sup>	119	132	95	78	99
Total hearings	22,829	21,999	20,485	22,266	19,523

<sup>1</sup> Includes hearings related to excessive points, express consent, driving under the influence convictions, habitual traffic offender, insurance related restraints, vehicular assault/homicide, controlled substance, underage drinking and driving, and ignition interlock cases.

<sup>2</sup> Includes hearings related to liquor, racing, tax, tobacco, vehicle emissions, commercial driver's licenses and 3rd party testers, automobile salespersons, gaming, and marijuana.

## TAXATION BUSINESS GROUP

The complexity of Colorado's tax structure affects the resources required by the Taxation Business Group and Information Technology Division. In addition to collecting state taxes, the Department collects local taxes for most counties, cities and special districts in Colorado, and tracks and distributes the collections monthly to the local governments. Local sales taxes collected include: county lodging, local marketing, regional transportation, football stadium, scientific and cultural, local improvement, mass transit, and short term rental tax. In FY 2015-16, the most recent year with finalized and audited data, \$7.1 billion dollars in corporate and individual incomes taxes were collected and \$88.2 million in general and special sales taxes on marijuana.

## DIVISION OF MOTOR VEHICLES

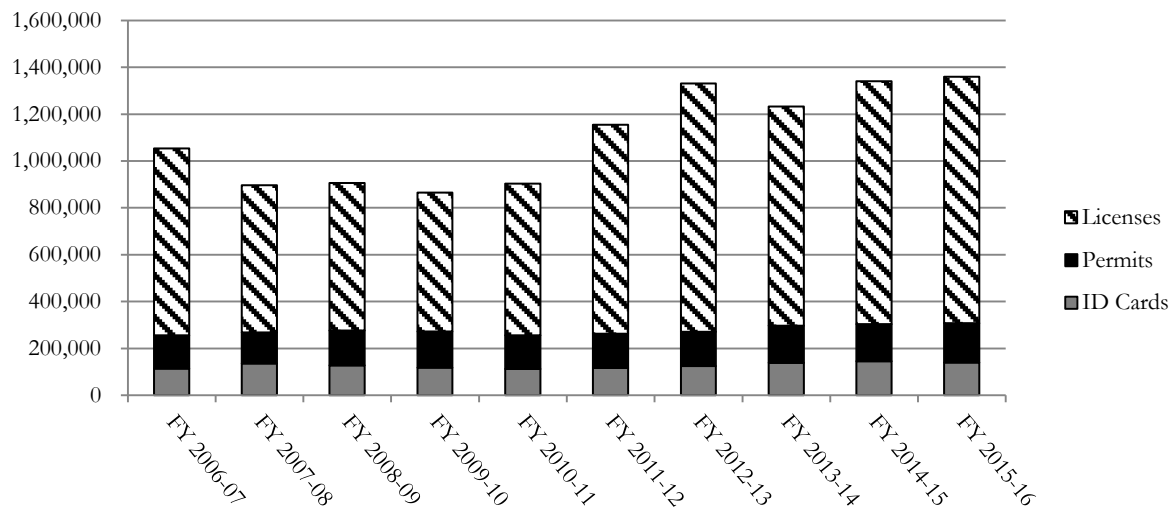
The Division of Motor Vehicles issues driver's licenses and identification cards, maintains driver records and enforces administrative sanctions, suspensions, and reinstatements of driver's licenses, regulates commercial driving schools, oversees the State's vehicle emissions program, provides support for the Statewide Vehicle Titling and Registration System (CSTARS), oversees the motorist insurance identification database program, and administers the Ignition Interlock Subsidy Program.

## DRIVER AND VEHICLE SERVICES

There are 56 driver's license offices (36 operated by the State and 20 operated by the counties) that issue driver's licenses and state identification (ID) cards.

Legislation on both the state and federal levels is a significant budget driver for this division. In 2001, the term of a driver's license was increased from five to ten years. The number of driver's licenses issued dropped in FY 2006-07 as the first drivers who were issued ten-year licenses did not have to renew their licenses. As a result of subsequent legislation passed in order to comply with federal law, the State returned to five-year renewals beginning in 2005. Starting in January 2011, the first five-year driver's licenses that were issued starting in 2005, along with the ten-year licenses that were issued in 2001, were due for renewal at the same time, resulting in an increase in the number of documents issued.

## NUMBER OF DRIVERS LICENSES, PERMITS AND IDENTIFICATION DOCUMENTS ISSUED



Recent changes in state and federal law have also increased transaction times for driver's licenses and ID cards. For example, the Department has instituted new policies and procedures to ensure that those documents are secure and verifiable by utilizing databases to confirm residency and legal status.

In addition to issuing driver's licenses, the Driver Services and Vehicle Services sections are responsible for: managing driver's licensing records; verifying documents presented for identification, including proof of the applicant's legal presence in the United States; identifying and administering administrative sanctions, including all restraints for alcohol related driving offenses; investigating fraud related to driver's licenses and identification cards; providing support and coordination for the motor vehicle registration process; administering the Colorado Road and Community Safety Act; and supervising license plate ordering and distribution.

### VEHICLE EMISSIONS PROGRAM

The Vehicle Emissions Program licenses, regulates, and inspects vehicle emissions testing site operators, inspectors, and mechanics; conducts inspections of vehicle emissions testing facilities to insure compliance with statutory requirements; and validates inspector and mechanic performance standards.

DIVISION OF MOTOR VEHICLES—EMISSIONS PROGRAM ACTIVITY					
	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Station Licenses Issued	75	87	87	81	82
Station Licenses Renewed	67	81	51	49	53
Inspectors Licenses Issued	355	683	593	496	480
Inspectors Licenses Renewed	151	245	173	161	224

### TITLES PROGRAM

The Titles Program is responsible for the issuance of legal, negotiable certificates of title to protect the public when purchasing motor vehicles. Program staff review all high-risk title applications to verify that the assignment of ownership has been properly made.

DIVISION OF MOTOR VEHICLES—TITLE PROGRAM					
	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Title Applications Received	1,561,184	1,608,557	1,621,277	1,561,035	1,850,487



## MOTORIST INSURANCE IDENTIFICATION DATABASE (MIIDB) PROGRAM

The Motorist Insurance Identification Database Program helps law enforcement officers verify driver compliance with the State's motor vehicle insurance requirements. The Program is authorized to suspend driving privileges for uninsured motorists. Funding for the Program comes from a \$0.10 surcharge on motor vehicle registration fees.

## ENFORCEMENT BUSINESS GROUP

The Enforcement Business Group regulates the liquor, tobacco, medical and retail marijuana, racing, gambling (except games of chance operated for charity, which are regulated by the Secretary of State), and automobile sales industries. The Limited Gaming Control Commission approves the Limited Gaming Division budget.

## LIMITED GAMING DIVISION

The Limited Gaming Division licenses and regulates the limited gaming industry, including gaming devices, facilities, personnel, and activities. The Division also enforces the laws contained in the Limited Gaming Act, as well as the rules and regulations promulgated by the Colorado Limited Gaming Control Commission (Commission). The Commission has constitutional authority to allocate money to the Division and thus approves the Limited Gaming Division budget. Money remains in the Limited Gaming Fund after the payment of the Division's expenses are distributed according to the Constitution as follows:

- 28.0 percent to the State Historical Society;
- 12.0 percent to the gaming counties (Gilpin and Teller) in amounts proportional to gaming revenues collected in each county;
- 10.0 percent to the gaming cities (Black Hawk, Central City, and Cripple Creek) in amounts proportional to gaming revenues collected in each city; and
- 50.0 percent to the General Fund or such other uses or funds as the General Assembly may provide.

Amendment 50, approved by voter in 2008, expanded limited gaming to include higher limits on bets, extended hours, and new games. The proceeds of expanded gaming, after expenses, are distributed to limited gaming cities (10.0 percent) and counties (12.0 percent), and the State's community colleges (78.0 percent).

State limited gaming revenues, expenses and distributions are detailed in the following table.

LIMITED GAMING REVENUES, EXPENSES, AND DISTRIBUTIONS					
	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Limited Gaming Revenue	\$103,557,500	\$104,644,974	\$106,322,700	\$111,421,159	\$118,073,006
Commission/Division Expenses	12,305,062	12,872,721	13,877,185	13,981,725	14,561,705
<b>Total Amount Distributed<sup>1</sup></b>	<b>\$91,197,386</b>	<b>\$92,686,816</b>	<b>\$92,219,372</b>	<b>\$97,218,342</b>	<b>\$103,684,917</b>
Statutory Distributions					
State General Fund	\$20,304,942	\$12,102,134	\$11,820,185	\$13,571,425	\$15,463,715
Local Government Gaming Impact Fund	3,314,827	5,000,000	5,000,000	5,000,000	5,000,000
Tourism Promotion Fund	11,049,424	15,000,000	15,000,000	15,000,000	15,000,000
State Historical Society	23,127,355	23,633,195	23,475,304	24,455,998	25,515,681
Film Incentives Cash Fund	220,989	500,000	500,000	500,000	500,000
Bioscience Discovery Evaluation Grant Program <sup>2</sup>	3,977,793	5,500,000	5,500,000	0	0
Advanced Industries Acceleration Cash Fund <sup>2</sup>	0	0	0	5,500,000	5,500,000
Innovative Higher Ed Research Fund	1,546,920	2,100,000	2,100,000	2,100,000	2,100,000
Creative Industries Cash Fund	883,954	2,000,000	2,000,000	2,000,000	2,000,000
<b>Total</b>	<b>\$64,426,204</b>	<b>\$65,835,329</b>	<b>\$65,395,489</b>	<b>\$68,127,423</b>	<b>\$71,079,396</b>

LIMITED GAMING REVENUES, EXPENSES, AND DISTRIBUTIONS					
	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Direct Distribution to Limited Gaming Counties					
Gilpin County	\$8,196,996	\$8,364,125	\$8,373,641	\$8,780,053	\$9,162,681
Teller County	1,714,728	1,764,387	1,687,203	1,701,089	1,772,611
<b>Total</b>	<b>\$9,911,724</b>	<b>\$10,128,512</b>	<b>\$10,060,844</b>	<b>\$10,481,142</b>	<b>\$10,935,292</b>
Direct Distribution to Gaming Cities					
City of Black Hawk	\$6,048,629	\$6,174,172	\$6,244,431	\$6,592,639	\$6,864,629
Central City	782,200	795,932	733,603	\$724,072	770,938
City of Cripple Creek	1,428,940	1,470,322	1,406,003	\$1,417,574	1,477,176
<b>Total</b>	<b>\$8,259,769</b>	<b>\$8,440,426</b>	<b>\$8,384,037</b>	<b>\$8,734,285</b>	<b>\$9,112,743</b>
Amendment 50 Distributions					
Limited Gaming Counties	\$1,031,963	\$993,906	\$1,005,480	\$1,185,549	\$1,506,898
Limited Gaming Cities	859,969	828,255	837,900	987,059	1,255,749
Community College System	6,707,757	6,460,388	6,535,622	7,702,884	9,794,840
<b>Total</b>	<b>\$8,599,689</b>	<b>\$8,282,549</b>	<b>\$8,379,002</b>	<b>\$9,875,492</b>	<b>\$12,557,487</b>

<sup>1</sup> Total amount to be distributed will not sum because the figure includes depository interest payments and includes an amount reserved for escrow.

<sup>2</sup> The transfer to the Bioscience Discovery Evaluation Grant Program was replaced by the transfer to the Advanced Industries Acceleration Cash Fund beginning FY 2014-15. *For more information, see H.B. 13-1001 (Advanced Industries Acceleration Act).*

## LIQUOR AND TOBACCO ENFORCEMENT DIVISION

The Liquor and Tobacco Enforcement Division licenses persons who manufacture, import, distribute or sell alcoholic beverages; regulates the sale and distribution of liquor within the State; and enforces state and federal laws regarding the sale of tobacco products to minors. The Division enforces the provisions of the liquor, beer, and special events codes. The following table details the enforcement actions the Division has undertaken in the last five fiscal years.

LIQUOR AND TOBACCO ENFORCEMENT DIVISION—VIOLATIONS DETECTED					
	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Total liquor licenses in force	13,515	12,816	12,998	13,348	14,113
State administrative actions	278	424	382	314	452
State revocations	3	0	5	0	0
State suspensions	51	70	44	33	57
State denials	1	1	3	3	3
Division-filed court cases	756	1,042	1,026	988	874
Division-assisted local hearings	6	12	5	3	1

## MOTOR VEHICLE DEALER LICENSING BOARD

The Motor Vehicle Dealer Licensing Board is responsible for licensing and regulating the sale and distribution of motor vehicles and promulgating consumer protection regulations. Responsibilities include licensing all salespersons and those with ownership interests in new and used auto dealerships.

MOTOR VEHICLE DEALER LICENSING BOARD					
	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Total dealer/salesperson licenses issued	18,059	18,699	19,295	19,952	20,893
Complaints received	1,347	1,234	1,225	1,218	1,242
Investigations completed	1,559	1,304	1,270	1,220	1,297
Violations/Founded complaints	822	673	656	697	761
Verbal warnings issued	360	326	238	181	122
Written warnings issued	137	175	225	321	420
Criminal summons issued	26	22	11	25	12
Cases presented to Dealer Board	286	135	159	153	93

## MARIJUANA ENFORCEMENT

House Bill 10-1284 established the Medical Marijuana Enforcement Division, which is responsible for the licensing and regulation of medical marijuana dispensaries, cultivation facilities, and infused products manufacturing facilities, and enforcing state laws and regulations regarding medical marijuana. House Bill 13-1317 renamed the division the Marijuana Enforcement Division and gave the Division responsibility for regulation of recreational and medical marijuana retailers, cultivation facilities, and infused products manufacturers. Senate Bill 14-215 created the Marijuana Tax Cash Fund (MTCF) and directs that all sales taxes collected by the State starting in FY 2014-15 from retail and medical marijuana be deposited in the MTCF instead of the Marijuana Cash Fund (MCF). For more information about bills related to the topic of marijuana and the disposition of marijuana taxes made through the 2017 Long Bill, please refer to Appendix J – Marijuana.

## STATE LOTTERY DIVISION

The State Lottery recorded sales of \$594.4 million in FY 2015-16, and net proceeds of \$143.6 million were distributed to the beneficiaries. The table below shows total sales and distributions of net proceeds from the lottery.

STATE LOTTERY SALES AND DISTRIBUTIONS (\$ MILLIONS)					
	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Total Sales	\$545.3	\$566.3	\$545.0	\$538.0	\$594.4
<u>Distributions</u>					
Conservation Trust Fund	\$49.3	\$54.2	52.1	51.2	57.4
Great Outdoors Colorado	57.1	59.2	60.3	62.0	63.7
Colorado Parks and Wildlife	12.3	13.6	13.0	12.8	14.4
Public School Capital Construction Fund (BEST)	4.6	8.6	4.7	2.0	8.1
Total Distributions	\$123.3	\$135.6	\$130.1	\$128.0	\$143.6

## APPROPRIATION HIGHLIGHTS - 2016 LEGISLATIVE SESSION

DEPARTMENT OF REVENUE						
	TOTAL FUNDS	GENERAL FUND <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$336,697,926	\$103,760,809	\$225,641,524	\$6,471,205	\$824,388	1,414.7
SB 16-030	12,566	12,566	0	0	0	0.0
SB 16-036	100,000	100,000	0	0	0	0.0
SB 16-040	995,738	0	995,738	0	0	9.8
SB 16-197	398,682	0	398,682	0	0	2.4
HB 16-1056	21,929	0	21,929	0	0	0.4
HB 16-1211	76,284	0	76,284	0	0	1.1
HB 16-1261	132,251	0	132,251	0	0	2.0
HB 16-1332	37,038	37,038	0	0	0	0.0
HB 16-1415	0	(3,200,000)	3,200,000	0	0	0.0
SB 17-169	1,111,856	(30,000)	1,090,473	51,383	0	0.0
SB 17-176	2,435,572	202,327	2,233,245	0	0	0.0
SB 17-267	3,750	3,750	0	0	0	0.0
<b>TOTAL</b>	<b>\$342,023,592</b>	<b>\$100,886,490</b>	<b>\$233,790,126</b>	<b>\$6,522,588</b>	<b>\$824,388</b>	<b>1,430.4</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$342,023,592	\$100,886,490	\$233,790,126	\$6,522,588	\$824,388	1,430.4
Centrally appropriated line items	4,801,291	2,000,207	2,791,313	9,771	0	0.0
GenTax maintenance, support, and hosting	4,543,316	4,543,316	0	0	0	0.0
License plate and year tab ordering	4,056,720	209,642	3,847,078	0	0	0.0
Driver license documents	1,207,840	0	1,207,840	0	0	0.0
Division of Motor Vehicles (DMV) leased space	1,072,506	0	1,072,506	0	0	0.0

DEPARTMENT OF REVENUE						
	TOTAL FUNDS	GENERAL FUND <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Colorado Road and Community Safety Act increase	955,113	0	955,113	0	0	0.0
Telephone system replacement	791,172	359,479	431,693	0	0	0.0
Auto Industry Division staff increase	307,882	0	307,882	0	0	4.0
DMV Waitless system maintenance	183,042	0	183,042	0	0	0.0
Annualize prior year legislation	(2,217,681)	2,953,690	(5,171,371)	0	0	0.9
Annualize prior year budget action	(1,147,905)	(3,189,416)	1,995,611	45,900	0	0.0
Adjustment for forecast	(376,750)	(400,000)	23,250	0	0	0.0
Indirect cost assessment	(293,684)	294,504	(255,175)	(333,013)	0	0.0
Appropriation true-ups	(72,506)	(72,506)	0	0	0	0.0
<b>SB 17-254</b>	<b>\$355,833,948</b>	<b>\$107,585,406</b>	<b>\$241,178,908</b>	<b>\$6,245,246</b>	<b>\$824,388</b>	<b>1,435.3</b>
SB 17-187	1,159	0	1,159	0	0	0.0
SB 17-192	69,058	9,600	59,458	0	0	0.3
SB 17-240	70,011	0	70,011	0	0	1.1
HB 17-1027	33,750	0	33,750	0	0	0.0
HB 17-1120	22,150	0	22,150	0	0	0.0
HB 17-1162	108,000	0	108,000	0	0	0.0
HB 17-1249	8,000	0	8,000	0	0	0.0
HB 17-1250	2,200	0	2,200	0	0	0.0
HB 17-1367	226,671	0	226,671	0	0	0.5
<b>TOTAL</b>	<b>\$356,374,947</b>	<b>\$107,595,006</b>	<b>\$241,710,307</b>	<b>\$6,245,246</b>	<b>\$824,388</b>	<b>1,437.2</b>
<b>INCREASE/(DECREASE)</b>	<b>\$14,351,355</b>	<b>\$6,708,516</b>	<b>\$7,920,181</b>	<b>(\$277,342)</b>	<b>\$0</b>	<b>6.8</b>
Percentage Change	4.2%	6.6%	3.4%	(4.3%)	0.0%	0.5%

<sup>1</sup> Includes \$29,000,000 in FY 2016-17 and \$28,600,000 in FY 2017-18 that is not subject to the statutory restriction on state General Fund appropriations imposed by Section 24-75-201.1, C.R.S.

## FY 2016-17 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 17-169 (Supplemental Bill) modifies the FY 2016-17 appropriation to:

- Add \$21,383 total funds, including a decrease of \$30,000 General Fund and an increase of \$51,383 reappropriated funds, for FY 2016-17 to administer the Historic Preservation Tax Credit. The reappropriated funds are transferred from the Office of Economic Development and International Trade originates as fees paid by applicants for application processing and tax credit issuance;
- Add \$1,090,473 cash fund spending authority in FY 2016-17 from the Licensing Services Cash Fund to allow the Division of Motor Vehicles to address the increased issuances of identity documents it projects to occur in FY 2016-17.

Senate Bill 17-176 (Motor Vehicle License Plate Appropriation) adds \$2,435,572 total funds to the Department's FY 2016-17 appropriation, including \$202,327 General Fund, for the Division of Motor Vehicles to purchase additional license plates from the Colorado Correctional Industries.

Senate Bill 17-267 (Sustainability of Rural Colorado) adds \$3,750 General Fund to the Department's FY 2016-17 appropriation to reprogram changes included in the bill to the state's tax administration software, GenTax.

## FY 2017-18 APPROPRIATION HIGHLIGHTS

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; shift differential; salary survey; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; vehicle lease payments; Capitol complex leased space; payments to the Governor's Office of Information Technology (OIT); and CORE operations.

**GEN TAX MAINTENANCE, SUPPORT, AND HOSTING:** The appropriation includes an increase of \$4,543,316 General Fund to refresh the mainframe infrastructure hosting the GenTax computing environment managed by the Governor's Office of Information Technology. The increase also include the addition of four staff persons provided by the software vendor as well as software licensing costs.

**LICENSE PLATE AND YEAR-TAB ORDERING:** The appropriation includes a total increase of \$4,056,720, including \$209,642 General Fund and \$3,847,078 cash funds spending authority, to meet increased demand for license plates and address the revenue deficiency created by the General Assembly exempting fees for certain items paid by this line item. The sources of cash funds is the License Plate Cash Fund and the CSTAR Account of the Highway Users Tax Fund.

**DRIVER LICENSE DOCUMENTS:** The appropriation includes an increase of \$1,207,840 cash funds from the Licensing Services Cash Fund to address increased issuance of driver's licenses in the state of Colorado.

**DIVISION OF MOTOR VEHICLES (DMV) LEASED SPACE:** The appropriation includes an increase of \$1,072,506 cash funds to expand and/or relocate the following DMV offices: Northglenn, Colorado Springs, and Fort Morgan. The Department identified these locations as those most in need to address current capacity.

**COLORADO ROAD AND COMMUNITY SAFETY ACT INCREASE:** The appropriation includes an increase of \$955,113 cash fund spending authority for the Colorado Road and Community Safety Act in the Division of Motor Vehicles for driver's licenses and identification documents funded by fees imposed on individuals in Colorado unable to prove a lawful presence.

**TELEPHONE SYSTEM REPLACEMENT:** The appropriation includes an increase of \$791,172 total funds, including \$359,479 General Fund, for FY 2017-18 to replace the legacy telecommunications system at six of the Department of Revenue's locations.

**AUTO INDUSTRY DIVISION STAFF INCREASE:** The appropriation includes an increase of \$307,882 cash funds to support an additional 4.0 FTE in the Auto Industry Division to increase regulatory activities previously reduced during the economic downturn due to the industry's recent financial recovery.

**DMV WAITLESS SYSTEM MAINTENANCE:** The appropriation includes an increase of \$183,042 cash funds to fund ongoing maintenance and operating costs, including materials and licensing fees, to operate the Waitless queuing system.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments for the out-year impact of prior year legislation.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 16-040 (Marijuana Owner Changes)	\$321,199	\$0	\$321,199	\$0	\$0	2.2
HB 16-1467 (First-time Home Buyer Savings Acct.)	120,672	120,672	0	0	0	0.0
HB 16-1142 (Rural Health Care Preceptor Tax Credit)	45,038	45,038	0	0	0	0.0
HB 16-1194 (Tax Deduction for Leasing Out Ag Asset)	33,077	33,077	0	0	0	0.0
SB 16-090 (Marijuana Health Effects Data)	21,336	0	21,336	0	0	0.0
HB 16-1056 (Tow Op. Abandoned Vehicles Title)	12,525	0	12,525	0	0	0.4
SB 16-197 (Liquor-licensed Drug Stores)	7,784	0	7,784	0	0	1.1
HB 16-1211 (Marijuana Transporter License)	7,565	0	7,565	0	0	0.2
HB 16-1415 (Driver & Motor Vehicle Services)	0	3,200,000	(3,200,000)	0	0	0.0
SB 17-176 (Vehicle License Plates)	(2,435,572)	(202,327)	(2,233,245)	0	0	0.0
HB 14-1072 (Income Tax Credit for Child Care)	(100,587)	(100,587)	0	0	0	(2.4)
HB 16-1261 (Retail Marijuana Sunset)	(88,491)	0	(88,491)	0	0	(1.3)
SB 15-282 (Jump-start Eco Devo in Distressed Areas)	(42,030)	(42,030)	0	0	0	0.0
HB 16-1332 (Alt. Fuel Vehicles Tax Credit)	(37,038)	(37,038)	0	0	0	0.0
HB 15-1181 (CO Honor our Military Tax Exemption)	(26,385)	(26,385)	0	0	0	0.0
HB 14-1311 (Jobs and Main Street Revitalization)	(20,414)	(20,414)	0	0	0	0.7
SB 15-260 (Medical Marijuana Product Testing)	(13,183)	0	(13,183)	0	0	0.0
SB 16-030 (Vehicle Weight Violation Surcharges)	(12,566)	(12,566)	0	0	0	0.0
HB 15-1367 (Retail Marijuana Taxes)	(6,351)	0	(6,351)	0	0	0.0
SB 17-267 (Sustainability of Rural Colorado)	(3,750)	(3,750)	0	0	0	0.0
HB 16-1136 (Crew Members Req. for Freight Trains)	(510)	0	(510)	0	0	0.0
<b>TOTAL</b>	<b>(\$2,217,681)</b>	<b>\$2,953,690</b>	<b>(\$5,171,371)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.9</b>

**ANNUALIZE PRIOR YEAR BUDGET ACTION:** The appropriation includes adjustments for the out-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY13-14 GenTax funding	\$116,021	\$116,021	\$0	\$0	\$0	0.0
FY16-17 DMV funding deficit	0	(3,200,000)	3,200,000	0	0	0.0
FY16-17 Drivers license documents	(1,090,473)	0	(1,090,473)	0	0	0.0
FY16-17 Marijuana enforcement	(113,916)	0	(113,916)	0	0	0.0
FY16-17 Income tax refund fraud	(38,154)	(38,154)	0	0	0	0.0
FY16-17 Historic Preservation Tax Credit spending authority	(21,383)	(67,283)	0	45,900	0	0.0
<b>TOTAL</b>	<b>(\$1,147,905)</b>	<b>(\$3,189,416)</b>	<b>\$1,995,611</b>	<b>\$45,900</b>	<b>\$0</b>	<b>0.0</b>

**ADJUSTMENT FOR FORECAST:** The appropriation includes a net decrease of \$376,750, including a decrease of \$400,000 General Fund, to reflect the March Revenue Forecast adjustments to funds distributed to local governments by the Department of Revenue through direct distribution of marijuana and tobacco tax revenue.

**INDIRECT COST ASSESSMENT:** The appropriation includes a net decrease in the Department's indirect cost assessment.

**APPROPRIATION TRUE-UPS:** The appropriation includes minimal adjustments to more accurately reflect the Department's recent operating trends.

**ADDITIONAL LEGISLATION:** For information on additional legislation, see the "Recent Legislation" section at the end of Part III of this department.

# DEPARTMENT OF STATE

The Secretary of State is one of five independently-elected constitutional officers of the State and serves as Colorado's chief elections official and the chief executive officer of the Department of State. The Department of State is broadly responsible for overseeing elections, registering businesses, and publishing information and records for public use. This includes: administering statutory provisions that pertain to elections; managing the statewide voter registration database; implementing the Help America Vote Act; overseeing campaign finance reporting; registering lobbyists and monitoring the filing of required disclosures; collecting, maintaining, and providing public access to business filings; regulating charities and charitable gaming; and certifying notaries public. The Department has four divisions: (1) Administration; (2) Information Technology Services; (3) Elections Division; and (4) Business and Licensing Division.

## DEPARTMENT BUDGET: RECENT APPROPRIATIONS

FUNDING SOURCE	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
General Fund	\$0	\$0	\$0	\$0
Cash Funds	22,508,337	21,580,286	22,288,655	22,903,775
Reappropriated Funds	0	0	0	0
Federal Funds	0	0	0	0
<b>TOTAL FUNDS</b>	<b>\$22,508,337</b>	<b>\$21,580,286</b>	<b>\$22,288,655</b>	<b>\$22,903,775</b>
Full Time Equiv. Staff	137.3	137.3	137.4	137.4

## GENERAL FACTORS DRIVING THE BUDGET

Funding for this department comes entirely from cash funds. Some of the major factors driving the Department's budget are discussed below.

The budget for the Department of State is driven by three major factors:

- 1 The volume of business filings, which generate nearly all the cash fund revenue used to support department programs through the associated fees
- 2 Department-wide expenses related to the administration of elections
- 3 Information technology projects required to support elections and business filing processes

## BUSINESS FILING FEES AND CASH FUND REVENUES

The Department is almost entirely cash-funded through the Department of State (DOS) Cash Fund. Cash fund revenues are primarily driven by the volume of business filings and the fees associated with each filing, with an average of 84.8 percent of all Department revenue accounted for by the business filing fees alone. Fees from other programs, including bingo-raffle licensing, campaign finance reporting, and the registration of lobbyists and notaries public, account for the remainder.

Pursuant to Section 24-21-104 (3)(b), C.R.S., the Department of State is authorized to "adjust fees so that the revenue generated from the fees approximates [the Department's] direct and indirect costs" and to manage the uncommitted reserve in the DOS Cash Fund. It is currently Department policy to conduct regular competitiveness review when setting fee amounts to keep business filing fees at or near the lowest rate in the country. The following table provides data on total business filings received by the Department, as well as a comparison of revenue from business filing fees with total cash fund revenue:

DOS BUSINESS FILING FEES AND CASH FUND REVENUE				
FISCAL YEAR	TOTAL BUSINESS FILINGS	REVENUE FROM BUSINESS FILING FEES <sup>1</sup>	TOTAL DOS CF REVENUE	FILING FEES AS PERCENT OF TOTAL
FY 2011-12	625,078	\$14,700,605	\$17,298,268	85.0%
FY 2012-13	682,949	\$12,749,090	\$14,838,261	85.9%
FY 2013-14	696,140	\$16,335,768	\$20,869,466	78.3%
FY 2014-15	748,368	\$16,981,602	\$19,878,791	85.4%
FY 2015-16	782,017	\$19,097,497	\$21,462,890	89.0%
FY 2016-17 <sup>2</sup>	815,031	\$19,462,000	\$22,318,000	87.2%

<sup>1</sup> This column shows revenues from business filing fees only. It excludes revenue collected by other programs within the Business & Licensing Division.

<sup>2</sup> Data for FY 2016-17 is estimated by the Department of State.

## ELECTIONS ADMINISTRATION AND EXPENDITURES

A large proportion of Department expenditures are driven by costs associated with the administration of elections, which can vary based on growth in the population of eligible voters, changes in election laws, and the unique characteristics of each election cycle. According to Department estimates from February 2015, the direct and indirect costs of the Elections Division account for an estimated 60 to 70 percent of the Department's total budget.

The Elections Division has specific appropriations for three types of expenditures in addition to personal services and operating costs:

- 1 The *Initiative and Referendum* line item funds the verification of signatures on candidate and initiative petitions. Department expenditures on signature verification depend on the year and number of initiatives on the ballot. While initiatives on the ballot for odd-year elections are limited to TABOR-related matters, there are no restrictions on the types of initiatives for even-year elections (presidential and gubernatorial election years) which results in higher even-year expenditures on signature verification.
- 2 The *Local Election Reimbursement* line item reimburses counties for costs related to statewide ballot issues and questions on a 'per voter' basis. These expenditures are driven by the number of eligible registered voters in each county and the reimbursement rate specified in statute. For FY 2017-18, the Department estimates that \$2.7 million will be required to fulfill reimbursement obligations for the November 2017 election.
- 3 The *Help America Vote Act Program* (HAVA) line item uses federal funds and matching cash funds to replace outdated voting technology, ensure accessibility for disabled voters, and institute a statewide voter registration system. In FY 2017-18, the Department expects to fund two major initiatives: implementation and training associated with the Colorado Voting System and reimbursing counties for costs associated with installing secure, 24 hours a day, 7 days a week, ballot drop boxes. Both are voluntary programs offered to the state's counties. These funds are continuously-appropriated to the Department and included for informational purposes only.

## INFORMATION TECHNOLOGY SERVICES PROJECTS

The Information Technology Services (ITS) Division provides most of the technology support for other divisions in the Department.

- *Business and Licensing Division:* Most of the business filing processes, public records resources, certification programs, and other services provided by the Department are handled electronically with 2,500 web-based transactions (i.e. filings with fees) processed daily. The ITS Division maintains and provides support for the systems used to manage these services.



- *Elections Division:* The ITS Division currently has 4.75 FTE dedicated exclusively to elections-related projects, including maintaining the federally-mandated SCORE system for statewide computerized voter registration and election management. SCORE is required by the Help America Vote Act and, while its creation was primarily funded by the Federal Elections Assistance Fund, the costs of any changes to the system are now supported by the Department of State Cash Fund.

## BUSINESS AND LICENSING DIVISION EXPENDITURES

The Business and Licensing Division accounts for 13.9 percent of the Department's total FY 2017-18 budget and is primarily responsible for collecting, maintaining, and providing public access to filings made by businesses and non-profit organizations. The Division also administers the *Business Intelligence Center* (BIC), which was launched in FY 2013-14 to aggregate and standardize datasets from across state agencies and improve access to public information. Approximately half of the funding for BIC is used to put on the Go Code Colorado statewide application challenge event, where teams of developers and professionals compete to create apps that utilize available data to solve business challenges. Winning apps receive a one-year contract with the state worth \$25,000. BIC also receives financial contributions and in-kind donations from sponsors for Go Code Colorado, totaling \$150,100 for the 2016 challenge event, and \$115,900 for the 2017 challenge event as of June 13, 2017. These amounts are not reflected in the budget for the Business and Licensing Division.

## APPROPRIATION HIGHLIGHTS - 2017 LEGISLATIVE SESSION

DEPARTMENT OF STATE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$22,041,223	\$0	\$22,041,223	\$0	\$0	137.3
SB 16-115	5,289	0	5,289	0	0	0.1
SB 16-186	20,130	0	20,130	0	0	0.0
HB 16-1070	15,450	0	15,450	0	0	0.0
HB 16-1282	5,047	0	5,047	0	0	0.0
SB 17-170	201,516	0	201,516	0	0	0.0
<b>TOTAL</b>	<b>\$22,288,655</b>	<b>\$0</b>	<b>\$22,288,655</b>	<b>\$0</b>	<b>\$0</b>	<b>137.4</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$22,288,655	\$0	\$22,288,655	\$0	\$0	137.4
Water cooling loop project	210,000	0	210,000	0	0	0.0
Local election reimbursement increase	200,000	0	200,000	0	0	0.0
Centrally appropriated line items	188,161	0	188,161	0	0	0.0
Outside legal counsel	25,000	0	25,000	0	0	0.0
Rebalancing personal services	0	0	0	0	0	0.0
Annualize prior year budget actions	(200,445)	0	(200,445)	0	0	0.0
<b>SB 17-254</b>	<b>\$22,711,371</b>	<b>\$0</b>	<b>\$22,711,371</b>	<b>\$0</b>	<b>\$0</b>	<b>137.4</b>
SB 17-152	4,120	0	4,120	0	0	0.0
SB 17-305	157,796	0	157,796	0	0	0.0
HB 17-1200	30,488	0	30,488	0	0	0.0
<b>TOTAL</b>	<b>\$22,903,775</b>	<b>\$0</b>	<b>\$22,903,775</b>	<b>\$0</b>	<b>\$0</b>	<b>137.4</b>
<b>INCREASE/(DECREASE)</b>	<b>\$615,120</b>	<b>\$0</b>	<b>\$615,120</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	2.8%	n/a	2.8%	n/a	n/a	0.0%

## FY 2016-17 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 17-170 (Supplemental Bill) modifies the FY 2016-17 appropriation to:

- Add \$200,000 cash funds, from the Department of State Cash Fund, for reimbursements to counties following the November 2016 election, pursuant to Section 1-5-505.5, C.R.S.; and
- Add \$1,516 cash funds, from the Department of State Cash Fund, for the Department's share of fleet costs.

## FY 2017-18 APPROPRIATION HIGHLIGHTS

**WATER COOLING LOOP PROJECT:** The appropriation adds \$210,000 cash funds, from the Department of State Cash Fund, to purchase a water cooling loop for Department-maintained servers to ensure redundancy for multiple computer systems, including the Statewide Colorado Registration and Elections (SCORE) System.

**LOCAL ELECTION REIMBURSEMENT INCREASE:** The appropriation adds \$200,000 cash funds to the Local Election Reimbursement to account for growth in the number of active registered voters that drive the repayment formula the Department utilizes when reimbursing counties for local election costs of statewide ballot issues, as required by Section 1-5-505.5, C.R.S.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; salary survey; merit pay; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; vehicle lease payments; payments to the Governor's Office of Information Technology (OIT); and CORE operations.

**OUTSIDE LEGAL COUNSEL:** The appropriation includes an increase of \$25,000 cash funds to purchase legal advice from outside legal counsel when the Department of Law's provision of advice presents a conflict of interest. Previously, this was included in the Legal Services line item and does not represent a new appropriation.

**REBALANCING PERSONAL SERVICES:** The appropriation includes a department-neutral funding and FTE shift between divisions to account for changes in behavior by those accessing services provided by the Department, e.g., fewer persons are requiring in person service at the Secretary of State's office and are utilizing more online services.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
FEDERAL FUNDS	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 Prior year salary survey	\$1,071	\$0	\$1,071	\$0	\$0	0.0
FY 2016-17 Local Election Reimbursement	(200,000)	0	(200,000)	0	0	0.0
FY 2016-17 Prior fleet supplemental	(1,516)	0	(1,516)	0	0	0.0
<b>TOTAL</b>	<b>(\$200,445)</b>	<b>\$0</b>	<b>(\$200,445)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**ADDITIONAL LEGISLATION:** For information on additional legislation, see the "Recent Legislation" section at the end of Part III for this department.

# DEPARTMENT OF TRANSPORTATION

The Department of Transportation (CDOT) is responsible for operating and maintaining Colorado's 23,061 lane-mile state highway system, including more than 3,447 bridges, and maintaining the aviation system plan, under the policy direction of the eleven-member Transportation Commission. The Department's responsibilities include managing highway construction projects, implementing the State's Highway Safety Plan, repairing and maintaining roads, providing technical support to local airports regarding aviation safety, and administering the reimbursement of aviation fuel tax revenues and discretionary grants to local airports.

Most policy and budget authority for the Department rests with the Transportation Commission, pursuant to Section 43-1-113 (1), C.R.S. Funds controlled by the Transportation Commission are reflected for informational purposes in three Long Bill line items: Construction, Maintenance, and Operations; the High Performance Transportation Enterprise; and the Statewide Bridge Enterprise. These line items are included in the Long Bill as estimates of the anticipated revenues available to the Commission.

The General Assembly appropriates funding for: the Administration division, which is primarily funded from the State Highway Fund; the First Time Drunk Driving Offenders Account, which is funded with driver's license reinstatement fees connected with alcohol-related driving offenses; the Marijuana Impaired Driving Program, which is funded from the Marijuana Tax Cash Fund; and the Southwest Chief Rail Commission, which is funded from the Southwest Chief Rail Line Economic Development, Rural Tourism, and Infrastructure Repair and Maintenance Fund (Southwest Chief Rail Fund). Finally, the General Assembly has statutory oversight of revenue-raising measures and approval of the Governor's appointments to the Transportation Commission.

## DEPARTMENT BUDGET: RECENT APPROPRIATIONS

FUNDING SOURCE	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
General Fund	\$700,000	\$0	\$0	\$0
Cash Funds	748,479,175	844,073,959	747,975,934	851,844,882
Reappropriated Funds	19,773,476	19,777,338	5,866,138	8,552,189
Federal Funds	514,325,330	573,062,075	650,882,799	718,109,752
<b>TOTAL FUNDS</b>	<b>\$1,283,277,981</b>	<b>\$1,436,913,372</b>	<b>\$1,404,724,871</b>	<b>\$1,578,506,823</b>
Full Time Equiv. Staff	3,326.9	3,326.8	3,326.8	3,326.8

## GENERAL FACTORS DRIVING THE BUDGET

Funding for this department in FY 2017-18 consists of 54.0 percent cash funds, 0.5 percent reappropriated funds, and 45.5 percent federal funds. Some of the major factors driving the Department's budget are discussed below.

### TOTAL STATE FUNDING LEVELS

Total funding for transportation has fluctuated substantially over the past ten years, primarily due to changes in the amount of General Fund transferred to the Highway Users Tax Fund (HUTF). The Department's main source of funding comes from the HUTF, which is supported by state and federal excise taxes on gasoline, diesel, and special fuels, registration fees, surcharges, and other miscellaneous sources of revenue. CDOT received 61.0 percent of the State's monthly HUTF distributions in FY 2015-16.

Since 1997, the General Assembly has passed a variety of legislation to assist in the completion of priority transportation projects by providing additional funding to the State Highway Fund from: Capital Construction Fund appropriations (which originate in the General Fund); diversions of sales and use taxes from the General Fund to

the Highway Users Tax Fund (pursuant to S.B. 97-001); Limited Gaming Fund appropriations (which use cash funds that would otherwise be credited to the Clean Energy Fund); and two-thirds of the year-end General Fund surplus (pursuant to H.B. 02-1310). Additional legislation (H.B. 99-1325) has permitted the Department to issue bonds to accelerate projects and to use future federal and state revenues to pay back bondholders over time.

Transfers of dollars to the State Highway Fund under the legislation discussed above have fluctuated with the economy. For example, economic conditions precluded most such transfers from FY 2002-03 through FY 2004-05, although there were limited transfers under H.B. 02-1310 in FY 2003-04 and FY 2004-05. Transfers pursuant to S.B. 97-001 and H.B. 02-1310 increased in FY 2006-07 to a total of \$522 million, decreased to \$407 million in FY 2007-08, and then decreased to \$88 million in FY 2008-09.

## STATE TRANSPORTATION REVENUES

The Department's most significant source of state revenues is the excise tax on motor fuels, which has been set at \$0.22 per gallon of gasoline and \$0.205 per gallon of diesel fuel since 1991 and 1992 respectively. The major source of federal revenue is also an excise tax on motor fuels, which has been set at \$0.184 per gallon of gasoline and \$0.244 per gallon of diesel fuel since 1997. Taken together, the total excise taxes for Colorado are \$0.404 per gallon of gasoline and \$0.449 per gallon of diesel. The average fuel taxes for all states are \$0.481 per gallon of gas and \$0.542 per gallon of diesel, leaving Colorado in the bottom quarter of all states.

Fuel excise taxes have decreased purchasing power due to a combination of increased fuel efficiency (resulting in lower revenue per vehicle mile) and increased construction costs. According to the Department, increases in construction costs (as measured by the Construction Cost Index) have outpaced both the Department's revenues and general inflation. Essentially, \$1.00 in motor fuel tax revenue in 1991 had a purchasing power of \$0.32 in 2015.

## SENATE BILL 09-108 (FUNDING ADVANCEMENT FOR SURFACE TRANSPORTATION AND ECONOMIC RECOVERY)

Senate Bill 09-108 (FASTER) authorized the following new revenue sources within the Department:

- Road safety and bridge safety surcharges, each of which vary by vehicle weight and are collected through the same mechanism used for payment of registration fees and specific ownership taxes;
- A daily fee for the use of a rented motor vehicle;
- A supplemental oversize/overweight vehicle surcharge;
- An increased fee for the late registration of a motor vehicle; and
- An increased unregistered vehicle fine.

## FASTER HUTF

FASTER increased overall HUTF revenues, as well as the share of the Department's revenues coming from registration fees and surcharges. Prior to the enactment of FASTER, motor fuel taxes accounted for more than 70.0 percent of total HUTF revenues. FASTER-related HUTF revenues, which include the road safety surcharge, rented vehicle fee, oversize/overweight surcharge, and late registration fee, have reduced the share of contribution to the HUTF attributed to motor fuel tax revenues to about 60.0 percent. By law, the proceeds of FASTER revenue sources are distributed 60.0 percent to CDOT, 22.0 percent to counties, and 18.0 percent to municipalities, and are not subject to "off-the-top" appropriations.

## FASTER BRIDGE SAFETY

The implementation of FASTER has also increased other revenues for the Department because not all of the legislation's fees and surcharges are credited to the HUTF. Bridge safety surcharge revenues are credited to the Statewide Bridge Enterprise Special Revenue Fund for the repair and rehabilitation of bridges rated as "poor" and

functionally obsolete and structurally deficient. This dedicated fund is managed by the Statewide Bridge Enterprise. The Board of the Enterprise consists of members also on the Transportation Commission.

### HIGH-PERFORMANCE TRANSPORTATION ENTERPRISE (HPTE)

FASTER also replaced the former Statewide Tolling Enterprise with the High-Performance Transportation Enterprise (HPTE). The HPTE has expanded authority to pursue innovative methods of financing the state's transportation system, including:

- Public-private partnerships;
- Operating concession agreements;
- User fee-based project financing;
- Availability payments; and
- Design-build contracting.

FASTER authorizes the HPTE to use road pricing on existing highway capacity as a congestion management tool if the Enterprise secures federal approval and the approval of all affected local governments. The Enterprise is governed by a seven-member board consisting of four appointees of the Governor and three members of the Transportation Commission. Both Enterprises are authorized to issue revenue bonds backed by their respective revenues.

### FEDERAL FUNDS

The Department's total share of federal funds has fluctuated in recent years. Federal receipts increased to \$957.4 million in FY 2008-09, with an infusion of funds as a result of the American Recovery and Reinvestment Act (ARRA). More recently, budgetary conditions, including the depletion of the surplus in the federal Highway Trust Fund, have resulted in reductions in each state's funding below the full amounts that were authorized in the federal transportation authorization bill, *Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users* (SAFETEA-LU).

CDOT receives federal funding for four purposes, including highways (Federal Highway Administration funds), safety (National Highway Traffic Safety Administration funds), transit (Federal Transit Administration funds), and aviation (Federal Aviation Administration funds). Federal funds provide a significant share of the CDOT's resources, and fluctuations in federal funds, determined by multi-year authorization bills, affect the Department's annual budgetary outlook.

On July 6, 2012, President Obama signed the *Moving Ahead for Progress in the 21st Century Act (MAP-21)*. The legislation updated and replaced SAFETEA-LU, specifically reauthorizing federal transportation programs, providing budget authority for federal transportation apportionments, and updating federal statutes governing the U.S. Department of Transportation and its various agencies and programs.

On December 4, 2015, President Obama signed the Fixing America's Surface Transportation (FAST) Act into law. Following 36 short-term extensions over 10 years, the FAST Act provides long-term funding for highway, safety, transit, and rail programs. The five year, \$305 billion total authorization increased funding levels for Colorado in Federal Fiscal Year (FFY) 2015-16. The fiscal years in the following table reflect state fiscal years.

FEDERAL FUNDING TO CDOT (\$ MILLIONS)									
FEDERAL PROGRAM <sup>1</sup>	FY 08-09 ACTUAL	FY 09-10 ACTUAL	FY 10-11 ACTUAL	FY 11-12 ACTUAL	FY 12-13 ACTUAL	FY 13-14 ACTUAL	FY 14-15 ACTUAL	FY 15-16 ACTUAL	FY 16-17 ESTIMATED
FHWA	\$536.9	\$568.8	\$349.3	\$472.0	\$514.3	\$606.5	\$656.4	\$672.5	\$626.2
FTA	13.9	13.3	13.2	12.8	15.7	16	20.4	18.9	19.4
FAA	0.3	0.3	0.2	0.3	0.3	0.1	0.2	0.3	0
NHTSA	2.1	6.3	6.3	7.1	7.9	1.7	8	9.1	9.8
ARRA	404.2	12.5	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>\$957.4</b>	<b>\$601.2</b>	<b>\$369.0</b>	<b>\$492.2</b>	<b>\$538.2</b>	<b>\$624.3</b>	<b>\$685.0</b>	<b>\$700.8</b>	<b>\$655.4</b>

<sup>1</sup> The acronyms used are: FHWA - Federal Highway Administration; FTA - Federal Transit Administration; FAA - Federal Aviation Administration; NHTSA - National Highway Traffic Safety Administration; ARRA - American Recovery and Reinvestment Act of 2009

## GENERAL FUND TRANSFERS FOR TRANSPORTATION

### SENATE BILL 09-228

Among other provisions, S.B. 09-228 (Flexibility to Use State Revenues) set up a General Fund transfer to the HUTF contingent on an increase in Colorado personal income. Senate Bill 09-228 required a five year block of transfers of 2.0 percent of General Fund revenues to the HUTF, subject to a trigger based on a 5.0 percent growth in statewide personal income. Colorado personal income growth exceeded 5.0 percent in 2014, triggering the General Fund transfers in FY 2015-16. Once the personal income threshold was met for a single year, the 5-year block of transfers continued, regardless of the subsequent change in personal income.

Senate Bill 09-228 limited the General Fund transfers in relation to TABOR refunds. If the amount of the TABOR refund was between 1.0 percent and 3.0 percent of General Fund revenues for the state fiscal year, the S.B. 09-228 transfer was to be reduced by half in that year. If TABOR refunds exceeded 3.0 percent, the S.B. 09-228 transfer was eliminated. Simply put, if TABOR refunds increased, S.B. 09-228 transfers decreased.

### HOUSE BILL 16-1416

House Bill 16-1416 replaced the S.B. 09-228 transfer formulas with actual dollar amounts in FY 2015-16 and FY 2016-17. The bill transferred to the HUTF \$199.2 million in FY 2015-16 and \$158.0 million in FY 2016-17. The bill did not change how transfers were to be calculated in FY 2017-18 through FY 2019-20.

### SENATE BILL 17-262 AND SENATE BILL 17-267

Senate Bill 17-262 replaces the Senate Bill 09-228 and House Bill 16-1416 transfers to the HUTF from FYs 2016-17 through FY 2019-20. In FY 2016-17, the bill reduces the transfer to the HUTF from \$158.0 million to \$79.0 million. In the remaining three years, the bill replaces the current formula with specific dollar amounts, to be transferred on June 30 of the fiscal year, as follows:

MODIFIED TRANSFERS				
	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
HUTF	\$79,000,000	\$79,000,000	\$160,000,000	\$160,000,000

Senate Bill 17-267 further modifies the provisions of S.B. 17-262 by eliminating the 2018-19 and 2019-20 transfers. For more information about S.B. 17-267, see the corresponding bill description in the "Recent Legislation" section at the end of Part III of the Department of Health Care Policy and Financing.

## THE ADMINISTRATIVE PROGRAM LINE

The Administration line, created by Section 43-1-113 (2)(III), C.R.S., includes the salaries and expenses for a variety of offices and programs. It is a "program" line, which gives CDOT discretion to move funds from personal services to operating (and vice versa) and also from one program to another without seeking approval from the General Assembly. Section 43-1-113 (6)(a), C.R.S. limits expenditures to no more than 5.0 percent of the total CDOT

budget. The Administration section consists of several offices and divisions and provides administrative support for more than 3,000 FTE that work for the Department statewide.

## APPROPRIATION HIGHLIGHTS - 2017 LEGISLATIVE SESSION

DEPARTMENT OF TRANSPORTATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$1,404,629,871	\$0	\$747,880,934	\$5,866,138	\$650,882,799	3,326.8
SB 17-171	95,000	0	95,000	0	0	0.0
<b>TOTAL</b>	<b>\$1,404,724,871</b>	<b>\$0</b>	<b>\$747,975,934</b>	<b>\$5,866,138</b>	<b>\$650,882,799</b>	<b>3,326.8</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$1,404,724,871	\$0	\$747,975,934	\$5,866,138	\$650,882,799	3,326.8
Updated revenue projections	173,812,733	0	103,900,080	2,685,700	67,226,953	0.0
Centrally appropriated line items	219	0	(132)	351	0	0.0
Indirect cost assessment	0	0	0	0	0	0.0
Marijuana impaired driving campaign	0	0	0	0	0	0.0
Southwest Chief adjustment	(31,000)	0	(31,000)	0	0	0.0
<b>SB 17-254</b>	<b>\$1,578,506,823</b>	<b>\$0</b>	<b>\$851,844,882</b>	<b>\$8,552,189</b>	<b>\$718,109,752</b>	<b>3,326.8</b>
<b>TOTAL</b>	<b>\$1,578,506,823</b>	<b>\$0</b>	<b>\$851,844,882</b>	<b>\$8,552,189</b>	<b>\$718,109,752</b>	<b>3,326.8</b>
<b>INCREASE/(DECREASE)</b>						
	\$173,781,952	\$0	\$103,868,948	\$2,686,051	\$67,226,953	0.0
Percentage Change	12.4%	n/a	13.9%	45.8%	10.3%	0.0%

### FY 2016-17 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 17-171 adds \$95,000 cash funds from the Southwest Chief Rail Line Economic Development, Rural Tourism, and Infrastructure Repair and Maintenance Fund (Southwest Chief Rail Fund) to the Department's FY 2016-17 appropriation to develop a study of revenue and ridership data, and to hire a consultant who will work with the Burlington Northern Railroad and Amtrak to ensure their planned Southwest Chief rail improvements align with the mission of the Southwest Chief Commission.

### FY 2017-18 APPROPRIATION HIGHLIGHTS

**UPDATED REVENUE PROJECTIONS:** The appropriation includes updates to the Department's revenue projections, which are provided for informational purposes only. The appropriation reflects adjustments to the Department's estimated S.B. 09-228 transfer, an increase in expected HUTF revenue, an increase in available federal funds, and increases in revenue from tolls.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; salary survey; merit pay; shift differential; workers' compensation; legal services; payment to risk management and property funds; CORE operations; and payments to the Governor's Office of Information Technology (OIT).

**INDIRECT COST ASSESSMENT:** The appropriation includes a net zero adjustment to the Department's indirect cost assessment.

**MARIJUANA IMPAIRED DRIVING CAMPAIGN:** The appropriation includes a net zero transfer of \$500,000 Marijuana Tax Cash Fund from the First Time Drunk Driving Offenders Account line item to the Marijuana Impaired Driving Program line item, to fund a statewide marijuana impaired driving public education campaign.

**SOUTHWEST CHIEF ADJUSTMENT:** The appropriation reflects a decrease of \$31,000 cash funds for the Southwest Chief Rail Commission. The remaining appropriation of \$64,000 will allow the Department to continue to expend funds for the Southwest Chief improvements in FY 2017-18.

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# DEPARTMENT OF THE TREASURY

The State Treasurer is one of five independently elected constitutional officers of the state. The Department of the Treasury is responsible for the following primary duties: (1) acts as the State's banker and investment officer, providing investment, accounting, and cash management services and preparing related reports; (2) administers the Unclaimed Property Program; (3) disburses Senior Citizen and Disabled Veteran Property Tax Exemption payments to local governments; (4) provides short-term interest-free financing to school districts by issuing tax and revenue anticipation notes and making loans from the General Fund; (5) assists charter schools with long-term financing by making direct bond payments; (6) distributes Highway Users Tax Fund (HUTF) revenues to counties and municipalities; (7) distributes federal mineral leasing funds received for the State's share of sales, bonuses, royalties, and rentals of public lands within Colorado; (8) manages certain state public financing transactions; and (9) reimburses certain property taxes owed or paid for real and business personal property destroyed in a natural disaster.

## DEPARTMENT BUDGET: RECENT APPROPRIATIONS

FUNDING SOURCE	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
General Fund	\$121,578,482	\$135,037,666	\$139,308,257	\$151,447,545
Cash Funds	317,200,922	346,610,762	354,267,675	354,847,185
Reappropriated Funds	0	0	17,775,175	17,773,025
Federal Funds	0	0	0	0
<b>TOTAL FUNDS</b>	<b>\$438,779,404</b>	<b>\$481,648,428</b>	<b>\$511,351,107</b>	<b>\$524,067,755</b>
Full Time Equiv. Staff	31.9	31.9	32.9	32.9

## GENERAL FACTORS DRIVING THE BUDGET

Funding for this department consists of 28.9 percent General Fund, 67.7 percent cash funds, 3.4 percent reappropriated funds. The General Fund appropriation supports: (1) the senior citizen and disabled veteran property tax exemption, (2) tax reimbursements for property destroyed by a natural cause, and (3) a portion of the Department's administrative expenses. The Department's cash funds appropriation includes: (1) transaction fee revenue, which supports department administrative expenses; (2) money in the Unclaimed Property Trust Fund, which support the Unclaimed Property Program; and (3) distributions from the Highway Users Tax Fund to counties and municipalities. Some of the major factors driving the Department's budget are discussed below.

### SENIOR CITIZEN AND DISABLED VETERAN PROPERTY TAX EXEMPTION

Section 3.5 of Article X of the Colorado Constitution grants a property tax exemption to qualifying senior citizens and disabled veterans. A senior citizen is eligible for the property tax exemption if the property owner-occupier is at least 65 years of age on the assessment date and has occupied the residence for at least ten years, or is the surviving spouse of a person who previously qualified for the exemption. An honorably discharged disabled veteran is eligible for the property tax exemption if the owner-occupier has a 100.0 percent service-connected disability (as determined by the U.S. Department of Veterans Affairs) on the assessment date. The value of the property tax exemption is 50.0 percent of the first \$200,000 of actual property value for qualifying homeowners. The State Treasurer is required to reimburse local governments for the resulting loss of property tax revenues. The Constitution grants the General Assembly the power to raise or lower the maximum amount of residence value that is exempt from taxation.

For tax year 2002, the exemption was limited to the first \$200,000 of actual residence value. The General Assembly lowered this amount from \$200,000 to \$0 for tax years 2003, 2004, and 2005, thereby eliminating the associated state expenditures for corresponding fiscal years. State payments resumed in FY 2006-07. The General Assembly passed several bills during the 2009 and 2010 sessions that reduced the senior citizen exemption to \$0 for FY 2009-10, FY 2010-11, and FY 2011-12. These bills left in place the exemption for disabled veterans. No bills were passed during the 2016 or 2017 sessions that reduced the exemption from those defined in statute.

State payments to local governments are subject to the Taxpayer's Bill of Rights (TABOR) limitation on the State's fiscal year spending, but are not subject to the statutory restriction on General Fund appropriations pursuant to Section 24-75-201.1 (1)(a)(II) through (IV), C.R.S. Estimated General Fund expenditures for the property tax exemption are included in the Department of the Treasury's budget for informational purposes.

SENIOR CITIZEN AND DISABLED VETERAN HOMESTEAD PROPERTY TAX EXEMPTION					
	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 ACTUAL	FY 2016-17 ACTUAL	FY 2017-18 PROJECTED
Senior Citizens	\$107,723,840	\$114,234,918	\$124,500,824	\$133,199,483	\$144,835,908
Disabled Veterans	2,083,129	2,646,365	\$2,637,206	2,909,921	3,164,092
<b>TOTAL</b>	<b>\$109,806,969</b>	<b>\$116,881,283</b>	<b>\$127,138,030</b>	<b>\$136,109,404</b>	<b>\$148,000,000</b>

## PROPERTY TAX REIMBURSEMENTS FOR PROPERTY DESTROYED BY A NATURAL CAUSE

In the 2014 Session, the General Assembly passed H.B. 14-1001 (Tax Credit for Property Destroyed by a Natural Cause) providing a property tax reimbursement for real or business property listed on a single tax schedule that was destroyed by a natural cause. As defined in Section 39-1-102 (8.4), C.R.S., a natural cause includes a fire, explosion, flood, tornado, action of the elements, act of war or terror, or similar cause beyond the control of and not caused by the property owner. This property tax reimbursement is for tax years beginning on or after January 1, 2013, and is subject to reimbursement from the state in an amount equal to the property tax liability applicable to the destroyed property in the property tax year in which the natural cause occurred. Upon receipt of a report from a county treasurer verifying the total amount of property tax in the county eligible for reimbursement, the State Treasurer shall issue a reimbursement warrant to the applicable county treasurer for the total amount. Funds made available for this property tax reimbursement are subject to annual appropriation by the General Assembly.

PROPERTY TAX REIMBURSEMENTS FOR PROPERTY DESTROYED BY A NATURAL CAUSE (H.B. 14-1001)			
COUNTY	FY 14-15	FY 15-16	FY 2016-17
Adams	\$0	\$0	\$0
Boulder	380,580	6,561	0
El Paso	377,381	2,117	1,109
Huerfano	3,411	0	0
Jefferson	6,277	0	0
Larimer	84,473	0	0
Logan	50,945	15,463	0
Mesa	183	68	910
Weld	193,246	0	0
<b>TOTAL</b>	<b>\$1,096,496</b>	<b>\$24,209</b>	<b>\$2,019</b>

## HIGHWAY USERS TAX FUND DISBURSEMENTS

The Department distributes revenues from the Highway Users Tax Fund (HUTF) to counties and municipalities for use on local transportation projects pursuant to statutory formulas in Sections 43-4-207 and 208, C.R.S. The amounts anticipated to be distributed to counties and municipalities are reflected as cash funds appropriations within the Special Purpose section of the Long Bill for informational purposes. The following table details recent distributions of HUTF revenues, as well as projections for FY 2016-17 and FY 2017-18.

HIGHWAY USERS TAX FUND (HUTF) REVENUES AND DISTRIBUTIONS (\$ MILLIONS)					
	FY 13-14 ACTUAL <sup>1</sup>	FY 14-15 ACTUAL <sup>1</sup>	FY 15-16 ACTUAL <sup>1,2</sup>	FY 16-17 PROJECTED <sup>3</sup>	FY 2017-18 PROJECTED <sup>3</sup>
Total Revenues	\$970.6	\$1,016.1	\$1,031.4	\$1,064.1	\$1,082.8
<i>Annual Percent Change</i>	3.5%	4.7%	1.5%	3.3%	1.8%
Treasury Distributions					
Counties	\$190.6	\$200.6	\$202.3	\$208.7	\$212.4
Municipalities	130.4	136.9	138.3	142.7	145.2

<sup>1</sup> Values have been updated to correspond with the final general ledgers for the Department of Treasury's Fund 405.

<sup>2</sup> Total revenues do not include General Fund transfers to the Department of Transportation.

<sup>3</sup> Estimated based on Legislative Council Staff's forecasted percentage increase applied against the FY 2014-15 actual revenues and against Treasury's distributions to counties and municipalities.

## APPROPRIATION HIGHLIGHTS - 2017 LEGISLATIVE SESSION

DEPARTMENT OF THE TREASURY						
	TOTAL FUNDS	GENERAL FUND <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$518,036,107	\$146,008,257	\$354,252,675	\$17,775,175	\$0	32.9
SB 17-254	(6,685,000)	(6,700,000)	15,000	0	0	0.0
<b>TOTAL</b>	<b>\$511,351,107</b>	<b>\$139,308,257</b>	<b>\$354,267,675</b>	<b>\$17,775,175</b>	<b>\$0</b>	<b>32.9</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$511,351,107	\$139,308,257	\$354,267,675	\$17,775,175	\$0	32.9
Senior Citizen and Disabled Veteran Property Tax Exemption	12,000,000	12,000,000	0	0	0	0.0
Annualize prior year legislation	500,000	0	500,000	0	0	0.0
Centrally appropriated line items	215,761	121,251	94,510	0	0	0.0
Investment tools	18,037	18,037	0	0	0	0.0
Annualize prior year budget actions	(15,000)	0	(15,000)	0	0	0.0
Federal mineral lease adjustment	(2,150)	0	0	(2,150)	0	0.0
<b>SB 17-254</b>	<b>\$524,067,755</b>	<b>\$151,447,545</b>	<b>\$354,847,185</b>	<b>\$17,773,025</b>	<b>\$0</b>	<b>32.9</b>
<b>TOTAL</b>	<b>\$524,067,755</b>	<b>\$151,447,545</b>	<b>\$354,847,185</b>	<b>\$17,773,025</b>	<b>\$0</b>	<b>32.9</b>
<b>INCREASE/(DECREASE)</b>	<b>\$12,716,648</b>	<b>\$12,139,288</b>	<b>\$579,510</b>	<b>(\$2,150)</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	2.5%	8.7%	0.2%	0.0%	n/a	0.0%

<sup>1</sup> Includes \$136,000,000 in FY 2016-17 and \$148,000,000 in FY 2017-18 that is not subject to the statutory restriction on state General Fund appropriations imposed by Section 24-75-201.1, C.R.S.

## FY 2016-17 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 17-254 modifies FY 2016-17 appropriations to:

- Decrease the projected amount for reimbursements to counties for lost property taxes as a result of the Senior Citizen and Disabled Veterans Property Tax Exemption by \$6,700,000 million General Fund. The amount identified in the Long Bill is subject to an (I) note and is for informational purposes only.
- Add \$15,000 cash funds for legal services associated with S.B. 16-025 (The Public School Fund).

## FY 2017-18 APPROPRIATION HIGHLIGHTS

**SENIOR CITIZEN AND DISABLED VETERAN PROPERTY TAX EXEMPTION:** The appropriation includes, for informational purposes, a \$12,000,000 General Fund increase for reimbursements to local governments for lost property tax revenues resulting from the exemption.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments related to prior year legislation, including S.B. 16-035 (The Public School Fund).

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; workers' compensation; legal services; payment to risk management and property funds; Capitol complex leased space; payments to the Governor's Office of Information Technology (OIT); and CORE operations.

**INVESTMENT TOOLS:** The appropriation includes an increase of \$18,037 General Fund for costs associated with the Bloomberg and S&P investment tools used by the Department's investment officers.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second year impact of prior year budget actions, including the Long Bill supplemental.

**FEDERAL MINERAL LEASE ADJUSTMENT:** The appropriation includes a decrease of \$2,150 reappropriated funds for the refinance of funding for certificates of participation for academic facilities.

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# CAPITAL CONSTRUCTION

This section summarizes state agency capital construction and controlled maintenance appropriations. Many of the appropriations are from the Capital Construction Fund. The primary source of revenue to the Capital Construction Fund is transfers and appropriations from the General Fund.

## DEPARTMENT BUDGET: RECENT APPROPRIATIONS

FUNDING SOURCE	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Capital Construction Fund	\$387,378,747	\$252,223,287	\$117,886,557	\$91,912,328
Cash Funds	165,861,978	118,675,701	109,922,398	69,179,429
Reappropriated Funds	7,427,537	13,911,135	766,231	10,000,000
Federal Funds	2,819,525	15,436,269	19,168,392	12,299,741
<b>TOTAL FUNDS</b>	<b>\$563,487,787</b>	<b>\$400,246,392</b>	<b>\$247,743,578</b>	<b>\$183,391,498</b>

## GENERAL FACTORS DRIVING THE BUDGET

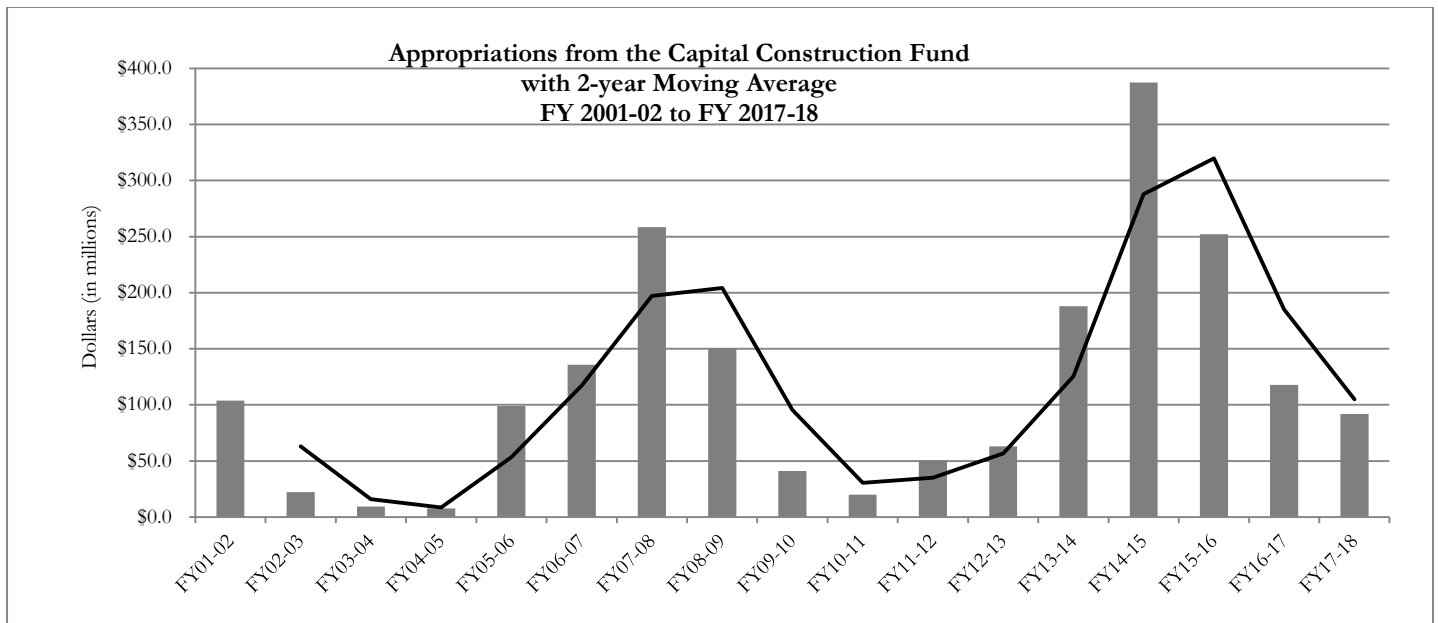
### REVENUE AVAILABLE FOR CAPITAL CONSTRUCTION

The amount appropriated for capital construction is primarily based on the recommendations of the Capital Development Committee and the most recent forecast of revenues available for capital construction given constitutional and statutory constraints on the budget. The Capital Construction Fund provides the primary source of capital construction funding for most state departments and appropriations from the Fund vary substantially from year to year.

In some years, statutory formulas trigger automatic transfers to the Capital Construction Fund. House Bill 02-1310 provided automatic transfers of excess General Fund revenue to the Capital Construction Fund and the Highway Users Tax Fund. These transfers were replaced in S.B. 09-228, which authorized five years of transfers to the Capital Construction Fund of 0.5 percent of General Fund revenue for two years followed by 1.0 percent of General Fund revenue for three years. While these transfers were originally authorized to begin in FY 2012-13, they were delayed until a personal income-related trigger was met. Specifically, personal income increased by more than five percent in 2014, triggering a transfer in FY 2015-16. However, S.B. 09-228 also provided that a TABOR surplus of between 1.0 and 3.0 percent of General Fund revenue would cut the transfer in half and a TABOR surplus greater than 3.0 percent would eliminate the transfer entirely.

House Bill 16-1416 replaced the transfer formula required by S.B. 09-228 with set amounts to be transferred to the Capital Construction Fund for FY 2015-16 and FY 2016-17, equal to \$49.8 million and \$52.7 million, respectively. The bill did not change the formula for the remaining three years of S.B. 09-228 transfers. However, S.B. 17-262 replaced the final three years of S.B. 09-228 with set amounts of \$0 for FY 2017-18 and \$60.0 million for FY 2018-19 and FY 2019-20. The amount necessary to fully fund FY 2017-18 capital construction appropriations with Capital Construction Fund was transferred from General Fund in S.B. 17-263 and totaled \$88,695,961 from General Fund and \$500,000 from the General Fund Exempt account.

The following chart outlines appropriations from the Capital Construction Fund since FY 2001-02 and includes a two-year moving average trend line.

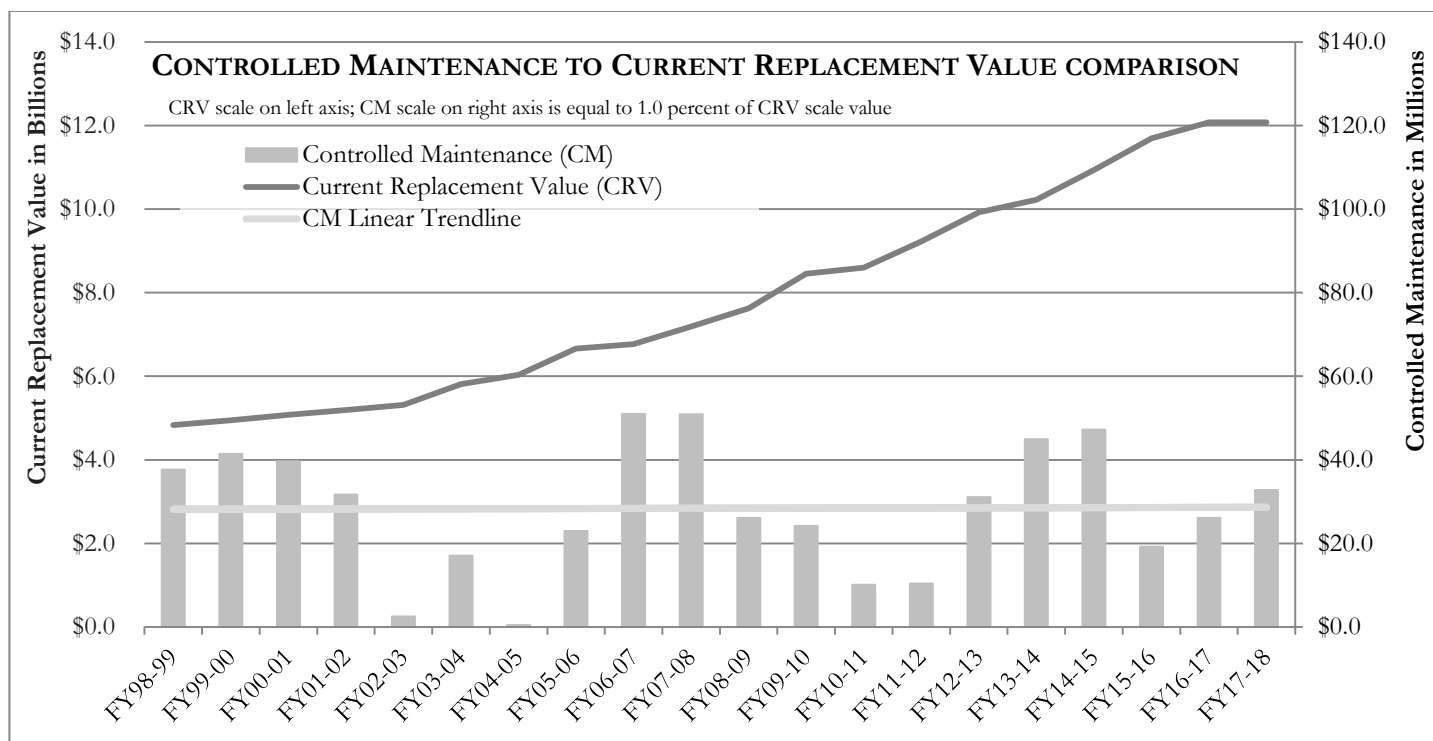


## CONTROLLED MAINTENANCE FUNDING

The State prioritizes capital construction and controlled maintenance based on the availability of funds after funding the operating budget. As a budget principle, new construction and real property purchases should be considered as discretionary, new request items in the budget. However, controlled maintenance represents the ongoing upkeep of the current building inventory. That inventory represents the policy and budget choices previously made to purchase and own state buildings and property.

Discretionary spending that appears to provide budget savings on less controlled maintenance in a given year does not save the State money. Spending less in a given budget year pushes the cost of maintaining buildings systems that are beyond their economic life – the point at which the annual lifecycle cost to replace a system is less than the cost to maintain the current system until system failure – into the annual operating budget for repairs and maintenance. It also pushes inevitable systems replacement costs out to a future year. A deferred maintenance project which experiences construction inflation or building system failure will cost more. Building system failures that lead to additional system failures or loss of building use become much more expensive to the State.

The State Architect identifies an industry standard reinvestment rate of 3.0 to 4.0 percent of the current replacement value (CRV) of a building inventory to maintain conditions that prevent deterioration. The State Architect recommends a goal of funding 1.0 percent of the CRV of State buildings for controlled maintenance and an additional 1.0 to 3.0 percent of CRV for capital renewal and renovation. The following chart reflects actual controlled maintenance (CM) funding compared to CRV.



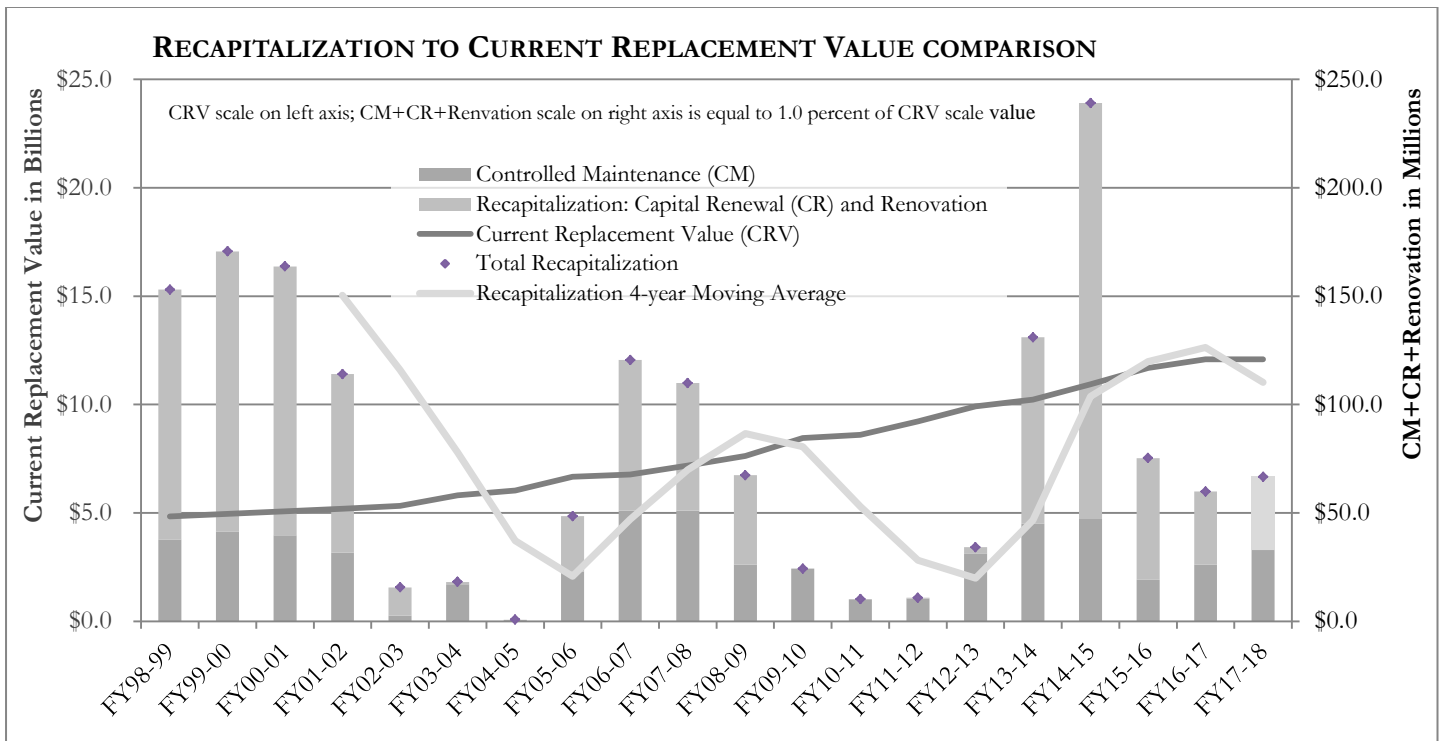
The CRV scale, represented in billions, is shown on the left side of the chart, while the CM scale, represented in millions, is shown on the right side of the chart. The CM scale is set equal to 1.0 percent of the CRV scale – equal to the State Architect's recommendation. Controlled maintenance spending in any year that is equal to 1.0 percent of current replacement value would be reflected as exactly equal to CRV in the chart. While increasing CRV is creating an increasing gap between CRV and CM over the years shown, the CM linear trend line indicates that spending on controlled maintenance has remained relatively flat over this period.

Statewide controlled maintenance funding varies from year to year, but has trended relatively flat since FY 1998-99. The flat trend line over time compares to the total insured current replacement value of state buildings which has been increasing. That increase reflects a steady growth in gross square footage (GSF) of state buildings along with an increasing value of real property.

## CAPITAL RENEWAL, RENOVATION, AND RECAPITALIZATION FUNDING

*Capital renewal* is defined in Section 24-30-1301 (3), C.R.S., as a controlled maintenance project or group of projects with costs exceeding two million dollars in a fiscal year. *Renovation* projects are typically identified as capital construction rather than capital renewal because they include improvement in program space and may also include space additions. While new space in a renovation project is properly characterized as "new construction", a renovation project will include replacement of existing building systems or subsystems that would otherwise require replacement through controlled maintenance.

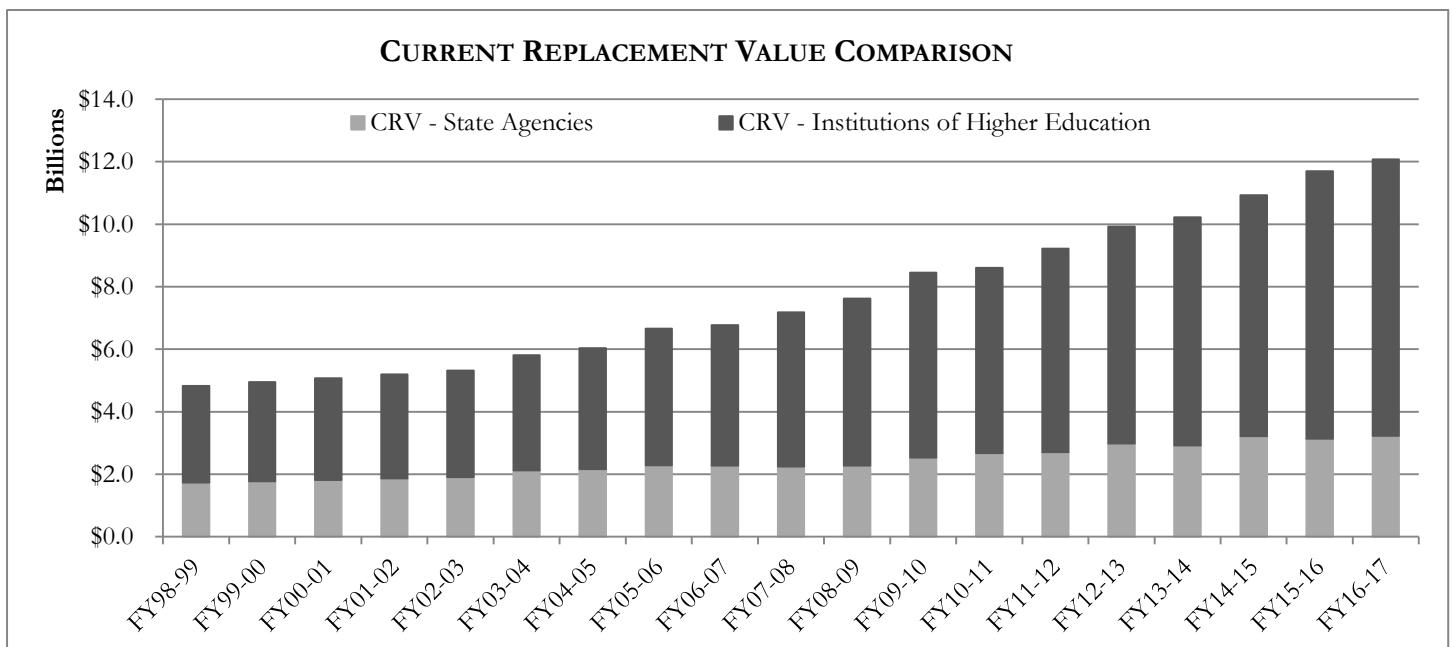
The term *recapitalization* can be used generally to describe controlled maintenance and capital renewal for recapitalizing the existing building stock, and therefore may encompass renovation. Recapitalization, funded in the capital budget, is best understood as the *replacement* of building systems or subsystems rather than *repair* or *maintenance*. While the terms *repair* and *maintenance* are sometimes used in connection with controlled maintenance projects, ongoing repair and maintenance of systems or subsystems are typically provided by day-to-day facilities management operations and paid for within the annual facility operating cost for a building. Repair and maintenance is an annual process, while recapitalization provides benefits expected to last beyond a year. As a result, repair and maintenance are paid for out of the facilities maintenance operating budget rather than the capital budget. The following chart reflects all recapitalization funding compared to current replacement value.



The 4-year moving average indicates that since FY 2014-15, recapitalization has averaged close to 1.0 percent of current replacement value.

## COMMITMENTS FOR HIGHER EDUCATION CAPITAL CONSTRUCTION

Institutions of Higher Education hold the largest portion of the state's building inventory. The following table outlines the current replacement value of academic buildings at institutions of higher education and all other state agencies since FY 1998-99. The higher education total does not include the value of non-academic buildings which are not provided controlled maintenance funding with state funds.





In FY 2016-17, the current replacement value for state agency buildings totaled \$3.2 billion, while the current replacement value for institutions of higher education totaled \$8.8 billion, representing 26.8 percent and 73.2 percent of the state building inventory, respectively. In FY 1998-99, the current replacement values totaled \$1.7 billion and \$3.1 billion, respectively, representing 35.9 percent and 64.1 percent shares. The state agency building inventory increased 86.6 percent over the 19-year period shown in the chart, an average of 4.8 percent per year, while the institutions of higher education building inventory increased 185.7 percent over that period, an average of 10.3 percent per year. Gross square footage increased 27.9 percent and 50.6 percent over that period for state agency and institution of higher education buildings, respectively; an average increase in gross square footage of 1.5 percent and 2.8 percent per year, respectively.

While controlled maintenance is provided for state agency buildings and institution of higher education academic buildings after 15 years, S.B. 17-267 eliminates state-provided controlled maintenance funding for institution of higher education academic buildings which are solely funded by cash funds (any non-state funds). Nevertheless, as illustrated in the chart, approximately \$5.5 billion in academic building inventory by institutions of higher education was added over the last 15 years and those buildings will remain eligible for state-funded controlled maintenance.

## APPROPRIATION HIGHLIGHTS - 2017 LEGISLATIVE SESSION

CAPITAL CONSTRUCTION						
	TOTAL FUNDS	CAPITAL CONSTRUCTION FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$239,086,768	\$115,569,901	\$108,931,647	\$0	\$14,585,220	0.0
SB 17-172	8,656,810	2,316,656	990,751	766,231	4,583,172	0.0
<b>TOTAL</b>	<b>\$247,743,578</b>	<b>\$117,886,557</b>	<b>\$109,922,398</b>	<b>\$766,231</b>	<b>\$19,168,392</b>	<b>0.0</b>
FY 2017-18 APPROPRIATION BY CATEGORY:						
Controlled Maintenance	33,405,980	32,791,965	148,750	0	465,265	0.0
Capital Renewal and Recapitalization	58,355,913	33,844,380	24,511,533	0	0	0.0
Capital Expansion	32,829,546	5,420,468	17,409,078	10,000,000	0	0.0
Information Technology Projects	58,800,059	19,855,515	27,110,068	0	11,834,476	0.0
<b>SB 17-254</b>	<b>\$183,391,498</b>	<b>\$91,912,328</b>	<b>\$69,179,429</b>	<b>\$10,000,000</b>	<b>\$12,299,741</b>	<b>0.0</b>
<b>TOTAL</b>	<b>\$183,391,498</b>	<b>\$91,912,328</b>	<b>\$69,179,429</b>	<b>\$10,000,000</b>	<b>\$12,299,741</b>	<b>0.0</b>
FY 2017-18 APPROPRIATION BY PROJECT:						
<b>Controlled Maintenance</b>						0.0
Level 1 Controlled Maintenance	\$31,257,230	\$30,791,965	\$0	\$0	\$465,265	0.0
HED: WSCU Replace Heating System, Paul Wright Gymnasium	1,148,750	1,000,000	148,750	0	0	0.0
PER: Restore Windows and Granite Exterior, State Capitol Building	1,000,000	1,000,000	0	0	0	0.0
<b>Subtotal - Controlled Maintenance</b>	<b>\$33,405,980</b>	<b>\$32,791,965</b>	<b>\$148,750</b>	<b>\$0</b>	<b>\$465,265</b>	<b>0.0</b>
<b>Capital Renewal and Recapitalization</b>						
DNR: Parks - Park Infrastructure and Facilities	\$16,607,200	\$0	\$16,607,200	\$0	\$0	0.0
OIT: Public Safety Communication Network Microwave Infrastructure Replacement	10,316,372	10,316,372	0	0	0	0.0
PER: Replace/Restore Roof, State Capitol Building	6,069,053	6,069,053	0	0	0	0.0
DHS: DYC Facility Refurbishment	5,517,550	5,517,550	0	0	0	0.0
DOC: Limon Hot Water Loop Replacement	4,488,518	4,488,518	0	0	0	0.0
HED: CSM Green Center Roof Replacement (Capital Renewal)	3,816,415	1,908,207	1,908,208	0	0	0.0
DNR: Wildlife - Infrastructure and Real Property	3,633,200	0	3,633,200	0	0	0.0

CAPITAL CONSTRUCTION						
	TOTAL FUNDS	CAPITAL CONSTRUCTION FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>Maintenance</b>						
DMVA: Grand Junction Veterans One Stop Remodel	3,509,650	3,509,650	0	0	0	0.0
DPS: CSP King Air Engine Replacement	1,535,030	1,535,030	0	0	0	0.0
DHS: Regional Center Capital Improvements	1,002,925	0	1,002,925	0	0	0.0
HistCO: Regional Property Preservation Projects	700,000	0	700,000	0	0	0.0
DOC: CCI Small Projects	660,000	0	660,000	0	0	0.0
TRA: Highway Construction Projects	500,000	500,000	0	0	0	0.0
<b>Subtotal - Capital Renewal and Recapitalization</b>	<b>\$58,355,913</b>	<b>\$33,844,380</b>	<b>\$24,511,533</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>Capital Expansion</b>						
AGR: Office Consolidation Phase II	\$16,709,078	\$0	\$6,709,078	\$10,000,000	\$0	0.0
DNR: Wildlife - Land and Water Acquisitions	9,300,000	0	9,300,000	0	0	0.0
DHS: CMHIP Hawkins Building L2 Unit	5,420,468	5,420,468	0	0	0	0.0
DNR: Parks - Land and Water Acquisitions	1,400,000	0	1,400,000	0	0	0.0
<b>Subtotal - Capital Expansion</b>	<b>\$32,829,546</b>	<b>\$5,420,468</b>	<b>\$17,409,078</b>	<b>\$10,000,000</b>	<b>\$0</b>	<b>0.0</b>
<b>Information Technology Projects</b>						
CDLE: Unemployment Insurance Mainframe Migration and Modernization	\$26,213,480	\$0	\$26,213,480	\$0	\$0	0.0
DOC: DeCORuM Offender Management Information System	12,610,083	12,610,083	0	0	0	0.0
DHS: Information Technology Systems Interoperability	9,288,520	928,852	0	0	8,359,668	0.0
DHS: Child Welfare Case Management System Replacement	6,749,617	3,374,809	0	0	3,374,808	0.0
DHS: Regional Center Electronic Health Record System	2,342,771	2,342,771	0	0	0	0.0
CDPHE: Online Permitting System	996,588	0	896,588	0	100,000	0.0
HED: CSU-P Data Center Infrastructure	599,000	599,000	0	0	0	0.0
<b>Subtotal - Information Technology Projects</b>	<b>\$58,800,059</b>	<b>\$19,855,515</b>	<b>\$27,110,068</b>	<b>\$0</b>	<b>\$11,834,476</b>	<b>0.0</b>
<b>TOTAL</b>	<b>\$183,391,498</b>	<b>\$91,912,328</b>	<b>\$69,179,429</b>	<b>\$10,000,000</b>	<b>\$12,299,741</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$64,352,080)</b>	<b>(\$25,974,229)</b>	<b>(\$40,742,969)</b>	<b>\$9,233,769</b>	<b>(\$6,868,651)</b>	<b>0.0</b>
Percentage Change	(26.0%)	(22.0%)	(37.1%)	1,205.1%	(35.8%)	n/a

## FY 2016-17 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 17-172 adds \$8,656,810 total funds, including increases of \$2,316,656 Capital Construction Fund, \$990,751 cash funds, \$766,231 reappropriated funds, and \$4,583,172 federal funds, for mid-year adjustments to FY 2016-17 capital construction appropriations. Changes include:

- An increase of \$2,417,830 total funds, including \$1,351,599 Capital Construction Fund, \$300,000 cash funds from a Capitol Complex Utilities reversion in FY 2015-16, and \$766,231 reappropriated funds from unexpended controlled maintenance appropriations, to replace the cooling fan in the Capitol Annex building for Capitol Complex in the Department of Personnel;
- An increase of \$120,000 Capital Construction Fund for the replacement of shower fixtures in two of three buildings in Pueblo for the Suicide Risk Mitigation project for Human Services;
- An increase of \$110,000 cash funds spending authority from institutional reserves to replace the roof in the Community Medical Plaza building for the Health Science Nurse Practitioner project at Colorado Mesa University;

- An increase of \$4,170,725 federal funds from the Child Care Development Fund and Race to the Top money for the Department of Human Services to complete the Child Care Automated Tracking System (CHATS) replacement project;
- An increase of \$845,057 Capital Construction Fund for additional database licenses for the Department of Corrections' integrated offender management system and electronic health record system currently under development;
- An increase of \$412,447 federal funds from grants from the U.S. Department of Health and Human Services to purchase an off-the-shelf Laboratory Information Management System (LIMS) to replace the existing Laboratory Information Tracking System (LITS) used by the Department of Public Health and Environment;
- An increase of \$295,751 cash funds from existing institutional funds for the Community College of Denver to upgrade data security, fiber cabling, and video conferencing systems; and
- An increase of \$285,000 cash funds to configure and deploy a consolidated system for licensing and inspection activities conducted by the Department of Agriculture.

## FY 2017-18 APPROPRIATION HIGHLIGHTS BY CATEGORY

**CONTROLLED MAINTENANCE:** The appropriation includes \$33,405,980 total funds, including \$32,791,965 Capital Construction Fund, \$148,750 cash funds, and \$465,265 federal funds, for 35 Level 1 controlled maintenance projects and the Controlled Maintenance Emergency Account and two additional controlled maintenance projects which were separately requested as capital construction requests outside of the State Architect's controlled maintenance recommendation list.

**CAPITAL RENEWAL AND RECAPITALIZATION:** The appropriation includes \$58,355,913 total funds, including \$33,844,380 Capital Construction Fund and \$24,511,533 cash funds, for eight state-funded and five cash-funded capital renewal and recapitalization projects.

**CAPITAL EXPANSION:** The appropriation includes \$32,829,546 total funds, including \$5,420,468 Capital Construction Fund, \$17,409,078 cash funds, and \$10,000,000 reappropriated funds for one state-funded and three cash-funded new building or other capital expansion projects.

**INFORMATION TECHNOLOGY PROJECTS:** The appropriation includes \$58,800,059 total funds, including \$19,855,515 Capital Construction Fund from the Information Technology Capital Account within the Capital Construction Fund, \$27,110,068 cash funds, and \$11,834,476 federal funds for five state-funded and two cash- and federal-funded information technology projects.

## FY 2017-18 APPROPRIATION HIGHLIGHTS BY PROJECT

**LEVEL 1 CONTROLLED MAINTENANCE:** The appropriation adds \$30,791,965 Capital Construction Fund for 35 controlled maintenance projects for state agencies and institutions of higher education and \$3.0 million for the State Architect's emergency controlled maintenance account.

**HED: WSCU REPLACE HEATING SYSTEM, PAUL WRIGHT GYMNASIUM:** The appropriation adds \$1,148,750 total funds including \$1,000,000 Capital Construction Fund for this controlled maintenance project at Western State Colorado University.

**PER: RESTORE WINDOWS AND GRANITE EXTERIOR, STATE CAPITOL BUILDING:** The appropriation adds \$1,000,000 Capital Construction Fund originating as a cash funds transfer from the State Historical Fund for this controlled maintenance project in Capitol Complex.

**DNR: PARKS – PARK INFRASTRUCTURE AND FACILITIES:** The appropriation adds \$16,607,200 cash funds including \$8.8 million from lottery proceeds, \$7.5 million from Great Outdoors Colorado (GOCO), and \$300,000 from the Highway Users Tax Fund (HUTF) for State Parks recapitalization projects.

**OIT: PUBLIC SAFETY COMMUNICATION NETWORK MICROWAVE INFRASTRUCTURE REPLACEMENT:** The appropriation adds \$10,316,372 Capital Construction Fund for this multi-year project.

**PER: REPLACE/RESTORE ROOF, STATE CAPITOL BUILDING:** The appropriation adds \$6,069,053 Capital Construction Fund for this multi-year capital renewal project in Capitol Complex.

**DHS: DYC FACILITY REFURBISHMENT:** The appropriation adds \$5,517,550 Capital Construction Fund for this recapitalization project for Division of Youth Corrections (DYC) facilities for safety, risk mitigation, and modernization.

**DOC: LIMON HOT WATER LOOP REPLACEMENT:** The appropriation adds \$4,488,518 Capital Construction Fund for this capital renewal project at the Limon Correctional Facility.

**HED: CSM GREEN CENTER ROOF REPLACEMENT (CAPITAL RENEWAL):** The appropriation adds \$3,816,415 total funds including \$1,908,207 Capital Construction Fund and \$1,908,208 cash funds for this multi-year capital renewal project at the Colorado School of Mines.

**DNR: WILDLIFE – INFRASTRUCTURE AND REAL PROPERTY MAINTENANCE:** The appropriation adds \$3,633,200 cash funds from the Wildlife Cash Fund for Wildlife Areas' recapitalization projects.

**DMVA: GRAND JUNCTION VETERANS ONE-STOP REMODEL:** The appropriation adds \$3,509,650 Capital Construction Fund for the remodel of the vacant Grand Junction Army National Guard Armory building to host several veterans service providers in a single location to serve Western Slope veterans.

**DPS: CSP KING AIR ENGINE REPLACEMENT:** The appropriation adds \$1,535,030 Capital Construction Fund for this Colorado State Patrol (CSP) recapitalization project to replace the engines on the CSP's King Air aircraft.

**DHS: REGIONAL CENTER CAPITAL IMPROVEMENTS:** The appropriation adds \$1,002,925 cash funds from the Regional Center Depreciation Account within the Capital Construction Fund for regional centers' recapitalization projects.

**HISTCO: REGIONAL PROPERTY PRESERVATION PROJECTS:** The appropriation adds \$700,000 cash funds, including \$600,000 from limited gaming revenues and \$100,000 from revenue generated at community museums and historic sites for ongoing preservation projects at History Colorado museums and historic sites.

**DOC: CCI SMALL PROJECTS:** The appropriation adds \$660,000 cash funds from sales revenue earned by Correctional Industries (CCI) for CCI small capital projects.

**TRA: HIGHWAY CONSTRUCTION PROJECTS:** The appropriation adds \$500,000 Capital Construction Fund for this item funded annually since FY 2010-11 with Referendum C, General Fund Exempt funds.

**AGR: OFFICE CONSOLIDATION PHASE II:** The appropriation adds \$16,709,078 total funds including \$6,709,078 cash funds from the Agriculture Management Fund and \$10,000,000 reappropriated funds from money received from the Department of Revenue from the Marijuana Cash Fund.

**DNR: WILDLIFE – LAND AND WATER ACQUISITIONS:** The appropriation adds \$9,300,000 cash funds, including \$5.5 million from the Wildlife Cash fund and \$3.8 million from GOCO for Wildlife Areas' acquisitions.

**DHS: CMHIP HAWKINS BUILDING L2 UNIT:** The appropriation adds \$5,420,468 Capital Construction Fund for a building addition to the Hawkins Building, formerly known as the High Security Forensics Institute, at the Colorado Mental Health Institute at Pueblo (CMHIP).

**DNR: PARKS – LAND AND WATER ACQUISITIONS:** The appropriation adds \$1,400,000 cash funds, including \$1,160,000 from GOCO and \$240,000 from lottery proceeds for State Parks' acquisitions.

**CDLE: UNEMPLOYMENT INSURANCE MAINFRAME MIGRATION AND MODERNIZATION:** The appropriation includes \$26,213,480 cash funds for FY 2017-18 to complete the second, and final, phase of migrating the current benefits and employer premium systems onto a modernized computer platform.

**DOC: DECORUM OFFENDER MANAGEMENT INFORMATION SYSTEM:** The appropriation includes \$12,610,083 Capital Construction Fund for FY 2017-18 to complete the third, and final, phase of implementing an integrated offender management system and electronic health record system. The new system will be deployed within the Department of Corrections' 20 facilities, the Division of Parole, Parole Board, private prison partners, community corrections, and the Department's headquarters office.

**DHS: INFORMATION TECHNOLOGY SYSTEMS INTEROPERABILITY:** The appropriation includes \$9,288,520 total funds, including \$928,852 Capital Construction Fund, for FY 2017-18 for the third phase of a five phase project to standardize all existing information technology systems the agency uses in an effort to allow the data contained in the systems to be made available without removing the data from the core systems.

**DHS: CHILD WELFARE CASE MANAGEMENT SYSTEM REPLACEMENT:** The appropriation includes \$6,749,617 total funds, including \$3,374,809 Capital Construction Fund, for FY 2017-18 for the third, and final, phase of a project intended to make changes to the existing child welfare case management system, known as Trails. This modernization effort will make Trails more mobile-friendly for case workers, better able to integrate data from a variety of sources into a case file, and easier for users to interface with for different purposes based on agency or job-specific tasks.

**DHS: REGIONAL CENTER ELECTRONIC HEALTH RECORD SYSTEM:** The appropriation includes \$2,342,771 Capital Construction Fund for FY 2017-18 to implement an electronic health record system at the Department of Human Services' regional centers for individuals with intellectual and developmental disabilities.

**CDPHE: ONLINE PERMITTING SYSTEM (CIMPLE):** The appropriation includes \$996,588 total funds, including \$896,588 cash funds and \$100,000 federal funds, for FY 2017-18 for the Department of Public Health and Environment to move from the pilot phase of an online permitting system for environmental programs to full implementation. The Customer Interface Modernization for a Lean Environment (CIMPLE) project aims to allow the regulated community to submit environmental permit applications online.

**CSU-PUEBLO: DATA CENTER INFRASTRUCTURE:** The appropriation includes \$599,000 Capital Construction Fund for FY 2017-18 to upgrade data center infrastructure. The upgrade includes a new air cooling system to eliminate the risk of system outages.

# **PART III**

## **DEPARTMENT DETAILS**

# Details

## DEPARTMENT OF AGRICULTURE

### FY 2016-17 AND FY 2017-18 APPROPRIATIONS BY DIVISION AND BILL

DEPARTMENT OF AGRICULTURE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2016-17 TOTAL APPROPRIATION:</b>	<b>\$50,007,210</b>	<b>\$10,753,079</b>	<b>\$32,772,130</b>	<b>\$2,371,548</b>	<b>\$4,110,453</b>	<b>291.4</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
Commissioner's Office and Administrative Services	12,377,230	3,319,198	7,265,272	1,527,548	265,212	18.7
Agricultural Services	16,349,097	4,537,885	8,601,922	799,000	2,410,290	140.2
Agricultural Markets Division	4,867,228	699,841	3,194,217	45,000	928,170	41.4
Brand Board	4,298,871	0	4,298,871	0	0	59.0
Colorado State Fair	9,961,848	1,000,000	8,961,848	0	0	26.9
Conservation Board	2,152,936	1,196,155	450,000	0	506,781	5.2
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
HB 16-1405	\$50,003,410	\$10,753,079	\$32,768,330	\$2,371,548	\$4,110,453	291.4
SB 16-058	3,800	0	3,800	0	0	0.0
<b>FY 2017-18 TOTAL APPROPRIATION:</b>	<b>\$50,246,919</b>	<b>\$10,506,004</b>	<b>\$33,408,408</b>	<b>\$2,371,548</b>	<b>\$3,960,959</b>	<b>291.4</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
Commissioner's Office and Administrative Services	12,613,677	3,072,123	7,828,288	1,527,548	185,718	18.7
Agricultural Services	16,349,097	4,537,885	8,671,922	799,000	2,340,290	140.2
Agricultural Markets Division	4,869,403	699,841	3,196,392	45,000	928,170	41.4
Brand Board	4,299,958	0	4,299,958	0	0	59.0
Colorado State Fair	9,961,848	1,000,000	8,961,848	0	0	26.9
Conservation Board	2,152,936	1,196,155	450,000	0	506,781	5.2
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
SB 17-254	\$50,246,919	\$10,506,004	\$33,408,408	\$2,371,548	\$3,960,959	291.4
<b>INCREASE/(DECREASE)</b>	<b>\$239,709</b>	<b>(\$247,075)</b>	<b>\$636,278</b>	<b>\$0</b>	<b>(\$149,494)</b>	<b>0.0</b>
Percentage Change	0.5%	(2.3%)	1.9%	0.0%	(3.6%)	0.0%

**INFORMATIONAL FUNDS:** The FY 2017-18 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Agriculture are annotated with the "(I)". For additional information, see Appendix E.

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2017-18 Appropriations containing an (I) notation	\$5,912,392	\$0	\$1,951,433	\$0	\$3,960,959

## DETAIL OF APPROPRIATION BY ADMINISTRATIVE SECTION

### COMMISSIONER'S OFFICE AND ADMINISTRATIVE SERVICES

The Commissioner's Office, in conjunction with the Colorado Agricultural Commission, is responsible for the development and implementation of agricultural policies throughout Colorado. The Administrative Services section provides administrative and technical support for Department programs including accounting, budgeting, and human resources. Funding sources for this division include General Fund, various cash funds, and federal grants. Reappropriated funds are received from various cash funds within the Department for centrally appropriated line items.

COMMISSIONER'S OFFICE AND ADMINISTRATIVE SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$12,373,430	\$3,319,198	\$7,261,472	\$1,527,548	\$265,212	18.7
SB 16-058	3,800	0	3,800	0	0	0.0
<b>TOTAL</b>	<b>\$12,377,230</b>	<b>\$3,319,198</b>	<b>\$7,265,272</b>	<b>\$1,527,548</b>	<b>\$265,212</b>	<b>18.7</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$12,377,230	\$3,319,198	\$7,265,272	\$1,527,548	\$265,212	18.7
Centrally appropriated line items	232,644	(250,878)	563,016	0	(79,494)	0.0
Annualize prior year budget actions	3,803	3,803	0	0	0	0.0
<b>SB 17-254</b>	<b>\$12,613,677</b>	<b>\$3,072,123</b>	<b>\$7,828,288</b>	<b>\$1,527,548</b>	<b>\$185,718</b>	<b>18.7</b>
<b>TOTAL</b>	<b>\$12,613,677</b>	<b>\$3,072,123</b>	<b>\$7,828,288</b>	<b>\$1,527,548</b>	<b>\$185,718</b>	<b>18.7</b>
<b>INCREASE/(DECREASE)</b>	<b>\$236,447</b>	<b>(\$247,075)</b>	<b>\$563,016</b>	<b>\$0</b>	<b>(\$79,494)</b>	<b>0.0</b>
Percentage Change	1.9%	(7.4%)	7.7%	0.0%	(30.0%)	0.0%

### FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; salary survey; merit pay; workers' compensation; administrative law judge services; legal services; payment to risk management and property funds; payments to the Governor's Office of Information Technology (OIT); and CORE operations.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes an increase of \$3,803 General Fund to annualize FY 2016-17 salary survey increases.

### AGRICULTURAL SERVICES

This section includes four major Department program areas administered by their respective divisions:

- *ANIMAL INDUSTRY DIVISION* programs monitor the health of livestock and other animals used in various agricultural fields; prevent and control livestock disease; license and inspect pet animal facilities; implement pest control; and investigate animal cruelty claims.



- *PLANT INDUSTRY DIVISION* programs manage statewide pest control programs; register pesticides and pesticide applicators; inspect plants and plant byproducts intended for domestic use or international export; oversee the organic certification program; and inspect nursery stock for quality and health.
- *INSPECTION AND CONSUMER SERVICES DIVISION* programs ensure compliance with product quality standards through licensing and inspection, the certification of large and small commercial weights and measurements devices, and analysis of fertilizer and animal feed for chemical contaminants.
- *CONSERVATION SERVICES DIVISION* programs provide technical and financial support, leadership, statewide coordination, and regulatory oversight to public and private landowners on an array of natural resource management challenges including noxious weed management and biological pest control.

The primary source of revenue supporting appropriations for these divisions is from license and inspection fees, which are credited to several cash funds, as well as General Fund.

AGRICULTURAL SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$16,349,097	\$4,537,885	\$8,601,922	\$799,000	\$2,410,290	140.2
<b>TOTAL</b>	<b>\$16,349,097</b>	<b>\$4,537,885</b>	<b>\$8,601,922</b>	<b>\$799,000</b>	<b>\$2,410,290</b>	<b>140.2</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$16,349,097	\$4,537,885	\$8,601,922	\$799,000	\$2,410,290	140.2
Indirect cost assessment	0	0	70,000	0	(70,000)	0.0
<b>SB 17-254</b>	<b>\$16,349,097</b>	<b>\$4,537,885</b>	<b>\$8,671,922</b>	<b>\$799,000</b>	<b>\$2,340,290</b>	<b>140.2</b>
<b>TOTAL</b>	<b>\$16,349,097</b>	<b>\$4,537,885</b>	<b>\$8,671,922</b>	<b>\$799,000</b>	<b>\$2,340,290</b>	<b>140.2</b>
<b>INCREASE/(DECREASE)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$70,000</b>	<b>\$0</b>	<b>(\$70,000)</b>	<b>0.0</b>
Percentage Change	0.0%	0.0%	0.8%	0.0%	(2.9%)	0.0%

#### FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**INDIRECT COST ASSESSMENT:** The appropriation includes a net zero adjustment to the Department's indirect cost assessments, with a \$70,000 increase in cash funds and an equivalent decrease in federal funds.

#### AGRICULTURAL MARKETS DIVISION

The Agricultural Markets Division is organized into two subdivisions:

- The *AGRICULTURAL MARKETS* subdivision provides support and marketing assistance to Colorado's agricultural businesses competing in local, national, and international arenas by coordinating market orders, promoting Colorado agricultural products, and assisting start-up or expanding food processing companies within the state. The primary sources of funding are the Wine Industry Development Cash Fund, the Agriculture Value-Added Development Cash Fund, and General Fund.

- The *AGRICULTURAL PRODUCTS INSPECTION* subdivision administers the agricultural products inspection program, which performs mandatory and non-mandatory inspections to determine the grade, size, and quality of fruits and vegetables. This subdivision receives \$200,000 General Fund in addition to cash funds from agricultural products inspection fees.

AGRICULTURAL MARKETS DIVISION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$4,867,228	\$699,841	\$3,194,217	\$45,000	\$928,170	41.4
<b>TOTAL</b>	<b>\$4,867,228</b>	<b>\$699,841</b>	<b>\$3,194,217</b>	<b>\$45,000</b>	<b>\$928,170</b>	<b>41.4</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$4,867,228	\$699,841	\$3,194,217	\$45,000	\$928,170	41.4
Annualize prior year budget actions	2,175	0	2,175	0	0	0.0
<b>SB 17-254</b>	<b>\$4,869,403</b>	<b>\$699,841</b>	<b>\$3,196,392</b>	<b>\$45,000</b>	<b>\$928,170</b>	<b>41.4</b>
<b>TOTAL</b>	<b>\$4,869,403</b>	<b>\$699,841</b>	<b>\$3,196,392</b>	<b>\$45,000</b>	<b>\$928,170</b>	<b>41.4</b>
<b>INCREASE/(DECREASE)</b>	<b>\$2,175</b>	<b>\$0</b>	<b>\$2,175</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%

#### FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes an increase of \$2,175 cash funds to annualize FY 2016-17 salary survey increases.

## BRAND BOARD

The Brand Board serves the livestock industry and assists the public with problems related to livestock management. This division administers and records livestock brands and inspects cattle, horse, and alternative livestock brands (such as deer and elk) to verify ownership at the time of sale, transport, or slaughter. The Brand Board is cash funded from the Brand Inspection Fund and the Alternative Livestock Farm Cash Fund. Pursuant to Section 35-41-101 (5)(a), C.R.S., the Brand Board constitutes an enterprise for the purposes of Section 20 of Article X of the State Constitution (TABOR).

BRAND BOARD						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$4,298,871	\$0	\$4,298,871	\$0	\$0	59.0
<b>TOTAL</b>	<b>\$4,298,871</b>	<b>\$0</b>	<b>\$4,298,871</b>	<b>\$0</b>	<b>\$0</b>	<b>59.0</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$4,298,871	\$0	\$4,298,871	\$0	\$0	59.0
Annualize prior year budget actions	1,087	0	1,087	0	0	0.0
<b>SB 17-254</b>	<b>\$4,299,958</b>	<b>\$0</b>	<b>\$4,299,958</b>	<b>\$0</b>	<b>\$0</b>	<b>59.0</b>
<b>TOTAL</b>	<b>\$4,299,958</b>	<b>\$0</b>	<b>\$4,299,958</b>	<b>\$0</b>	<b>\$0</b>	<b>59.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$1,087</b>	<b>\$0</b>	<b>\$1,087</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	0.0%	n/a	0.0%	n/a	n/a	0.0%

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes an increase of \$1,087 cash funds to annualize FY 2016-17 salary survey increases.

### COLORADO STATE FAIR

The Colorado State Fair Authority, administered by an eleven-member board, plans and operates the annual fair event, as well as non-fair events held at the fairgrounds during the rest of the year. The State Fair is designated as a Type 1 agency pursuant to Section 35-65-401 (1)(a), C.R.S., and is almost entirely cash funded from the Colorado State Fair Authority Cash Fund and the Agriculture Management Fund. Revenue is from fees collected during the State Fair and from other non-fair events. These fees fund personal services and operating expenses. The State Fair receives \$1.0 million General Fund for Future Farmers of America and 4-H program support, program costs, and facility maintenance. Attendance for the 2016 State Fair was 466,576.

COLORADO STATE FAIR						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$9,961,848	\$1,000,000	\$8,961,848	\$0	\$0	26.9
<b>TOTAL</b>	<b>\$9,961,848</b>	<b>\$1,000,000</b>	<b>\$8,961,848</b>	<b>\$0</b>	<b>\$0</b>	<b>26.9</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$9,961,848	\$1,000,000	\$8,961,848	\$0	\$0	26.9
<b>SB 17-254</b>	<b>\$9,961,848</b>	<b>\$1,000,000</b>	<b>\$8,961,848</b>	<b>\$0</b>	<b>\$0</b>	<b>26.9</b>
<b>TOTAL</b>	<b>\$9,961,848</b>	<b>\$1,000,000</b>	<b>\$8,961,848</b>	<b>\$0</b>	<b>\$0</b>	<b>26.9</b>
<b>INCREASE/(DECREASE)</b>	\$0	\$0	\$0	\$0	\$0	0.0
Percentage Change	0.0%	0.0%	0.0%	n/a	n/a	0.0%

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**NO CHANGES:** The appropriation does not contain changes from the FY 2016-17 appropriation.

### CONSERVATION BOARD

The Conservation Board is responsible for providing administrative and fiscal oversight to Colorado's 77 conservation districts. The Board also coordinates federal programs related to natural resource issues, provides guidance on stream bank erosion, and assists farmers and ranchers in implementing a variety of water and energy practices. The primary sources of funding are General Fund, federal grant dollars from the U.S. Department of Agriculture Natural Resources Conservation Service, and cash funds transferred from the Severance Tax Operational Fund.

## CONSERVATION BOARD

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$2,152,936	\$1,196,155	\$450,000	\$0	\$506,781	5.2
<b>TOTAL</b>	<b>\$2,152,936</b>	<b>\$1,196,155</b>	<b>\$450,000</b>	<b>\$0</b>	<b>\$506,781</b>	<b>5.2</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$2,152,936	\$1,196,155	\$450,000	\$0	\$506,781	5.2
<b>SB 17-254</b>	<b>\$2,152,936</b>	<b>\$1,196,155</b>	<b>\$450,000</b>	<b>\$0</b>	<b>\$506,781</b>	<b>5.2</b>
<b>TOTAL</b>	<b>\$2,152,936</b>	<b>\$1,196,155</b>	<b>\$450,000</b>	<b>\$0</b>	<b>\$506,781</b>	<b>5.2</b>
<b>INCREASE/(DECREASE)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	0.0%	0.0%	0.0%	n/a	0.0%	0.0%

### FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**NO CHANGES:** The appropriation does not contain changes from the FY 2016-17 appropriation.

## RECENT LEGISLATION

### 2016 SESSION BILLS

**S.B. 16-015 (RULES FOR ALLOWED MARIJUANA PESTICIDES):** Requires the Department to promulgate rules to designate criteria that identify pesticides that may be used in the cultivation of retail marijuana. The Department is required to publish a list of pesticides that meet the criteria on its website.

**S.B. 16-058 (CO FARM TO CONSUMER SALES):** Modifies the "Colorado Cottage Foods Act," which allows homemade food producers to sell certain food products directly to consumers. Eliminates the tiered system and the State Board of Health's authority to make rules governing the production of tier two foods, which currently consist of pickled vegetables. Expands the type of foods that may be sold by producers under the Cottage Foods Act to include other non-potentially hazardous foods and encourages, rather than mandates, a producer to take a food safety course. Expands the provisions of the Custom Processing of Meat Animals Act, which regulates the slaughter and processing of certain animals for human consumption, to include the processing of poultry, and exempts producers who raise and slaughter up to 1,000 poultry each calendar year from the provisions of the act. For FY 2016-17, appropriates \$3,800 cash funds to the Division of Inspections and Consumer Services and \$3,800 reappropriated funds to the Department of Law for the provision of legal services.

**H.B. 16-1163 (APPROPRIATIONS FROM NOXIOUS WEED MANAGEMENT FUND):** Specifies that all state money in the Noxious Weed Management Fund are subject to annual appropriations and that any unexpended and unencumbered money from an appropriation from the fund remain available for expenditure by the Department in the next fiscal year without further appropriation.

**H.B. 16-1194 (INCOME TAX DEDUCTION FOR LEASING OUT AG ASSET):** Creates an income tax deduction for taxpayers that lease an agricultural asset, defined as land, crops, livestock, livestock facilities, farm equipment, grain storage, or irrigation equipment, to a beginning farmer or rancher satisfying certain qualifications. The deduction is available for tax years 2017 through 2019 and is equal to 20.0 percent of the lease payment received from the beginning farmer or rancher for a lease of agricultural assets with a term of at least three years. Deductions are capped at \$25,000 per taxpayer per tax year.

**H.B. 16-1405 (LONG BILL):** General appropriations act for FY 2016-17.

**H.B. 16-1460 (DOA AUTHORITY TO SELL & BUY PROP FOR CONSOLIDATION):** Gives the Department of Agriculture, in consultation with the Office of the State Architect within the Department of Personnel, the authority to sell and acquire real property specified in the bill. Directs the proceeds from the sale of the real property to be deposited in the Agriculture Management Fund and allows the proceeds to be spent for expenses related to the Department's ongoing office consolidation.

## 2017 SESSION BILLS

**S.B. 17-117 (RECOGNIZE INDUSTRIAL HEMP AGRICULTURE PRODUCTION FOR AGRICULTURE WATER RIGHT):** Clarifies that a person with an absolute or conditional water right decreed for agricultural use can use that water for the growth or cultivation of industrial hemp if the water right holder is registered with the Colorado Department of Agriculture to grow industrial hemp for commercial or research and development purposes.

**S.B. 17-254 (LONG BILL):** General appropriations act for FY 2017-18.

**H.B. 17-1197 (EXCLUDE MARIJUANA FROM FARM PRODUCTS DEFINITION):** Excludes marijuana from the definition of farm products in the Colorado Farm Products Act, thereby exempting marijuana businesses from the licensing and bonding requirements of the act.

# Details

## DEPARTMENT OF CORRECTIONS

### FY 2016-17 AND FY 2017-18 APPROPRIATIONS BY DIVISION AND BILL

DEPARTMENT OF CORRECTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2016-17 TOTAL APPROPRIATION:</b>	<b>\$842,703,603</b>	<b>\$751,095,253</b>	<b>\$41,066,811</b>	<b>\$49,183,898</b>	<b>\$1,357,641</b>	<b>6,242.7</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
Management	209,331,686	201,437,184	7,325,048	276,542	292,912	92.9
Institutions	423,691,410	422,058,401	1,488,210	64,799	80,000	4,734.8
Support Services	41,095,525	39,500,590	733,043	861,892	0	241.2
Inmate Programs	43,919,300	40,461,433	1,405,175	1,959,068	93,624	545.7
Community Services	48,177,924	45,949,570	10,000	2,179,256	39,098	427.6
Parole Board	1,688,075	1,688,075	0	0	0	17.5
Correctional Industries	59,758,322	0	15,063,974	43,842,341	852,007	155.0
Canteen Operation	15,041,361	0	15,041,361	0	0	28.0
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
HB 16-1405	\$843,968,585	\$756,408,506	\$39,454,112	\$46,748,326	\$1,357,641	6,241.9
HB 13-1154	76,655	76,655	0	0	0	0.0
SB 14-049	42,968	42,968	0	0	0	0.0
SB 14-092	19,640	19,640	0	0	0	0.0
SB 14-161	19,640	19,640	0	0	0	0.0
SB 14-176	42,968	42,968	0	0	0	0.0
HB 14-1037	21,484	21,484	0	0	0	0.0
SB 15-067	219,576	219,576	0	0	0	0.0
HB 15-1043	2,581,944	2,581,944	0	0	0	0.0
HB 15-1229	22,068	22,068	0	0	0	0.0
HB 15-1305	22,068	22,068	0	0	0	0.0
HB 15-1341	275,849	275,849	0	0	0	0.0
SB 16-102	(721,496)	(721,496)	0	0	0	0.0
SB 16-180	95,504	95,504	0	0	0	0.8
HB 16-1117	24,700	24,700	0	0	0	0.0
HB 16-1406	32,175	32,175	0	0	0	0.0
HB 16-1411	11,875	11,875	0	0	0	0.0
SB 17-159	(6,488,172)	(8,100,871)	1,612,699	0	0	0.0
SB 17-176	2,435,572	0	0	2,435,572	0	0.0
<b>FY 2017-18 TOTAL APPROPRIATION:</b>	<b>\$864,740,250</b>	<b>\$769,192,172</b>	<b>\$39,760,660</b>	<b>\$51,620,128</b>	<b>\$4,167,290</b>	<b>6,247.0</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
Management	221,040,731	214,662,576	5,836,438	248,805	292,912	91.9
Institutions	427,263,651	425,617,521	1,646,130	0	0	4,735.8
Support Services	43,980,321	41,453,991	779,333	1,746,997	0	241.2
Inmate Programs	43,155,679	39,712,856	1,405,175	1,944,090	93,558	549.2
Community Services	48,309,025	46,060,744	10,000	2,199,183	39,098	428.4
Parole Board	1,684,484	1,684,484	0	0	0	17.5
Correctional Industries	64,273,837	0	15,051,062	45,481,053	3,741,722	155.0
Canteen Operation	15,032,522	0	15,032,522	0	0	28.0

DEPARTMENT OF CORRECTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
SB 17-254	\$862,934,388	\$767,386,310	\$39,760,660	\$51,620,128	\$4,167,290	6,246.2
HB 13-1154	76,655	76,655	0	0	0	0.0
SB 14-049	64,452	64,452	0	0	0	0.0
SB 14-176	64,452	64,452	0	0	0	0.0
HB 14-1037	21,484	21,484	0	0	0	0.0
HB 14-1214	20,052	20,052	0	0	0	0.0
SB 15-067	329,363	329,363	0	0	0	0.0
HB 15-1043	6,497,158	6,497,158	0	0	0	0.0
HB 15-1229	22,068	22,068	0	0	0	0.0
HB 15-1305	22,068	22,068	0	0	0	0.0
HB 15-1341	487,701	487,701	0	0	0	0.0
SB 16-142	21,864	21,864	0	0	0	0.0
HB 16-1080	43,727	43,727	0	0	0	0.0
HB 17-1326	(5,865,182)	(5,865,182)	0	0	0	0.8
<b>Increase/(Decrease)</b>	\$22,036,647	\$18,096,919	(\$1,306,151)	\$2,436,230	\$2,809,649	4.3
Percentage Change	2.6%	2.4%	(3.2%)	5.0%	207.0%	0.1%

**INFORMATIONAL FUNDS:** The FY 2017-18 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Corrections are annotated with the "(I)". For additional information, see Appendix J.

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2017-18 Appropriations containing an (I) notation	\$19,199,822	\$0	\$15,032,532	\$0	\$4,167,290

## DETAIL OF APPROPRIATION BY ADMINISTRATIVE SECTION

### MANAGEMENT

The Management Division contains the main departmental management functions including the Executive Director's Office, the External Capacity Subprogram, and the Inspector General Subprogram. The Executive Director's Office provides general administrative oversight for the Department. The External Capacity Subprogram reimburses private prisons, local jails, and Community Return-to-custody Facilities created pursuant to S.B. 03-252 (and repealed by H.B. 17-1326) for housing offenders. The External Capacity Subprogram also monitors private prisons. The Inspector General Subprogram is responsible for investigating crimes in prisons. Cash funds and reappropriated funds are primarily from Correctional Industries and Canteen sales revenue, the State Criminal Alien Assistance Program Cash Fund, the Victims Assistance and Law Enforcement fund, and from revenues received for monitoring private prisons that house out-of-state offenders in Colorado.

MANAGEMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$208,001,237	\$201,639,922	\$5,791,861	\$276,542	\$292,912	92.9
SB 16-102	(721,496)	(721,496)	0	0	0	0.0
SB 16-180	25	25	0	0	0	0.0
HB 16-1117	24,700	24,700	0	0	0	0.0

MANAGEMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 16-1406	32,175	32,175	0	0	0	0.0
SB 17-159	1,995,045	461,858	1,533,187	0	0	0.0
<b>TOTAL</b>	<b>\$209,331,686</b>	<b>\$201,437,184</b>	<b>\$7,325,048</b>	<b>\$276,542</b>	<b>\$292,912</b>	<b>92.9</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$209,331,686	\$201,437,184	\$7,325,048	\$276,542	\$292,912	92.9
Centrally appropriated line items	14,381,555	14,055,991	325,564	0	0	0.0
External capacity	2,115,920	3,930,094	(1,814,174)	0	0	0.0
Community provider rate	1,270,461	1,270,461	0	0	0	0.0
Teachers for restrictive housing	38,148	38,148	0	0	0	0.0
Payments to Department of Human Services	11,866	11,866	0	0	0	0.0
Parole officer retention	10,692	10,692	0	0	0	0.0
Reduced personal services appropriations	(56,487)	(56,487)	0	0	0	0.0
Technical changes	(27,737)	0	0	(27,737)	0	(1.0)
Annualize prior year legislation	(24,650)	(24,650)	0	0	0	0.0
<b>SB 17-254</b>	<b>\$227,051,454</b>	<b>\$220,673,299</b>	<b>\$5,836,438</b>	<b>\$248,805</b>	<b>\$292,912</b>	<b>91.9</b>
HB 17-1326	(6,010,723)	(6,010,723)	0	0	0	0.0
<b>TOTAL</b>	<b>\$221,040,731</b>	<b>\$214,662,576</b>	<b>\$5,836,438</b>	<b>\$248,805</b>	<b>\$292,912</b>	<b>91.9</b>
<b>INCREASE/(DECREASE)</b>	<b>\$11,709,045</b>	<b>\$13,225,392</b>	<b>(\$1,488,610)</b>	<b>(\$27,737)</b>	<b>\$0</b>	<b>(1.0)</b>
Percentage Change	5.6%	6.6%	(20.3%)	(10.0%)	0.0%	(1.1%)

## FY 2016-17 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 17-159 modifies the FY 2016-17 appropriation to:

- Add \$3,530,499 total funds, including \$1,997,312 General Fund, for the external capacity appropriations that pay for the placement of Department of Corrections offenders in private prisons and jails;
- Increase funding for two personal services line items and decrease funding for one for a net General Fund increase of \$1,464,546; and
- Eliminate the \$3,000,000 General Fund appropriation for External Capacity Sustainability, which was added to the FY 2016-17 Long Bill in an unsuccessful effort to keep Kit Carson County Correctional Facility open.

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes the following adjustments to centrally appropriated line items that are appropriated in this Division:

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
COMPENSATION-RELATED COMMON POLICY ADJUSTMENTS						
Salary survey	\$5,710,736	\$5,541,673	\$169,063	\$0	\$0	0.0
Health, life, and dental insurance	3,603,600	3,513,125	90,475	0	0	0.0
Merit pay	2,777,553	2,711,425	66,128	0	0	0.0
Supplemental AED	1,090,738	1,096,650	(5,912)	0	0	0.0
Amortization equalization disbursement (AED)	924,532	935,279	(10,747)	0	0	0.0
Shift differential	184,477	178,863	5,614	0	0	0.0
Short-term disability	10,305	11,442	(1,137)	0	0	0.0
<b>Subtotal - Compensation</b>	<b>\$14,301,941</b>	<b>\$13,988,457</b>	<b>\$313,484</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>



CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
OPERATIONS-RELATED COMMON POLICY ADJUSTMENTS						
Payment to risk management and property funds	\$778,365	\$747,697	\$30,668	0	0	0.0
Leased space	333,311	320,581	12,730	0	0	0.0
Capitol complex leased space	5,184	3,703	1,481	0	0	0.0
Workers' compensation	(1,029,425)	(996,895)	(32,530)	0	0	0.0
Legal services	(7,821)	(7,552)	(269)	0	0	0.0
<b>Subtotal - Operations</b>	<b>\$79,614</b>	<b>\$67,534</b>	<b>\$12,080</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>TOTAL</b>	<b>\$14,381,555</b>	<b>\$14,055,991</b>	<b>\$325,564</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**EXTERNAL CAPACITY:** The appropriation in the Long Bill provides a net total funds increase of \$2,115,920 (\$3,930,094 General Fund) for external capacity, which pays for the placement of DOC inmates and parolees in jails, private prisons, and Community Return-to-custody Facilities, which hold revoked parolees. House Bill 17-1326 further modifies external capacity appropriations.

ADJUSTMENTS TO EXTERNAL CAPACITY APPROPRIATIONS					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
Payments to local jails	\$2,041,037	\$2,041,037	\$0	\$0	\$0
Payments to private prisons	823,732	2,637,906	(1,814,174)	0	0
Payments to Community Return-to-custody Facilities	(748,849)	(748,849)	0	0	0
<b>TOTAL</b>	<b>\$2,115,920</b>	<b>\$3,930,094</b>	<b>(\$1,814,174)</b>	<b>\$0</b>	<b>\$0</b>

**COMMUNITY PROVIDER RATE:** The appropriation includes an increase of \$1,270,461 General Fund for the community provider rate increase.

**TEACHERS FOR RESTRICTIVE HOUSING:** The appropriation provides General Fund for three added teachers who will teach in the Restrictive Housing Unit at Sterling Correctional Facility.

**PAYMENTS TO DEPARTMENT OF HUMAN SERVICES:** The appropriation increases General Fund appropriations to the Department of Corrections (DOC) in order to correct a long standing mismatch between the amount the DOC pays the Department of Human Services (DHS) for services it receives on the Colorado Mental Health Institutes-Pueblo (CMHI-P) campus and the higher cost DHS incurs in providing those services. Three of the DOC's correctional facilities are located on the CMHI-P campus.

**PAROLE OFFICER RETENTION:** The appropriation provides additional employee benefits related to the increase of the minimum salary for parole officers.

**REDUCED PERSONAL SERVICES APPROPRIATIONS:** The appropriation reduces General Fund appropriations for personal services throughout the Department, reflecting turnover and vacancy savings.

**TECHNICAL CHANGES:** The appropriation eliminates an obsolete \$27,737 reappropriated funds transfer from the Department of Public Safety and 1.0 FTE. The appropriation also renames a Long Bill line item.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments for the out-year impact of prior year legislation.

### ANNUALIZE PRIOR YEAR LEGISLATION

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
S.B. 16-180, Program for Juvenile Offenders	\$50	\$50	\$0	\$0	\$0	0.0
H.B. 16-1117, Record Custodial Interrogations	(24,700)	(24,700)	0	0	0	0.0
<b>TOTAL</b>	<b>(\$24,650)</b>	<b>(\$24,650)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**ADDITIONAL LEGISLATION:** For information on additional legislation, see the "Recent Legislation" section at the end of this department.

## INSTITUTIONS

The Institutions division includes all cost centers directly attributable to the operation of state-owned and operated correctional facilities. Included are costs for utilities, maintenance, housing and security, food, medical, laundry, case management, mental health, and the costs of running the Youthful Offender System. The cash funds are primarily from fees charged for inmate medical costs and utilities costs associated with Correctional Industries programs. The federal funds are primarily from donated U.S. Department of Agriculture foods.

### INSTITUTIONS

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2016-17 APPROPRIATION:</b>						
HB 16-1405	\$425,964,969	\$424,411,472	\$1,408,698	\$64,799	\$80,000	4,734.0
HB 13-1154	76,655	76,655	0	0	0	0.0
SB 14-049	42,968	42,968	0	0	0	0.0
SB 14-092	19,640	19,640	0	0	0	0.0
SB 14-161	19,640	19,640	0	0	0	0.0
SB 14-176	42,968	42,968	0	0	0	0.0
HB 14-1037	21,484	21,484	0	0	0	0.0
SB 15-067	219,576	219,576	0	0	0	0.0
HB 15-1043	2,581,944	2,581,944	0	0	0	0.0
HB 15-1229	22,068	22,068	0	0	0	0.0
HB 15-1305	22,068	22,068	0	0	0	0.0
HB 15-1341	275,849	275,849	0	0	0	0.0
SB 16-180	94,849	94,849	0	0	0	0.8
SB 17-159	(5,713,268)	(5,792,780)	79,512	0	0	0.0
<b>TOTAL</b>	<b>\$423,691,410</b>	<b>\$422,058,401</b>	<b>\$1,488,210</b>	<b>\$64,799</b>	<b>\$80,000</b>	<b>4,734.8</b>
<b>FY 2017-18 APPROPRIATION:</b>						
FY 2016-17 Appropriation	\$423,691,410	\$422,058,401	\$1,488,210	\$64,799	\$80,000	4,734.8
Hepatitis C treatment	2,000,000	2,000,000	0	0	0	0.0
Maintenance	1,500,000	1,500,000	0	0	0	0.0
Annualize prior year budget actions	791,265	791,265	0	0	0	0.0
Inmate pharmaceuticals and external medical care	765,713	765,713	0	0	0	0.0
Payments to Department of Human Services	670,219	670,219	0	0	0	0.0
Food service equipment	600,000	600,000	0	0	0	0.0
Food inflation	317,184	317,184	0	0	0	0.0
Community provider rate	146,918	146,918	0	0	0	0.0
Annualize prior year legislation	43,159	43,159	0	0	0	1.0
Tampons for inmates	40,000	40,000	0	0	0	0.0
Teachers for restrictive housing	4,350	4,350	0	0	0	0.0
Fund source adjustment for utilities	0	(159,025)	159,025	0	0	0.0
Funding already in statute from 5-year sentencing bills	(7,671,044)	(7,671,044)	0	0	0	0.0
Reduced personal services appropriations	(3,160,663)	(3,160,663)	0	0	0	0.0

INSTITUTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Technical changes	(144,799)	0	0	(64,799)	(80,000)	0.0
Indirect cost assessment	(1,105)	0	(1,105)	0	0	0.0
<b>SB 17-254</b>	<b>\$419,592,607</b>	<b>\$417,946,477</b>	<b>\$1,646,130</b>	<b>\$0</b>	<b>\$0</b>	<b>4,735.8</b>
HB 13-1154	76,655	76,655	0	0	0	0.0
SB 14-049	64,452	64,452	0	0	0	0.0
SB 14-176	64,452	64,452	0	0	0	0.0
HB 14-1037	21,484	21,484	0	0	0	0.0
HB 14-1214	20,052	20,052	0	0	0	0.0
SB 15-067	329,363	329,363	0	0	0	0.0
HB 15-1043	6,497,158	6,497,158	0	0	0	0.0
HB 15-1229	22,068	22,068	0	0	0	0.0
HB 15-1305	22,068	22,068	0	0	0	0.0
HB 15-1341	487,701	487,701	0	0	0	0.0
SB 16-142	21,864	21,864	0	0	0	0.0
HB 16-1080	43,727	43,727	0	0	0	0.0
<b>TOTAL</b>	<b>\$427,263,651</b>	<b>\$425,617,521</b>	<b>\$1,646,130</b>	<b>\$0</b>	<b>\$0</b>	<b>4,735.8</b>
<b>INCREASE/(DECREASE)</b>	<b>\$3,572,241</b>	<b>\$3,559,120</b>	<b>\$157,920</b>	<b>(\$64,799)</b>	<b>(\$80,000)</b>	<b>1.0</b>
Percentage Change	0.8%	0.8%	10.6%	(100.0%)	(100.0%)	0.0%

## FY 2016-17 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 17-159 modifies the FY 2016-17 appropriation to:

- Increase cash fund appropriations for utilities by \$79,512 (from Correctional Industries sales) and reduce General Fund appropriations for utilities by an exactly offsetting amount so Correctional Industries will pay all of its utilities costs;
- Reduce funding for 8 personal services line items and increase funding for 2 others for a net General Fund reduction of \$3,694,723;
- Reduce General Fund appropriations for external medical care by \$1,347,873; and
- Reduce General Fund appropriations for inmate pharmaceuticals by \$670,672.

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**HEPATITIS C TREATMENT:** The appropriation increases the General Fund appropriation for Hepatitis C drug treatment by \$2.0 million, thus doubling it from \$2.0 million to \$4.0 million. The increase will pay for treatment of approximately 35 additional inmates who are seriously ill with Hepatitis C.

**MAINTENANCE:** The appropriation provides \$1.5 million General Fund for maintenance. The Department has 600 deferred maintenance projects totaling over \$300 million.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second- and third-year impact of prior year budget actions.

ANNUALIZE YEAR PRIOR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 16-17 Salary survey	\$580,443	\$580,443	\$0	\$0	\$0	0.0
FY 15-16 Buena Vista Correctional Center wastewater cost increase	210,822	210,822	0	0	0	0.0
<b>TOTAL</b>	<b>\$791,265</b>	<b>\$791,265</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**INMATE PHARMACEUTICALS AND EXTERNAL MEDICAL CARE:** The appropriation increases the General Fund appropriation for inmate pharmaceuticals and external medical care by \$765,713. Pharmaceuticals are projected to rise by \$1,065,696 and external medical care (care provided to inmates outside of prison walls) is expected to decrease by \$299,983. This pharmaceutical increase does not include the \$2.0 million increase for Hepatitis C drugs.

**PAYMENTS TO DEPARTMENT OF HUMAN SERVICES:** The appropriation increases General Fund appropriations to the Department of Corrections (DOC) in order to correct a long standing mismatch between the amount the DOC pays the Department of Human Services (DHS) for services it receives on the Colorado Mental Health Institutes-Pueblo (CMHI-P) campus and the higher cost DHS incurs in providing those services. Three of the DOC’s correctional facilities are located on the CMHI-P campus.

**FOOD SERVICE EQUIPMENT:** The appropriation provides \$600,000 of General Fund for replacement or repair of food service equipment.

**FOOD INFLATION:** The appropriation provides \$317,184 General Fund to cover the cost of inflationary food price increases. Of this increase, \$274,534 pays for raw food prepared by offenders in DOC facilities and \$42,650 is for the purchase of prepared food from the Department of Human Services.

**COMMUNITY PROVIDER RATE:** The appropriation includes an increase of \$146,918 General Fund for the community provider rate increase.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments for the out-year impact of prior year legislation.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
S.B. 16-180, Program for Juvenile Offenders	\$44,881	\$44,881	\$0	\$0	\$0	1.0
H.B. 03-1256, Centennial Correctional Facility South (i.e. CSP II) certificate of participation payments	(1,722)	(1,722)	0	0	0	0.0
<b>TOTAL</b>	<b>\$43,159</b>	<b>\$43,159</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>1.0</b>

**TAMPONS FOR INMATES:** The appropriation reduces the General Fund appropriation for Youthful-offender-system aftercare by \$40,000 General Fund and uses the savings to pay for tampons for inmates. Previously inmates were provided with free sanitary napkins but had to purchase tampons. Now inmates can choose tampons at no charge.

**TEACHERS FOR RESTRICTIVE HOUSING:** The appropriation provides General Fund for three teachers who will teach in the Restrictive Housing Unit at Sterling Correctional Facility.

**FUND SOURCE ADJUSTMENT FOR UTILITIES:** The appropriation includes an increase of \$159,025 cash funds from Correctional Industries that is offset by a decrease of \$159,025 General Fund so that Correctional Industries will pay an appropriate share of the Department’s utility costs.

**FUNDING ALREADY IN STATUTE FROM 5-YEAR SENTENCING BILLS:** The appropriation reduces the General Fund appropriation that would otherwise be in the Long Bill for housing and security by \$7,671,044, which is the amount already appropriated in criminal sentencing bills with five-year statutory appropriations.

**REDUCED PERSONAL SERVICES APPROPRIATIONS:** The appropriation reduces General Fund appropriations for personal services throughout the Department, reflecting turnover and vacancy savings.

**TECHNICAL CHANGES:** The appropriation eliminates obsolete appropriations of \$80,000 federal funds and \$64,799 reappropriated funds. It also renames three line items in the Division and moves a utilities appropriation from one subdivision to another.

**INDIRECT COST ASSESSMENT:** The appropriation includes a decrease of the Division's indirect cost assessment.

**ADDITIONAL LEGISLATION:** For information on additional legislation, see the "Recent Legislation" section at the end of this department.

## SUPPORT SERVICES

The Support Services division includes business operations, personnel, offender services, communications, transportation, training, information systems, and facility services. The cash funds and reappropriated funds are primarily from sales revenue from Canteen Operations and Correctional Industries.

SUPPORT SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$41,373,940	\$39,779,005	\$733,043	\$861,892	\$0	241.2
SB 16-180	630	630	0	0	0	0.0
SB 17-159	(279,045)	(279,045)	0	0	0	0.0
<b>TOTAL</b>	<b>\$41,095,525</b>	<b>\$39,500,590</b>	<b>\$733,043</b>	<b>\$861,892</b>	<b>\$0</b>	<b>241.2</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$41,095,525	\$39,500,590	\$733,043	\$861,892	\$0	241.2
Centrally appropriated line items	2,883,313	2,836,190	46,290	833	0	0.0
Teachers for restrictive housing	1,823	1,823	0	0	0	0.0
Annualize prior year legislation	1,305	1,305	0	0	0	0.0
Fund source adjustment for indirect costs	0	(884,272)	0	884,272	0	0.0
Reduced personal services appropriations	(105,469)	(105,469)	0	0	0	0.0
<b>SB 17-254</b>	<b>\$43,876,497</b>	<b>\$41,350,167</b>	<b>\$779,333</b>	<b>\$1,746,997</b>	<b>\$0</b>	<b>241.2</b>
HB 17-1326	103,824	103,824	0	0	0	0.0
<b>TOTAL</b>	<b>\$43,980,321</b>	<b>\$41,453,991</b>	<b>\$779,333</b>	<b>\$1,746,997</b>	<b>\$0</b>	<b>241.2</b>
<b>INCREASE/(DECREASE)</b>	<b>\$2,884,796</b>	<b>\$1,953,401</b>	<b>\$46,290</b>	<b>\$885,105</b>	<b>\$0</b>	<b>(0.0)</b>
Percentage Change	7.0%	4.9%	6.3%	102.7%	n/a	0.0%

## FY 2016-17 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 17-159 modifies the FY 2016-17 appropriation to reduce funding for four personal services line items and increase funding for two others for a net General Fund reduction of \$279,045.

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes the following adjustments to centrally appropriated line items that are appropriated in this Division:

### CENTRALLY APPROPRIATED LINE ITEMS

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Other OIT budget actions	\$2,172,807	\$2,158,252	\$13,722	\$833	\$0	0.0
Payments to the Office of Information Technology (OIT)	829,912	824,931	4,981	0	0	0.0
Vehicle lease payments	(119,406)	(146,993)	27,587	0	0	0.0
<b>TOTAL</b>	<b>\$2,883,313</b>	<b>\$2,836,190</b>	<b>\$46,290</b>	<b>\$833</b>	<b>\$0</b>	<b>0.0</b>

**TEACHERS FOR RESTRICTIVE HOUSING:** The appropriation provides General Fund for three teachers who will teach in the Restrictive Housing Unit at Sterling Correctional Facility.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes \$1,305 General Fund for the second-year impact of S.B. 16-180, Program for Juvenile Offenders.

**FUND SOURCE ADJUSTMENT FOR INDIRECT COSTS:** The appropriation includes an increase in the amount of total department indirect cost recoveries applied to offset the need for General Fund in this division, which necessitates an increase in the reappropriated funds appropriation.

**REDUCED PERSONAL SERVICES APPROPRIATIONS:** The appropriation reduces General Fund appropriations for personal services throughout the Department, reflecting turnover and vacancy savings.

**ADDITIONAL LEGISLATION:** For information on additional legislation, see the "Recent Legislation" section at the end of this department.

### INMATE PROGRAMS

The Inmate Programs division includes educational, vocational, recreational, and inmate labor programs operated by the Department. This division also includes the Sex Offender Treatment Subprogram, the Drug and Alcohol Treatment Subprogram, and the Volunteers Subprogram. Cash and reappropriated funds are primarily from the Correctional Treatment Cash Fund and sales revenue of the Canteen Operation.

#### INMATE PROGRAMS

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2016-17 APPROPRIATION:</b>						
HB 16-1405	\$44,330,185	\$40,872,318	\$1,405,175	\$1,959,068	\$93,624	545.7
SB 17-159	(410,885)	(410,885)	0	0	0	0.0
<b>TOTAL</b>	<b>\$43,919,300</b>	<b>\$40,461,433</b>	<b>\$1,405,175</b>	<b>\$1,959,068</b>	<b>\$93,624</b>	<b>545.7</b>
<b>FY 2017-18 APPROPRIATION:</b>						
FY 2016-17 Appropriation	\$43,919,300	\$40,461,433	\$1,405,175	\$1,959,068	\$93,624	545.7
Teachers for restrictive housing	172,061	172,061	0	0	0	2.7
Annualize prior year legislation	52,539	52,539	0	0	0	0.8
Community provider rate	47,955	29,099	0	18,856	0	0.0
Reduced personal services appropriations	(1,002,276)	(1,002,276)	0	0	0	0.0
Technical changes	(33,834)	0	0	(33,834)	0	0.0
Indirect cost assessment	(66)	0	0	0	(66)	0.0
<b>SB 17-254</b>	<b>\$43,155,679</b>	<b>\$39,712,856</b>	<b>\$1,405,175</b>	<b>\$1,944,090</b>	<b>\$93,558</b>	<b>549.2</b>
<b>TOTAL</b>	<b>\$43,155,679</b>	<b>\$39,712,856</b>	<b>\$1,405,175</b>	<b>\$1,944,090</b>	<b>\$93,558</b>	<b>549.2</b>
<b>INCREASE/(DECREASE)</b>						
	(\$763,621)	(\$748,577)	\$0	(\$14,978)	(\$66)	3.5
Percentage Change	(1.7%)	(1.9%)	0.0%	(0.8%)	(0.1%)	0.6%

## FY 2016-17 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 17-159 modifies the FY 2016-17 appropriation to reduce funding for 4 personal services line items and increase funding for to 2 others for a net General Fund reduction of \$410,885.

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**TEACHERS FOR RESTRICTIVE HOUSING:** The appropriation provides General Fund for three teachers who will teach in the Restrictive Housing Unit at Sterling Correctional Facility.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes \$52,539 General Fund for the out-year impact of S.B. 16-180, Program for Juvenile Offenders.

**COMMUNITY PROVIDER RATE:** The appropriation includes an increase of \$47,955 total funds and \$29,099 General Fund for the community provider rate increase.

**REDUCED PERSONAL SERVICES APPROPRIATIONS:** The appropriation reduces General Fund appropriations for personal services throughout the Department, reflecting turnover and vacancy savings.

**TECHNICAL CHANGES:** The appropriation eliminates obsolete appropriations of \$33,834 reappropriated funds.

**INDIRECT COST ASSESSMENT:** The appropriation includes a decrease of the Division's indirect cost assessment.

## COMMUNITY SERVICES

The Community Services division includes the Parole Subprogram, the Community Supervision Subprogram for inmates in community corrections and in the Intensive Supervision-Inmate (ISP-Inmate) program, and the Community Re-entry Subprogram. Other costs associated with residential community corrections placements are appropriated to the Department of Public Safety's Division of Criminal Justice. The reappropriated funds are from the Correctional Treatment Cash Fund.

COMMUNITY SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$50,037,441	\$47,809,087	\$10,000	\$2,179,256	\$39,098	427.6
HB 16-1411	11,875	11,875	0	0	0	0.0
SB 17-159	(1,871,392)	(1,871,392)	0	0	0	0.0
<b>TOTAL</b>	<b>\$48,177,924</b>	<b>\$45,949,570</b>	<b>\$10,000</b>	<b>\$2,179,256</b>	<b>\$39,098</b>	<b>427.6</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$48,177,924	\$45,949,570	\$10,000	\$2,179,256	\$39,098	427.6
Community provider rate	206,030	176,422	0	29,608	0	0.0
Parole officer retention	116,424	116,424	0	0	0	0.0
Reduced personal services appropriations	(171,514)	(171,514)	0	0	0	0.0
Tampons for inmates	(40,000)	(40,000)	0	0	0	0.0
Annualize prior year legislation	(11,875)	(11,875)	0	0	0	0.0
Technical changes	(9,681)	0	0	(9,681)	0	0.0
<b>SB 17-254</b>	<b>\$48,267,308</b>	<b>\$46,019,027</b>	<b>\$10,000</b>	<b>\$2,199,183</b>	<b>\$39,098</b>	<b>427.6</b>
HB 17-1326	41,717	41,717	0	0	0	0.8
<b>TOTAL</b>	<b>\$48,309,025</b>	<b>\$46,060,744</b>	<b>\$10,000</b>	<b>\$2,199,183</b>	<b>\$39,098</b>	<b>428.4</b>

COMMUNITY SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>INCREASE/(DECREASE)</b>	\$131,101	\$111,174	\$0	\$19,927	\$0	0.8
Percentage Change	0.3%	0.2%	0.0%	0.9%	0.0%	0.2%

## FY 2016-17 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 17-159 modifies the FY 2016-17 appropriation to reduce funding for 4 personal services line items for a General Fund reduction of \$1,871,392.

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**COMMUNITY PROVIDER RATE:** The appropriation includes an increase of \$206,030 total funds and \$176,422 General Fund for the community provider rate increase.

**PAROLE OFFICER RETENTION:** The appropriation provides \$116,424 General Fund to increase the minimum salary for parole officers in order to reduce officer turnover.

**REDUCED PERSONAL SERVICES APPROPRIATIONS:** The appropriation reduces General Fund appropriations for personal services throughout the Department, reflecting turnover and vacancy savings.

**TAMPONS FOR INMATES:** The appropriation reduces the General Fund appropriation for Youthful-offender-system aftercare by \$40,000 General Fund and uses the savings to pay for tampons for inmates.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes a reduction of \$11,875 General Fund for the out-year impact of H.B. 16-1411, Fort Lyon Residential Community Study.

**TECHNICAL CHANGES:** The appropriation eliminates an obsolete reappropriation of \$9,681.

**ADDITIONAL LEGISLATION:** For information on additional legislation, see the "Recent Legislation" section at the end of this department.

## PAROLE BOARD

The Parole Board has the discretion to grant or deny parole to offenders who have reached their parole eligibility date. The Board must parole offenders when they reach their mandatory parole date. The Board imposes conditions of parole on parolees and it may revoke parole when those conditions are violated.

PAROLE BOARD						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$1,896,702	\$1,896,702	\$0	\$0	\$0	17.5
SB 17-159	(208,627)	(208,627)	0	0	0	0.0
<b>TOTAL</b>	<b>\$1,688,075</b>	<b>\$1,688,075</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>17.5</b>



PAROLE BOARD						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$1,688,075	\$1,688,075	\$0	\$0	\$0	17.5
Reduced personal services appropriations	(3,591)	(3,591)	0	0	0	0.0
<b>SB 17-254</b>	<b>\$1,684,484</b>	<b>\$1,684,484</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>17.5</b>
<b>TOTAL</b>	<b>\$1,684,484</b>	<b>\$1,684,484</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>17.5</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$3,591)</b>	<b>(\$3,591)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	(0.2%)	(0.2%)	n/a	n/a	n/a	0.0%

## FY 2016-17 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 17-159 modifies the FY 2016-17 appropriation to reduce personal services General Fund appropriations by \$208,627.

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**REDUCED PERSONAL SERVICES APPROPRIATIONS:** The appropriation reduces General Fund appropriations for personal services throughout the Department, reflecting turnover and vacancy savings.

## CORRECTIONAL INDUSTRIES

Correctional Industries manages profit-oriented work programs that provide inmates with on-the-job training while generating revenues to cover costs. Major businesses operated by Correctional Industries include the manufacture of license plates, office furniture, and modular office systems; a print shop; a leather products shop; wildland fire fighting; dog and horse training; and a garment production operation. Correctional Industries sells its products primarily to other government agencies. Correctional Industries is fully supported by cash and reappropriated funds from sales of Correctional Industries products and services. Because Correctional Industries is an enterprise, its appropriations are exempt from Section 20 of Article X of the State Constitution (TABOR).

CORRECTIONAL INDUSTRIES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$57,322,750	\$0	\$15,063,974	\$41,406,769	\$852,007	155.0
SB 17-176	2,435,572	0	0	2,435,572	0	0.0
<b>TOTAL</b>	<b>\$59,758,322</b>	<b>\$0</b>	<b>\$15,063,974</b>	<b>\$43,842,341</b>	<b>\$852,007</b>	<b>155.0</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$59,758,322	\$0	\$15,063,974	\$43,842,341	\$852,007	155.0
Informational funds adjustment	1,996,950	0	0	0	1,996,950	0.0
Annualize prior year legislation	1,621,148	0	0	1,621,148	0	0.0
Indirect cost assessment	894,665	0	(15,664)	17,564	892,765	0.0
Annualize prior year budget actions	2,752	0	2,752	0	0	0.0
<b>SB 17-254</b>	<b>\$64,273,837</b>	<b>\$0</b>	<b>\$15,051,062</b>	<b>\$45,481,053</b>	<b>\$3,741,722</b>	<b>155.0</b>
<b>TOTAL</b>	<b>\$64,273,837</b>	<b>\$0</b>	<b>\$15,051,062</b>	<b>\$45,481,053</b>	<b>\$3,741,722</b>	<b>155.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$4,515,515</b>	<b>\$0</b>	<b>(\$12,912)</b>	<b>\$1,638,712</b>	<b>\$2,889,715</b>	<b>0.0</b>
Percentage Change	7.6%	n/a	(0.1%)	3.7%	339.2%	0.0%

## FY 2016-17 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 17-176 adds \$2,435,572 reappropriated funds to the Department's FY 2016-17 appropriation to produce additional license plates for the Department of Revenue.

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**INFORMATIONAL FUNDS ADJUSTMENT:** The appropriation includes an increase of \$1,996,950 federal funds that are reflected in the Long Bill for informational purposes only. The adjustment aligns the appropriation of federal funds for the International Correctional Management Training Center in Cañon City with amounts recently expended.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes \$1,621,148 reappropriated funds for the second year appropriation in S.B. 17-176, Motor Vehicle License Plate.

**INDIRECT COST ASSESSMENT:** The appropriation includes an increase of the Division's indirect cost assessment.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes \$2,752 cash funds for annualization of FY 16-17 salary survey.

## CANTEEN OPERATION

The Canteen Operation provides personal items for purchase by inmates, including toiletries, snack foods, televisions, phone services, and other approved items. Per court order, all funds remaining after expenses are used to provide inmates with additional educational or recreational resources including library materials and cable television services. The Canteen Operation is fully supported by cash funds from sales of canteen products to inmates. Because Correctional Industries is an enterprise, its appropriations are exempt from Section 20 of Article X of the State Constitution (TABOR). Canteen appropriations are informational pursuant to Section 17-24-126 (1) C.R.S.

CANTEEN OPERATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$15,041,361	\$0	\$15,041,361	\$0	\$0	28.0
<b>TOTAL</b>	<b>\$15,041,361</b>	<b>\$0</b>	<b>\$15,041,361</b>	<b>\$0</b>	<b>\$0</b>	<b>28.0</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$15,041,361	\$0	\$15,041,361	\$0	\$0	28.0
Annualize prior year budget actions	382	0	382	0	0	0.0
Indirect cost assessment	(9,221)	0	(9,221)	0	0	0.0
<b>SB 17-254</b>	<b>\$15,032,522</b>	<b>\$0</b>	<b>\$15,032,522</b>	<b>\$0</b>	<b>\$0</b>	<b>28.0</b>
<b>TOTAL</b>	<b>\$15,032,522</b>	<b>\$0</b>	<b>\$15,032,522</b>	<b>\$0</b>	<b>\$0</b>	<b>28.0</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$8,839)</b>	<b>\$0</b>	<b>(\$8,839)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	(0.1%)	n/a	(0.1%)	n/a	n/a	0.0%

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes \$382 cash funds for annualization of FY 16-17 salary survey.

**INDIRECT COST ASSESSMENT:** The appropriation includes a decrease of the Division's indirect cost assessment.

## RECENT LEGISLATION

### 2016 SESSION BILLS

**S.B. 16-034 (TAMPERING WITH A DECEASED HUMAN BODY):** Creates the crime of tampering with a deceased human body, a class 3 felony, which occurs when a person acting without legal right or authority, believing that an official proceeding is pending or in progress, willfully destroys, mutilates, conceals, removes, or alters a human body with the intent of hindering the official proceeding.

**S.B. 16-051 (JUDGE'S DISCRETION REGARDING CONSECUTIVE SENTENCES):** Eliminates the requirement that a person convicted of 2 or more separate crimes of violence arising out of the same incident be sentenced consecutively rather than concurrently. Potentially reduces Department expenditures starting in FY 2021-22 by an indeterminate amount.

**S.B. 16-095 (5 YEAR DOC APPROPRIATIONS FOR CRIMES FIXES):** Clarifies how many years of appropriations must be included in the fiscal note for a criminal sentencing bill and in the related bill. Specifies that only Department of Corrections expenditures are to be included and identifies the expenditures to include, which include parole costs. Clarifies that the statute applies when offenders are placed in private prisons.

**S.B. 16-102 (REPEAL CERTAIN MANDATORY MINIMUM PRISON SENTENCES):** Removes the mandatory term of incarceration that must accompany convictions of certain types of second degree assault or violations of bail bond conditions. Appropriates \$65,788 General Fund to the Judicial Department for FY 2016-17 based on the assumption that the Judicial Department will require 0.9 additional FTE. Reduces the FY 2016-17 General Fund appropriation to the Department of Corrections for private prison placements by \$721,496.

**S.B. 16-142 (MISCELLANEOUS UPDATES TO ELECTIONS LAWS):** Makes various changes and updates to election statutes, including creation of a class 6 felony for knowingly accessing the statewide voter registration system without authorization. Includes a 5-year statutory General Fund appropriation to the Department that provides \$21,864 for FY 2017-18 and \$546 for FY 2018-19. For more information, see the corresponding bill description in the "Recent Legislation" section of the Department of State.

**S.B. 16-180 (DOC PROGRAM FOR JUVENILE OFFENDERS):** Requires the Department to create a specialized program for offenders in the custody of the Department who committed a felony as a juvenile but were sentenced as an adult under adult laws. Requires the program to include best and promising practices in independent living skills development and reentry services for long-term offenders. Establishes eligibility criteria for program acceptance. Allows offenders who did not commit first degree murder to apply for the program after serving 20 years of their sentence. Allows first degree murderers to apply after 30 years. Requires offenders to participate for at least three years in order to complete the program. If the program has been successfully completed, an offender who did not commit first degree murder and has served at least 25 years of his or her sentence is presumed to have met the factual burden of presenting extraordinary mitigating circumstances and his release to early parole is presumed compatible with the safety and welfare of society unless rebutted by relevant evidence. The same presumption applies after 30 years for offenders who committed first degree murder. Makes offenders who complete the program eligible to apply for early parole. Directs the parole application to the parole board and the governor. Requires the parole board to make a recommendation to the governor and the governor to make the final parole decision. Appropriates \$95,504 General Fund to the Department for FY 2016-17.

**S.B. 16-181 (SENTENCING JUVENILES CONVICTED OF CLASS 1 FELONIES):** Establishes a procedure for resentencing persons who committed a class 1 felony while a juvenile and upon whom a court imposed a mandatory life sentence without the possibility of parole. If the related felony is first-degree murder committed in the course of any of several described offenses, then the district court may sentence the person to 30 to 50 years in prison, less any earned time granted, if the court finds extraordinary mitigating circumstances. Alternatively, the court may sentence the person to a term of life imprisonment with the possibility of parole after serving 40 years, less any earned time granted. If the related felony is not first-degree murder committed in the course of any of several described offenses, then the district court shall sentence the person to a term of life imprisonment with the possibility of parole after serving 40 years, less any earned time granted. Prohibits the awarding of good time to a resentenced offender but allows the retroactive award of earned time as if the person had been eligible for earned time from the beginning of his or her incarceration. The state board of parole may conduct parole hearings for resentenced offenders beginning in June 2017. Potentially reduces Department expenditures starting in FY 2017-18 by an indeterminate amount.

**H.B. 16-1080 (ASSAULT BY STRANGULATION):** Classifies strangulation with the intent to cause serious bodily injury as first degree assault, and strangulation with intent to cause bodily injury as second degree assault. Designates second degree assault by strangulation as an extraordinary risk crime, thus increasing the maximum presumptive sentence range. Includes a 5-year statutory General Fund appropriation to the Department that provides \$43,727 for FY 2017-18, \$87,454 for FY 2018-19, \$131,181 for FY 2019-20, and \$170,900 for FY 2020-21.

**H.B. 16-1117 (RECORD CUSTODIAL INTERROGATIONS):** Requires law enforcement officials who are investigating a class 1 or 2 felony or a felony sexual assault to make an audio-video recording of custodial interrogations occurring in a detention facility. Appropriates \$24,700 General Fund to the Department for FY 2016-17.

**H.B. 16-1190 (EXCLUDE DETENTION FACILITIES FROM DEADLY FORCE LAW):** Establishes that that prison cells and other places of habitation in detention facilities are not dwellings for purposes of Colorado's "Make my day" law, thus depriving inmates in those facilities of immunity from prosecution and civil liability when they use force, including deadly force, against another inmate who (1) has unlawfully entered the inmate-occupant's place of habitation, (2) the inmate-occupant reasonably believes is committing or intends to commit a crime against a person or property, in addition to the uninvited entry, and (3) the inmate-occupant reasonably believes might use physical force against the occupant, no matter how slight. The bill may result in increased sentences to the Department, but the amount and timing of the resulting costs was not estimated in the Legislative Council Staff Fiscal Note.

**H.B. 16-1260 (EXTEND STATUTE OF LIMITATIONS SEXUAL ASSAULT):** Extends the criminal statute of limitations for felony sexual assault to 20 years. Potentially increases Department expenditures starting in FY 2026-27 by an indeterminate amount.

**H.B. 16-1362 (LICENSE PLATE AUCTION TRANSFER DISABILITY BENEFIT):** Transfers the functions of the License Plate Auction Group, currently housed in the Governor's Office, to the Disability-Benefit Support Contract Committee, housed in the Department of Personnel, and renames the new entity the Colorado Disability Funding Committee. Allows the committee to contract with an entity to sell and auction license registration numbers, for which it will also determine a reasonable commission. Directs that profits be used to aid people with disabilities in accessing disability benefits. Appropriates \$42,283 cash funds and 0.5 FTE from the Disability Support Fund to the Department of Personnel. Directs that any money used to implement additional license plate options be transferred to the Division of Correctional Industries in the Department of Corrections. For more information, see the corresponding bill description in the "Recent Legislation" section of the Department of Personnel.

**H.B. 16-1405 (LONG BILL):** General appropriations act for FY 2016-17.

**H.B. 16-1406 (COUNTY CORONERS REIMBURSEMENT BY DOC):** Requires the Department to reimburse a county for reasonable and necessary costs related to investigations or autopsies for persons who were in the custody of the DOC at the time of their death. For FY 2016-17 appropriates \$32,175 General Fund to the Department.

**H.B. 16-1411 (FORT LYON RESIDENTIAL COMMUNITY STUDY):** Authorizes the State Auditor to contract for a study of the Fort Lyon Supportive Residential Community to evaluate the program's costs, benefits, and outcomes. This program serves approximately 250 chronically homeless individuals at a historic facility in Bent County. A preliminary findings report is due August 1, 2017 and a final report is due August 1, 2018. For FY 2016-17, appropriates \$200,000 General Fund to the Legislative Department for the Office of the State Auditor to contract for the study and \$11,875 General Fund to the Department of Corrections for contract services related to compiling data for the study. Unspent amounts may be rolled forward for expenditure in FY 2017-18. The total cost of the study from FY 2016-17 until its completion in FY 2018-19 is not expected to exceed \$450,000 General Fund.

## 2017 SESSION BILLS

**S.B. 17-159 (SUPPLEMENTAL APPROPRIATION):** Supplemental appropriation to the Department of Corrections to modify FY 2016-17 appropriations included in the FY 2016-17 Long Bill (H.B. 16-1405).

**S.B. 17-176 (Motor Vehicle License Plate Appropriation):** Authorizes the use of the Colorado State Titling and Registration (CSTAR) Account in the Highway Users Tax Fund by the Department of Revenue to purchase license plates, decals, and validating tabs from the Department of Corrections. Provides \$2,435,572 reappropriated funds to the Department of Corrections from the Department of Revenue to produce these items. For more information, see the corresponding bill description in the "Recent Legislation" section at the end of Part III of the Department of Revenue.

**S.B. 17-256 (LONG BILL):** General appropriations act for FY 2017-18.

**S.B. 17-048 (REQUIRE ARREST OF INTENSIVE SUPERVISION PAROLEES WHO ESCAPE FROM DOC):** Specifies that knowingly removing or tampering with an electronic monitoring device required to be worn as a condition of parole is considered escape from custody. Requires arrest of a parolee participating in an intensive supervision program if there is probable cause to believe that the parolee has committed such an act. The arresting officer is required to submit charges to the district attorney for consideration of filing. May increase costs of the Department of Corrections because some parolees may be sentenced for escape rather than being returned to custody for a technical parole violation, thereby increasing their length of stay upon return to prison.

**H.B. 17-1072 (HUMAN TRAFFICKING SEXUAL SERVITUDE):** Adds to the definition of human trafficking for sexual servitude the act of purchasing another person for the purpose of coercing him or her to engage in commercial sexual activity. Also adds this element to the definition of human trafficking of a minor. May increase the number of persons sentenced to the Department of Corrections.

**H.B. 17-1125 (SERVICES IN CORRECTIONAL FACILITIES):** Removes from statute the requirement that Correctional Industries provide vehicle maintenance, physical plant and facility maintenance, and food and laundry services for each of the state's correctional facilities. The changes make statute accord with current practice.

**H.B. 17-1172 (PENALTIES FOR CHILD SEX TRAFFICKERS):** Requires that any person convicted of human trafficking of a minor for sexual servitude be sentenced to the Department of Corrections (DOC) for at least 8 years. May increase the length of sentences to the DOC.

**H.B. 17-1308 (INDIVIDUALIZED CONDITIONS OF PAROLE):** Removes from statute the mandatory imposition of certain parole conditions, which is expected to reduce workload and state General Fund costs for the Department by an indeterminate amount.

**H.B. 17-1330 (NO ESCAPE CONVICTION FOR HABITUAL CRIMINALS):** Clarifies that escape from a community-corrections facility and prior convictions for escape or attempted escape may not be used to adjudicate an offender as an habitual criminal. Habitual criminals are subject to longer periods of incarceration so the bill may reduce future Department costs.

**H.B. 17-1326 (JUSTICE REINVESTMENT CRIME PREVENTION INITIATIVE):** Changes maximum parole revocation periods for technical parole violations. Depending on the nature of the parolee's sentence, decreases or increases the revocation period with decreases expected to predominate. Reduces the maximum time a revoked parolee can be held in the Preparole Release and Revocation Facility from 180 to 90 days. Eliminates parole revocation placements in Community Return-to-custody Facilities. Directs the Parole Board to conduct a parole release review in lieu of a hearing, without the presence of the inmate, if (1) the inmate is assessed as being "low" or "very low" risk using a validated risk assessment instrument, (2) the inmate meets readiness criteria, and (3) victim notification is not required. Requires the Division of Adult Parole to investigate the parole release plans of prospective parolees.

Establishes a new crime-prevention program in the Department of Local Affairs (DOLA) to provide small business loans and grants that are designed to reduce crime and promote community development in the target communities of north Aurora and southeast Colorado Springs. Establishes a new Parole Savings Fund to which some of the General Fund savings from the bill's parole revocation rules are appropriated. In FY 2017-18 the DOLA grant and loan program receives direct General Fund appropriations. In subsequent years the grant and loan program will be supported by appropriations from the Parole Savings Fund and that fund will receive General Fund appropriations. Adjusts FY 2017-18 appropriations to the DOC and DOLA as follows:

APPROPRIATION ADJUSTMENTS IN H.B. 17-1326	
	GENERAL FUND
<b>Department of Corrections Appropriation Changes</b>	
Payments to local jails	\$13,595
Payments to in-state private prisons	(2,165,720)
Payments to pre-release parole revocation facilities	(1,082,860)
Payments to Community Return-to-custody Facilities	(2,775,738)
Parole personal services	36,254
FTE	(0.8 FTE)
Parole operating expenses	5,463
Computer programming	103,824
Total DOC adjustments	<b>(\$5,865,182)</b>
<b>DOLA Appropriation Changes</b>	
Division of Local Government	\$51,001
FTE	(0.8 FTE)
Computer programming	48,288
Legal services	4,753
Small business loans	1,000,000
Grants for crime reduction and community development	3,000,000
Parole Savings Fund	1,761,140
Total DOLA Adjustments	<b>\$5,865,182</b>
<b>Overall General Fund Adjustments</b>	<b>\$0</b>

**H.B. 17-1369 (BONDS FOR PERSONS WHO FAIL TO APPEAR DUE TO IMMIGRATION ISSUES):** Allows a person or professional bail bonding agent who posts a bail bond for a defendant to recover the bond if the surety can provide the court satisfactory evidence that the defendant was deported and the District Attorney does not object. Reduces cash fund revenue to the Corrections Expansion Reserve Fund and County Jail Assistance Fund in the Department of Corrections. The revenue reduction is estimated to be \$8,869 annually for each fund.

# Details

## DEPARTMENT OF EDUCATION

### FY 2016-17 AND FY 2017-18 APPROPRIATIONS BY DIVISION AND BILL

DEPARTMENT OF EDUCATION						
	TOTAL FUNDS	GENERAL FUND <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2016-17 TOTAL APPROPRIATION:</b>	<b>\$5,458,531,070</b>	<b>\$3,764,862,059</b>	<b>\$1,012,079,491</b>	<b>\$33,261,008</b>	<b>\$648,328,512</b>	<b>599.5</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
Management and Administration	84,824,263	12,180,414	35,002,577	21,596,779	16,044,493	163.9
Assistance to Public Schools	5,348,790,957	3,736,275,516	975,728,054	7,647,760	629,139,627	217.3
Library Programs	8,602,274	4,824,022	273,860	360,000	3,144,392	38.1
School for the Deaf and the Blind	16,313,576	11,582,107	1,075,000	3,656,469	0	180.2
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
HB 16-1405	\$5,452,310,190	\$3,765,024,305	\$1,005,881,952	\$33,075,421	\$648,328,512	599.0
SB 16-072	5,000,000	0	5,000,000	0	0	0.0
SB 16-104	0	(441,095)	441,095	0	0	0.0
HB 16-1222	480,000	0	480,000	0	0	0.0
HB 16-1234	39,600	0	39,600	0	0	0.0
HB 16-1408	0	0	0	0	0	0.0
HB 16-1422	124,664	0	124,664	0	0	0.0
HB 16-1429	43,896	43,896	0	0	0	0.5
SB 17-160	528,770	234,953	108,230	185,587	0	0.0
SB 17-173	3,950	0	3,950	0	0	0.0
SB 17-254	0	0	0	0	0	0.0
<b>FY 2017-18 TOTAL APPROPRIATION:</b>	<b>\$5,595,884,992</b>	<b>\$4,102,171,554</b>	<b>\$810,907,493</b>	<b>\$34,572,434</b>	<b>\$648,233,511</b>	<b>599.2</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
Management and Administration	89,441,956	15,614,705	32,995,676	25,105,842	15,725,733	160.4
Assistance to Public Schools	5,481,561,861	4,070,228,601	776,562,957	5,406,917	629,363,386	220.5
Library Programs	8,602,274	4,824,022	273,860	360,000	3,144,392	38.1
School for the Deaf and the Blind	16,278,901	11,504,226	1,075,000	3,699,675	0	180.2
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
SB 17-254	\$5,595,962,364	\$4,102,153,140	\$811,003,279	\$34,572,434	\$648,233,511	598.5
SB 17-025	47,000	0	47,000	0	0	0.0
SB 17-296	500,000	0	500,000	0	0	0.4
HB 17-1181	(642,786)	0	(642,786)	0	0	0.0
HB 17-1276	18,414	18,414	0	0	0	0.3
<b>INCREASE/(DECREASE)</b>	<b>\$137,353,922</b>	<b>\$337,309,495</b>	<b>(\$201,171,998)</b>	<b>\$1,311,426</b>	<b>(\$95,001)</b>	<b>(0.3)</b>
Percentage Change	2.5%	9.0%	(19.9%)	3.9%	0.0%	(0.1%)

<sup>1</sup> Includes General Fund Exempt.



**GENERAL FUND EXEMPT:** Amounts in the General Fund column include appropriations from both the General Fund and General Fund Exempt Account. The General Fund Exempt Account was created by Referendum C, passed by Colorado voters in November 2005. Referendum C allowed the State to retain for FY 2005-06 through FY 2009-10 all revenue collected in excess of the TABOR limit and for FY 2010-11 and subsequent fiscal years all revenues in excess of the TABOR limit but less than the excess state revenues cap. The retained revenue must be placed in the General Fund Exempt Account. The table below shows the amount of General Fund that is appropriated for FY 2016-17 and FY 2017-18 from the General Fund Exempt Account for preschool through twelfth grade education pursuant to Sections 24-77-103.6 (2)(b) and 24-77-104.5 (3), C.R.S. For additional information on General Fund Exempt appropriations, see Appendix D.

FISCAL YEAR	TOTAL GENERAL FUND	GENERAL FUND	GENERAL FUND EXEMPT
FY 2016-17	\$3,764,862,059	\$2,934,660,392	\$830,201,667
FY 2017-18	\$4,102,171,554	\$3,179,103,221	\$923,068,333

**INFORMATIONAL FUNDS:** The FY 2017-18 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Education are annotated with the "(I)". For additional information, see Appendix E.

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2017-18 Appropriations containing an (I) notation	\$672,261,380	\$0	\$3,927,869	\$20,100,000	\$648,233,511

## DETAIL OF APPROPRIATION BY ADMINISTRATIVE SECTION

### MANAGEMENT AND ADMINISTRATION

This section provides funding for the State Board of Education, the Commissioner of Education, and general department administrative responsibilities including: human resources, budgeting, accounting, information management, assessments, and data analyses. This section also includes funding for the Office of Professional Services, the Division of On-line Learning, activities associated with educator effectiveness, and the State Charter School Institute.

Cash funds primarily include the State Education Fund, the State Public School Fund, the Educator Licensure Cash Fund, the Institute Charter School Assistance Fund, general education development (GED) program fees, and the Public School Capital Construction Assistance Fund. Reappropriated funds consist primarily of indirect cost recoveries, the transfer of funds from various cash- and federally-funded line items, and the transfer of various grants and donations originally appropriated in the Assistance to Public Schools section.

MANAGEMENT AND ADMINISTRATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$84,491,849	\$12,009,324	\$34,962,977	\$21,475,055	\$16,044,493	163.9
HB 16-1234	39,600	0	39,600	0	0	0.0
SB 17-160	292,814	171,090	0	121,724	0	0.0
<b>TOTAL</b>	<b>\$84,824,263</b>	<b>\$12,180,414</b>	<b>\$35,002,577</b>	<b>\$21,596,779</b>	<b>\$16,044,493</b>	<b>163.9</b>

# MANAGEMENT AND ADMINISTRATION

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$84,824,263	\$12,180,414	\$35,002,577	\$21,596,779	\$16,044,493	163.9
Continuous appropriation adjustments	3,473,233	0	304,993	3,168,240	0	0.0
Centrally appropriated line items	3,011,196	1,395,767	319,049	462,547	833,833	0.0
Indirect cost assessment	98,261	0	51,443	0	46,818	0.0
Technical adjustments	43,896	43,896	0	0	0	0.5
Assessment adjustments	589	0	0	0	589	0.0
Annualize prior year budget actions	(1,328,315)	1,993,409	(2,000,000)	(121,724)	(1,200,000)	(4.0)
Annualize prior year legislation	(38,381)	1,219	(39,600)	0	0	0.0
<b>SB 17-254</b>	<b>\$90,084,742</b>	<b>\$15,614,705</b>	<b>\$33,638,462</b>	<b>\$25,105,842</b>	<b>\$15,725,733</b>	<b>160.4</b>
HB 17-1181	(642,786)	0	(642,786)	0	0	0.0
<b>TOTAL</b>	<b>\$89,441,956</b>	<b>\$15,614,705</b>	<b>\$32,995,676</b>	<b>\$25,105,842</b>	<b>\$15,725,733</b>	<b>160.4</b>
<b>INCREASE/(DECREASE)</b>	\$4,617,693	\$3,434,291	(\$2,006,901)	\$3,509,063	(\$318,760)	(3.5)
Percentage Change	5.4%	28.2%	(5.7%)	16.2%	(2.0%)	(2.1%)

## FY 2016-17 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 17-160 modifies the FY 2016-17 appropriation to:

- Add \$171,090 General Fund allow the Department to purchase additional legal services from the Department of Law; and
- Add \$121,724 reappropriated funds to release a restriction on the FY 2016-17 appropriation for CORE Operations resulting from overexpenditures in FY 2014-15 and FY 2015-16.

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**CONTINUOUS APPROPRIATION ADJUSTMENTS:** The bill reflects an increase of \$3,473,233 total funds that are continuously appropriated to the Department and shown in the Long Bill for informational purposes only, including \$3,168,240 reappropriated funds anticipated to be available to the State Charter School Institute and \$304,993 cash funds for the Office of Professional Services.

**CENTRALLY APPROPRIATED LINE ITEMS:** The bill includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; salary survey; merit pay; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; vehicle lease payments; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; leased space; Capitol complex leased space; payments to the Governor's Office of Information Technology (OIT); and CORE operations.

**INDIRECT COST ASSESSMENT:** The bill includes a net increase in the division's indirect cost assessments.

**TECHNICAL ADJUSTMENTS:** The bill includes a technical adjustment to move \$43,896 and 0.5 FTE originally appropriated to the College and Career Readiness line item (in the Assistance to Public Schools division) for FY 2016-17 to the Longitudinal Analyses of Student Assessment Results line item for FY 2017-18.

**ASSESSMENT ADJUSTMENTS:** The bill includes \$589 federal funds to align with anticipated contract costs for the statewide assessment system.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Indirect cost excess recovery fund	\$0	\$2,000,000	(\$2,000,000)	\$0	\$0	0.0
Educator Effectiveness Implementation	(1,200,000)	0	0	0	(1,200,000)	(4.0)
SB 17-160 (Supplemental Bill)	(121,724)	0	0	(121,724)	0	0.0
Prior year salary survey	(6,591)	(6,591)	0	0	0	0.0
<b>TOTAL</b>	<b>(\$1,328,315)</b>	<b>\$1,993,409</b>	<b>(\$2,000,000)</b>	<b>(\$121,724)</b>	<b>(\$1,200,000)</b>	<b>(4.0)</b>

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments related to prior year legislation.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 16-1429 (Alt Ed Campus Criteria & Pilot Program)	\$1,219	\$1,219	\$0	\$0	\$0	0.0
HB 16-1234 (State Assessment Selection and Local Flexibility)	(39,600)	0	(39,600)	0	0	0.0
<b>TOTAL</b>	<b>(\$38,381)</b>	<b>\$1,219</b>	<b>(\$39,600)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**ADDITIONAL LEGISLATION:** For information on additional legislation, see the "Recent Legislation" section at the end of this department.

## ASSISTANCE TO PUBLIC SCHOOLS

This section includes funding that is distributed to public schools or is used to directly support public schools (e.g., federally-funded Department staff that provide technical assistance to districts concerning special education programs). This section is comprised of the following four subsections:

- **Public School Finance:** This subsection includes funding for the state share of districts' total program funding required under the School Finance Act, for other distributions that are directly related to school district pupil counts, and for administration of the School Finance Act and related programs.
- **Categorical Programs:** This subsection includes state and federal funding for all programs defined as "categorical programs" pursuant to Article IX, Section 17 of the Colorado Constitution.
- **Grant Programs, Distributions, and Other Assistance:** This subsection includes other state and federal funds that are distributed to schools and districts, or that are used to provide direct support and assistance to schools and districts.
- **Indirect Cost Assessment:** This subsection reflects all of the indirect cost assessments against fund sources within the Assistance to Public Schools division.

The changes in appropriation by subdivision and the factors driving such changes are included in tables for each subdivision.

ASSISTANCE TO PUBLIC SCHOOLS						
	TOTAL FUNDS	GENERAL FUND <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$5,342,902,491	\$3,736,608,852	\$969,570,115	\$7,583,897	\$629,139,627	216.8
SB 16-072	5,000,000	0	5,000,000	0	0	0.0
SB 16-104	0	(441,095)	441,095	0	0	0.0
HB 16-1222	480,000	0	480,000	0	0	0.0
HB 16-1408	0	0	0	0	0	0.0
HB 16-1422	124,664	0	124,664	0	0	0.0
HB 16-1429	43,896	43,896	0	0	0	0.5
SB 17-160	235,956	63,863	108,230	63,863	0	0.0
SB 17-173	3,950	0	3,950	0	0	0.0
SB 17-254	0	0	0	0	0	0.0
<b>TOTAL</b>	<b>\$5,348,790,957</b>	<b>\$3,736,275,516</b>	<b>\$975,728,054</b>	<b>\$7,647,760</b>	<b>\$629,139,627</b>	<b>217.3</b>
FY 2017-18 APPROPRIATION:						
SB 17-254	\$5,480,996,447	\$4,070,210,187	\$776,015,957	\$5,406,917	\$629,363,386	219.8
SB 17-025	47,000	0	47,000	0	0	0.0
SB 17-296	500,000	0	500,000	0	0	0.4
HB 17-1276	18,414	18,414	0	0	0	0.3
<b>TOTAL</b>	<b>\$5,481,561,861</b>	<b>\$4,070,228,601</b>	<b>\$776,562,957</b>	<b>\$5,406,917</b>	<b>\$629,363,386</b>	<b>220.5</b>
<b>INCREASE/(DECREASE)</b>	\$132,770,904	\$333,953,085	(\$199,165,097)	(\$2,240,843)	\$223,759	3.2
Percentage Change	2.5%	8.9%	(20.4%)	(29.3%)	0.0%	1.5%

<sup>1</sup> Includes General Fund Exempt.

**ADDITIONAL LEGISLATION:** For information on additional legislation, see the "Recent Legislation" section at the end of this department.

## PUBLIC SCHOOL FINANCE

This subsection of the Assistance to Public Schools section primarily consists of appropriations for the State's share of funding required under the School Finance Act of 1994, as amended. The local share of funding (36.3 percent of the amount required under the Act for FY 2017-18 or \$2.4 billion) is not reflected in appropriations to the Department. This subsection also includes funding for other distributions that are directly related to school district pupil counts, as well as funding for staff responsible for administering the School Finance Act and the Colorado Preschool Program, and for auditing school districts to ensure compliance with the federal school lunch, public school transportation, and English language proficiency programs.

For FY 2017-18, 92.9 percent of the State's share of districts' total program funding is from the General Fund; the remainder is appropriated from two cash funds: the State Education Fund and the State Public School Fund. Administrative costs are primarily supported by transfers from the State Share of Districts' Total Program Funding, which has the effect of reducing funding that would otherwise be distributed to school districts.

## SCHOOL FINANCE FORMULA OVERVIEW: FY 2017-18 FUNDING FOR PUBLIC SCHOOL FINANCE

The annual Long Bill contains appropriations based on current law. Thus, for purposes of public school finance, the Long Bill contains appropriations to fund public schools based on projected student enrollment, the existing statutory public school finance funding formula, and the minimum constitutionally required increase in the statewide base per-pupil funding amount. The General Assembly also passes a separate bill each year, called the school finance bill, that modifies the statutory school finance formula for the upcoming fiscal year. The school finance bill always specifies, in statute, the constitutionally required increase in the statewide base per-pupil funding amount. In addition, the school finance bill often includes other statutory modifications that increase or decrease

the cost of funding public schools. The school finance bill then includes an appropriation clause which increases or decreases Long Bill appropriations for the following fiscal year accordingly.

The FY 2017-18 Long Bill (S.B. 17-254) includes appropriations sufficient to fully fund public schools based on projected student enrollment for FY 2017-18, support the minimum constitutionally required increase in the statewide base per-pupil funding amount, and maintain the budget stabilization factor (S.B. 17-296 renamed the budget stabilization factor as the budget stabilization factor for FY 2017-18) as a constant dollar amount from FY 2016-17 to FY 2017-18 (\$828.3 million) as required by H.B. 16-1422. Specifically, appropriations in the Public School Finance subsection of the Long Bill increased by \$110.1 million total funds compared to FY 2016-17, as described below in the “FY 2017-18 Appropriation – S.B. 17-254 (Long Bill) Issue Descriptions” section.

The 2017 school finance bill (S.B. 17-296) specifies the statewide base per pupil amount for FY 2017-18 (\$6,546.20) and the total program funding amount after the application of the budget stabilization factor. For FY 2017-18, the bill did not change the cost of funding school finance from the assumptions used for the Long Bill, and thus did not include adjustments to the Long Bill appropriations for total program funding.

The largest line item appropriation within this subsection provides the State Share of Districts’ Total Program Funding. The table below provides data related to this line item appropriation for both FY 2016-17 and FY 2017-18. As detailed in the table and as directed by H.B. 16-1422, the appropriation for districts’ total program funding provides the increase in state funds necessary to maintain the budget stabilization factor as a constant dollar amount (\$828.3 million) from FY 2016-17 to FY 2017-18. Total state and local funding for school districts for FY 2017-18 is \$262.1 million (4.1 percent) higher than for FY 2016-17. This level of funding is anticipated to increase average per-pupil funding from \$7,421 in FY 2016-17 to \$7,662 in FY 2017-18 (an increase of \$242 per pupil, or 3.3 percent).

SCHOOL FINANCE FORMULA OVERVIEW			
DISTRICTS' TOTAL PROGRAM FUNDING: FY 2016-17 AND FY 2017-18			
SCHOOL FINANCE: TOTAL PROGRAM	FY 2016-17 AMENDED APPROPRIATION	LONG BILL (SB 17-254) APPROPRIATION	ANNUAL CHANGE
Funded pupil count	858,795.8	865,934.9	7,139.1
<i>Annual percent change</i>			0.8%
Statewide base per-pupil funding	\$6,367.90	\$6,546.20	\$178.30
<i>Annual percent change</i>			2.8%
<b>Total program funding (prior to budget stabilization factor)</b>	<b>\$7,201,112,934</b>	<b>\$7,463,231,556</b>	<b>\$262,118,622</b>
LESS: Budget stabilization factor reduction	(828,280,474)	(828,280,474)	0
<b>EQUALS: Adjusted total program funding</b>	<b>\$6,372,832,460</b>	<b>\$6,634,951,082</b>	<b>\$262,118,622</b>
<i>Annual percent change</i>			4.1%
<b>Total funds reduction as percent of "full" funding</b>	<b>(11.5%)</b>	<b>(11.1%)</b>	
Statewide average per-pupil funding	\$7,420.66	\$7,662.18	\$241.52
<i>Annual percent change</i>			3.3%
Local share of adjusted total program funding	\$2,257,704,955	\$2,409,944,058	\$152,239,103
<i>Annual percent change</i>			6.7%
<b>State share of adjusted total program funding</b>	<b>\$4,115,127,505</b>	<b>\$4,225,007,024</b>	<b>\$109,879,519</b>
<i>Annual percent change</i>			2.7%
<i>State share as % of Districts' Total Program</i>	64.6%	63.7%	

The next table compares FY 2016-17 and FY 2017-18 appropriations for the Public School Finance subsection of the budget. This table is followed by descriptions of mid-year adjustments to FY 2016-17 appropriations and descriptions of the year-over-year funding changes that are reflected in the FY 2017-18 Long Bill (S.B. 17-254). Descriptions of the statutory changes and the appropriation changes included in bills other than the Long Bill are included in the "Recent Legislation" section at the end of the Education section.

# PUBLIC SCHOOL FINANCE

	TOTAL FUNDS	GENERAL FUND <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$4,134,806,242	\$3,591,655,995	\$541,529,044	\$1,621,203	\$0	17.9
SB 16-104	0	(441,095)	441,095	0	0	0.0
HB 16-1422	124,664	0	124,664	0	0	0.0
SB 17-173	3,950	0	3,950	0	0	0.0
SB 17-254	0	0	0	0	0	0.0
<b>TOTAL</b>	<b>\$4,134,934,856</b>	<b>\$3,591,214,900</b>	<b>\$542,098,753</b>	<b>\$1,621,203</b>	<b>\$0</b>	<b>17.9</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$4,134,934,856	\$3,591,214,900	\$542,098,753	\$1,621,203	\$0	17.9
Total program increase	110,136,809	331,942,430	(221,805,621)	0	0	0.0
Continue CPP tax checkoff funding	59,957	0	59,957	0	0	0.0
Annualize prior year budget actions	(72,025)	0	(72,025)	0	0	0.0
<b>SB 17-254</b>	<b>\$4,245,059,597</b>	<b>\$3,923,157,330</b>	<b>\$320,281,064</b>	<b>\$1,621,203</b>	<b>\$0</b>	<b>17.9</b>
<b>TOTAL</b>	<b>\$4,245,059,597</b>	<b>\$3,923,157,330</b>	<b>\$320,281,064</b>	<b>\$1,621,203</b>	<b>\$0</b>	<b>17.9</b>
<b>INCREASE/(DECREASE)</b>	<b>\$110,124,741</b>	<b>\$331,942,430</b>	<b>(\$221,817,689)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	2.7%	9.2%	(40.9%)	0.0%	n/a	0.0%

<sup>1</sup> Includes General Fund Exempt.

## FY 2016-17 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 17-173 increases funding for the Hold-harmless Full-day Kindergarten line item by \$3,950 in FY 2016-17 to align with the actual student counts in affected districts. The bill adjusts statutory total program funding amounts to account for changes in pupil counts and local revenues available for school finance but does not change the state share of districts' total program funding for FY 2016-17. After adjusting for a \$23.1 million decrease in local revenues available for school finance (below the level anticipated in the original FY 2016-17 appropriation) and a lower-than-anticipated student count (reducing total program funding before the application of the budget stabilization factor by \$25.5 million), maintaining state funding at a constant level reduced the budget stabilization factor by \$2.4 million in FY 2016-17.

Senate Bill 17-254 adjusts the portion of the Department's General Fund appropriations designated as General Fund Exempt.

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**TOTAL PROGRAM INCREASE:** The appropriation increases total state and local funding that is distributed to public schools through the School Finance Act by \$262.1 million, increasing average per pupil funding to \$7,662 (3.3 percent). Local tax revenues for school finance are anticipated to increase by \$152.2 million, so appropriations of state funds increase by \$110.1 million. This increase in state funds includes an increase of \$331.9 million General Fund that is partially offset by a net decrease of \$221.8 million cash funds.

**CONTINUE CPP TAX CHECKOFF FUNDING:** The appropriation includes \$59,957 cash funds that were collected and deposited in the Public Education Fund as part of a voluntary tax checkoff authorized in S.B. 11-109 (Public Education Fund Tax Checkoff) to continue to provide training and professional development to Colorado Preschool Program (CPP) providers in an effort to enhance literacy and mathematics instruction.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation reflects the elimination of one-time funding provided by the CPP tax checkoff for FY 2016-17. This reduction is partially offset by the funding provided for FY 2017-18 (discussed above).

**ADDITIONAL LEGISLATION:** For information on additional legislation, see the "Recent Legislation" section at the end of this department.

## CATEGORICAL PROGRAMS

This subsection includes appropriations for all "categorical programs", a term that refers to programs designed to serve particular groups of students (e.g., students with limited proficiency in English) or particular student needs (e.g., transportation). Article IX, Section 17 of the Colorado Constitution defines categorical programs and requires the General Assembly to increase total state funding for all categorical programs annually by at least the rate of inflation plus one percent for FY 2001-02 through FY 2010-11 and by at least the rate of inflation for subsequent fiscal years.

Categorical programs are funded primarily with General Fund, cash funds from the State Education Fund, and various sources of federal funds. Additional cash funds are from the Public School Transportation Fund. Reappropriated funds include federal funds transferred from the Department of Human Services.

CATEGORICAL PROGRAMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$456,730,266	\$141,765,474	\$148,200,329	\$104,043	\$166,660,420	73.1
<b>TOTAL</b>	<b>\$456,730,266</b>	<b>\$141,765,474</b>	<b>\$148,200,329</b>	<b>\$104,043</b>	<b>\$166,660,420</b>	<b>73.1</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$456,730,266	\$141,765,474	\$148,200,329	\$104,043	\$166,660,420	73.1
Categorical programs increase	8,106,442	0	8,106,442	0	0	0.0
Reflect anticipated funds transfers	87,047	0	0	87,047	0	0.0
<b>SB 17-254</b>	<b>\$464,923,755</b>	<b>\$141,765,474</b>	<b>\$156,306,771</b>	<b>\$191,090</b>	<b>\$166,660,420</b>	<b>73.1</b>
<b>TOTAL</b>	<b>\$464,923,755</b>	<b>\$141,765,474</b>	<b>\$156,306,771</b>	<b>\$191,090</b>	<b>\$166,660,420</b>	<b>73.1</b>
<b>INCREASE/(DECREASE)</b>	<b>\$8,193,489</b>	<b>\$0</b>	<b>\$8,106,442</b>	<b>\$87,047</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	1.8%	0.0%	5.5%	83.7%	0.0%	0.0%

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**CATEGORICAL PROGRAMS INCREASE:** As required by Amendment 23, the appropriation includes a \$8,106,442 (2.8 percent) increase in *state* funding for categorical programs, based on the actual percent change in the Denver-Boulder-Greeley consumer price index in 2016. The full amount of the increase is from the State Education Fund. The following table details the allocation of the increase among categorical programs.

LONG BILL APPROPRIATION INCREASE IN <i>STATE</i> FUNDING FOR CATEGORICAL PROGRAMS FOR  FY 2017-18				
LONG BILL LINE ITEM	FY 2016-17 APPROPRIATION OF STATE FUNDS	ALLOCATION OF FY 2017-18 INCREASES IN STATE FUNDS		FY 2017-18 LONG BILL APPROPRIATION OF STATE FUNDS
		\$ CHANGE	% CHANGE	
DISTRICT PROGRAMS REQUIRED BY STATUTE				
Special education programs for children with disabilities	\$167,137,922	\$4,454,042	2.7%	\$171,591,964
English language proficiency programs	18,785,784	1,497,264	8.0%	20,283,048

**LONG BILL APPROPRIATION INCREASE IN *STATE* FUNDING FOR CATEGORICAL PROGRAMS FOR FY 2017-18**

LONG BILL LINE ITEM	FY 2016-17 APPROPRIATION OF STATE FUNDS	ALLOCATION OF FY 2017-18 INCREASES IN STATE FUNDS		FY 2017-18 LONG BILL APPROPRIATION OF STATE FUNDS
		\$ CHANGE	% CHANGE	
OTHER CATEGORICAL PROGRAMS				
Public school transportation	56,207,903	1,443,819	2.6%	57,651,722
Career and technical education	25,639,363	525,118	2.0%	26,164,481
Special education programs for gifted and talented children	12,169,325	186,199	1.5%	12,355,524
Expelled and at-risk student services grant program	7,493,560	0	0.0%	7,493,560
Small attendance center aid	1,076,550	0	0.0%	1,076,550
Comprehensive health education	1,005,396	0	0.0%	1,005,396
TOTALS	\$289,515,803	\$8,106,442	2.8%	\$297,622,245

**REFLECT ANTICIPATED FUND TRANSFERS:** The appropriation includes an increase of \$87,047 reappropriated funds to reflect changes in anticipated transfers of funds based on an interagency agreement with the Department of Human Services.

#### GRANT PROGRAMS, DISTRIBUTIONS, AND OTHER ASSISTANCE

This subsection includes state and federal funds that are distributed to schools and districts, or that are used to provide direct support and assistance to schools and districts, other than those programs that are defined as categorical programs. This subsection includes funding for the Public School Capital Construction Assistance Board and the Facility Schools Board.

Significant sources of cash funds include: the Public School Capital Construction Assistance Fund, the State Education Fund, the Marijuana Tax Cash Fund, the State Public School Fund, fees collected for workshops and training, and gifts, grants, and donations. Significant sources of reappropriated funds include federal child care funds transferred from the Department of Human Services, and federal Medicaid funds transferred from the Department of Health Care Policy and Financing that are used to administer the Public School Health Services Program.

The most significant sources of federal funds reflected in this subsection include the following:

- Title I of the Elementary and Secondary Education Act - funding to improve education for children at risk of school failure, including those who live in low income communities, migrant children, and those who are neglected and delinquent;
- U.S. Department of Agriculture Food and Nutrition Service - funding for the National School Lunch Program, which provides for reduced-cost or free meals to students; and
- Title II of the Elementary and Secondary Education Act - funding for professional development and activities designed to improve educator quality.



GRANT PROGRAMS, DISTRIBUTIONS, AND OTHER ASSISTANCE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$749,057,017	\$3,187,383	\$279,815,742	\$5,803,080	\$460,250,812	125.8
SB 16-072	5,000,000	0	5,000,000	0	0	0.0
HB 16-1222	480,000	0	480,000	0	0	0.0
HB 16-1408	0	0	0	0	0	0.0
HB 16-1429	43,896	43,896	0	0	0	0.5
SB 17-160	235,956	63,863	108,230	63,863	0	0.0
<b>TOTAL</b>	<b>\$754,816,869</b>	<b>\$3,295,142</b>	<b>\$285,403,972</b>	<b>\$5,866,943</b>	<b>\$460,250,812</b>	<b>126.3</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$754,816,869	\$3,295,142	\$285,403,972	\$5,866,943	\$460,250,812	126.3
School health professionals grant program	9,642,950	0	9,642,950	0	0	3.0
Annualize prior year legislation	6,000,000	1,000,000	5,000,000	0	0	0.0
Annualize prior year budget actions	3,214,044	1,036,137	1,041,770	1,136,137	0	0.9
Academic standards revision	340,840	0	340,840	0	0	0.0
Supplemental on-line education services increase	60,000	0	60,000	0	0	0.0
Early Literacy Assessment Tool Adjustment	9,846	0	9,846	0	0	0.0
Reflect anticipated funds transfers	(3,419,336)	0	0	(3,419,336)	0	0.0
Facility schools adjustment	(2,138,181)	0	(2,096,256)	(41,925)	0	0.0
Federal funds true-up	(117,578)	0	0	0	(117,578)	(0.9)
Technical adjustments	(43,896)	(43,896)	0	0	0	(0.5)
Centrally appropriated line items	(2,766)	0	0	(2,766)	0	0.0
<b>SB 17-254</b>	<b>\$768,362,792</b>	<b>\$5,287,383</b>	<b>\$299,403,122</b>	<b>\$3,539,053</b>	<b>\$460,133,234</b>	<b>128.8</b>
SB 17-025	47,000	0	47,000	0	0	0.0
SB 17-296	500,000	0	500,000	0	0	0.4
HB 17-1276	18,414	18,414	0	0	0	0.3
<b>TOTAL</b>	<b>\$768,928,206</b>	<b>\$5,305,797</b>	<b>\$299,950,122</b>	<b>\$3,539,053</b>	<b>\$460,133,234</b>	<b>129.5</b>
<b>INCREASE/(DECREASE)</b>	<b>\$14,111,337</b>	<b>\$2,010,655</b>	<b>\$14,546,150</b>	<b>(\$2,327,890)</b>	<b>(\$117,578)</b>	<b>3.2</b>
Percentage Change	1.9%	61.0%	5.1%	(39.7%)	(0.0%)	2.5%

#### FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**SCHOOL HEALTH PROFESSIONALS GRANT PROGRAM:** The appropriation adds \$9,642,950 cash funds from the Marijuana Tax Cash Fund and 3.0 FTE to expand the School Health Professionals Grant Program, established in S.B. 14-215 (Disposition of Legal Marijuana Related Revenue).

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments related to prior year legislation.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 16-072 (Increase Annual BEST Lease Purchase Payment)	\$5,000,000	\$0	\$5,000,000	\$0	\$0	0.0
HB 16-1289 (Career Development Success Pilot Program)	1,000,000	1,000,000	0	0	0	0.0
<b>TOTAL</b>	<b>\$6,000,000</b>	<b>\$1,000,000</b>	<b>\$5,000,000</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second and third-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 Office of dropout prevention reduction	\$1,100,000	\$0	\$1,100,000	\$0	\$0	0.9
FY 2016-17 School bullying prevention reduction	1,100,000	0	1,100,000	0	0	0.0
FY 2016-17 Start smart reduction	400,000	200,000	0	200,000	0	0.0
SB 17-160 (Supplemental Bill)	764,044	936,137	(1,108,230)	936,137	0	0.0
Educator Perception	(100,000)	(100,000)	0	0	0	0.0
FY 2015-16 B.E.S.T. Priority Assessment	(50,000)	0	(50,000)	0	0	0.0
<b>TOTAL</b>	<b>\$3,214,044</b>	<b>\$1,036,137</b>	<b>\$1,041,770</b>	<b>\$1,136,137</b>	<b>\$0</b>	<b>0.9</b>

**ACADEMIC STANDARDS REVISION:** The appropriation includes \$340,840 cash funds from the State Education Fund to support the review and revision of the statewide academic standards as required by Section 22-7-1005 (6), C.R.S.

**SUPPLEMENTAL ON-LINE EDUCATION SERVICES INCREASE:** The appropriation includes \$60,000 cash funds from the State Public School Fund to increase support for the Supplemental On-line Education Services Program.

**EARLY LITERACY ASSESSMENT TOOL ADJUSTMENT:** The appropriation includes an increase of \$9,846 cash funds from the State Education Fund to align with anticipated participation in the Early Literacy Assessment Tool program created in H.B. 12-1345 (School Finance).

**REFLECT ANTICIPATED FUND TRANSFERS:** The appropriation includes a net decrease of \$3,419,336 reappropriated funds to reflect changes in anticipated transfers of funds based on interagency agreements with the Department of Health Care Policy and Financing (an anticipated increase of \$16,971 to be transferred for S.B. 97-101 Public School Health Services) and the Department of Human Services (a net decrease of \$3,436,307, primarily based on the Departments' interagency agreement related to federal child care block grant funding).

**FACILITY SCHOOLS ADJUSTMENT:** The appropriation includes a decrease of \$2,096,256 cash funds from the State Education Fund for distributions to facility schools based on the Department's current estimates of facility school pupil counts in FY 2017-18. The appropriation also includes a related reduction of \$41,925 reappropriated funds to align the appropriation for the Facility Schools Unit and Facility Schools Board with the statutory direction that the Department withhold 2.0 percent of funding to be transferred to facility schools to support the operations of the Unit and Board.

**FEDERAL FUNDS TRUE-UP:** The appropriation includes a decrease of \$117,578 federal funds and 0.9 FTE to eliminate federal funding previously provided to the Office of Dropout Prevention and Student Reengagement that will no longer be available in FY 2017-18.

**TECHNICAL ADJUSTMENTS:** The appropriation includes a reduction of \$43,896 General Fund and 0.5 FTE for this division to reflect a technical adjustment to move 43,896 and 0.5 FTE originally appropriated to the College and Career Readiness line item for FY 2016-17 to the Longitudinal Analyses of Student Assessment Results line item (in the Management and Administration division) for FY 2017-18.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments related to centrally appropriated amounts for leased space to reflect changes in leased space costs for this division.

**ADDITIONAL LEGISLATION:** For information on additional legislation, see the "Recent Legislation" section at the end of this department.

## INDIRECT COST ASSESSMENT

This subsection, created in the FY 2013-14 Long Bill, reflects all of the indirect cost assessments against fund sources within the Assistance to Public Schools division. Major fund sources include federal funds in the Special Education Programs for Children with Disabilities line item and the Appropriated Sponsored Programs line item, with relatively minor contributions from cash and reappropriated fund sources within the division.

INDIRECT COST ASSESSMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$2,308,966	\$0	\$25,000	\$55,571	\$2,228,395	0.0
<b>TOTAL</b>	<b>\$2,308,966</b>	<b>\$0</b>	<b>\$25,000</b>	<b>\$55,571</b>	<b>\$2,228,395</b>	<b>0.0</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$2,308,966	\$0	\$25,000	\$55,571	\$2,228,395	0.0
Indirect cost assessment	341,337	0	0	0	341,337	0.0
<b>SB 17-254</b>	<b>\$2,650,303</b>	<b>\$0</b>	<b>\$25,000</b>	<b>\$55,571</b>	<b>\$2,569,732</b>	<b>0.0</b>
<b>TOTAL</b>	<b>\$2,650,303</b>	<b>\$0</b>	<b>\$25,000</b>	<b>\$55,571</b>	<b>\$2,569,732</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$341,337</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$341,337</b>	<b>0.0</b>
Percentage Change	14.8%	n/a	0.0%	0.0%	15.3%	n/a

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**INDIRECT COST ASSESSMENT:** The appropriation includes a net increase in the division's indirect cost assessment.

## LIBRARY PROGRAMS

This section contains appropriations for all library-related programs and staff. There are approximately 1,800 publicly-funded libraries in Colorado, including libraries operated by school districts, higher education institutions, and counties and municipalities, as well as institutional libraries (e.g., nursing homes, correctional institutions, etc.). State library programs, which provide support to locally-funded libraries, are primarily supported by General Fund and federal funds. Cash fund sources include grants and donations. Reappropriated funds are transferred from the Colorado Disabled Telephone Users Fund to the Reading Services for the Blind Cash Fund and are used to support privately operated reading services for the blind.

LIBRARY PROGRAMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$8,602,274	\$4,824,022	\$273,860	\$360,000	\$3,144,392	38.1
<b>TOTAL</b>	<b>\$8,602,274</b>	<b>\$4,824,022</b>	<b>\$273,860</b>	<b>\$360,000</b>	<b>\$3,144,392</b>	<b>38.1</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$8,602,274	\$4,824,022	\$273,860	\$360,000	\$3,144,392	38.1
<b>SB 17-254</b>	<b>\$8,602,274</b>	<b>\$4,824,022</b>	<b>\$273,860</b>	<b>\$360,000</b>	<b>\$3,144,392</b>	<b>38.1</b>
<b>TOTAL</b>	<b>\$8,602,274</b>	<b>\$4,824,022</b>	<b>\$273,860</b>	<b>\$360,000</b>	<b>\$3,144,392</b>	<b>38.1</b>

LIBRARY PROGRAMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>INCREASE/(DECREASE)</b>	\$0	\$0	\$0	\$0	\$0	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**NO CHANGES:** The appropriation does not contain changes from the FY 2016-17 appropriation.

## SCHOOL FOR THE DEAF AND THE BLIND

This section contains appropriations for the operation of the Colorado School for the Deaf and the Blind (CSDB), which is located in Colorado Springs. The CSDB provides educational services for children throughout the state who are deaf, hearing impaired, blind, or visually impaired, and under the age of 21. In FY 2015-16, the School had a total enrollment of 511 children, including 312 infants and toddlers served off campus and 199 students (ages 3 to 21) who received services on campus.

The primary source of funding for the CSDB is General Fund. However, the CSDB also receives State Education Fund money that is reappropriated from the Facility School Funding line item. Similar to community-based residential facilities that operate education programs, the CSDB is permitted to receive up to 1.73 times the *statewide base per pupil funding* level, based on the number of instructional days in the School's calendar. The CSDB also receives other sources of state and federal funding (e.g., Medicaid and nutrition funding), tuition from other states that place children at CSDB, payments from school districts that place students at CSDB on a short-term basis for diagnostic purposes, and various grants and fees. The General Assembly appropriates state General Fund to cover operating costs that are not covered by other funding sources.

SCHOOL FOR THE DEAF AND THE BLIND						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$16,313,576	\$11,582,107	\$1,075,000	\$3,656,469	\$0	180.2
<b>TOTAL</b>	<b>\$16,313,576</b>	<b>\$11,582,107</b>	<b>\$1,075,000</b>	<b>\$3,656,469</b>	<b>\$0</b>	<b>180.2</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$16,313,576	\$11,582,107	\$1,075,000	\$3,656,469	\$0	180.2
CSDB teacher salary increase	50,070	50,070	0	0	0	0.0
Centrally appropriated line items	10,361	10,361	0	0	0	0.0
Fund source adjustments	0	(43,206)	0	43,206	0	0.0
Annualize prior year budget actions	(95,106)	(95,106)	0	0	0	0.0
<b>SB 17-254</b>	<b>\$16,278,901</b>	<b>\$11,504,226</b>	<b>\$1,075,000</b>	<b>\$3,699,675</b>	<b>\$0</b>	<b>180.2</b>
<b>TOTAL</b>	<b>\$16,278,901</b>	<b>\$11,504,226</b>	<b>\$1,075,000</b>	<b>\$3,699,675</b>	<b>\$0</b>	<b>180.2</b>
<b>INCREASE/(DECREASE)</b>	(\$34,675)	(\$77,881)	\$0	\$43,206	\$0	0.0
Percentage Change	(0.2%)	(0.7%)	0.0%	1.2%	n/a	0.0%

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**CSDB TEACHER SALARY INCREASE:** The appropriation adds \$50,070 General Fund for salary increases for teachers employed at the CSDB based on the Colorado Springs District 11 salary schedule, as required by Section 22-80-106.5, C.R.S.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items for shift differential and vehicle lease payments.

**FUND SOURCE ADJUSTMENTS:** The appropriation includes a decrease in General Fund which is offset by an increase in reappropriated funds transferred from the Facility School Funding line item.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes changes to reflect the out-year impact of funding decisions made through the FY 2016-17 appropriation, primarily driven by the elimination of one-time funding provided for salary increases in FY 2016-17.

## RECENT LEGISLATION

### 2016 SESSION BILLS

**S.B. 16-072 (INCREASE ANNUAL B.E.S.T. LEASE-PURCHASE PAYMENT):** Increases the statutory cap on annual lease-purchase payments made by the Building Excellent Schools Today (B.E.S.T.) Program. Raises the cap on total lease purchase payments from \$80.0 million (up to \$40.0 million state funds) allowed under current law to:

- \$90.0 million (up to \$45.0 million in state funds) in FY 2016-17;
- \$100.0 million (up to \$50.0 million in state funds) in FY 2017-18 and subsequent years.

Also adjusts eligibility criteria and the application process for charter schools. For FY 2016-17, appropriates \$5.0 million cash funds from the Public School Capital Construction Assistance Fund to the Department of Education to support additional B.E.S.T. lease payments.

**S.B. 16-104 (INCENTIVES TO BUILD NUMBER OF RURAL TEACHERS):** Creates several new programs in the Department of Higher Education to provide incentives for individuals to become teachers in rural school districts and to support the needs of professional educators in rural school districts. Provides an appropriation of \$441,095 General Fund and 0.3 FTE to the Department of Higher Education for the new programs and related administrative costs for FY 2016-17. Adjusts FY 2016-17 appropriations in the Department of Education for the State Share of Districts' Total Program Funding to increase funding from the State Public School Fund by \$441,095 cash funds and decrease funding from the General Fund by the same amount. For additional information, see the "Recent Legislation" section at the end of Part III for the Department of Higher Education.

**H.B. 16-1222 (SUPPLEMENTAL ONLINE EDUCATION AND BLENDED LEARNING RESOURCES):** Creates the Supplemental Online and Blended Learning Program, expanding and replacing the existing Supplemental On-line Education Services program. Requires the Department to designate a board of cooperative educational services (BOCES) to design and articulate a statewide plan for supplemental online and blended learning and to lead, manage, and administer the statewide program. Requires the designated BOCES to ensure that all schools in the state have access to supplemental online and blended learning resources, professional development for teachers, and consulting assistance. For FY 2016-17, appropriates \$480,000 cash funds from the State Public School Fund to the Department of Education to support the program.

**H.B. 16-1234 (STATE ASSESSMENT SELECTION AND LOCAL FLEXIBILITY):** Requires the Department of Education to investigate methods for and costs of creating or selecting new statewide assessments in mathematics, English language arts, science, and social studies. Specifies that the investigation must examine the methods and costs of allowing local education providers (schools, school districts, and BOCES) to create or select assessments for use in the statewide accountability system. Requires the Department to report the results of the investigation to

the State Board of Education and the education committees of the General Assembly. For FY 2016-17, appropriates \$39,600 cash funds from the State Education Fund to the Department of Education.

**H.B. 16-1253 (CURRENT YEAR ADJUSTMENTS TO SCHOOL FINANCE):** Makes mid-year adjustments to school finance-related appropriations of state funds for FY 2015-16. Decreases *state* total program funding in FY 2015-16 by \$133.5 million total funds (including \$93.5 million General Fund and \$40.0 million cash funds from the State Public School Fund) to account for a \$133.5 million increase in *local* revenues available for school finance and maintain a constant level of total program funding. Maintaining a constant level of total program funding with lower-than-anticipated pupil counts and at-risk pupil counts reduced the negative factor in FY 2015-16 by \$24.5 million.

**H.B. 16-1405 (LONG BILL):** General appropriations act for FY 2016-17. Also includes supplemental adjustments to FY 2015-16 appropriations for the Department of Education.

**H.B. 16-1408 (CASH FUND ALLOCATIONS FOR HEALTH-RELATED PROGRAMS):** Establishes a new formula for the allocation of the annual payment received by the state as part of the Tobacco Master Settlement Agreement (Tobacco MSA). The new formula allocates all Tobacco MSA revenue by percentage shares, rather than the hybrid scheme of fixed dollar amounts and capped percentage shares in multiple tiers in current law. The formula eliminates dedicated funding transferred to the Early Literacy Fund in the Department of Education. The bill supports Early Literacy Program funding previously supported with Tobacco MSA money with cash funds from the Marijuana Tax Cash Fund. For FY 2016-17, makes the following appropriation adjustments for the Department of Education: (1) reduces the appropriation for the Early Literacy Competitive Grant Program by \$4,378,678 cash funds transferred from Tobacco MSA dollars; and (2) increases the appropriation from the Marijuana Tax Cash Fund for that program by the same amount.

**H.B. 16-1422 (SCHOOL FINANCE):** Amends the “Public School Finance Act of 1994” and other statutory provisions to provide funding for school districts for FY 2016-17, making the following changes:

- Increases the *statewide base per pupil funding* amount from \$6,292.39 to \$6,367.90 (1.2 percent) to account for the annual change in the Denver-Boulder-Greeley consumer price index in CY 2015;
- Maintains the negative factor at a constant dollar amount (\$830.7 million) from FY 2015-16 to FY 2016-17 and specifies that the negative factor cannot exceed that amount in FY 2018-19;
- Adjusts the size factor within the school finance formula by creating a new tier for districts with a funded pupil count between 3,500 and 5,000 pupils, increasing the size factor for school districts in that range;
- Authorizes the Commissioner of Education to withhold funding in the following year from school districts that are required to reimburse the state for ("buy out") categorical funding but fail to do so by the end of the fiscal year in which they are required to do so;
- Requires school districts in which the district's total program mill levy generates more revenue than the district's total program and categorical buyout requirements to hold the mill levy constant and to deposit the excess revenues in a total program reserve fund required by the bill;
- Authorizes supplemental assistance from the Contingency Reserve Fund for districts that, because of a significant decline in their assessed values, must implement the full negative factor when the district received little or no state funding prior to the negative factor in the previous fiscal year. The assistance is limited to no more than 25.0 percent of the district's reduction in state share due to the implementation of the negative factor and is only available to each district one time.

The bill also includes a variety of statutory provisions pertaining to charter schools. For FY 2016-17, appropriates \$124,664 cash funds from the State Education Fund to the Department of Education to cover cost increases associated with the bill's changes to the size factor.

**H.B. 16-1429 (ALTERNATIVE EDUCATION CAMPUS CRITERIA AND PILOT PROGRAM):** Modifies the statutory criteria for designation (by the State Board of Education) as an alternative education campus (AEC) by:

- Lowering the threshold for AEC designation from 95 percent high-risk students (under current law) to 90 percent high-risk students;
- Substituting four absences in any one month, or ten absences in any given year, for the current high-risk criteria of failing to remain continuously enrolled and regularly attending school in the previous semester;
- Expanding high-risk criteria to include students who are wards of the courts, are in foster care, or have experienced the loss of a parent or sibling; and
- Redefining the meaning of behavioral health issues related to high-risk students in AECs.

Requires the Department to continue working with interested stakeholders and interested AECs to find and develop methods to measure qualitative aspects of AEC performance. For FY 2016-17, appropriates \$43,896 General Fund to the Department of Education.

## 2017 SESSION BILLS

**S.B. 17-025 (MARIJUANA EDUCATION MATERIALS RESOURCE BANK):** Requires the Department, with assistance from the Department of Public Health and Environment and the Marijuana Educational Oversight Committee, to create and maintain a resource bank of materials and curricula related to marijuana. Requires the Department to solicit input regarding materials and curricula and allows the Department to contract for services related to the development of the resource bank and curricula. For FY 2017-18, appropriates \$47,000 cash funds from the Marijuana Tax Cash Fund to the Department of Education.

**S.B. 17-160 (SUPPLEMENTAL BILL):** Modifies FY 2016-17 appropriations to the Department.

**S.B. 17-173 (SCHOOL FINANCE MID-YEAR ADJUSTMENTS):** Makes mid-year school finance-related statutory adjustments to reflect actual pupil counts and the local revenues available for school finance in FY 2016-17. Maintains the state share of districts' total program funding at the original appropriated level for FY 2016-17. After adjusting for a \$23.1 million decrease in local revenues available for school finance (below the level anticipated in the original FY 2016-17 appropriation) and a lower-than-anticipated student count (reducing total program funding before the application of the negative factor by \$25.5 million), maintaining state funding at a constant level reduces the negative factor by \$2.4 million in FY 2016-17. For FY 2016-17, appropriates \$3,950 cash funds from the State Education Fund to the Department of Education for the Hold-harmless Full-day Kindergarten program line item.

**S.B. 17-254 (LONG BILL):** General appropriations act for FY 2017-18. Includes provisions modifying FY 2015-16 and FY 2016-17 appropriations to the Department.

**S.B. 17-267 (SUSTAINABILITY OF RURAL COLORADO):** Among other provisions, increases the rate of retail marijuana sales tax (currently 10 percent and scheduled to decrease under current law to 8 percent) to 15 percent effective July 1, 2017 and specifies the following uses of associated revenue:

- Offsets a portion of the state retail marijuana sales tax rate increase by exempting retail sales of marijuana upon which the state retail marijuana sales tax is imposed from the 2.9 percent general state sales tax, but provides that local governments can continue to impose their local general sales taxes on retail sales of marijuana;
- Holds local governments that currently receive an allocation of 15 percent of state retail marijuana sales tax revenue based on the current tax rate of 10 percent harmless by specifying that on and after July 1, 2017, they receive an allocation of 10 percent of state retail marijuana sales tax revenue based on the new rate of 15 percent;

- For FY 2017-18, credits \$30 million of the 90 percent of the state retail marijuana sales tax revenue that the state retains to the State Public School Fund for distribution to rural school districts; and
- For FY 2018-19 and subsequent years, credits 12.59 percent of the state retail marijuana tax revenue that the state retains to the State Public School Fund to support the state share of districts' total program funding.

For FY 2017-18 and subsequent years, includes statutory appropriations to the Department of Education for all marijuana sales tax proceeds transferred to the State Public School Fund. For more information, see the corresponding bill description in the "Recent Legislation" section at the end of Part III of the Department of Health Care Policy and Financing.

**S.B. 17-296 (SCHOOL FINANCE):** Amends the "Public School Finance Act of 1994" and other statutory provisions to provide funding for school districts for FY 2017-18, making the following changes:

- Increases the *statewide base per pupil funding* amount from \$6,367.90 to \$6,546.20 (2.8 percent) to account for the annual change in the Denver-Boulder-Greeley consumer price index in CY 2016;
- Renames the negative factor the budget stabilization factor;
- Maintains the budget stabilization factor at a constant dollar amount (\$828.3 million) from FY 2016-17 to FY 2017-18 and specifies that the negative factor cannot exceed that amount in FY 2018-19;
- Adjusts requirements concerning the distribution of mill levy override revenues to charter schools;
- Creates the Mill Levy Equalization Fund to, subject to available appropriations, support mill levy equalization payments for institute charter schools on a per pupil basis; and
- Authorizes supplemental assistance from the Contingency Reserve Fund for districts that, because of at least a 20 percent enrollment increase over projected levels, may experience an unusual financial burden to implement or expand a school program. Requires recipient districts to reimburse the State for such assistance following the adjustment in the district's distribution of school finance payments to account for the increased enrollment.

The bill also creates a computer science education grant program for teachers who wish to pursue additional postsecondary education and training in order to then provide computer science education to K-12 students. For FY 2017-18, appropriates \$500,000 cash funds from the State Education Fund and 0.4 FTE to the Department of Education for computer science education grants to teachers.

**H.B. 17-1181 (REQUIRED STATE ASSESSMENT FOR NINTH-GRADE STUDENTS):** Repeals the requirement that public schools administer the state English language arts and mathematics assessments to ninth-grade students and instead requires local education providers to administer a ninth grade assessment aligned with the pre-exam and college entrance exams administered to tenth and eleventh grade students. Requires administration of the assessment during the spring semester, on a schedule to be set annually by the Department of Education. For FY 2017-18, decreases appropriations to the Department of Education for the Colorado Student Assessment Program by \$642,786 cash funds from the State Education Fund.

**H.B. 17-1276 (RESTRICT RESTRAINTS ON PUBLIC SCHOOL STUDENTS):** Prohibits the use of a chemical, mechanical, or prone (face-down) restraint on a public school student. Exceptions are allowed for the use of mechanical or prone restraints when the student is openly displaying a deadly weapon or the person applying the restraint is an armed security officer or a certified peace officer, has received specified training, and has made a referral to a law enforcement agency. The prohibition does not apply to schools operated in state-owned facilities within the Division of Youth Corrections. Creates reporting requirements for any incident involving the use of any type of restraint on a student and requires the State Board of Education to promulgate rules establishing a formal complaint process about the use of restraint or seclusion by any school employee or volunteer. For FY 2017-18, appropriates \$18,414 General Fund and 0.3 FTE to the Department of Education.



**H.B. 17-1340 (LEGISLATIVE INTERIM COMMITTEE ON SCHOOL FINANCE):** Creates a legislative interim committee to study school finance issues and make legislative recommendations concerning how to most accurately meet the educational needs of students through the funding of K-12 education in Colorado. Specifies the membership of the interim committee and requires that members be appointed by July 1, 2017. Specifies a list of issues the committee must consider and authorizes the committee to consider additional issues. The committee will meet up to five times per interim in the 2017 and 2018 interims and may introduce up to five bills during each of the 2018 and 2019 legislative sessions. Subject to available appropriations, requires the committee to contract with a private entity to assist in gathering information for the study and analyzing the chosen issues. For FY 2017-18, appropriates \$380,869 cash funds from the State Public School Fund and 0.4 FTE to the Legislative Department.

# Details

## GOVERNOR – LIEUTENANT GOVERNOR – STATE PLANNING AND BUDGETING

### FY 2016-17 AND FY 2017-18 APPROPRIATIONS BY DIVISION AND BILL

GOVERNOR - LIEUTENANT GOVERNOR - STATE PLANNING AND BUDGETING						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2016-17 TOTAL APPROPRIATION:</b>	<b>\$307,976,762</b>	<b>\$35,966,004</b>	<b>\$44,733,104</b>	<b>\$220,765,787</b>	<b>\$6,511,867</b>	<b>1,090.0</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
Office of the Governor	21,074,282	4,703,539	11,898,892	563,706	3,908,145	65.7
Office of the Lieutenant Governor	659,036	439,027	1,184	218,825	0	6.0
Office of State Planning and Budgeting	2,216,262	638,174	0	1,578,088	0	20.5
Economic Development Programs	59,683,920	25,533,807	31,582,100	85,291	2,482,722	60.3
Office of Information Technology	224,343,262	4,651,457	1,250,928	218,319,877	121,000	937.5
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
HB 16-1405	\$306,849,429	\$35,996,004	\$43,978,954	\$220,362,604	\$6,511,867	1,090.0
SB 16-030	12,566	0	0	12,566	0	0.0
HB 16-1047	113,300	0	0	113,300	0	0.0
HB 16-1097	8,755	0	0	8,755	0	0.0
HB 16-1227	268,562	0	0	268,562	0	0.0
SB 17-161	724,150	(30,000)	754,150	0	0	0.0
<b>FY 2017-18 TOTAL APPROPRIATION:</b>	<b>\$335,658,778</b>	<b>\$35,324,665</b>	<b>\$47,400,500</b>	<b>\$246,477,893</b>	<b>\$6,455,720</b>	<b>1,091.2</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
Office of the Governor	17,890,385	5,030,265	8,076,329	870,409	3,913,382	40.7
Office of the Lieutenant Governor	507,301	506,117	1,184	0	0	5.9
Office of State Planning and Budgeting	3,216,262	1,138,174	500,000	1,578,088	0	20.5
Economic Development Programs	56,001,114	20,232,051	33,262,434	85,291	2,421,338	60.6
Office of Information Technology	258,043,716	8,418,058	5,560,553	243,944,105	121,000	963.5
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
SB 17-254	\$327,294,670	\$30,301,603	\$44,200,500	\$246,336,847	\$6,455,720	1,087.9
SB 17-028	12,960	0	0	12,960	0	0.0
SB 17-060	(218,825)	0	0	(218,825)	0	(1.0)
SB 17-255	3,200,000	0	3,200,000	0	0	0.0
SB 17-280	5,000,000	5,000,000	0	0	0	4.0
HB 17-1090	23,062	23,062	0	0	0	0.3
HB 17-1165	20,000	0	0	20,000	0	0.0
HB 17-1204	108,710	0	0	108,710	0	0.0
HB 17-1221	21,603	0	0	21,603	0	0.0
HB 17-1313	44,486	0	0	44,486	0	0.0
HB 17-1326	152,112	0	0	152,112	0	0.0
<b>INCREASE/(DECREASE)</b>	<b>\$27,682,016</b>	<b>(\$641,339)</b>	<b>\$2,667,396</b>	<b>\$25,712,106</b>	<b>(\$56,147)</b>	<b>1.2</b>
Percentage Change	9.0%	(1.8%)	6.0%	11.6%	(0.9%)	0.1%

**INFORMATIONAL FUNDS:** The FY 2017-18 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department are annotated with the "(I)". For additional information, see Appendix E.

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2017-18 Appropriations containing an (I) notation	\$27,296,486	\$0	\$20,840,766	\$0	\$6,455,720

## DETAIL OF APPROPRIATION BY ADMINISTRATIVE SECTION

### OFFICE OF THE GOVERNOR

As the chief executive of the State, the Governor is responsible for the overall operation of the executive branch of government. This office provides for coordination, direction, and planning of agency operations, as well as maintaining a liaison with local governments and the federal government. Offices within the Governor's Office include: the Colorado Energy Office, the Boards and Commissions Office, the Citizens' Advocate Office, and the Office of Policy and Initiatives. Approximately 28.1 percent of funds are from the General Fund for direct administration of the Governor's office and residence and for centrally appropriated items such as employee benefits and risk management. Cash funds, which reflect 45.1 percent of the appropriations to the Office, are from various sources, including severance tax revenue in the Colorado Energy Office and rental fees for use of the Governor's Mansion. The reappropriated funds, which account for 4.9 percent of the Office's appropriations, are from other divisions within the Department and indirect cost recoveries for services. Federal funds comprise 21.9 percent of this division's funding, and are related to miscellaneous programs, primarily in the Colorado Energy Office.

OFFICE OF THE GOVERNOR						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$21,074,282	\$4,703,539	\$11,898,892	\$563,706	\$3,908,145	65.7
<b>TOTAL</b>	<b>\$21,074,282</b>	<b>\$4,703,539</b>	<b>\$11,898,892</b>	<b>\$563,706</b>	<b>\$3,908,145</b>	<b>65.7</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$21,074,282	\$4,703,539	\$11,898,892	\$563,706	\$3,908,145	65.7
Centrally appropriated line items	427,738	553,357	(100,609)	10,072	(35,082)	0.0
Technical changes	17,577	0	(22,742)	0	40,319	0.0
Indirect cost assessment adjustment	0	(296,631)	0	296,631	0	0.0
Annualize prior year legislation	(3,526,182)	70,000	(3,596,182)	0	0	(24.0)
Marijuana Office sunset	(103,030)	0	(103,030)	0	0	(1.0)
<b>SB 17-254</b>	<b>\$17,890,385</b>	<b>\$5,030,265</b>	<b>\$8,076,329</b>	<b>\$870,409</b>	<b>\$3,913,382</b>	<b>40.7</b>
<b>TOTAL</b>	<b>\$17,890,385</b>	<b>\$5,030,265</b>	<b>\$8,076,329</b>	<b>\$870,409</b>	<b>\$3,913,382</b>	<b>40.7</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$3,183,897)</b>	<b>\$326,726</b>	<b>(\$3,822,563)</b>	<b>\$306,703</b>	<b>\$5,237</b>	<b>(25.0)</b>
Percentage Change	(15.1%)	6.9%	(32.1%)	54.4%	0.1%	(38.1%)

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; salary survey; merit pay; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; vehicle lease payments; workers' compensation; legal services; payment to risk management and property funds; Capitol complex leased space; payments to the Governor's Office of Information Technology (OIT); and CORE operations.

**TECHNICAL CHANGES:** The appropriation includes an increase of \$17,577 total funds for a series of minor changes.

**INDIRECT COST ASSESSMENT ADJUSTMENT:** The appropriation includes a net zero change in total funds, including a decrease of \$296,631 General Fund and an increase of \$296,631 reappropriated funds, in the Department's indirect cost assessment.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments for the fifth-year impact of prior year legislation.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 12-1315 Reorganization Of Governors Energy Office	(\$3,596,182)	\$0	(\$3,596,182)	\$0	\$0	(24.0)

**MARIJUANA OFFICE SUNSET:** The appropriation includes a decrease of \$103,030 cash funds from the Marijuana Tax Cash Fund and 1.0 FTE for FY 2017-18 to close the Office of Marijuana Coordination. The short-term work of the Office of Marijuana Coordination is approaching completion and the remaining work related to the state's implementation of medical and recreational marijuana policy can be performed by agencies in conjunction with the Office of Governor.

## OFFICE OF THE LIEUTENANT GOVERNOR

Colorado's Constitution provides for the Lieutenant Governor to become Governor in the case of the death, impeachment, felony conviction, incapacitation, or resignation of the Governor. The Lieutenant Governor serves as chairperson of the Colorado Commission of Indian Affairs and handles additional responsibilities assigned by the Governor. Approximately 99.8 percent of the funding for the Office of the Lieutenant Governor is General Fund and 0.2 percent is cash funds from private donations.

OFFICE OF THE LIEUTENANT GOVERNOR						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$659,036	\$439,027	\$1,184	\$218,825	\$0	6.0
<b>TOTAL</b>	<b>\$659,036</b>	<b>\$439,027</b>	<b>\$1,184</b>	<b>\$218,825</b>	<b>\$0</b>	<b>6.0</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$659,036	\$439,027	\$1,184	\$218,825	\$0	6.0
Native American health services coordination	67,090	67,090	0	0	0	0.9

OFFICE OF THE LIEUTENANT GOVERNOR						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>SB 17-254</b>	<b>\$726,126</b>	<b>\$506,117</b>	<b>\$1,184</b>	<b>\$218,825</b>	<b>\$0</b>	<b>6.9</b>
SB 17-060	(218,825)	0	0	(218,825)	0	(1.0)
<b>TOTAL</b>	<b>\$507,301</b>	<b>\$506,117</b>	<b>\$1,184</b>	<b>\$0</b>	<b>\$0</b>	<b>5.9</b>
<b>INCREASE/(DECREASE)</b>	(\$151,735)	\$67,090	\$0	(\$218,825)	\$0	(0.1)
Percentage Change	(23.0%)	15.3%	0.0%	(100.0%)	n/a	(1.7%)

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**NATIVE AMERICAN HEALTH SERVICES COORDINATION:** The appropriation includes an increase of \$67,090 General Fund and 0.9 FTE in the Office of the Lieutenant Governor's Commission of Indian Affairs for FY 2017-18 to lead an initiative to coordinate health care issues between Medicaid providers, the federal Indian Health Services (IHS) agency, and tribal governments. In cooperation with the Departments of Health Care Policy and Financing and Human Services, the goal of the initiative is to reduce travel time for Native Americans seeking affordable care at an IHS facility and to improve coordination of care between IHS facilities and outside providers. Poor coordination has resulted in Native Americans paying more for care or foregoing costly care.

**ADDITIONAL LEGISLATION:** For information on additional legislation, see the "Recent Legislation" section at the end of this department.

## OFFICE OF STATE PLANNING AND BUDGETING

The Office of State Planning and Budgeting is responsible for the development of executive budget requests, the review and analysis of departmental expenditures, and preparation of revenue and economic forecasts for the state. Approximately 35.4 percent of funds are from the General Fund for special projects. Cash funds, which comprise 15.5 percent of the appropriations to the Office, are from the Marijuana Tax Cash Fund. The reappropriated funds, which account for 49.1 percent of the Office's appropriations, are from statewide indirect cost recoveries.

OFFICE OF STATE PLANNING AND BUDGETING						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$2,216,262	\$638,174	\$0	\$1,578,088	\$0	20.5
<b>TOTAL</b>	<b>\$2,216,262</b>	<b>\$638,174</b>	<b>\$0</b>	<b>\$1,578,088</b>	<b>\$0</b>	<b>20.5</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$2,216,262	\$638,174	\$0	\$1,578,088	\$0	20.5
LEAN initiatives	500,000	500,000	0	0	0	0.0
Evidence-based policymaking evaluation	500,000	0	500,000	0	0	0.0
<b>SB 17-254</b>	<b>\$3,216,262</b>	<b>\$1,138,174</b>	<b>\$500,000</b>	<b>\$1,578,088</b>	<b>\$0</b>	<b>20.5</b>
<b>TOTAL</b>	<b>\$3,216,262</b>	<b>\$1,138,174</b>	<b>\$500,000</b>	<b>\$1,578,088</b>	<b>\$0</b>	<b>20.5</b>
<b>INCREASE/(DECREASE)</b>	\$1,000,000	\$500,000	\$500,000	\$0	\$0	0.0
Percentage Change	45.1%	78.3%	0.0%	0.0%	n/a	0.0%

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**LEAN INITIATIVES:** The appropriation includes an increase of \$500,000 General Fund for FY 2017-18 for the Office of state Planning and Budgeting to deliver elements of the Performance Management Academy through the Center for Organizational Effectiveness and increase the number of state employees receiving leadership and process improvement training. It is estimated that this appropriation will provide training for approximately 500 additional state employees.

**EVIDENCE-BASED POLICYMAKING EVALUATION:** The appropriation includes an increase of \$500,000 cash funds from the Marijuana Tax Cash Fund for FY 2017-18 to fund a grant program in the Office of State Planning and Budgeting for state agencies to embark on projects to evaluate and/or assist in the implementation of programs funded from the Marijuana Tax Cash Fund. Program evaluations assist the General Assembly in determining if investments of state resources are improving outcomes.

## ECONOMIC DEVELOPMENT PROGRAMS

The Office of Economic Development and International Trade is the central coordination office for the state's business assistance, retention, expansion, and recruitment programs. The Office includes the Economic Development Commission, the Global Business Development Office, Small Business Development Centers, Colorado Welcome Centers, Colorado Tourism Office, Creative Industries Council, and the Colorado Office of Film, Television, and Media. The Office also coordinates programs related to advanced industries. Approximately 36.1 percent of the funding for the Office is General Fund, 59.4 percent is cash funds from limited gaming tax revenue and other sources, 0.2 percent is reappropriated funds transferred from the Department of Regulatory Agencies to the Office for the CAPCO program, and 4.3 percent is federal funds from various sources, including the National Endowment for the Arts.

ECONOMIC DEVELOPMENT PROGRAMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$58,959,770	\$25,563,807	\$30,827,950	\$85,291	\$2,482,722	60.3
SB 17-161	724,150	(30,000)	754,150	0	0	0.0
<b>TOTAL</b>	<b>\$59,683,920</b>	<b>\$25,533,807</b>	<b>\$31,582,100</b>	<b>\$85,291</b>	<b>\$2,482,722</b>	<b>60.3</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$59,683,920	\$25,533,807	\$31,582,100	\$85,291	\$2,482,722	60.3
Technical changes	1,500,000	0	1,561,384	0	(61,384)	0.0
Annualize prior year budget actions	(5,000,000)	(5,000,000)	0	0	0	(4.0)
Annualize prior year legislation	(2,954,680)	(3,073,630)	118,950	0	0	0.0
Film incentives reduction	(2,250,000)	(2,250,000)	0	0	0	0.0
Centrally appropriated line items	(1,188)	(1,188)	0	0	0	0.0
<b>SB 17-254</b>	<b>\$50,978,052</b>	<b>\$15,208,989</b>	<b>\$33,262,434</b>	<b>\$85,291</b>	<b>\$2,421,338</b>	<b>56.3</b>
SB 17-280	5,000,000	5,000,000	0	0	0	4.0
HB 17-1090	23,062	23,062	0	0	0	0.3
<b>TOTAL</b>	<b>\$56,001,114</b>	<b>\$20,232,051</b>	<b>\$33,262,434</b>	<b>\$85,291</b>	<b>\$2,421,338</b>	<b>60.6</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$3,682,806)</b>	<b>(\$5,301,756)</b>	<b>\$1,680,334</b>	<b>\$0</b>	<b>(\$61,384)</b>	<b>0.3</b>
Percentage Change	(6.2%)	(20.8%)	5.3%	0.0%	(2.5%)	0.5%

## FY 2016-17 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 17-161 modifies the FY 2016-17 appropriation to:

- Add \$600,000 cash funds spending authority from the Colorado Travel and Tourism Promotion Fund to promote activities, events, and services at farms, ranches, or other agricultural, horticultural, or agribusiness operations;
- Add \$124,150 total funds, including a decrease of \$30,000 General Fund and an increase of \$154,150 cash funds, to administer the Historic Preservation Tax Credit with cash funds originating as fees paid by applicants for application processing and tax credit issuance; and
- Add a new footnote for the Office of Economic Development and International Trade's "Colorado Office of Film, Television, and Media" line item indicating that the appropriation included in the FY 2016-17 Long Bill (\$3,500,000 total funds) may be expended through June 30, 2018.

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**TECHNICAL CHANGES:** The appropriation includes an increase of \$1,500,000 cash funds to capture the revenue forecasted to be deposited in the Advanced Industries Acceleration Cash Fund as a result of S.B. 11-047 (Bioscience & Clean Tech Reinvestment). Senate Bill 11-047 redirects 50 percent of the growth of state income tax withholdings from specific Colorado businesses into the Advanced Industries Acceleration Cash Fund where it is used by the Office of Economic Development and International Trade for a grant program to promote growth and sustainability in advanced industries. This amount varies from year to year based on tax filings and, as such, is adjusted in the Long Bill annually.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second- and third-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 Economic Development Commission authority	(\$5,000,000)	(\$5,000,000)	\$0	\$0	\$0	(4.0)

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments for the second- and third-year impact of prior year legislation.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 17-161 Supplemental Bill	\$137,700	\$0	\$137,700	\$0	\$0	0.0
HB 14-1011 Advanced Industry Economic Development Funding	(3,073,630)	(3,073,630)	0	0	0	0.0
HB 13-1003 Economic Gardening Pilot Project Office Economic Development	(18,750)	0	(18,750)	0	0	0.0
<b>TOTAL</b>	<b>(\$2,954,680)</b>	<b>(3,073,630)</b>	<b>\$118,950</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**FILM INCENTIVES REDUCTION:** The appropriation eliminates \$2,250,000 General Fund for film incentives. After the reduction, the remaining funds for operations of the Colorado Office of Film, Television, and Media include \$750,000 General Fund and \$500,000 cash funds originating from limited gaming tax revenues.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items for vehicle lease payments.

**ADDITIONAL LEGISLATION:** For information on additional legislation, see the "Recent Legislation" section at the end of this department.

## OFFICE OF INFORMATION TECHNOLOGY

The Governor's Office of Information Technology (OIT) oversees executive department technology initiatives and recommends strategies for cost-effective and efficient service delivery through the application of enterprise technology solutions. The Office provides services to state agencies on a cost reimbursement basis with OIT acting as a vendor to state agencies. Services offered by OIT to state agencies have a mixture of costs (e.g. personal services, benefits, operating expenses, and contract expenses) associated with the service delivery. The costs are allocated to agencies based on the level of service consumed. OIT's budget consists of 3.3 percent General Fund, 2.2 percent cash funds from non-state agencies receiving services, 94.5 percent reappropriated funds transferred from agencies for services provided by OIT, and 0.1 percent federal funds from various sources.

OFFICE OF INFORMATION TECHNOLOGY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$223,940,079	\$4,651,457	\$1,250,928	\$217,916,694	\$121,000	937.5
SB 16-030	12,566	0	0	12,566	0	0.0
HB 16-1047	113,300	0	0	113,300	0	0.0
HB 16-1097	8,755	0	0	8,755	0	0.0
HB 16-1227	268,562	0	0	268,562	0	0.0
<b>TOTAL</b>	<b>\$224,343,262</b>	<b>\$4,651,457</b>	<b>\$1,250,928</b>	<b>\$218,319,877</b>	<b>\$121,000</b>	<b>937.5</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$224,343,262	\$4,651,457	\$1,250,928	\$218,319,877	\$121,000	937.5
Annualize prior year legislation	7,082,097	3,700,000	0	3,382,097	0	0.0
Annualize prior year budget actions	7,071,152	0	0	7,071,152	0	0.0
Human Resource Information System	4,912,625	0	0	4,912,625	0	0.0
Secure Colorado	2,973,689	0	0	2,973,689	0	7.0
Tax system maintenance, support, and hosting	2,834,549	0	0	2,834,549	0	0.0
Marijuana data coordination	1,109,625	0	1,109,625	0	0	0.0
Deskside staffing	965,084	0	0	965,084	0	8.0
Public Safety Communications Network microwave upgrade staffing technical correction	921,414	0	0	921,414	0	10.0
Department of Revenue telephone replacement	791,172	0	0	791,172	0	0.0
Centrally appropriated line items	716,721	66,601	0	650,120	0	0.0
Long Term Care services Benefit Utilization System adjustment	325,000	0	0	325,000	0	0.0
Indirect cost assessment adjustment	283,026	0	0	283,026	0	0.0
Technology accessibility for people with disabilities	100,000	0	0	100,000	0	1.0
Administrative courts electronic case management system	54,429	0	0	54,429	0	0.0
Enterprise applications realignment	0	0	0	0	0	0.0
<b>SB 17-254</b>	<b>\$254,483,845</b>	<b>\$8,418,058</b>	<b>\$2,360,553</b>	<b>\$243,584,234</b>	<b>\$121,000</b>	<b>963.5</b>
SB 17-028	12,960	0	0	12,960	0	0.0
SB 17-255	3,200,000	0	3,200,000	0	0	0.0
HB 17-1165	20,000	0	0	20,000	0	0.0



OFFICE OF INFORMATION TECHNOLOGY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 17-1204	108,710	0	0	108,710	0	0.0
HB 17-1221	21,603	0	0	21,603	0	0.0
HB 17-1313	44,486	0	0	44,486	0	0.0
HB 17-1326	152,112	0	0	152,112	0	0.0
<b>TOTAL</b>	<b>\$258,043,716</b>	<b>\$8,418,058</b>	<b>\$5,560,553</b>	<b>\$243,944,105</b>	<b>\$121,000</b>	<b>963.5</b>
<b>INCREASE/(DECREASE)</b>	<b>\$33,700,454</b>	<b>\$3,766,601</b>	<b>\$4,309,625</b>	<b>\$25,624,228</b>	<b>\$0</b>	<b>26.0</b>
Percentage Change	15.0%	81.0%	344.5%	11.7%	0.0%	2.8%

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments for the second- and third-year impact of prior year legislation.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 14-1203 Funding For Digital Trunked Radio System Maintenance	\$7,400,000	\$3,700,000	\$0	\$3,700,000	\$0	0.0
SB 16-069 Community Paramedicine Regulation	38,080	0	0	38,080	0	0.0
HB 16-1227 Exemptions Child Support Requirements Child Care Assist	(268,562)	0	0	(268,562)	0	0.0
HB 16-1047 Interstate Medical Licensure Compact	(66,100)	0	0	(66,100)	0	0.0
SB 16-030 Motor Vehicle Weight Violation Surcharges	(12,566)	0	0	(12,566)	0	0.0
HB 16-1097 PUC Permit For Medicaid Transportation Providers	(8,755)	0	0	(8,755)	0	0.0
<b>TOTAL</b>	<b>\$7,082,097</b>	<b>\$3,700,000</b>	<b>\$0</b>	<b>\$3,382,097</b>	<b>\$0</b>	<b>0.0</b>

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second- and third-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 CBMS/PEAK annual base adjustment	\$4,009,792	\$0	\$0	\$4,009,792	\$0	0.0
FY 2014-15 HRIS/KRONOS capital project into operating budget	3,043,760	0	0	3,043,760	0	0.0
FY 2016-17 Voice services spending authority	300,854	0	0	300,854	0	0.0
FY 2016-17 CBMS client correspondence	59,844	0	0	59,844	0	0.0
FY 2016-17 End user configuration management tool	6,605	0	0	6,605	0	0.0
FY 2016-17 Legacy systems and technology support	(325,000)	0	0	(325,000)	0	0.0
FY 2016-17 Niche Records Management System	(24,703)	0	0	(24,703)	0	0.0
<b>TOTAL</b>	<b>\$7,071,152</b>	<b>\$0</b>	<b>\$0</b>	<b>\$7,071,152</b>	<b>\$0</b>	<b>0.0</b>

**HUMAN RESOURCE INFORMATION SYSTEM:** The appropriation includes an increase of \$4,912,625 reappropriated funds transferred from state agencies to the Governor's Office of Information Technology for FY 2017-18 to cover the maintenance and support costs associated with the Human Resource Information System (HRIS). HRIS is a new computer system that augments and replaces the existing leave, time tracking, and human resources management system. The build-out of HRIS was funded in prior fiscal years via appropriations in the capital construction section of the budget.

**SECURE COLORADO:** The appropriation includes an increase of \$2,973,689 reappropriated funds transferred from state agencies to the Governor’s Office of Information Technology and 7.0 FTE for FY 2017-18 for several initiatives related to the state’s cybersecurity program known as “Secure Colorado.” The initiatives include:

- An internship program to hire and train skilled military veterans;
- Acquiring a governance, risk, and compliance tool (GRC) to document security controls;
- Hiring additional staff to conduct internal and vendor security compliance monitoring;
- Adding to the existing capabilities of the Governor’s Office of Information Technology to address existing high-risk security audit findings and build-out the capability to more quickly assess high-priority security needs; and
- Deploying a multi-factor authentication tool for enterprise identity management.

**TAX SYSTEM MAINTENANCE, SUPPORT, AND HOSTING:** The appropriation includes an increase of \$2,834,549 reappropriated funds transferred from the Department of Revenue to the Governor’s Office of Information Technology for FY 2017-18 to refresh the mainframe infrastructure hosting the GenTax computing environment. GenTax is used by the state for processing motor vehicle, gaming, liquor, racing, income, cigarette, sales, fuel, and severance taxes.

**MARIJUANA DATA COORDINATION:** The appropriation includes an increase of \$1,109,625 cash funds from the Marijuana Tax Cash Fund for FY 2017-18 for the Governor’s Office of Information Technology to create a data platform to identify, locate, assimilate, store, analyze, disseminate, and present marijuana-related information. Statute tasks the executive branch with coordinating a response to the legalization of retail marijuana, including data collection and analysis functions. This funding will be used to develop tools to bring together data from all data owners in real-time for use in a variety of applications specific to agency needs. This solution does not seek to remove data from its existing databases, but rather calls for a series of tools that access the data in a secure manner so that it can be combined with other data within applications used by a variety of state agencies.

**DESKSIDE STAFFING:** The appropriation includes an increase of \$965,084 reappropriated funds transferred from state agencies to the Governor’s Office of Information Technology and 8.0 FTE for FY 2017-18 to add state employees and contract resources to the Office’s End User Deskside team. This unit supports state employee computer devices, including peripheral equipment, such as printers.

**PUBLIC SAFETY COMMUNICATIONS NETWORK MICROWAVE UPGRADE STAFFING TECHNICAL CORRECTION:** The appropriation moves \$921,414 reappropriated funds transferred from state agencies and 10.0 FTE from the capital construction budget to the operating budget for FY 2017-18 for the Governor’s Office of Information Technology. In prior years, this appropriation was erroneously included in the capital construction section of the Long Bill although the funds cover operating expenses.

**DEPARTMENT OF REVENUE TELEPHONE REPLACEMENT:** The appropriation includes an increase of \$791,172 reappropriated funds transferred from the Department of Revenue to the Governor’s Office of Information Technology for FY 2017-18 to replace the legacy telecommunications system at six of the Department of Revenue’s locations.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; salary survey; merit pay; short-term disability; supplemental state contributions to the Public Employees’ Retirement Association (PERA) pension fund; shift differential; vehicle lease payments; workers’ compensation; legal services; payment to risk management and property funds; Capitol complex leased space; payments to the Governor’s Office of Information Technology (OIT); and CORE operations.

**LONG TERM CARE SERVICES BENEFIT UTILIZATION SYSTEM ADJUSTMENT:** The appropriation includes an increase of \$325,000 transferred from the Department of Health Care Policy and Financing to the Governor's Office of Information Technology for FY 2017-18 to provide staff support for the Benefits Utilization System (BUS). The BUS is a computer system used to input and store client assessments that determine eligibility for long term services and supports. These time-limited staff resources will maintain the operations of the BUS until it is replaced by a component of the new Medicaid Management Information System (MMIS). It is anticipated that transitioning from the BUS into the new MMIS will occur in late FY 2017-18.

**INDIRECT COST ASSESSMENT ADJUSTMENT:** The appropriation includes a net increase of \$283,026 total funds, including a decrease of \$296,631 General Fund, in this division's indirect cost assessment.

**TECHNOLOGY ACCESSIBILITY FOR PEOPLE WITH DISABILITIES:** The appropriation includes an increase of \$100,000 reappropriated funds transferred from state agencies to the Governor's Office of Information Technology and 1.0 FTE for FY 2017-18 to create and fund a Technology Accessibility Coordinator position in the Office to work with employees and citizens to ensure that state technology can be used by people with disabilities.

**ADMINISTRATIVE COURTS ELECTRONIC CASE MANAGEMENT SYSTEM:** The appropriation includes an increase of \$54,429 reappropriated funds transferred from the Department of Personnel to the Governor's Office of Information Technology for FY 2017-18 to develop and implement a customized electronic case management system for the Office of Administrative Courts. The Office provides administrative law adjudication for the state, including state agencies, boards, and county departments.

**ENTERPRISE APPLICATIONS REALIGNMENT:** The appropriation includes a budget neutral transfer of appropriations between line items in the Governor's Office of Information Technology for FY 2017-18 to modify the current organizational structure of the unit providing support and maintenance for approximately 1,700 applications in 17 state agencies. The current organizational structure is based on a model of employees serving the needs of a specific application for a specific agency. As applications in use across agencies have been replaced with common technology tools used by all agencies, the need to budget at the agency-type level (e.g. health services) has been replaced with a need to budget at the technology-level (e.g. shared services vs. agency services).

**ADDITIONAL LEGISLATION:** For information on additional legislation, see the "Recent Legislation" section at the end of this department.

## RECENT LEGISLATION

### 2016 SESSION BILLS

**S.B. 16-030 (MOTOR VEHICLE WEIGHT VIOLATION SURCHARGES):** Under current law, individuals convicted of violating motor vehicle weight limits or the terms of overweight permits must pay a variable penalty and a surcharge, depending on the level of excess weight. The bill changes the variable surcharge rate to a flat 16 percent of the penalty for all violations. Appropriates \$12,566 cash funds to the Department of Revenue to implement this change and reappropriates this amount to the Governor's Office of Information Technology for the provision of information technology services.

**H.B. 16-1047 (INTERSTATE MEDICAL LICENSURE COMPACT):** Enacts the Interstate Medical Licensure Compact and authorizes the Governor to enter into the Compact on behalf of Colorado. Under the Compact, physicians licensed in a member state may obtain an expedited license in other member states, allowing them to practice in Colorado or in another member state. The compact is governed by the Interstate Medical Licensure Commission (interstate commission). Appropriates \$331,019 cash funds to the Department of Regulatory Agencies for FY 2016-

17 to implement the compact and reappropriates \$113,300 of this amount to the Governor's Office of Information Technology for the provision of information technology services.

**H.B. 16-1097 (PUC PERMIT FOR MEDICAID TRANSPORTATION PROVIDERS):** Allows providers of non-emergency transportation to Medicaid clients to operate under a limited regulation permit from the Public Utilities Commission (PUC). For FY 2016-17, the bill is expected to increase state revenue from permit fees by \$7,450, of which \$5,725 is subject to the TABOR limit, and it makes the following appropriations:

H.B. 16-1097 APPROPRIATIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Health Care Policy and Financing						
Transfer to Regulatory Agencies	\$78,328	\$59,578	\$0	\$0	\$18,750	0.0
Medical Services Premiums	(215,271)	(\$69,405)	(2,549)	\$0	(143,317)	0.0
Public Safety						
Colorado Crime Information Center	2,636	0	2,636	0	0	0.0
Law						
Legal Services to State Agencies	23,753	0	0	23,753	0	0.1
Office of the Governor						
Office of Information Technology	8,755	0	0	8,755	0	0.0
<b>TOTAL</b>	<b>(\$101,799)</b>	<b>(\$9,827)</b>	<b>\$87</b>	<b>\$32,508</b>	<b>(\$124,567)</b>	<b>0.1</b>

**H.B. 16-1227 (EXEMPTIONS CHILD SUPPORT REQMENTS CHILD CARE ASSIST):** Specifies that a teen parent is not required to submit an application for child support establishment as a condition of receiving child care assistance. However, the county can require the parent to submit an application for child support establishment in order to receive child care assistance once they no longer qualify as a teen parent. Specifies that a county cannot require an application for child support establishment as a condition of receiving child care assistance if the applicant submits a statement indicating that he or she has been the victim of domestic violence, a sexual offense, harassment, or stalking. Appropriates \$268,562 federal funds to the Department of Human Services to purchase information technology services and reappropriates this amount to the Governor's Office of Information Technology for the service provision.

**H.B. 16-1405 (LONG BILL):** General appropriations act for FY 2016-17.

## 2017 SESSION BILLS

**S.B. 17-028 (HEALTHY FAMILIES AND MILITARY PREPAREDNESS ACT):** Requires the Department of Human Services and county departments of human or social services to provide notice and to collect and share information with the command authority of national military installations regarding any report received of known or suspected instances of child abuse or neglect in which the person having custody or control of the child is a member of the armed forces, or a spouse, or a significant other or family member residing in the home of the member of the armed forces assigned to that military installation. Appropriates \$12,960 reappropriated funds to the Governor's Office of Information Technology transferred from the Department of Human Services for FY 2017-18 for computer programming services. For additional information, see the "Recent Legislation" section at the end of the Department of Human Services.

**S.B. 17-060 (CO STUDENT LEADERS INSTITUTE RELOCATION TO CDHE):** Relocates the Colorado Student Leaders Institute from the Office of the Lieutenant Governor to the Department of Higher Education. Transfers an appropriation of \$218,825 General Fund and 1.0 FTE from the Office of the Lieutenant Governor to the Department of Higher Education for FY 2017-18.

**S.B. 17-161 (SUPPLEMENTAL BILL):** Modifies FY 2016-17 appropriations to the Department.

**S.B. 17-254 (LONG BILL):** General appropriations act for FY 2017-18.

**S.B. 17-255 (TECHNOLOGY ADVANCEMENT AND EMERGENCY FUND):** Creates the Technology Advancement and Emergency Fund in the Governor's Office of Information Technology (OIT) to be used for one-time costs associated with emergency information technology expenditures, addressing deferred maintenance of state agency information technology assets, and providing additional services to address unforeseen information technology service demands. Transfers \$2.0 million from the General Fund to the Technology Advancement and Emergency Fund for FY 2017-18 and FY 2018-19. Appropriates \$3.2 million cash funds from the Technology Advancement and Emergency Fund to OIT for FY 2017-18.

**S.B. 17-280 (EXTENDING THE ECONOMIC DEVELOPMENT COMMISSION):** Extends the Economic Development Commission until July 1, 2025. Appropriates \$5,000,000 General Fund to the Office of Economic Development and International Trade for Commission administration, general economic incentives, and marketing. Specifies that the Commission may transfer any General Fund money appropriated to it into the Colorado Economic Development Fund and may spend that money without further appropriation.

**H.B. 17-1090 (ADVANCED INDUSTRY INVESTMENT TAX CREDIT EXTENSION):** Extends the Advanced Industry Investment Income Tax Credit Program through tax years 2018 to 2022. Authorizes the Office of Economic Development and International Trade (OEDIT) to issue \$750,000 worth of state income tax credits each year from 2018 to 2022 to qualified investors. Appropriates \$23,062 General Fund and 0.3 FTE to OEDIT for FY 2017-18 to administer the program. Reduces General Fund revenue by \$262,500 in FY 2017-18.

**H.B. 17-1165 (DORA BOARDS DISCIPLINARY ACTION RESOLUTION PROCESS):** Modifies the disciplinary procedures for six health care boards for health care professionals with prescriptive authority (Colorado Podiatry Board, Colorado Dental Board, Colorado Medical Board, State Board of Nursing, State Board of Optometry, and State Board of Veterinary Medicine) within the Department of Regulatory Agencies. Appropriates \$20,000 reappropriated funds to the Governor's Office of Information Technology transferred from the Department of Regulatory Agencies for FY 2017-18 for computer programming services. For additional information, see the "Recent Legislation" section at the end of the Department of Regulatory Agencies.

**H.B. 17-1204 (JUVENILE DELINQUENCY RECORD EXPUNGEMENT):** Makes a number of changes relating to access to juvenile delinquency records and the eligibility and process for expunging these records. Appropriates \$108,710 reappropriated funds to the Governor's Office of Information Technology transferred from the Department of Human Services for FY 2017-18 for computer programming services. For additional information, see the "Recent Legislation" section at the end of the Department of Human Services.

**H.B. 17-1221 (GREY AND BLACK MARKET MJ ENFORCEMENT EFFORTS):** Creates the Gray and Black Market Marijuana Enforcement Grant Program in the Department of Local Affairs. Creates an offense for a person who is not a primary caregiver for possessing a marijuana plant that the person is growing on behalf of another person. Appropriates \$21,603 reappropriated funds to the Governor's Office of Information Technology transferred from the Department of Local Affairs for FY 2017-18 for computer programming services. For additional information, see the "Recent Legislation" section at the end of the Department of Local Affairs.

**H.B. 17-1313 (CIVIL FORFEITURE REFORM):** Prohibits law enforcement agencies, prosecutors, and multijurisdictional task forces (seizing agencies) from receiving forfeiture proceeds from the federal government unless the aggregate net equity value of the property and currency seized in the case is in excess of \$50,000 and the federal government commences a forfeiture proceeding that relates to a filed criminal case. Requires the Department of Local Affairs to establish a form for seizing agencies to use in submitting to the Department

biannual reports containing specified information on seizures through which the seizing agencies received proceeds from a forfeiture and the use of the proceeds. Appropriates \$44,486 reappropriated funds to the Governor's Office of Information Technology transferred from the Department of Local Affairs for FY 2017-18 for computer programming services. For additional information, see the "Recent Legislation" section at the end of the Department of Local Affairs.

**H.B. 17-1326 (JUSTICE REINVESTMENT CRIME PREVENTION INITIATIVE):** Makes a number of changes relating to maximum parole revocation periods for technical parole violations. Establishes a new crime-prevention program in the Department of Local Affairs (DOLA) to provide small business loans and grants that are designed to reduce crime and promote community development in the target communities of north Aurora and southeast Colorado Springs. Appropriates \$152,112 reappropriated funds to the Governor's Office of Information Technology transferred from the Departments of Corrections and Local Affairs for FY 2017-18 for computer programming services. For additional information, see the "Recent Legislation" section at the end of the Department of Corrections.

**H.B. 17-1361 (EVALUATE STATE INFORMATION TECHNOLOGY RESOURCES):** Requires the State Auditor to retain a qualified, independent third-party consulting firm to evaluate the state's implementation of information technology (IT) resources, tools, and projects. Indicates that on or before December 15, 2018, the independent firm shall submit a post-evaluation report with recommendations to the Legislative Audit Committee, the Joint Budget Committee, the Joint Technology Committee, and the Governor's Office of Information Technology. Appropriates \$300,000 General Fund to the State Auditor for FY 2017-18 for this purpose and states that any of the appropriated money that is not expended prior to July 1, 2018, is further appropriated to the State Auditor for FY 2018-19 for the same purpose.

# Details

## DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

### FY 2016-17 AND FY 2017-18 APPROPRIATIONS BY DIVISION AND BILL

DEPARTMENT OF HEALTH CARE POLICY AND FINANCING						
	TOTAL FUNDS	GENERAL FUND <sup>1, 2</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2016-17 TOTAL APPROPRIATION:</b>	<b>\$9,077,631,714</b>	<b>\$2,629,494,550</b>	<b>\$1,022,925,553</b>	<b>\$15,426,584</b>	<b>\$5,409,785,027</b>	<b>435.8</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
Executive Director's Office	276,498,907	61,544,145	32,444,772	3,523,924	178,986,066	400.3
Medical Services Premiums	6,794,137,652	1,936,368,776	698,906,376	9,102,709	4,149,759,791	0.0
Behavioral Health Community Programs	614,282,694	170,423,670	18,132,712	0	425,726,312	0.0
Office of Community Living	503,035,918	256,885,832	7,395,268	308,229	238,446,589	35.5
Indigent Care Program	529,623,246	12,250,192	207,673,644	0	309,699,410	0.0
Other Medical Services	250,739,132	139,684,674	56,506,639	2,491,722	52,056,097	0.0
Department of Human Services Medicaid-Funded Programs	109,314,165	52,337,261	1,866,142	0	55,110,762	0.0
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
HB 16-1405	\$9,059,846,783	\$2,660,581,107	\$985,068,901	\$12,406,599	\$5,401,790,176	432.0
SB 16-027	(29,917)	(9,084)	(409)	0	(20,424)	0.0
SB 16-038	60,416	0	30,208	0	30,208	1.0
SB 16-120	188,000	35,350	3,450	0	149,200	0.0
SB 16-192	277,573	0	138,787	0	138,786	1.8
SB 16-199	225,000	0	225,000	0	0	0.0
HB 16-1097	(136,943)	(9,827)	(2,549)	0	(124,567)	0.0
HB 16-1277	25,000	2,500	0	0	22,500	0.0
HB 16-1321	138,027	0	13,803	0	124,224	0.0
HB 16-1407	592,703	245,639	0	0	347,064	1.0
HB 16-1408	55,694,236	(6,451,471)	27,008,330	0	35,137,377	0.0
SB 17-162	105,183,141	17,375,712	15,420,744	3,289,379	69,097,306	0.0
SB 17-254	(144,432,305)	(42,275,376)	(4,980,712)	(269,394)	(96,906,823)	0.0
<b>FY 2017-18 TOTAL APPROPRIATION:</b>	<b>\$9,955,202,680</b>	<b>\$2,822,800,583</b>	<b>\$1,217,646,986</b>	<b>\$77,268,980</b>	<b>\$5,837,486,131</b>	<b>458.5</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
Executive Director's Office	278,990,156	61,502,528	36,075,969	4,149,782	177,261,877	418.4
Medical Services Premiums	7,597,898,847	2,092,528,266	886,165,101	70,552,476	4,548,653,004	0.0
Behavioral Health Community Programs	625,797,571	174,446,202	26,190,535	0	425,160,834	0.0
Office of Community Living	535,284,676	276,644,336	2,275,204	0	256,365,136	40.1
Indigent Care Program	543,885,464	10,409,002	207,795,688	0	325,680,774	0.0
Other Medical Services	269,910,744	157,704,437	57,255,586	2,566,722	52,383,999	0.0
Department of Human Services Medicaid-Funded Programs	103,435,222	49,565,812	1,888,903	0	51,980,507	0.0

# DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

	TOTAL FUNDS	GENERAL FUND <sup>1,2</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
SB 17-254	\$9,954,228,476	\$2,821,961,889	\$1,217,535,979	\$77,268,980	\$5,837,461,628	456.8
SB 17-091	2,211,530	1,025,567	18,216	0	1,167,747	0.0
SB 17-121	283,781	95,662	46,228	0	141,891	0.7
SB 17-256	(528,200,000)	0	(264,100,000)	0	(264,100,000)	0.0
SB 17-267	526,381,099	(320,035)	264,035,165	0	262,665,969	0.0
HB 17-1343	222,794	0	111,398	0	111,396	1.0
HB 17-1351	75,000	37,500	0	0	37,500	0.0
<b>Increase/(Decrease)</b>	<b>\$877,570,966</b>	<b>\$193,306,033</b>	<b>\$194,721,433</b>	<b>\$61,842,396</b>	<b>\$427,701,104</b>	<b>22.7</b>
Percentage Change	9.7%	7.4%	19.0%	400.9%	7.9%	5.2%

<sup>1</sup> Includes General Fund Exempt.

<sup>2</sup> Includes \$432,590 in FY 2016-17 and \$440,340 in FY 2017-18 that is not subject to the statutory restriction on state General Fund appropriations imposed by Section 24-75-201.1, C.R.S.

**GENERAL FUND EXEMPT:** Amounts in the General Fund column include appropriations from both the General Fund and General Fund Exempt. Appropriations for this department include two different types of General Fund Exempt, which are described below.

- The General Fund Exempt Account was created by Referendum C, passed by Colorado voters in November 2005. Referendum C allowed the State to retain for FY 2005-06 through FY 2009-10 all revenue collected in excess of the TABOR limit and for FY 2010-11 and subsequent fiscal years all revenues in excess of the TABOR limit but less than the excess state revenues cap. The retained revenue must be placed in the General Fund Exempt Account. Money in the General Fund Exempt Account is appropriated to this department for the purposes of funding health care for Colorado's elderly, low-income, and disabled populations pursuant to Sections 24-77-103.6 (2)(a) and 24-77-104.5 (2)(a)(I), C.R.S.
- Amendment 35, which was approved by voters in November 2004, imposed new cigarette and tobacco taxes through the addition of Section 21 in Article X of the State Constitution. The new tobacco tax revenues authorized by Amendment 35 are exempt from the TABOR state fiscal year spending limit, and General Fund appropriations from these revenues are also exempt from the statutory restriction on General Fund appropriations. Amendment 35 requires that a portion of the new tobacco tax revenues be appropriated to the General Fund and made available to this department for the Children's Basic Health Plan.

The table below reflects General Fund Exempt appropriations for FY 2016-17 and FY 2017-18 from both of the sources described above. For additional information on General Fund Exempt appropriations, see Appendix D.

GENERAL FUND SUMMARY	TOTAL GENERAL FUND	GENERAL FUND	GENERAL FUND EXEMPT
FY 2016-17	\$2,629,494,550	\$1,798,860,293	\$830,634,257
FY 2017-18	\$2,822,800,583	\$1,899,291,910	\$923,508,673

**INFORMATIONAL FUNDS:** The FY 2017-18 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Health Care Policy and Financing are annotated with the "(I)". For additional information, see Appendix E.

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2017-18 Appropriations containing an (I) notation	\$255,993,133	\$0	\$5,859,623	\$0	\$250,133,510



## DETAIL OF APPROPRIATION BY ADMINISTRATIVE SECTION

### EXECUTIVE DIRECTOR'S OFFICE

This appropriation for the Executive Director's Office contains the administrative funding for the Department, including the Department's personnel, operation of the Medicaid Management Information System, utilization reviews, provider audits, eligibility determinations, contract research and analysis, and customer services. The fund sources for this division include the General Fund, federal funds received for the Medicaid and Children's Basic Health Plan programs, the Health Care Expansion Fund, the Children's Basic Health Plan Trust Fund, provider fees from hospitals and nursing facilities, and various other cash funds.

EXECUTIVE DIRECTOR'S OFFICE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$272,118,432	\$63,269,353	\$31,588,960	\$3,828,984	\$173,431,135	397.5
SB 16-120	188,000	35,350	3,450	0	149,200	0.0
SB 16-192	277,573	0	138,787	0	138,786	1.8
SB 16-199	225,000	0	225,000	0	0	0.0
HB 16-1097	78,328	59,578	0	0	18,750	0.0
HB 16-1277	25,000	2,500	0	0	22,500	0.0
HB 16-1321	138,027	0	13,803	0	124,224	0.0
HB 16-1407	592,703	245,639	0	0	347,064	1.0
SB 17-162	4,176,324	(2,035,726)	1,012,577	(35,666)	5,235,139	0.0
SB 17-254	(1,320,480)	(32,549)	(537,805)	(269,394)	(480,732)	0.0
<b>TOTAL</b>	<b>\$276,498,907</b>	<b>\$61,544,145</b>	<b>\$32,444,772</b>	<b>\$3,523,924</b>	<b>\$178,986,066</b>	<b>400.3</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$276,498,907	\$61,544,145	\$32,444,772	\$3,523,924	\$178,986,066	400.3
MMIS Operations	24,995,100	(540,063)	3,491,383	(6,584)	22,050,364	1.8
Oversight of state resources	1,811,911	861,714	33,997	0	916,200	11.4
Centrally appropriated line items	1,628,451	372,237	108,882	351,824	795,508	0.0
Transfers to other state agencies	1,554,580	558,457	0	0	996,123	0.0
Long-term care utilization management	1,030,568	257,644	(9,219)	0	782,143	0.0
Local Public Health Agency partnerships	711,000	355,500	0	0	355,500	0.0
Quality surveys/performance improvement	708,339	315,420	0	0	392,919	0.0
Regional Center task force	593,300	59,330	0	0	533,970	0.0
CU School of Medicine booster payment	540,492	0	0	270,245	270,247	3.0
Hospital transformation study	500,000	0	250,000	0	250,000	0.0
Vendor transitions	498,458	249,229	0	0	249,229	0.0
Pueblo Regional Center corrective action	267,864	133,932	0	0	133,932	0.0
CO Benefits Management System	73,522	(930,212)	757,510	(2,349)	248,573	0.0
Office-administered drugs	55,097	27,549	0	0	27,548	0.9
Community provider rate	9,967	4,984	0	0	4,983	0.0
Standard federal match	0	0	0	6,020	(6,020)	0.0
Annualize prior year budget actions	(32,996,181)	(1,900,500)	(1,122,584)	6,702	(29,979,799)	0.3
<b>SB 17-254</b>	<b>\$278,481,375</b>	<b>\$61,369,366</b>	<b>\$35,954,741</b>	<b>\$4,149,782</b>	<b>\$177,007,486</b>	<b>417.7</b>
SB 17-121	283,781	95,662	46,228	0	141,891	0.7
SB 17-267	0	0	0	0	0	0.0
HB 17-1343	150,000	0	75,000	0	75,000	0.0
HB 17-1351	75,000	37,500	0	0	37,500	0.0
<b>TOTAL</b>	<b>\$278,990,156</b>	<b>\$61,502,528</b>	<b>\$36,075,969</b>	<b>\$4,149,782</b>	<b>\$177,261,877</b>	<b>418.4</b>
<b>INCREASE/(DECREASE)</b>	<b>\$2,491,249</b>	<b>(\$41,617)</b>	<b>\$3,631,197</b>	<b>\$625,858</b>	<b>(\$1,724,189)</b>	<b>18.1</b>
Percentage Change	0.9%	(0.1%)	11.2%	17.8%	(1.0%)	4.5%

## FY 2016-17 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 17-162 modifies FY 2016-17 appropriations to provide: (1) an additional \$5.1 million total funds, including \$1.8 million cash funds for eligibility assistance services provided by Connect for Health Colorado; (2) a net decrease of \$1.2 million total funds, including a decrease of \$2.1 million General Fund, for the Colorado Benefits Management System; and (3) miscellaneous other small changes.

Senate Bill 17-254 modifies FY 2016-17 appropriations to: (1) reduce funding for the reprocurement of the Medicaid Management Information System by \$1.5 million, including \$32,549 General Fund, based on an updated estimate of the timing of expenditures; and (2) increase appropriations transferred to the Department of Public Health and Environment based on revisions to that department's indirect cost recovery plan.

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**MMIS OPERATIONS:** The appropriation includes \$25.0 million total funds, including a reduction of \$540,063 General Fund, and an increase of 1.8 FTE for updated estimates of the costs and federal match rates associated with the new Medicare Management Information System (MMIS). The changes are to account for a delay in implementation, changes in estimated costs for certain components, new federally required features, and revised estimates of fund sources and federal financial participation levels. The table below summarizes projected changes by fiscal year.

MMIS OPERATIONS				
	FY 16-17	FY 17-18	FY 18-19	FY 19-20
Total	(\$1,495,480)	\$23,499,620	\$5,707,012	\$5,707,012
FTE	0.0	1.8	2.0	2.0
General Fund	(32,549)	(572,612)	(1,641,310)	(1,656,576)
Cash Funds	(537,805)	2,953,578	2,253,604	2,286,321
Reappropriated Funds	(269,394)	(275,978)	(281,168)	(281,146)
Federal Funds	(655,732)	21,394,632	5,375,886	5,358,413

**OVERSIGHT OF STATE RESOURCES:** The appropriation includes a net increase across all divisions of \$949,476 total funds, including a decrease of \$1.8 million General Fund, and an increase of 11.4 FTE for a number of initiatives related to the oversight of state resources. In the table below the "Anticipated cost savings" and "Increased federal match" affect the Medical Services Premiums division while all other expenditures affect the Executive Director's Office.

OVERSIGHT OF STATE RESOURCES					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FEDERAL FUNDS	FTE
Electronic verification of assets	\$429,183	\$214,592	\$0	\$214,591	0.0
Consumer directed care evaluation	422,000	211,000	0	211,000	0.0
Project management staff	164,009	71,756	0	92,253	3.0
Audits of Community Mental Health Centers	204,000	102,000	0	102,000	0.0
Investigate fraud and abuse	<u>(471,888)</u>	<u>(53,796)</u>	<u>(86,696)</u>	<u>(331,396)</u>	<u>5.5</u>
<i>Investigators</i>	390,547	195,276	0	195,271	5.5
<i>Anticipated cost savings</i>	<u>(862,435)</u>	<u>(249,072)</u>	<u>(86,696)</u>	<u>(526,667)</u>	<u>0.0</u>
Native American health services	<u>134,179</u>	<u>(2,314,349)</u>	<u>(133,388)</u>	<u>2,581,916</u>	<u>1.9</u>
<i>Staff coordinators</i>	134,179	67,090	0	67,089	1.9
<i>Increased federal match</i>	0	<u>(2,381,439)</u>	<u>(133,388)</u>	<u>2,514,827</u>	<u>0.0</u>
Hospital Provider Fee model resources	67,993	0	33,997	33,996	1.0
<b>TOTAL</b>	<b>\$949,476</b>	<b>(\$1,768,797)</b>	<b>(\$186,087)</b>	<b>\$2,904,360</b>	<b>11.4</b>

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes \$1.6 million total funds, including \$372,237 General Fund, for adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; shift differential; salary survey; merit pay; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; Capitol complex leased space; payments to the Governor's Office of Information Technology (OIT); and CORE operations.

**TRANSFERS TO OTHER STATE AGENCIES:** The appropriation includes \$1.6 million total funds, including \$558,457 General Fund, for transfers to programs administered by other departments. Most of the changes are related to centrally appropriated line items and indirect cost recoveries in the Department of Public Health and Environment for the Facility Survey and Certification program.

**LONG-TERM CARE UTILIZATION MANAGEMENT:** The appropriation includes a net increase of \$1.0 million total funds, including \$257,644 General Fund, to contract with a quality improvement organization and thereby qualify for an enhanced federal match for services.

**LOCAL PUBLIC HEALTH AGENCY PARTNERSHIPS:** The appropriation provides an increase of \$711,000 total funds, including \$355,500 General Fund, to finance four partnerships between Local Public Health Agencies and the Accountable Care Collaborative so they can work collaboratively with each other to address health outcomes of the common Medicaid population they are serving through their respective programs. There is a corresponding adjustment in the Department of Public Health and Environment for a decrease in General Fund to offset the increase in the Department of Health Care Policy and Financing. The net effect of both adjustments is to increase federal financing for Local Public Health Agencies by \$355,500 with no change in statewide General Fund.

**QUALITY SURVEYS/PERFORMANCE IMPROVEMENT:** The appropriation includes across all divisions \$708,339 total funds, including \$315,420 General Fund, to conduct member satisfaction surveys aimed at improving quality of care and to validate performance improvement projects conducted by managed care organizations.

**REGIONAL CENTER TASK FORCE:** The appropriation includes across all divisions \$593,300 total funds, including \$59,330 General Fund, to: (1) provide intensive case management to people with intellectual and developmental disabilities who are transitioning from an Intermediate Care Facility or Regional Center to the community and to continue that service for one year after their transition; and (2) provide staff for the Department to continue working on implementation of the recommendations of the Regional Center Task Force.

**CU SCHOOL OF MEDICINE BOOSTER PAYMENT:** The appropriation includes across all divisions an increase of \$123.7 million total funds and 3.0 FTE for increased Medicaid payments to physicians employed by the University of Colorado School of Medicine, associated administrative costs, and increased family medicine residencies. The source of the state match for the Medicaid funds is a transfer from existing General Fund appropriations to the Department of Higher Education. The expectation is that a portion of the money paid to the physicians will be transferred back to the University of Colorado to make the School of Medicine whole, resulting in a net benefit to the physicians, after accounting for the associated administrative costs and increased family medicine residencies, of \$61.5 million. The Department anticipates the additional money for the physicians will be used to increase access for Medicaid clients, especially to specialty care and with a component focused on care in rural settings. The portion of the total in the Executive Director's Office is for the administration of the new supplemental payments.

**HOSPITAL TRANSFORMATION STUDY:** The appropriation includes \$500,000 total funds to study a potential federal waiver that would change the way supplemental payments are made to hospitals in order to provide incentives for delivery system reform.

**VENDOR TRANSITIONS:** The appropriation includes \$498,458 total funds, including \$249,229 General Fund, in one-time funding to allow overlap between outgoing and new vendors, in order to minimize service disruptions. Vendor services being re-procured in FY 2017-18 include the enrollment broker that provides information to newly eligible Medicaid clients regarding their plan choices and the Medicaid managed care ombudsman that assists members with complaints.

**PUEBLO REGIONAL CENTER CORRECTION ACTION:** The appropriation includes \$267,864 total funds, including \$133,932 General Fund, for the Pueblo Regional Center corrective action plan. The funding will be used to hire a contractor to conduct a statewide review of the home- and community-based services comprehensive waiver looking at regulations, businesses processes, and compliance; hire an independent monitor and internal review and data collections contractor to oversee the work by the Department of Human Services to bring the Pueblo Regional Center into compliance with waiver and safety regulations; and hire a staffing contractor to oversee the training and staffing plan for the Pueblo Regional Center. The contractors will be overseen by 1.8 FTE in the Office of Community Living.

**CO BENEFITS MANAGEMENT SYSTEM:** The appropriation includes an increase of \$73,522 total funds, including a decrease of \$930,212 General Fund, to refinance appropriations based on revised cost allocation trend data for the Colorado Benefits Management System (CBMS).

**OFFICE-ADMINISTERED DRUGS:** The appropriation includes \$55,097 total funds, including \$27,549 General Fund, and 0.9 FTE for periodically updating rates for office-administered drugs.

**COMMUNITY PROVIDER RATE:** The appropriation includes \$9,967 total funds, including \$4,984 General Fund, for an across-the-board increase for most community providers of approximately 1.4 percent.

**STANDARD FEDERAL MATCH:** The appropriation includes an increase of \$6,020 reappropriated funds and a corresponding decrease in federal funds to reflect changes in the standard federal match rate for Medicaid.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the out-year impacts of prior year legislation and budget actions. All of the annualizations are summarized in the table below. The titles of the annualizations begin with either a bill number or the fiscal year when a budget decision was made in the Long Bill. For budget decisions made in the Long Bill, a reference to the priority numbering the Department used in that year for the initiative is provided, if relevant.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 16-192 Needs assessment for LTSS	\$1,671,363	\$916,388	(\$137,837)	\$0	\$892,812	0.2
FY 16-17 NP CBMS-PEAK	1,601,147	573,206	221,852	6,460	799,629	0.0
SB 16-120 Medicaid explanation of benefits	659,921	231,219	80,498	0	348,204	0.5
FY 16-17 BA10 Medicaid-Medicare grant true-up	633,403	282,959	0	0	350,444	0.0
SB 16-077 Employment for people with disabilities	228,838	23,298	0	0	205,540	0.0
FY 16-17 NP CO Benefits Management System	59,843	21,423	8,339	242	29,839	0.0
HB 16-1097 PUC permit Medicaid transportation	25,175	6,425	0	0	18,750	0.0
FY 16-17 BA7 Fed reg for managed care	3,092	1,546	0	0	1,546	0.0
FY 16-17 BA9 Provider enrollment fee	2,663	0	2,663	0	0	0.0
FY 16-17 BA6 Fed reg for assuring access	1,591	796	0	0	795	0.0
FY 13-14 R5 MMIS Reprocurement	(23,991,872)	(2,180,270)	(439,445)	0	(21,372,157)	0.0
FY 14-15 BA7 MMIS Adjustments final test	(9,410,459)	(1,105,267)	(497,477)	0	(7,807,715)	0.0
FY 14-15 R5 Medicaid health info technology	(2,235,000)	(223,500)	0	0	(2,011,500)	0.0
FY 07-08 S5 Fed reg for payment error	(588,501)	(147,125)	(102,988)	0	(338,388)	0.0
FY 15-16 R9 Personal health records	(315,000)	68,500	0	0	(383,500)	0.0
FY 15-16 R7 Participant directed programs	(250,000)	(125,000)	0	0	(125,000)	0.0

### ANNUALIZE PRIOR YEAR BUDGET ACTIONS

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 16-199 PACE Rate methodology	(225,000)	0	(225,000)	0	0	0.0
FY 15-16 R16 Comprehensive Primary Care	(194,760)	(97,380)	0	0	(97,380)	0.0
FY 17-18 CDPHE indirect costs	(175,000)	0	0	0	(175,000)	0.0
FY 14-15 BA10 Enhanced FMAP	(150,000)	(75,000)	0	0	(75,000)	0.0
HB 16-1321 Medicaid buy-in eligibility	(138,027)	0	(13,803)	0	(124,224)	0.0
FY 15-16 R13 ACC Reprocurement	(100,000)	(50,000)	0	0	(50,000)	0.0
FY 16-17 Cervical cancer eligibility	(38,771)	0	(19,386)	0	(19,385)	0.0
HB 16-1277 Medicaid appeals process	(25,000)	(2,500)	0	0	(22,500)	0.0
SB 11-177 Teen pregnancy/dropout prevention	(22,051)	(11,026)	0	0	(11,025)	(0.4)
FY 15-16 BA8 HCBS Settings	(13,955)	(5,343)	0	0	(8,612)	0.0
Prior year salary survey	(9,821)	(3,849)	0	0	(5,972)	0.0
<b>TOTAL</b>	<b>(\$32,996,181)</b>	<b>(\$1,900,500)</b>	<b>(\$1,122,584)</b>	<b>\$6,702</b>	<b>(\$29,979,799)</b>	<b>0.3</b>

**ADDITIONAL LEGISLATION:** For information on additional legislation, see the "Recent Legislation" section at the end of this department.

### MEDICAL SERVICES PREMIUMS

This division provides the health care funding for an estimated 1,353,070 Medicaid clients in FY 2017-18. Medical services include medical care services (i.e. physician visits, prescription drugs, hospitalization) and long-term care services (i.e. nursing home care and community-based services). Significant sources of cash funds include the Health Care Expansion Fund, provider fees from hospitals and nursing facilities, and funds certified at public hospitals as the state match for federal funds. The reappropriated funds include transfers from the Department of Higher Education for the University of Colorado booster payment and the Department of Public Health and Environment. Federal funds represent the federal funds available for the Medicaid program through the federal medical assistance program (FMAP).

### MEDICAL SERVICES PREMIUMS

	TOTAL FUNDS	GENERAL FUND <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2016-17 APPROPRIATION:</b>						
HB 16-1405	\$6,762,815,547	\$1,948,969,728	\$678,702,748	\$5,240,893	\$4,129,902,178	0.0
SB 16-027	(29,917)	(9,084)	(409)	0	(20,424)	0.0
HB 16-1097	(215,271)	(69,405)	(2,549)	0	(143,317)	0.0
HB 16-1408	55,694,236	(6,451,471)	27,008,330	0	35,137,377	0.0
SB 17-162	126,254,607	24,497,845	1,650,193	3,861,816	96,244,753	0.0
SB 17-254	(150,381,550)	(30,568,837)	(8,451,937)	0	(111,360,776)	0.0
<b>TOTAL</b>	<b>\$6,794,137,652</b>	<b>\$1,936,368,776</b>	<b>\$698,906,376</b>	<b>\$9,102,709</b>	<b>\$4,149,759,791</b>	<b>0.0</b>
<b>FY 2017-18 APPROPRIATION:</b>						
FY 2016-17 Appropriation	\$6,794,137,652	\$1,936,368,776	\$698,906,376	\$9,102,709	\$4,149,759,791	0.0
Enrollment/utilization trends	633,834,285	107,799,298	164,816,795	(71,665)	361,289,857	0.0
CU School of Medicine booster payment	123,042,864	0	0	61,521,432	61,521,432	0.0
Primary care rate bump	54,085,240	18,846,157	936,326	0	34,302,757	0.0
Community provider rate	35,646,891	11,104,447	1,421,775	0	23,120,669	0.0
Home care provider rates	15,990,730	7,863,481	43,571	0	8,083,678	0.0
Transportation service rates	4,025,451	1,219,403	167,360	0	2,638,688	0.0
OT PT Limits	2,321,083	468,510	83,437	0	1,769,136	0.0
Vendor transitions	2,100,000	680,400	369,600	0	1,050,000	0.0
Postpartum depression screening	90,423	45,212	0	0	45,211	0.0
Standard federal match	0	7,907,160	555,023	0	(8,462,183)	0.0
Expansion populations federal match	0	0	46,060,326	0	(46,060,326)	0.0

### MEDICAL SERVICES PREMIUMS

	TOTAL FUNDS	GENERAL FUND <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Annualize prior year budget actions	(65,371,483)	2,560,513	(26,875,847)	0	(41,056,149)	0.0
Vaccine stock rates	(994,353)	(250,958)	(32,899)	0	(710,496)	0.0
Oversight of state resources	(862,435)	(2,630,511)	(220,084)	0	1,988,160	0.0
Office-administered drugs	(540,130)	(159,154)	(20,039)	0	(360,937)	0.0
<b>SB 17-254</b>	<b>\$7,597,506,218</b>	<b>\$2,091,822,734</b>	<b>\$886,211,720</b>	<b>\$70,552,476</b>	<b>\$4,548,919,288</b>	<b>0.0</b>
SB 17-091	2,211,530	1,025,567	18,216	0	1,167,747	0.0
SB 17-256	(528,200,000)	0	(264,100,000)	0	(264,100,000)	0.0
SB 17-267	526,381,099	(320,035)	264,035,165	0	262,665,969	0.0
<b>TOTAL</b>	<b>\$7,597,898,847</b>	<b>\$2,092,528,266</b>	<b>\$886,165,101</b>	<b>\$70,552,476</b>	<b>\$4,548,653,004</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$803,761,195</b>	<b>\$156,159,490</b>	<b>\$187,258,725</b>	<b>\$61,449,767</b>	<b>\$398,893,213</b>	<b>0.0</b>
Percentage Change	11.8%	8.1%	26.8%	675.1%	9.6%	n/a

<sup>1</sup> Includes General Fund Exempt.

### FY 2016-17 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 17-162 and S.B. 17-254 modifies the FY 2016-17 appropriations for a net decrease of \$24.1 million total funds, including \$6.1 million General Fund, for revised caseload and expenditure estimates.

### FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**ENROLLMENT/UTILIZATION TRENDS:** The appropriation provides a net increase of \$633.8 million total funds, including an increase of \$107.8 million General Fund, to reflect a new forecast of enrollment, utilization, and per capita costs for medical services and long-term services and supports provided through Medicaid. Annualizations of prior year budget actions reduce forecasted expenditures by a net \$65.4 million, including an increase of \$2.6 million General Fund. The tables below show the projected year over year changes by detailed enrollment category for the enrollment/utilization trends and annualizations combined. Note that these tables detail changes attributable to the forecast and annualizations only and so they may not match other summary tables in this document that account for other legislation and policy changes beyond the forecast.

ENROLLMENT				
CATEGORY	FY 16-17	FY 17-18	DIFFERENCE	PERCENT
Adults 65+ to SSI	43,599	44,144	545	1.3%
Adults with Disabilities 60 to 64	11,200	11,659	459	4.1%
Individuals with Disabilities to 59	67,760	69,085	1,325	2.0%
Disabled Buy-In to 450% FPL	6,095	7,414	1,319	21.6%
Parents / Caretakers to 68% FPL	164,461	192,463	28,002	17.0%
Breast & Cervical Cancer to 250% FPL	318	253	(65)	(20.4%)
Children to 107% FPL	473,394	479,307	5,913	1.2%
SB 11-008 Children 107% to 147% FPL	63,858	69,199	5,341	8.4%
Foster Care to 26 years	20,276	20,456	180	0.9%
Pregnant Adults to 142% FPL	14,131	14,131	0	0.0%
SB 11-250 Pregnant 142% to 200% FPL	1,791	1,803	12	0.7%
Non-Citizens - Emergency Services	2,553	2,551	(2)	(0.1%)
Adults 65+ SSI to 135% FPL-Medicare premiums	33,967	37,354	3,387	10.0%
<b>Subtotal - Traditional Medicaid</b>	<b>903,403</b>	<b>949,819</b>	<b>46,416</b>	<b>5.1%</b>
ACA "Newly Eligible"				
Parents / Caretakers 69% to 138% FPL	85,317	80,982	(4,335)	(5.1%)
Adults w/out Dependent Children to 138% FPL	364,350	389,466	25,116	6.9%
<b>Subtotal - ACA "Newly Eligible"</b>	<b>449,667</b>	<b>470,448</b>	<b>20,781</b>	<b>4.6%</b>
<b>TOTAL</b>	<b>1,353,070</b>	<b>1,420,267</b>	<b>67,197</b>	<b>5.0%</b>

EXPENDITURES				
CATEGORY	FY 16-17	FY 17-18	DIFFERENCE	PERCENT
Adults 65+ to SSI	\$1,099,841,207	\$1,152,568,402	\$52,727,195	4.8%
Adults with Disabilities 60 to 64	227,081,526	239,467,735	12,386,209	5.5%
Individuals with Disabilities to 59	1,209,575,120	1,284,046,071	74,470,951	6.2%
Disabled Buy-In to 450% FPL	42,769,786	50,351,033	7,581,247	17.7%
Parents / Caretakers to 68% FPL	487,810,989	550,576,097	62,765,108	12.9%
Breast & Cervical Cancer to 250% FPL	3,808,817	2,989,599	(819,218)	(21.5%)
Children to 107% FPL	898,883,429	893,902,043	(4,981,386)	(0.6%)
SB 11-008 Children 107% to 147% FPL	100,879,811	106,584,223	5,704,412	5.7%
Foster Care to 26 years	91,109,766	94,632,647	3,522,881	3.9%
Pregnant Adults to 142% FPL	153,973,543	154,390,819	417,276	0.3%
SB 11-250 Pregnant 142% to 200% FPL	17,426,303	17,568,616	142,313	0.8%
Non-Citizens - Emergency Services	37,543,825	37,419,208	(124,617)	(0.3%)
Adults 65+ SSI to 135% FPL-Medicare premiums	45,490,770	48,937,195	3,446,425	7.6%
<b>Subtotal - Traditional Medicaid</b>	<b>\$4,416,194,892</b>	<b>\$4,633,433,688</b>	<b>\$217,238,796</b>	<b>4.9%</b>
ACA "Newly Eligible"				
Parents / Caretakers 69% to 138% FPL	\$220,364,739	\$209,232,385	(\$11,132,354)	(5.1%)
Adults w/out Dependent Children to 138% FPL	1,360,019,693	1,444,946,264	84,926,571	6.2%
<b>Subtotal - ACA "Newly Eligible"</b>	<b>\$1,580,384,432</b>	<b>\$1,654,178,649</b>	<b>\$73,794,217</b>	<b>4.7%</b>
Services Subtotal				
Booster Payments / Financing	\$5,996,579,324	\$6,287,612,337	\$291,033,013	4.9%
<b>TOTAL</b>	<b>\$6,794,137,652</b>	<b>\$7,362,600,454</b>	<b>\$568,462,802</b>	<b>8.4%</b>

PER CAPITA				
CATEGORY	FY 16-17	FY 17-18	DIFFERENCE	PERCENT
Adults 65+ to SSI	\$25,226	\$26,109	\$883	3.5%
Adults with Disabilities 60 to 64	\$20,275	\$20,539	\$264	1.3%
Individuals with Disabilities to 59	\$17,851	\$18,586	\$736	4.1%
Disabled Buy-In to 450% FPL	\$7,017	\$6,791	(\$226)	(3.2%)
Parents / Caretakers to 68% FPL	\$2,966	\$2,861	(\$105)	(3.6%)
Breast & Cervical Cancer to 250% FPL	\$11,977	\$11,817	(\$161)	(1.3%)
Children to 107% FPL	\$1,899	\$1,865	(\$34)	(1.8%)
SB 11-008 Children 107% to 147% FPL	\$1,580	\$1,540	(\$39)	(2.5%)
Foster Care to 26 years	\$4,493	\$4,626	\$133	3.0%
Pregnant Adults to 142% FPL	\$10,896	\$10,926	\$30	0.3%
SB 11-250 Pregnant 142% to 200% FPL	\$9,730	\$9,744	\$14	0.1%
Non-Citizens - Emergency Services	\$14,706	\$14,668	(\$37)	(0.3%)
Adults 65+ SSI to 135% FPL-Medicare premiums	\$1,339	\$1,310	(\$29)	(2.2%)
<b>Subtotal - Traditional Medicaid</b>	<b>\$4,888</b>	<b>\$4,878</b>	<b>(\$10)</b>	<b>(0.2%)</b>
ACA "Newly Eligible"				
Parents / Caretakers 69% to 138% FPL	\$2,583	\$2,584	\$1	0.0%
Adults w/out Dependent Children to 138% FPL	\$3,733	\$3,710	(\$23)	(0.6%)
<b>Subtotal - ACA "Newly Eligible"</b>	<b>\$3,515</b>	<b>\$3,516</b>	<b>\$2</b>	<b>0.0%</b>
<b>TOTAL</b>				
	<b>\$4,432</b>	<b>\$4,427</b>	<b>(\$5)</b>	<b>(0.1%)</b>

**CU SCHOOL OF MEDICINE BOOSTER PAYMENT:** The appropriation includes an increase of \$123.0 million total funds for increased Medicaid payments to physicians employed by the University of Colorado School of Medicine. The source of the state match for the Medicaid funds is a transfer from existing General Fund appropriations for the Department of Higher Education. The expectation is that a portion of the money paid to the physicians will be transferred back to the University of Colorado to make the School of Medicine whole, resulting in a net benefit to the physicians, after accounting for the associated administrative costs and increased family medicine residencies, of \$61.5 million. The Department anticipates the additional money for the physicians will be used to increase access for Medicaid clients, especially to specialty care and with a component focused on care in rural settings.

**PRIMARY CARE RATE BUMP:** The appropriation provides an increase of \$54.1 million total funds, including \$18.8 million General Fund, to extend an increase in primary care rates that was authorized in H.B. 16-1408 (Tobacco/Marijuana Allocations). In H.B. 16-1408 the primary care rate bump was financed with a one-time cash fund transfer of tobacco settlement revenue.

**COMMUNITY PROVIDER RATE:** The appropriation provides an increase of \$35.6 million total funds, including \$11.1 million General Fund, for an across-the-board increase for most community providers of approximately 1.4 percent. Excluded from the common policy are certain primary care, home care, and transportation rates that are receiving targeted rate increases.

**HOME CARE PROVIDER RATES:** The appropriation includes an increase of \$16.0 million total funds, including \$7.9 million General Fund, to increase certain home care rates as follows:

INCREASE HOMEMAKER AND PERSONAL CARE RATES BY \$0.50 AND ASSOCIATED CONSUMER DIRECTED SERVICES BY \$0.50						
ITEM	CURRENT	PROPOSED	INCREASE	TOTAL FUNDS	GENERAL FUND	FEDERAL FUNDS
Homemaker	\$17.00	\$17.50	\$0.50	\$952,915	\$476,458	\$476,457
Personal Care	\$17.00	\$17.50	\$0.50	4,157,661	2,078,831	2,078,830
<b>Subtotal</b>				<b>\$5,110,576</b>	<b>\$2,555,289</b>	<b>\$2,555,287</b>
Consumer Directed Services						
CDASS - Homemaker <sup>1</sup>	\$15.44	\$15.94	\$0.50	\$973,722	\$486,861	\$486,861
CDASS - Personal Care <sup>1</sup>	\$15.44	\$15.94	\$0.50	2,048,983	1,024,492	1,024,491
IHSS - Homemaker	\$17.00	\$17.50	\$0.50	61,866	30,933	30,933
IHSS - Personal Care	\$17.00	\$17.50	\$0.50	199,960	99,980	99,980
<b>Subtotal</b>				<b>\$3,284,531</b>	<b>\$1,642,266</b>	<b>\$1,642,265</b>
<b>TOTAL</b>				<b>\$8,395,107</b>	<b>\$4,197,555</b>	<b>\$4,197,552</b>

<sup>1</sup> Estimates based on the Department's fee schedule. Actuals may vary.

INCREASE CERTAIN HOME HEALTH AND LPN PRIVATE DUTY NURSING RATES BY 1/3 OF THE COST TO REACH 90% OF MEDICARE LUPA							
ITEM	CURRENT	PROPOSED	INCREASE	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FEDERAL FUNDS
Skilled Nursing	\$103.63	\$109.87	\$6.24				
Physical Therapist	\$113.34	\$120.15	\$6.81				
Occupational Therapist	\$114.06	\$120.93	\$6.87				
Speech Therapist	\$123.16	\$130.56	\$7.40				
Home Health				\$6,283,910	\$3,010,069	\$43,571	\$3,230,270
Private Duty Nursing	\$30.81	\$33.04	\$2.23	\$1,311,713	\$655,857	\$0	\$655,856
<b>TOTAL</b>				<b>\$7,595,623</b>	<b>\$3,665,926</b>	<b>\$43,571</b>	<b>\$3,886,126</b>

**TRANSPORTATION SERVICES:** The appropriation provides an increase of \$4.0 million total funds, including \$1.2 million General Fund, for a rate increase of approximately 7.0 percent for transportation services.

**OT PT LIMITS:** The appropriation provides an increase of \$2.3 million total funds, including \$468,510 General Fund, to allow exceptions to a 12 hour annual cap on occupational therapy (OT) and physical therapy (PT) when medically necessary.



**VENDOR TRANSITIONS:** The appropriation includes \$2.1 million total funds, including \$680,400 General Fund, in one-time funding to allow overlap between outgoing and new vendors, in order to minimize service disruptions. Vendor services being re-procured in FY 2017-18 include the Accountable Care Collaborative.

**POSTPARTUM DEPRESSION SCREENING:** The appropriation provides an increase of \$90,423 total funds, including \$45,212 General Fund, to increase the number of billable postpartum depression screenings within one year from one to three.

**STANDARD FEDERAL MATCH:** The appropriation includes an increase of \$7.9 million General Fund and \$0.6 million cash funds and a corresponding decrease in federal funds to reflect changes in the standard federal match rate for Medicaid.

**EXPANSION POPULATIONS FEDERAL MATCH:** The appropriation includes an increase of \$46.1 million cash funds and a corresponding decrease in federal funds to reflect changes in the federal match rate for populations "newly eligible" pursuant to the federal Affordable Care Act.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the out-year impacts of prior year legislation and budget actions. All of the annualizations are summarized in the table below. The titles of the annualizations begin with either a bill number or the fiscal year when a budget decision was made in the Long Bill. For budget decisions made in the Long Bill, a reference to the priority numbering the Department used in that year for the initiative is provided, if relevant.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 16-1321 Medicaid buy-in eligibility	\$61,533	(\$138,758)	\$184,000	\$0	\$16,291	0.0
FY 16-17 Cervical cancer eligibility	0	0	283	0	(283)	0.0
HB 16-1408 Tobacco/Marijuana allocations	(55,694,236)	6,451,471	(27,008,330)	0	(35,137,377)	0.0
FY 14-15 BA10 Primary care rate bump	(7,748,597)	(3,169,176)	0	0	(4,579,421)	0.0
SB 16-027 Mail delivery pharmacy	(1,737,180)	(528,579)	(43,239)	0	(1,165,362)	0.0
HB 16-1097 PUC permit Medicaid transportation	(234,492)	(67,441)	(8,561)	0	(158,490)	0.0
SB 11-177 Teen pregnancy/dropout prevention	(18,511)	12,996	0	0	(31,507)	0.0
<b>TOTAL</b>	<b>(\$65,371,483)</b>	<b>\$2,560,513</b>	<b>(\$26,875,847)</b>	<b>\$0</b>	<b>(\$41,056,149)</b>	<b>0.0</b>

**VACCINE STOCK RATES:** The appropriation results in a net decrease of \$994,353 total funds, including \$250,958 General Fund, for annually updating rates for vaccines based on retail rates published by the federal Centers for Disease Control. Annually updating vaccine rates will capture decreases in price that often occur when patents expire and generics are introduced, resulting in a projected net savings, even as the rates for some vaccines increase.

**OVERSIGHT OF STATE RESOURCES:** The appropriation includes a net increase across all divisions of \$949,476 total funds, including a decrease of \$1.8 million General Fund, and an increase of 11.4 FTE for a number of initiatives related to the oversight of state resources. In the table below the "Anticipated cost savings" and "Increased federal match" affect the Medical Services Premiums division while all other expenditures affect the Executive Director's Office.

OVERSIGHT OF STATE RESOURCES					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FEDERAL FUNDS	FTE
Electronic verification of assets	\$429,183	\$214,592	\$0	\$214,591	0.0
Consumer directed care evaluation	422,000	211,000	0	211,000	0.0
Project management staff	164,009	71,756	0	92,253	3.0
Audits of Community Mental Health Centers	204,000	102,000	0	102,000	0.0
Investigate fraud and abuse	(471,888)	(53,796)	(86,696)	(331,396)	5.5
<i>Investigators</i>	390,547	195,276	0	195,271	5.5
<i>Anticipated cost savings</i>	(862,435)	(249,072)	(86,696)	(526,667)	0.0
Native American health services	134,179	(2,314,349)	(133,388)	2,581,916	1.9
<i>Staff coordinators</i>	134,179	67,090	0	67,089	1.9
<i>Increased federal match</i>	0	(2,381,439)	(133,388)	2,514,827	0.0
Hospital Provider Fee model resources	67,993	0	33,997	33,996	1.0
<b>TOTAL</b>	<b>\$949,476</b>	<b>(\$1,768,797)</b>	<b>(\$186,087)</b>	<b>\$2,904,360</b>	<b>11.4</b>

**OFFICE-ADMINISTERED DRUGS:** The appropriation includes a net decrease across all divisions of \$485,033 total funds, including \$131,605 General Fund, and an increase of 0.9 FTE for periodically updating rates for office-administered drugs. The net fiscal impact is the result of a projected increase in expenditures for drugs of \$39,320 total funds, including \$11,586 General Fund, an increase of \$55,097 total funds, including \$27,549 General Fund, for 0.9 FTE to manage the office-administered drugs benefit, and an offsetting decrease of \$579,450 total funds, including \$170,740 General Fund, from people migrating from receiving these drugs in more expensive settings, such as hospitals, to receiving them during a physician visit. There may also be an increase in utilization that results in savings as these long-acting drugs are more effective at controlling symptoms that can result in hospitalizations than alternatives, but the appropriation does not attempt to estimate this impact.

**ADDITIONAL LEGISLATION:** For information on additional legislation, see the "Recent Legislation" section at the end of this department.

## BEHAVIORAL HEALTH COMMUNITY PROGRAMS

This division provides funding for Medicaid clients' mental health and substance use disorder care through the purchase of services from regional behavioral health organizations (BHOs). Each BHO receives a pre-determined monthly amount for each Medicaid client within its geographic region who is eligible for behavioral health services. This division also provides funding for Medicaid fee-for-service payments for behavioral health services provided to clients who are not enrolled in a BHO and for the provision of behavioral health services that are not covered by the BHO contract. Appropriations for FY 2017-18 reflect funding for a projected 1,380,362 Medicaid clients eligible for behavioral health services. The funding for this division is primarily General Fund and federal funds. Cash fund sources include the Hospital Provider Fee Cash Fund and the Breast and Cervical Cancer Prevention and Treatment Fund.

BEHAVIORAL HEALTH COMMUNITY PROGRAMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$662,617,330	\$183,627,684	\$16,633,015	\$0	\$462,356,631	0.0
SB 17-162	(56,448,298)	(6,379,746)	569,523	0	(50,638,075)	0.0
SB 17-254	8,113,662	(6,824,268)	930,174	0	14,007,756	0.0
<b>TOTAL</b>	<b>\$614,282,694</b>	<b>\$170,423,670</b>	<b>\$18,132,712</b>	<b>\$0</b>	<b>\$425,726,312</b>	<b>0.0</b>

BEHAVIORAL HEALTH COMMUNITY PROGRAMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$614,282,694	\$170,423,670	\$18,132,712	\$0	\$425,726,312	0.0
Enrollment/utilization trends	11,391,752	3,326,685	394,295	0	7,670,772	0.0
Provider rate changes	114,480	24,735	4,781	0	84,964	0.0
Annualize prior year budget actions	8,645	(28,516)	32,856	0	4,305	0.0
Federal match changes	0	699,628	7,625,891	0	(8,325,519)	0.0
<b>SB 17-254</b>	<b>\$625,797,571</b>	<b>\$174,446,202</b>	<b>\$26,190,535</b>	<b>\$0</b>	<b>\$425,160,834</b>	<b>0.0</b>
SB 17-267	0	0	0	0	0	0.0
<b>TOTAL</b>	<b>\$625,797,571</b>	<b>\$174,446,202</b>	<b>\$26,190,535</b>	<b>\$0</b>	<b>\$425,160,834</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$11,514,877</b>	<b>\$4,022,532</b>	<b>\$8,057,823</b>	<b>\$0</b>	<b>(\$565,478)</b>	<b>0.0</b>
Percentage Change	1.9%	2.4%	44.4%	n/a	(0.1%)	n/a

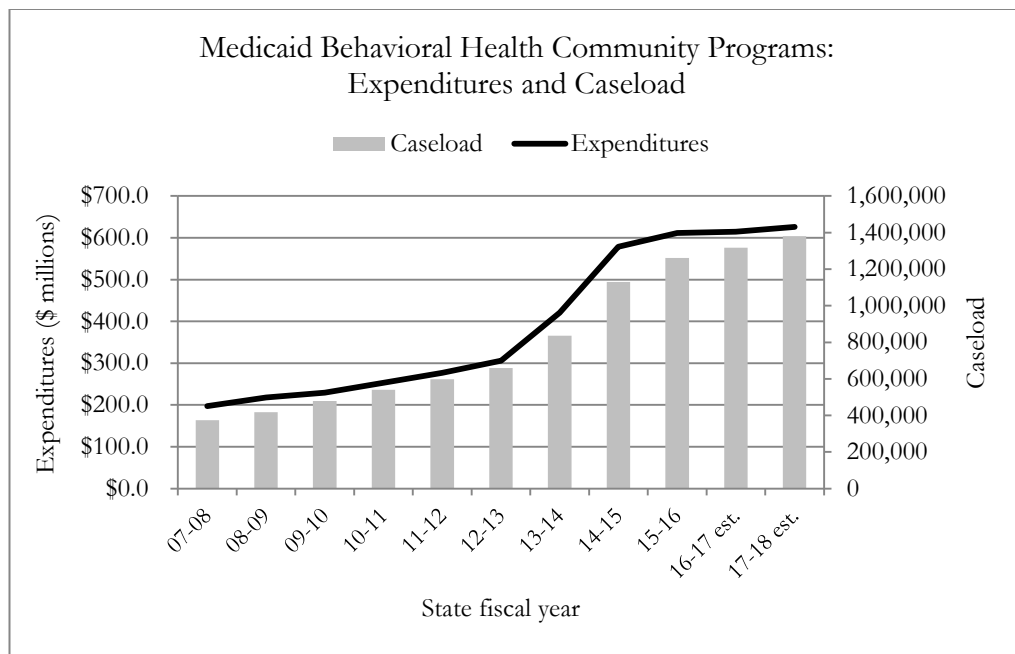
### FY 2016-17 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 17-162 and S.B. 17-254 reduce FY 2016-17 appropriations by \$48.3 million total funds, including \$13.2 million General Fund, to reflect changes in the Department's caseload and expenditure forecast from February 2016 to February 2017. While the Department's estimates for continued growth in the adults without dependent children population have increased since February 2016, the most recent projections reflect a slower overall rate of caseload growth for FY 2016-17. The Department's expenditure estimates declined due to these caseload changes as well as two other factors:

- Per-member-per-month rates paid to BHOs for the newly eligible populations were decreased based on actual BHO cost data; and
- The amount of "reconciliation" payments the Department anticipates receiving back from BHOs has increased based on actual costs incurred by BHOs for serving the newly eligible adults without dependent children population and to correct some payments that were made using the incorrect per-member-per-month rate.

### FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**ENROLLMENT/UTILIZATION TRENDS:** The appropriation includes an increase of \$11.4 million total funds, including an increase of \$3.3 million General Fund, based on the projected caseload and expenditures under current law for behavioral health services. The following chart illustrates recent caseload and expenditure trends and the estimates that were used as the basis for FY 2016-17 and FY 2017-18 appropriations. More detailed data concerning caseload and expenditure changes by eligibility category are included in Part II of this document.



**PROVIDER RATE CHANGES:** The appropriation includes an increase of \$114,480 total funds, including \$24,735 General Fund, for an across-the-board increase for most community providers of approximately 1.4 percent. This rate increase only applies to fee-for-service payments made for behavioral health services, and it does not apply to payments made through the statewide capitation program.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the out-year impacts of prior year legislation and budget actions. As detailed in the table below, the appropriations for behavioral health services were impacted by H.B. 16-1321 and a budget action in FY 2016-17 that expanded the age of women eligible for cervical cancer screenings through the Breast and Cervical Cancer Program.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 16-1321 Medicaid buy-in eligibility	\$8,645	(\$28,516)	\$32,856	\$0	\$4,305	0.0
FY 16-17 Cervical cancer eligibility	0	0	19	0	(19)	0.0
<b>TOTAL</b>	<b>\$8,645</b>	<b>(\$28,516)</b>	<b>\$32,856</b>	<b>\$0</b>	<b>\$4,305</b>	<b>0.0</b>

**FEDERAL MATCH CHANGES:** The appropriation includes fund source adjustments to reflect changes in the standard federal match rate for Medicaid and the enhanced federal match rate for expansion populations. The standard federal match rate is calculated based on state per capita income relative to the national average, and Colorado's federal match is projected to decrease from 50.02 to the federal minimum of 50.0 percent due to improvements in Colorado's economy. The enhanced federal match for expansion populations is scheduled to decrease annually based on provisions in the Affordable Care Act until it reaches 90 percent in 2020. The state share of costs for the expansion populations is paid by the Hospital Provider Fee. The following table details the impact of each type of federal match rate change on behavioral health appropriations.

FEDERAL MATCH CHANGES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Standard federal match	\$0	\$699,628	\$20,650	\$0	(\$720,278)	0.0
Expansion populations federal match	0	0	7,605,241	0	(7,605,241)	0.0
<b>TOTAL</b>	<b>\$0</b>	<b>\$699,628</b>	<b>\$7,625,891</b>	<b>\$0</b>	<b>(\$8,325,519)</b>	<b>0.0</b>

**ADDITIONAL LEGISLATION:** For information on additional legislation, see the "Recent Legislation" section at the end of this department.

## OFFICE OF COMMUNITY LIVING

The Office houses the Division for Intellectual and Developmental Disabilities (IDD) and is responsible for the following functions related to the provision of services by community based providers to individuals with intellectual and developmental disabilities:

- Administration of three Medicaid waivers for individuals with developmental disabilities;
- Establishment of service reimbursement rates;
- Ensuring compliance with federal Centers for Medicare and Medicaid rules and regulations;
- Communication and coordination with community-centered boards regarding waiver policies, rate changes, and waiting list information reporting; and
- Administration of the Family Support Services Program.

OFFICE OF COMMUNITY LIVING						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$506,698,069	\$260,652,220	\$1,846,124	\$845,000	\$243,354,725	34.5
SB 16-038	60,416	0	30,208	0	30,208	1.0
SB 17-162	4,982,165	0	5,518,936	(536,771)	0	0.0
SB 17-254	(8,704,732)	(3,766,388)	0	0	(4,938,344)	0.0
<b>TOTAL</b>	<b>\$503,035,918</b>	<b>\$256,885,832</b>	<b>\$7,395,268</b>	<b>\$308,229</b>	<b>\$238,446,589</b>	<b>35.5</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$503,035,918	\$256,885,832	\$7,395,268	\$308,229	\$238,446,589	35.5
Enrollment/utilization trends	27,917,368	14,965,246	(125,422)	0	13,077,544	0.0
Community provider rate	7,309,501	3,793,472	2,233	0	3,513,796	0.0
Transportation service rates	857,218	428,043	566	0	428,609	0.0
Cross System Response Pilot spending	709,311	0	1,017,540	(308,229)	0	0.0
Regional Center task force	301,125	150,548	0	0	150,577	1.8
Pueblo Regional Center corrective action	147,139	73,570	0	0	73,569	1.8
Service option platform	50,000	0	50,000	0	0	0.0
Annualize prior year budget actions	(5,046,596)	382,176	(6,101,379)	0	672,607	0.0
Quality surveys/performance improvement	(69,102)	(34,551)	0	0	(34,551)	0.0
<b>SB 17-254</b>	<b>\$535,211,882</b>	<b>\$276,644,336</b>	<b>\$2,238,806</b>	<b>\$0</b>	<b>\$256,328,740</b>	<b>39.1</b>
SB 17-267	0	0	0	0	0	0.0
HB 17-1343	72,794	0	36,398	0	36,396	1.0
<b>TOTAL</b>	<b>\$535,284,676</b>	<b>\$276,644,336</b>	<b>\$2,275,204</b>	<b>\$0</b>	<b>\$256,365,136</b>	<b>40.1</b>
<b>INCREASE/(DECREASE)</b>	<b>\$32,248,758</b>	<b>\$19,758,504</b>	<b>(\$5,120,064)</b>	<b>(\$308,229)</b>	<b>\$17,918,547</b>	<b>4.6</b>
Percentage Change	6.4%	7.7%	(69.2%)	(100.0%)	7.5%	13.0%

## FY 2016-17 APPROPRIATION - MID-YEAR ADJUSTMENTS

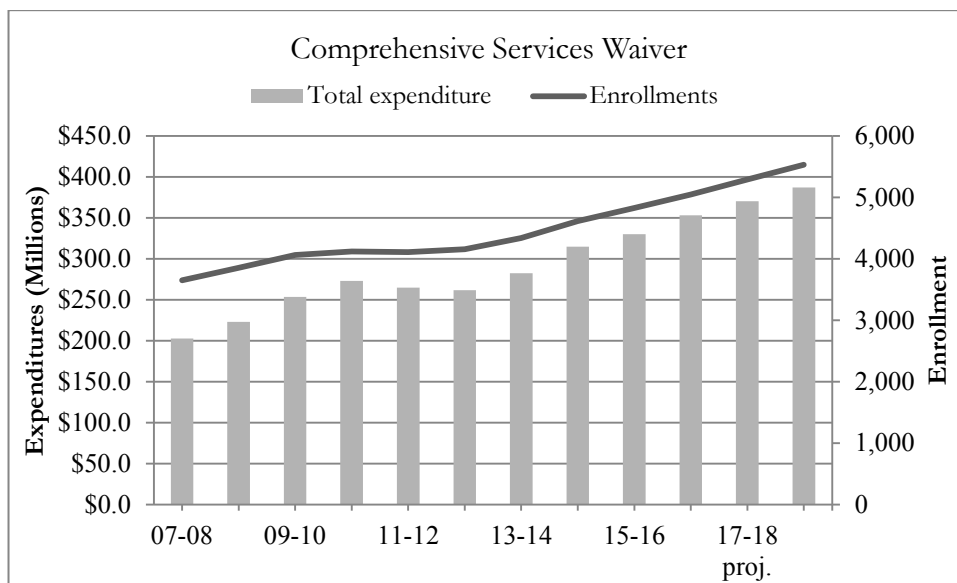
Senate Bill 17-162 modifies the FY 2016-17 appropriation to:

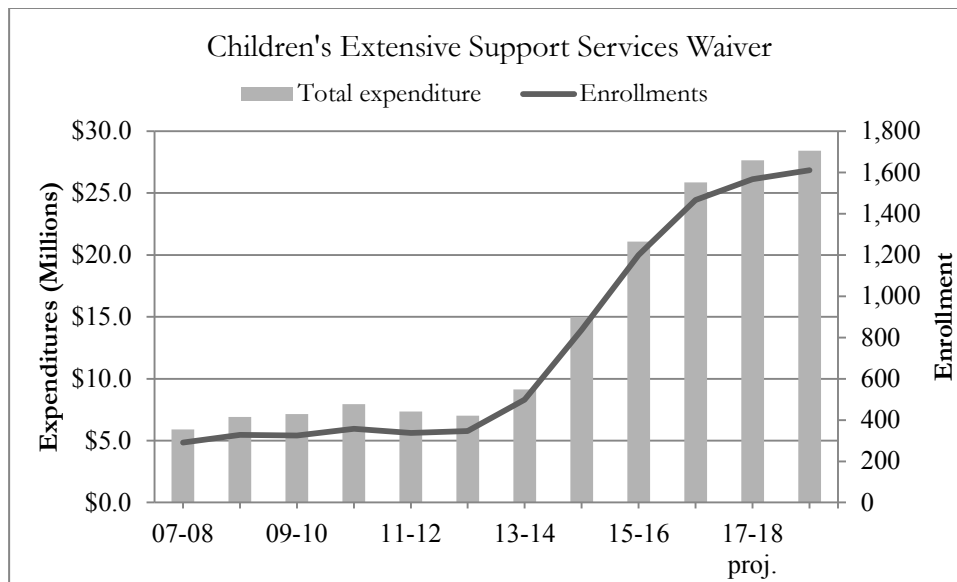
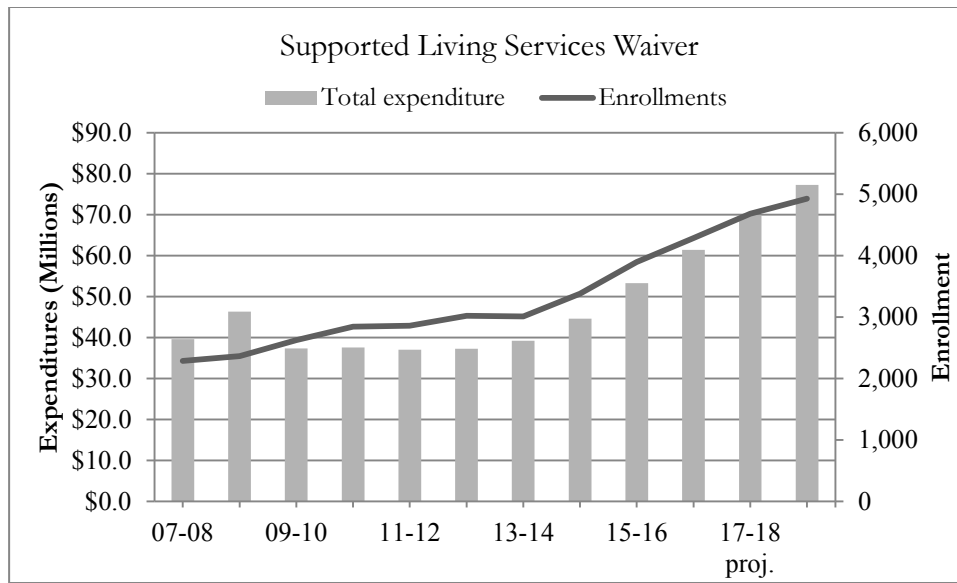
- Add \$4.7 million cash funds from the Intellectual and Developmental Disability Services Cash Fund for a one-time Supported Living Services provider sustainability payment.
- Add \$281,165 total funds to correct a technical error with the appropriation for the Cross-system Response for Behavioral Health Crisis Pilot Program and add a footnote to allow the appropriation to be available through June 30, 2017

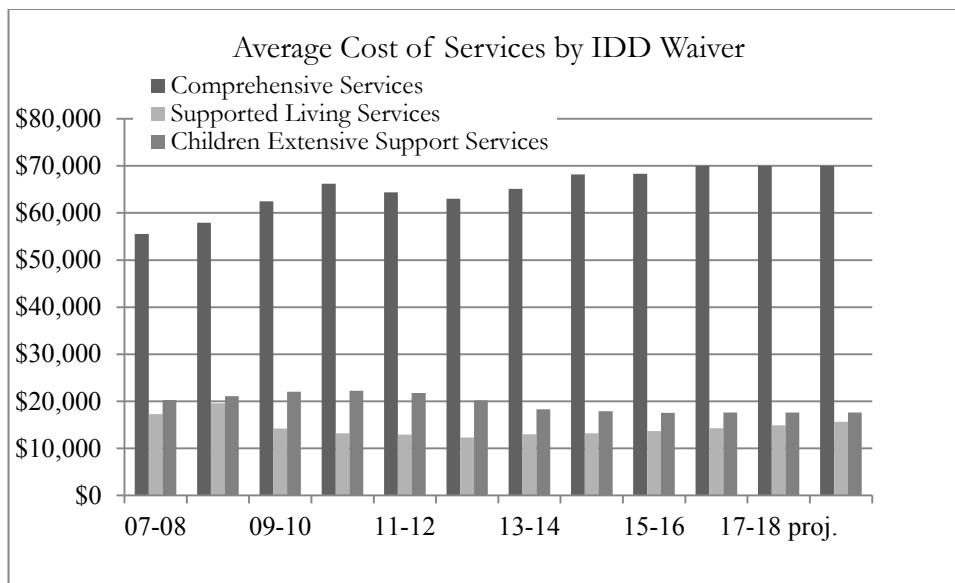
Senate Bill 17-254 reduces the FY 2016-17 appropriation by \$8.7 million total funds, including \$3.8 million General Fund, to reflect changes in the Department's caseload and expenditure forecast from February 2016 to February 2017.

#### FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**ENROLLMENT/UTILIZATION TRENDS:** The appropriation includes an increase of \$27.9 million total funds, including \$15.0 million General Fund, for the FY 2017-18 caseload and expenditure forecast. The adjustment to the number of individuals receiving services and the average cost of services per individual is based on the February 2017 forecast by the Department of Health Care Policy and Financing. The following graphs summarize trends in the enrollment and expenditures for the three home- and community-based waivers for individuals with intellectual and developmental disabilities and associated case management costs.







**COMMUNITY PROVIDER RATE:** The appropriation includes an increase of \$7.3 million total funds, including \$3.8 million General Fund, for an across the board provider rate increase for most community providers of approximately 1.4 percent.

**TRANSPORTATION SERVICE RATES:** The appropriation includes an increase of \$857,218 million total funds, including \$428,043 million General Fund, for targeted rate increases for transportation services.

**CROSS SYSTEM RESPONSE PILOT SPENDING:** The appropriation includes \$709,311 total funds for the Cross-system Response for Behavioral Health Crisis Pilot Program and makes technical changes to the structure of the appropriation.

**REGIONAL CENTER TASK FORCE:** The appropriation includes \$301,125 million total funds, including \$150,548 General Fund, and 1.8 FTE to: (1) provide intensive case management to people with intellectual and developmental disabilities who are transitioning from an Intermediate Care Facility or Regional Center to the community and to continue that service for one year after their transition; and (2) provide staff for the Department to continue working on implementation of the recommendations of the Regional Center Task Force.

**PUEBLO REGIONAL CENTER CORRECTIVE ACTION:** The appropriation includes \$147,139 total funds, including \$73,570 General Fund, and 1.8 FTE for the Pueblo Regional Center corrective action plan. The funding will be used to hire two FTE to oversee contractors working on implementing the Pueblo Regional Center Corrective Action Plan. The contractors include an independent monitor and internal review and data collections contractor to oversee the work by the Department of Human Services to bring the Pueblo Regional Center into compliance with waiver and safety regulations; and a staffing contractor to oversee the training and staffing plan for the Pueblo Regional Center.

**SERVICE OPTION PLATFORM:** The appropriations includes an increase of \$50,000 cash funds from the Intellectual and Developmental Disabilities Services Cash Fund to implement a statewide third party mechanism to pilot a web-based option designed to enable individuals to have a choice in providers of services through the intellectual and developmental disability home- and community-based waiver services.



**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the out-year impacts of prior year legislation and budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 15-16 R7 Participant directed programs	\$1,261,619	\$630,683	\$0	\$0	\$630,936	0.0
HB 16-1321 Medicaid buy-in eligibility	65,136	(252,356)	284,917	0	32,575	0.0
Prior year salary survey	11,400	3,849	1,579	0	5,972	0.0
SB 16-038 Community-centered Board transparency	6,249	0	3,125	0	3,124	0.0
FY 16-17 SLS provider payment in SB 17-162	(4,701,000)	0	(4,701,000)	0	0	0.0
HB 15-1368 Cross-system response	(1,690,000)	0	(1,690,000)	0	0	0.0
<b>TOTAL</b>	<b>(\$5,046,596)</b>	<b>382,176</b>	<b>(\$6,101,379)</b>	<b>\$0</b>	<b>\$672,607</b>	<b>0.0</b>

**QUALITY SURVEYS/PERFORMANCE IMPROVEMENT:** The appropriation includes a reduction of \$69,102 total funds, including \$34,551 General Fund to conduct member satisfaction surveys aimed at improving quality of care and to validate performance improvement projects conducted by managed care organizations. See the Executive Director's Office for additional information.

**ADDITIONAL LEGISLATION:** For information on additional legislation, see the "Recent Legislation" section at the end of this department.

## INDIGENT CARE PROGRAM

This division contains funding for the following programs:

### INDIGENT CARE PROGRAM

This program provides partial reimbursement to participating hospitals and clinics that serve uninsured or under-insured clients. To be eligible for this program, clients must have income or assets equal to or lower than 250 percent of the federal poverty level (FPL) and may not qualify for assistance through the Medicaid program.

### CHILDREN'S BASIC HEALTH PLAN

This program provides health insurance to otherwise uninsured children from families at or below 250 percent of the federal poverty guidelines. The program also provides health insurance to eligible adult women between 185 percent and 250 percent of the federal poverty guidelines.

Funding sources include the General Fund, provider fees paid by hospitals, tobacco tax and tobacco master settlement revenues, and federal funds.

INDIGENT CARE PROGRAM						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$505,068,224	\$12,248,677	\$202,679,964	\$0	\$290,139,583	0.0
SB 17-162	15,610,893	1,515	1,914,824	0	13,694,554	0.0
SB 17-254	8,944,129	0	3,078,856	0	5,865,273	0.0
<b>TOTAL</b>	<b>\$529,623,246</b>	<b>\$12,250,192</b>	<b>\$207,673,644</b>	<b>\$0</b>	<b>\$309,699,410</b>	<b>0.0</b>

### INDIGENT CARE PROGRAM

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$529,623,246	\$12,250,192	\$207,673,644	\$0	\$309,699,410	0.0
Enrollment/utilization trends	13,763,634	(1,880,340)	(1,167,848)	0	16,811,822	0.0
Tobacco forecast adjustment	498,584	0	498,584	0	0	0.0
Standard federal match	0	39,150	791,308	0	(830,458)	0.0
<b>SB 17-254</b>	<b>\$543,885,464</b>	<b>\$10,409,002</b>	<b>\$207,795,688</b>	<b>\$0</b>	<b>\$325,680,774</b>	<b>0.0</b>
SB 17-267	0	0	0	0	0	0.0
<b>TOTAL</b>	<b>\$543,885,464</b>	<b>\$10,409,002</b>	<b>\$207,795,688</b>	<b>\$0</b>	<b>\$325,680,774</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	\$14,262,218	(\$1,841,190)	\$122,044	\$0	\$15,981,364	0.0
Percentage Change	2.7%	(15.0%)	0.1%	0.0%	5.2%	0.0%

### FY 2016-17 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 17-162 and S.B. 17-254 modify FY 2016-17 appropriations for a net increase of \$24.6 million total funds, including \$1,515 General Fund, for revised caseload and expenditure estimates.

### FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**ENROLLMENT/UTILIZATION TRENDS:** The appropriation provides a net increase of \$13.8 million total funds, including a decrease of \$1.9 million General Fund, to reflect a new forecast of enrollment, utilization, and per capita costs for the Children's Basic Health Plan. The tables below provide data on enrollment, medical and dental expenditures, and per capita costs over time. The tables do not include repayments to the federal government for prior year disallowances, and so the totals may not match the line item expenditures for years when a disallowance payment was due.

ENROLLMENT				
	CHILDREN	PRENATAL	TOTAL	% CHANGE
FY 07-08	57,796	1,571	59,367	n/a
FY 08-09	61,582	1,665	63,247	6.5%
FY 09-10	68,725	1,561	70,286	11.1%
FY 10-11	67,267	1,742	69,009	-1.8%
FY 11-12	74,266	2,064	76,330	10.6%
FY 12-13	77,835	1,611	79,446	4.1%
FY 13-14	61,554	953	62,507	-21.3%
FY 14-15	53,699	687	54,386	-13.0%
FY 15-16	51,041	668	51,709	-4.9%
FY 16-17 proj.	63,129	793	63,922	23.6%
FY 17-18 proj.	69,011	792	69,803	9.2%
FY 18-19 proj.	73,835	792	74,627	6.9%

EXPENDITURES				
	CHILDREN	PRENATAL	TOTAL	% CHANGE
FY 07-08	\$96,038,557	\$17,361,986	\$113,400,543	n/a
FY 08-09	112,599,454	18,086,904	130,686,358	15.2%
FY 09-10	162,471,143	16,023,878	178,495,021	36.6%
FY 10-11	155,207,326	22,076,574	177,283,899	-0.7%
FY 11-12	161,043,047	21,411,076	182,454,123	2.9%
FY 12-13	170,136,500	21,433,958	191,570,458	5.0%
FY 13-14	170,744,026	12,009,028	182,753,054	-4.6%
FY 14-15	126,621,571	9,580,452	136,202,023	-25.5%
FY 15-16	114,115,567	8,544,303	122,659,870	-9.9%
FY 16-17 proj.	153,446,507	10,061,603	163,508,110	33.3%
FY 17-18 proj.	168,845,912	10,306,172	179,152,084	9.6%
FY 18-19 proj.	185,516,959	10,487,340	196,004,299	9.4%

PER CAPITA EXPENDITURES				
	CHILDREN	PRENATAL	TOTAL	% CHANGE
FY 07-08	\$1,662	\$11,052	\$1,910	n/a
FY 08-09	1,828	10,863	2,066	8.2%
FY 09-10	2,364	10,265	2,540	22.9%
FY 10-11	2,307	12,673	2,569	1.2%
FY 11-12	2,168	10,374	2,390	-7.0%
FY 12-13	2,186	13,305	2,411	0.9%
FY 13-14	2,774	12,601	2,924	21.2%
FY 14-15	2,358	13,945	2,504	-14.3%
FY 15-16	2,236	12,791	2,372	-5.3%
FY 16-17 proj.	2,431	12,688	2,558	7.8%
FY 17-18 proj.	2,447	13,013	2,567	0.3%
FY 18-19 proj.	2,513	13,242	2,626	2.3%

**TOBACCO FORECAST ADJUSTMENT:** The appropriation includes an increase of \$498,584 cash funds based on changes to the forecast of tobacco master settlement and tobacco tax revenue used to finance programs in the Department.

**STANDARD FEDERAL MATCH:** The appropriation includes an increase of \$39,150 General Fund and \$791,308 cash funds and a corresponding decrease in federal funds to reflect changes in the standard federal match rate for Medicaid and the Children's Basic Health Plan.

**ADDITIONAL LEGISLATION:** For information on additional legislation, see the "Recent Legislation" section at the end of this department.

## OTHER MEDICAL SERVICES

This division contains the funding for:

- The state's obligation under the Medicare Modernization Act for prescription drug benefits
- The Old Age Pension State-Only Medical Program
- Health training programs, including the Commission on Family Medicine and the University Teaching Hospitals
- Public School Health Services

Funding sources for these programs include the General Fund, cash funds for certified public expenditures at school districts, the Old Age Pension Medical and Supplemental Medical Fund, reappropriated funds from Amendment 35 tobacco taxes, and matching federal funds.

OTHER MEDICAL SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$241,059,813	\$139,398,685	\$51,751,948	\$2,491,722	\$47,417,458	0.0
SB 17-162	10,762,653	1,369,323	4,754,691	0	4,638,639	0.0
SB 17-254	(1,083,334)	(1,083,334)	0	0	0	0.0
<b>TOTAL</b>	<b>\$250,739,132</b>	<b>\$139,684,674</b>	<b>\$56,506,639</b>	<b>\$2,491,722</b>	<b>\$52,056,097</b>	<b>0.0</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$250,739,132	\$139,684,674	\$56,506,639	\$2,491,722	\$52,056,097	0.0
Medicare Modernization Act	17,222,134	17,222,134	0	0	0	0.0
Annualize prior year budget actions	1,933,578	0	1,193,993	0	739,585	0.0
Standard federal match	774,463	797,629	0	0	(23,166)	0.0
CU School of Medicine booster payment	150,000	0	0	75,000	75,000	0.0
Public School Health Services	(908,563)	0	(445,046)	0	(463,517)	0.0
<b>SB 17-254</b>	<b>\$269,910,744</b>	<b>\$157,704,437</b>	<b>\$57,255,586</b>	<b>\$2,566,722</b>	<b>\$52,383,999</b>	<b>0.0</b>
<b>TOTAL</b>	<b>\$269,910,744</b>	<b>\$157,704,437</b>	<b>\$57,255,586</b>	<b>\$2,566,722</b>	<b>\$52,383,999</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$19,171,612</b>	<b>\$18,019,763</b>	<b>\$748,947</b>	<b>\$75,000</b>	<b>\$327,902</b>	<b>0.0</b>
Percentage Change	7.6%	12.9%	1.3%	3.0%	0.6%	n/a

#### FY 2016-17 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 17-162 and S.B. 17-254 provide a net increase of \$9.7 million total funds, including \$285,989 General Fund for revised caseload and expenditure estimates.

#### FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**MEDICARE MODERNIZATION ACT:** The appropriation includes an increase of \$17.2 million General Fund for reimbursements to the federal government for prescription drugs for people eligible for both Medicaid and Medicare based on the most recent forecast of the state's obligation under the federal formula.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes an increase of \$1.9 million total funds to annualize prior year increases for public school health services based on forecasted certified public expenditures by local school districts and boards of cooperative education services.

**STANDARD FEDERAL MATCH:** The appropriation includes an increase of \$797,629 General Fund and a decrease of \$23,166 federal funds to reflect changes in the standard federal match rate for Medicaid. The increase in General Fund does not match the decrease in federal funds because the federal match rate affects the calculation of the General Fund obligation for the Medicare Modernization Act, but there is no corresponding federal match for the Medicare Modernization Act.

**CU SCHOOL OF MEDICINE BOOSTER PAYMENT:** The appropriation includes \$150,000 total funds for increased family medicine residencies as part of a new initiative to provide booster payments for the University of Colorado (CU) School of Medicine. The source of the state match for the Medicaid funds is a transfer from existing General Fund appropriations to the Department of Higher Education.

**PUBLIC SCHOOL HEALTH SERVICES:** The appropriation includes a decrease of \$0.9 million total funds based on expected certified public expenditures by school districts and boards of cooperative education for public school health services.

## DEPARTMENT OF HUMAN SERVICES MEDICAID-FUNDED PROGRAMS

This section contains funding for programs administered by the Department of Human Services that are funded with Medicaid dollars. General Fund is appropriated in this section, matched with anticipated federal funds, and then transferred to the Department of Human Services as Medicaid cash funds.

DEPARTMENT OF HUMAN SERVICES MEDICAID-FUNDED PROGRAMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$109,469,368	\$52,414,760	\$1,866,142	\$0	\$55,188,466	0.0
SB 17-162	(155,203)	(77,499)	0	0	(77,704)	0.0
<b>TOTAL</b>	<b>\$109,314,165</b>	<b>\$52,337,261</b>	<b>\$1,866,142</b>	<b>\$0</b>	<b>\$55,110,762</b>	<b>0.0</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$109,314,165	\$52,337,261	\$1,866,142	\$0	\$55,110,762	0.0
Community provider rate	340,571	170,286	0	0	170,285	0.0
Pueblo Regional Center corrective action	100,000	50,000	0	0	50,000	0.0
Annualize prior year budget actions	17,368	8,292	0	0	9,076	0.0
Standard federal match	0	181,286	0	0	(181,286)	0.0
Human Services programs	(6,336,882)	(3,181,313)	22,761	0	(3,178,330)	0.0
<b>SB 17-254</b>	<b>\$103,435,222</b>	<b>\$49,565,812</b>	<b>\$1,888,903</b>	<b>\$0</b>	<b>\$51,980,507</b>	<b>0.0</b>
<b>TOTAL</b>	<b>\$103,435,222</b>	<b>\$49,565,812</b>	<b>\$1,888,903</b>	<b>\$0</b>	<b>\$51,980,507</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$5,878,943)</b>	<b>(\$2,771,449)</b>	<b>\$22,761</b>	<b>\$0</b>	<b>(\$3,130,255)</b>	<b>0.0</b>
Percentage Change	(5.4%)	(5.3%)	1.2%	0.0%	(5.7%)	0.0%

## FY 2016-17 APPROPRIATION - MID-YEAR ADJUSTMENTS

House Bill 17-162 modifies FY 2016-17 appropriations for programs administered by the Department of Human Services. The table below summarizes the changes for each division within the Department of Human Services that is responsible for the administration of the program. See the description of the Department of Human Services, Part III, for more information.

HUMAN SERVICES PROGRAMS CHANGES BY DIVISION H.B. 17-162					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
Executive Director's Office	\$0	\$0	\$0	\$0	\$0
Office of Information Technology Services	0	0	0	0	0
Office of Operations	(29,500)	(14,750)	0	0	(14,750)
Division of Child Welfare	0	0	0	0	0
Office of Early Childhood	0	0	0	0	0
Office of Self Sufficiency	0	0	0	0	0
Behavioral Health Services	138,192	68,820	0	0	69,372
Services for People with Disabilities	(75,000)	(37,500)	0	0	(37,500)
Adult Assistance Programs	0	0	0	0	0
Division of Youth Corrections	(188,895)	(94,069)	0	0	(94,826)
Other	0	0	0	0	0
<b>TOTAL</b>	<b>(\$155,203)</b>	<b>(\$77,499)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$77,704)</b>

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**COMMUNITY PROVIDER RATE:** The appropriation includes an increase of \$340,571 total funds, including \$170,286 General Fund, for an across-the-board increase for most community providers of approximately 1.4 percent.

**PUEBLO REGIONAL CENTER CORRECTIVE ACTION:** The appropriation includes an increase of \$100,000 total funds, including \$50,000 General Fund, for costs associated with the Pueblo Regional Center corrective action plan.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the impact of prior year budget actions.

**STANDARD FEDERAL MATCH:** The appropriation includes an increase of \$181,286 General Fund and a corresponding decrease of federal funds to reflect changes in the standard federal match rate for Medicaid.

**HUMAN SERVICES PROGRAMS:** The table below summarizes the changes for each division within the Department of Human Services that is responsible for the administration of the program. The table includes the preceding incremental changes. See the Part III detail of appropriation by administration section for the Department of Human Services for more information.

HUMAN SERVICES PROGRAMS CHANGES BY DIVISION S.B. 17-254					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
Executive Director's Office	(\$1,357,705)	(\$678,853)	\$0	\$0	(\$678,852)
Office of Information Technology Services	33,162	17,875	0	0	15,287
Office of Operations	(5,627,443)	(2,802,571)	0	0	(2,824,872)
Division of Child Welfare	213,412	137,101	0	0	76,311
Office of Early Childhood	92,006	59,130	0	0	32,876
Office of Self Sufficiency	0	0	0	0	0
Behavioral Health Services	26,458	30,340	0	0	(3,882)
Services for People with Disabilities	(9,336,466)	(4,575,816)	22,761	0	(4,783,411)
Adult Assistance Programs	1,000,000	500,000	0	0	500,000
Division of Youth Corrections	(136,335)	(65,640)	0	0	(70,695)
Other	9,213,968	4,606,985	0	0	4,606,983
<b>TOTAL</b>	<b>(\$5,878,943)</b>	<b>(\$2,771,449)</b>	<b>\$22,761</b>	<b>\$0</b>	<b>(\$3,130,255)</b>

## RECENT LEGISLATION

### 2016 SESSION BILLS

**S.B. 16-027 (MEDICAID OPTION FOR PRESCRIBED DRUGS BY MAIL):** Authorizes the Department of Health Care Policy and Financing to allow all Medicaid recipients, rather than just those with a hardship or third party insurance, to receive maintenance medication through the mail, up to a three month supply, and details associated procedures with the new benefit. The bill is expected to reduce dispensing fees and cause some pharmacy costs to shift from one fiscal year to the next. For FY 2016-17 the bill reduces appropriations by \$29,917 total funds (\$9,084 General Fund, \$409 cash funds from the Hospital Provider Fee, and \$20,424 federal funds). The table below summarizes expected future year savings under the bill.

S.B. 16-027 MEDICAID OPTION FOR PRESCRIBED DRUGS BY MAIL			
	FY 16-17	FY 17-18	FY 18-19
Dispensing Fee Savings	(\$658,026)	(\$2,069,622)	(\$2,169,792)
Cost Shift – Current Year Increase	628,108	930,634	1,034,203
Cost Shift – Next Year Savings	0	(628,108)	(930,634)
<b>TOTAL</b>	<b>(\$29,918)</b>	<b>(\$1,767,096)</b>	<b>(\$2,066,223)</b>

**S.B. 16-038 (TRANSPARENCY OF COMMUNITY-CENTERED BOARDS):** Requires a Community-Centered Board (CCB) that receives more than 75.0 percent of its annual funding from federal, state, or local governments, or any combination thereof, to be subject to the Colorado Local Government Audit Act. The Office of the State Auditor must conduct a performance audit of any CCB that exceeds the 75 percent government threshold to determine if the CCB is effectively and efficiently fulfilling its statutory obligations. Audits of CCBs are to occur in the five-year period following the effective date of the bill and as requested by the Office of the State Auditor thereafter. This bill also requires each CCB to post information on its website related to the board of directors and their meetings, financial statements, annual budgets and other CCB business related information. Appropriates \$60,416 total funds, of which \$30,208 is cash funds from the Intellectual and Developmental Disability Services Cash Fund and \$30,208 is federal funds, and 1.0 FTE to the Department of Health Care Policy and Financing for FY 2016-17.

**S.B. 16-120 (REVIEW BY MEDICAID CLIENT FOR BILLING FRAUD):** Requires the Department of Health Care Policy and Financing to provide explanation of benefits statements to Medicaid clients and describes minimum standards for the frequency, distribution method, and content of the statements. For FY 2016-17 the bill appropriates \$188,000 total funds (\$35,350 General Fund, \$3,450 cash funds from the Hospital Provider Fee, and \$149,200 federal funds) for information technology system modifications and form development. Costs are expected to rise in future years to include personal services, mailing expenses, and vendor costs. These costs may be offset by increased cost recoveries, but potential savings were not estimated in the Legislative Council Staff Fiscal Note. The table below summarizes projected future costs.

S.B. 16-120 REVIEW BY MEDICAID CLIENT FOR BILLING FRAUD			
	FY 16-17	FY 17-18	FY 18-19
Personal Services	\$0	\$24,268	\$24,268
FTE	0.0 FTE	0.5 FTE	0.5 FTE
Operating Expenses and Capital Outlay Costs	0	5,178	475
Information Technology System Modifications	138,000	0	0
Form Development Costs	50,000	0	0
EOB Statement Mailing Costs	0	524,700	524,700
Ongoing Vendor Costs	0	293,775	305,775
<b>TOTAL</b>	<b>\$188,000</b>	<b>\$847,921</b>	<b>\$855,218</b>
General Fund	35,350	266,569	266,467
Cash Funds	3,450	83,948	84,698
Federal Funds	149,200	497,404	504,053

**S.B. 16-192 (Assessment Tool Intellectual and Developmental Disabilities):** Requires the Department of Health Care Policy and Financing, by July 1, 2018, and pursuant to the ongoing stakeholder process relating to eligibility determination for long-term services and supports, to select a needs assessment tool for persons receiving long-term services and supports, including persons with intellectual and developmental disabilities. The Department must have stakeholder involvement in the needs assessment tool selection process. The selected needs assessment tool must include a reassessment process that can be completed within thirty days after the reassessment is requested. Once the tool is selected, the Department must report to the applicable House and Senate committees of reference and the Joint Budget Committee the needs assessment tool that was selected and the level of stakeholder involvement during the selection process. Appropriates \$277,573 total funds, of which \$138,787 is cash funds from the Intellectual and Developmental Disability Services Cash Fund and \$138,786 is federal funds, and 1.8 FTE to the Department of Health Care Policy and Financing for FY 2016-17.

**S.B. 16-199 (PROGRAM OF ALL-INCLUSIVE CARE FOR THE ELDERLY):** Establishes a Program of All-inclusive Care for the Elderly (PACE) ombudsman office in the long-term care ombudsman office to set forth statewide policies and procedures to identify, investigate, and seek resolution of referral of complaints made by or on behalf of a PACE participant. Appropriates \$225,000 cash funds for FY 2016-17 to the Department of Health Care Policy and Financing for general professional services related to the rate-setting process for Medicaid participants in the PACE program. Additionally, appropriates \$81,675 cash funds and 1.0 FTE for FY 2016-17 to the Department of Human Services for use by the state ombudsman program.

**H.B. 16-1097 (PUC PERMIT FOR MEDICAID TRANSPORTATION PROVIDERS):** Allows providers of non-emergency transportation services for Medicaid clients to operate under a limited regulation permit from the Public Utilities Commission (PUC), rather than a certificate of public convenience and necessity, and establishes parameters for the limited regulation permits. For FY 2016-17 the bill is expected to increase state revenue from permit fees by \$7,450, of which \$5,725 is subject to the TABOR limit, and it makes the following appropriations:

H.B. 16-1097 PUC PERMIT FOR MEDICAID TRANSPORTATION PROVIDERS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Health Care Policy and Financing	(\$136,943)	(\$9,827)	(\$2,549)	\$0	(\$124,567)	0.0
Transfer to Regulatory Agencies	78,328	59,578	0	\$0	18,750	0.0
Medical Services Premiums	(215,271)	(\$69,405)	(2,549)	\$0	(143,317)	0.0
Public Safety						
Colorado Crime Information Center	2,636	0	2,636	0	0	0.0
Law						
Legal Services to State Agencies	23,753	0	0	23,753	0	0.1
Office of the Governor						
Office of Information Technology	8,755	0	0	8,755	0	0.0
<b>TOTAL</b>	<b>(\$101,799)</b>	<b>(\$9,827)</b>	<b>\$87</b>	<b>\$32,508</b>	<b>(\$124,567)</b>	<b>0.1</b>

**H.B. 16-1240 (SUPPLEMENTAL BILL):** Supplemental appropriation to the Department of Health Care Policy and Financing to modify appropriations for FY 2015-16. Includes provisions modifying appropriations to the Department for FY 2013-14 and FY 2014-15.

**H.B. 16-1277 (APPEAL PROCESS FOR CHANGES TO MEDICAID BENEFITS):** Makes changes to the Department of Health Care Policy and Financing's dispute resolution process, including requiring the Department to give Medicaid clients at least 10 days advance notice prior to suspending, terminating, or modifying a client's medical assistance benefits and extending the time for a client to appeal the action. For FY 2016-17 the bill appropriates \$25,000 total funds, including \$2,500 General Fund and \$22,500 federal funds, to the Department of Health Care Policy and Financing for associated changes to information technology systems.

**H.B. 16-1321 (MEDICAID BUY-IN CERTAIN MEDICAID WAIVERS):** Requires the Department of Health Care Policy and Financing to pursue federal authorization to extend the Medicaid buy-in program to people eligible for the Supported Living Services Medicaid waiver, the Brain Injury waiver, and the Spinal Cord Injury waiver pilot program. For FY 2016-17 the bill appropriates \$138,027 total funds, including \$13,803 cash funds from the Hospital Provider Fee and \$124,224 federal funds, to the Department of Health Care Policy and Financing for associated information technology changes.

**H.B. 16-1405 (LONG BILL):** General appropriations act for FY 2016-17. Includes provisions modifying appropriations to the Department of Health Care Policy and Financing for FY 2015-16.

**H.B. 16-1407 (EXTEND MEDICAID PAYMENT REFORM & INNOVATION PILOT):** Extends the Medicaid Payment Reform and Innovation Pilot Program (established through H.B. 12-1281) that allows contractors to work with providers and managed care entities to develop a payment reform project and submit a proposal to the Department.



Removes statutory dates concerning the selection of and completion of payment reform projects, allowing projects that have been approved to continue beyond June 30, 2016, and allowing the Department to continue selecting new projects for the Pilot Program. Amends associated evaluation and reporting requirements. Appropriates \$245,639 General Fund to the Department of Health Care Policy and Financing for FY 2016-17, and states that the appropriation is based on the assumptions that the Department will require an additional 1.0 FTE and that the Department will receive \$347,064 federal funds to implement the act. This funding essentially reinstates full funding for the Department to evaluate proposals that are submitted, validate and certify provider rates, review managed care contracts, evaluate the payment reform projects that are approved, and prepare the required reports.

**H.B. 16-1408 (CASH FUND ALLOCATIONS FOR HEALTH-RELATED PROGRAMS):** Establishes a new formula for the allocation of the annual payment received by the state as part of the Tobacco Master Settlement Agreement (Tobacco MSA). The new formula allocates all Tobacco MSA revenue by percentage shares, rather than the hybrid scheme of fixed dollar amounts and capped percentage shares in multiple tiers. The bill creates a new Primary Care Provider Sustainability Fund in the Department of Health Care Policy and Financing to fund increased access to primary care office visits, immunization administration, health screening services, and newborn care, including neonatal critical care and transfers \$20.0 million from the Children's Basic Health Plan Trust to this new fund on July 1, 2016. For the Department of Health Care Policy and Financing for FY 2016-17 the bill increases funding by \$55,694,236 total funds, including a decrease of \$6,451,471 General Fund, an increase of \$6,451,471 cash funds from the Colorado Autism Treatment Fund, an increase of \$20,000,000 cash funds from the Primary Care Provider Sustainability Fund, an increase of \$556,859 cash funds from the Hospital Provider Fee, and an increase of \$35,137,377 federal funds. For more information about the bill, see the description under the Department of Public Health and Environment.

## 2017 SESSION BILLS

**S.B. 17-091 (ALLOW MEDICAID HOME HEALTH SERVICES IN COMMUNITY):** Removes the requirement in state statute that home health services under Medicaid be provided in a client's place of residence in order to comply with new federal regulations. Provides \$2,211,530 total funds to the Department of Health Care Policy and Financing in FY 2017-18, including \$1,025,567 General Fund, \$18,216 cash funds, and an anticipated \$1,167,747 federal funds for increased utilization.

**S.B. 17-121 (IMPROVE MEDICAID CLIENT CORRESPONDENCE):** Requires the Department of Health Care Policy and Financing to implement an ongoing process to improve communications with Medicaid clients. Provides \$283,781 total funds to the Department, including \$95,662 General Fund, \$46,228 cash funds, and an anticipated \$141,891 federal funds, and 0.7 FTE for the communication improvements. Appropriates \$8,100 General Fund to the Department of Personnel in FY 2017-18 for administrative courts.

**S.B. 17-162 (SUPPLEMENTAL BILL):** Modifies FY 2016-17 appropriations to the Department. Includes provisions modifying FY 2015-16 appropriations to the Department.

**S.B. 17-256 (HOSPITAL REIMBURSEMENT RATES):** Reduces appropriations for the Department of Health Care Policy and Financing in FY 2017-18 from the Hospital Provider Fee by \$264,100,000 cash funds and requires that the reduction come from supplemental payments to the hospitals, resulting in an anticipated reduction in federal funds of \$264,100,000.

**S.B. 17-267 (SUSTAINABILITY OF RURAL COLORADO):** The bill:

- Repeals the Hospital Provider Fee and creates the Healthcare Affordability and Sustainability (HAS) Fee as part of an enterprise for purposes of the Taxpayer's Bill of Rights (TABOR) such that the revenue from the HAS Fee does not count against the state fiscal year spending limit (Referendum C cap)
- Permanently reduces the Referendum C cap by reducing the FY 2017-18 cap by \$200 million and specifying that the base amount for calculating the cap for all future state fiscal years is the reduced FY 2017-18 cap
- Specifies that reimbursements to local governments from the state for property tax exemptions for qualifying seniors and disabled veterans are a TABOR refund mechanism in years when a refund is required
- Requires the state to execute lease-purchase agreements for state buildings in increments of up to \$500 million per year in FYs 2018-19 through 2021-22 (up to \$2 billion in total) to generate funding for transportation and capital construction projects
  - The first \$120 million in proceeds must be used for controlled maintenance and capital construction projects and the remaining proceeds for tier 1 transportation projects
  - Of the transportation money, 25 percent must be expended for projects in rural counties and 10 percent must be expended for transit
  - The maximum term of the lease-purchase agreements is 20 years and the maximum total annual payment is \$150 million
  - Of the annual payment the first \$9 million is from the General Fund (or other legal sources designated by the General Assembly), the next \$50 million is from funds under the control of the Transportation Commission, and the remaining \$91 million is from the General Fund (or other legal sources designated by the General Assembly)
  - Eliminates current law transfers from the General Fund to the Highway Users Tax Fund of \$160 million that are scheduled to occur on June 30, 2019 and June 30, 2020
- Increases the rate of retail marijuana sales tax (currently 10 percent and scheduled to decrease under current law to 8 percent) to 15 percent effective July 1, 2017
  - Offsets a portion of the state retail marijuana sales tax rate increase by exempting retail sales of marijuana upon which the state retail marijuana sales tax is imposed from the 2.9 percent general state sales tax, but provides that local governments can continue to impose their local general sales taxes on retail sales of marijuana
  - Holds local governments that currently receive an allocation of 15 percent of state retail marijuana sales tax revenue based on the current tax rate of 10 percent harmless by specifying that on and after July 1, 2017, they receive an allocation of 10 percent of state retail marijuana sales tax revenue based on the new rate of 15 percent
  - Of the 90 percent of the state retail marijuana sales tax revenue that the state retains for FY 2017-18:
    - 28.15 percent less \$30 million stays in the general fund
    - 71.85 percent is credited to the marijuana tax cash fund
    - \$30 million is credited to the state public school fund and distributed to rural school districts
  - Of the 90 percent of the state retail marijuana sales tax revenue that the state retains for FY 2018-19:
    - 15.56 percent stays in the general fund
    - 71.85 percent is credited to the marijuana tax cash fund
    - 12.59 percent is credited to the state public school fund for the state share of total program
- Requires state departments, other than the departments of Education and Transportation, to submit budget requests to the Office of State Planning and Budgeting (OSPB) that are at least 2.0 percent lower than the FY 2017-18 budget, and requires OSPB to seek to ensure that the budget submitted to the legislature for FY 2018-19 is at least 2.0 percent lower than FY 2017-18
- Requires copayments for Medicaid for pharmacy and hospital outpatient services to double from January 1, 2017 rates, except that copayments may not exceed federal maximums

- Requires the Department of Health Care Policy and Financing to seek any federal approval necessary for an enhanced pediatric health home for children with complex medical conditions consistent with the federal Advancing Care for Exceptional Kids Act within 120 days of federal enactment
- Replaces an existing temporary income tax credit for business personal property taxes with a more generous permanent income tax credit for business personal property taxes paid on up to \$18,000 of the total actual value of a taxpayer's business personal property

For FY 2016-17 the bill appropriates \$3,750 General Fund to the Department of Revenue for implementation of the tax policy changes.

For FY 2017-18 the bill replaces \$597,380,996 in cash fund appropriations to the Department of Health Care Policy and Financing from the Hospital Provider Fee with cash fund appropriations from the Healthcare Affordability and Sustainability Fee Cash Fund (HAS Fee CF). In addition, the appropriation includes for the Department of Health Care Policy and Financing \$264,100,000 from the HAS Fee CF and an anticipated like amount of federal funds, which is the amount of provider fees from hospitals that was restricted in S.B. 17-256. The appropriation also reduces the Department of Health Care Policy and Financing by \$1,818,901 total funds, including \$320,035 General Fund, \$64,835 cash funds, and \$1,434,031 federal funds based on the projected fiscal impact of the increase in Medicaid copayments. Finally, the bill includes a statutory appropriation to the Department of Education from marijuana sales tax proceeds transferred to the State Public School Fund.

**S.B. 17-254 (LONG BILL):** General appropriations act for FY 2017-18. Includes provisions modifying FY 2015-16 and FY 2016-17 appropriations to the Department.

**H.B. 17-1343 (IMPLEMENT CONFLICT-FREE CASE MANAGEMENT):** Implements changes to the system of services for individuals with intellectual and developmental disabilities provided through one of the three intellectual and developmental disability waivers to ensure there is not a conflict of interest in the provision of case management services. Requires Community-Centered Boards to implement business changes to ensure the same entity is not providing case management services and direct services to the same individual by June 30, 2020. Requires all individuals receiving services through one of the three Medicaid waivers for intellectual and developmental disabilities is not receiving case management and direct services from the same entity by June 30, 2022. Adds a definition for case management agency and conflict-free case management. Prioritizes the funds in the Intellectual and Developmental Disability Services Cash Fund for the system changes required for conflict-free case management, and repeals the fund on July 1, 2022. Establishes a definition for "case management agency" and how a case management agency will be certified and decertified and the duties of a case management agency. Defines a rural Community-Centered Board. Establishes the following timeline for system changes and how the State can seek a rural exemption for interested rural Community-Centered Boards:

- Timeline of system changes:
  - July 1, 2017 – Department of Health Care Policy and Financing must determine business options for Community-Centered Boards;
  - January 1, 2018 – Department must publish guidance on the components of the business continuity plan;
  - July 1, 2018 – Community-Centered Boards must submit their business continuity plan to the Department;
  - June 30, 2019 – Department must complete an analysis of the continuity plans, unreimbursed transition costs, and community impacts;
  - June 30, 2020 – Community-Centered Boards must complete the business operation changes;
  - June 30, 2021 – At least 25.0 percent of individuals must be served through a conflict-free system; and
  - June 30, 2022 – All individuals must be served through a conflict-free system.

- Rural exemption requirements and timeline:
  - July 1, 2017 – A rural Community-Centered Board must notify the Department in writing they would like the Department to seek a federal rural exemption;
  - The Department must evaluate capacity, and where appropriate, seek a federal exemption;
  - The Community-Centered Board upon notification of a federal decision must submit a business continuity plan and make any necessary business operation changes by June 30, 2022;
  - If, by July 1, 2019, the Department has not received federal notification of requests, the State Board must promulgate rules for the provision of services and supports; and
  - The State Board is required to promulgate rules to ensure there is choice and access to services for individuals served by rural Community-Centered Boards.

Appropriates \$222,794 total funds, of which \$111,398 is cash funds from the Intellectual and Developmental Disabilities Services Cash Fund and states that this appropriation is based on the assumption that the Department will receive \$111,396 federal funds and 1.0 FTE to implement the act.

**H.B. 17-1351 (STUDY INPATIENT SUBSTANCE USE DISORDER TREATMENT):** Requires the Department of Health Care Policy and Financing (HCPF), with assistance from the Department of Human Services' Office of Behavioral Health, to prepare a written report concerning the feasibility of providing residential and inpatient substance use disorder treatment as part of the Medicaid program or as a state-funded benefit. Requires HCPF to submit the report to several legislative committees by November 1, 2017. Requires the State Treasurer to transfer \$37,500 cash funds from the Marijuana Tax Cash Fund to the General Fund on June 30, 2018. Appropriates \$37,500 General Fund to HCPF for FY 2017-18, and states that this appropriation is based on the assumption that HCPF will receive \$37,500 federal funds to implement the act.

**H.B. 17-1353 (IMPLEMENT MEDICAID DELIVERY & PAYMENT INITIATIVES):** Provides a statutory framework for the existing Accountable Care Collaborative (ACC), authorizes elements that will be featured in phase II of the ACC, authorizes performance-based payments to providers, and places guidelines and reporting requirements on these initiatives. With regard to the Accountable Care Collaborative, the bill:

- 1 Lists elements that must be included in the ACC, such as providing a primary care medical home for all Medicaid clients and integrating the delivery of behavioral health and physical health services
- 2 Requires the creation of stakeholder advisory committees
- 3 Requires an annual report on the ACC. The statutory annual report combines elements of an existing statutory report and an annual request for information submitted by the JBC.
- 4 Requires a report outlining changes required to align state statute with a new federal rule regarding managed care
- 5 Clarifies that the Medical Services Board has oversight and must promulgate rules to implement the ACC

Regarding performance-based payments, the bill:

- 1 Authorizes the Department to implement performance-based payments and specifically authorizes performance payments for:
  - a. Primary care providers
  - b. Federally qualified health centers
  - c. Providers of long-term services and supports
  - d. Behavioral health providers

- 1 Requires that prior to implementing performance payments the Department must submit to the JBC:
  - a. Either:
    - i. Evidence that the payments are designed to achieve budget savings, or
    - ii. A budget request for costs associated with the performance-based payments
  - b. The estimated performance-based payments compared to total reimbursements for the affected service
  - c. A description of the stakeholder engagement process and the Department's response to stakeholder feedback
- 2 Requires an annual report on performance payments including factors such as the evidence for the performance payments, the expected outcomes, the stakeholder engagement process, and evaluation results

The bill is not expected to have any fiscal impact on FY 2017-18 expenditures, but there are projected costs and savings associated with different elements beginning in FY 2018-19 as summarized in the table below.

ACCOUNTABLE CARE COLLABORATIVE/PERFORMANCE-BASED PAYMENTS LEGISLATION					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FEDERAL FUNDS	FTE
<b>FY 2018-19</b>					
Accountable Care Collaborative (ACC)					
Administrative staff	\$268,092	\$134,046	\$0	\$134,046	3.7
Mandatory enrollment	29,183,877	11,177,425	1,138,171	16,868,281	
Increase PMPM by \$1	15,086,585	5,778,162	588,377	8,720,046	
Savings - Mandatory enrollment	(50,830,650)	(21,621,473)	(1,882,759)	(27,326,418)	
Savings - Physical-behavioral health	<u>(57,785,147)</u>	<u>(15,364,614)</u>	<u>(1,897,370)</u>	<u>(40,523,163)</u>	
<i>Subtotal - ACC</i>	<i>(\$64,077,243)</i>	<i>(\$19,896,454)</i>	<i>(\$2,053,581)</i>	<i>(\$42,127,208)</i>	3.7
Performance payments					
Rate analyst	\$66,999	\$33,499	\$0	\$33,500	0.9
Primary care	58,062,151	20,231,923	1,159,202	36,671,026	
Federally Qualified Health Centers	0	0	0	0	
Behavioral Health	<u>26,717,069</u>	<u>7,215,319</u>	<u>1,090,836</u>	<u>18,410,914</u>	
<i>Subtotal - Performance payments</i>	<i>\$84,846,219</i>	<i>\$27,480,741</i>	<i>\$2,250,038</i>	<i>\$55,115,440</i>	0.9
<b>TOTAL FY 2018-19</b>	<b>\$20,768,976</b>	<b>\$7,584,287</b>	<b>\$196,457</b>	<b>\$12,988,232</b>	<b>4.6</b>
<b>FY 2019-20</b>					
Accountable Care Collaborative (ACC)					
Administrative staff	\$271,907	\$135,953	\$0	\$135,954	4.0
Mandatory enrollment	26,169,379	10,022,872	1,020,606	15,125,901	
Increase PMPM by \$1	15,379,665	5,890,412	599,807	8,889,446	
Savings - Mandatory enrollment	(95,391,901)	(41,260,953)	(3,155,463)	(50,975,485)	
Savings - Physical-behavioral health	<u>(117,205,890)</u>	<u>(31,164,084)</u>	<u>(4,909,831)</u>	<u>(81,131,975)</u>	
<i>Subtotal - ACC</i>	<i>(\$170,776,841)</i>	<i>(\$56,375,801)</i>	<i>(\$6,444,881)</i>	<i>(\$107,956,159)</i>	4.0
Performance payments					
Contract performance evaluator	\$150,000	\$75,000	\$0	\$75,000	
Rate analyst	67,977	33,988	0	33,989	1.0
Primary care	59,055,014	20,577,889	1,492,346	36,984,779	
Federally Qualified Health Centers	0	0	0	0	
Behavioral Health	<u>28,131,120</u>	<u>7,503,004</u>	<u>1,306,187</u>	<u>19,321,929</u>	
<i>Subtotal - Behavioral health</i>	<i>\$87,404,111</i>	<i>\$28,189,881</i>	<i>\$2,798,533</i>	<i>\$56,415,697</i>	1.0
<b>TOTAL FY 2019-20</b>	<b>(\$83,372,730)</b>	<b>(\$28,185,920)</b>	<b>(\$3,646,348)</b>	<b>(\$51,540,462)</b>	<b>5.0</b>

# Details

## DEPARTMENT OF HIGHER EDUCATION

### FY 2016-17 AND FY 2017-18 APPROPRIATIONS BY DIVISION AND BILL

DEPARTMENT OF HIGHER EDUCATION						
	TOTAL FUNDS	GENERAL FUND <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2016-17 TOTAL APPROPRIATION:</b>	<b>\$4,122,494,009</b>	<b>\$871,034,716</b>	<b>\$2,513,598,084</b>	<b>\$715,348,692</b>	<b>\$22,512,517</b>	<b>24,491.4</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
Department Administrative Office	4,019,555	24,498	2,237,647	1,085,974	671,436	0.0
Colorado Commission on Higher Education	120,646,597	20,585,921	78,880,235	15,887,788	5,292,653	92.7
Colorado Commission on Higher Education Financial Aid	175,289,308	175,203,345	0	85,963	0	0.0
College Opportunity Fund Program	648,365,016	648,365,016	0	0	0	0.0
Governing Boards	3,048,502,216	0	2,401,580,575	646,921,641	0	24,044.7
Local District College Grants Pursuant to Section 23-71-301, C.R.S.	16,368,747	15,589,215	779,532	0	0	0.0
Division of Occupational Education	56,585,062	9,971,721	0	31,039,363	15,573,978	32.0
Auraria Higher Education Center	20,276,580	0	0	20,276,580	0	190.6
History Colorado	32,440,928	1,295,000	30,120,095	51,383	974,450	131.4
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
HB 16-1405	\$4,061,311,383	\$870,343,621	\$2,453,407,936	\$715,047,309	\$22,512,517	24,491.1
SB 16-104	441,095	441,095	0	0	0	0.3
SB 16-191	900,000	0	900,000	0	0	0.0
SB 16-196	500,000	250,000	0	250,000	0	0.0
HB 16-1352	2,000,000	0	2,000,000	0	0	0.0
HB 16-1408	2,972,504	0	2,972,504	0	0	0.0
HB 16-1453	7,932,020	0	7,932,020	0	0	0.0
SB 17-254	46,437,007	0	46,385,624	51,383	0	0.0
<b>FY 2017-18 TOTAL APPROPRIATION:</b>	<b>\$4,301,613,531</b>	<b>\$894,907,900</b>	<b>\$2,645,689,267</b>	<b>\$738,374,874</b>	<b>\$22,641,490</b>	<b>25,087.2</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
Department Administrative Office	4,907,722	0	2,764,372	1,350,722	792,628	0.0
Colorado Commission on Higher Education	126,024,537	22,853,996	78,026,095	19,844,012	5,300,434	95.7
Colorado Commission on Higher Education Financial Aid	177,969,216	177,783,660	0	185,556	0	0.0
College Opportunity Fund Program	665,321,510	665,321,510	0	0	0	0.0
Governing Boards	3,199,375,043	0	2,535,535,398	663,839,645	0	24,631.9
Local District College Grants Pursuant to Section 23-71-301, C.R.S.	17,057,603	15,974,294	1,083,309	0	0	0.0
Division of Occupational Education	57,356,498	10,218,039	0	31,564,481	15,573,978	32.0
Auraria Higher Education Center	21,493,175	0	0	21,493,175	0	190.2
History Colorado	32,108,227	2,756,401	28,280,093	97,283	974,450	137.4
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
SB 17-254	\$4,299,869,706	\$894,882,900	\$2,644,189,267	\$738,156,049	\$22,641,490	25,086.2
SB 17-060	218,825	0	0	218,825	0	1.0
SB 17-074	500,000	0	500,000	0	0	0.0
SB 17-193	1,000,000	0	1,000,000	0	0	0.0

DEPARTMENT OF HIGHER EDUCATION						
	TOTAL FUNDS	GENERAL FUND <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 17-257	0	0	0	0	0	0.0
SB 17-258	25,000	25,000	0	0	0	0.0
<b>INCREASE/(DECREASE)</b>	\$179,119,522	\$23,873,184	\$132,091,183	\$23,026,182	\$128,973	595.8
Percentage Change	4.3%	2.7%	5.3%	3.2%	0.6%	2.4%

<sup>1</sup> Includes General Fund Exempt.

**GENERAL FUND EXEMPT:** Amounts in the General Fund column include appropriations from both the General Fund and General Fund Exempt Account. The General Fund Exempt Account was created by Referendum C, passed by Colorado voters in November 2005. Referendum C allowed the State to retain for FY 2005-06 through FY 2009-10 all revenue collected in excess of the TABOR limit and for FY 2010-11 and subsequent fiscal years all revenues in excess of the TABOR limit but less than the excess state revenues cap. The retained revenue must be placed in the General Fund Exempt Account. The table below shows the amount appropriated from the General Fund Exempt Account for FY 2016-17 and FY 2017-18 for higher education pursuant to Sections 24-77-103.6 (2)(b) and 24-77-104.5 (1)(b)(III), C.R.S. For additional information on General Fund Exempt appropriations, see Appendix D.

GENERAL FUND SUMMARY	TOTAL GENERAL FUND	GENERAL FUND	GENERAL FUND EXEMPT
FY 2016-17	\$871,034,716	\$100,968,049	\$770,066,667
FY 2017-18	\$894,907,900	\$31,974,567	\$862,933,333

**INFORMATIONAL FUNDS:** The FY 2017-18 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Higher Education are annotated with the "(I)". For additional information, see Appendix E.

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2017-18 Appropriations containing an (I) notation	\$460,915,512	\$0	\$438,223,430	\$50,592	\$22,641,490

## DETAIL OF APPROPRIATION BY ADMINISTRATIVE SECTION

### DEPARTMENT ADMINISTRATIVE OFFICE

This division includes funding for centrally appropriated items for the Colorado Commission on Higher Education, the Division of Private Occupational Schools, and History Colorado. These centrally appropriated items include salary survey, risk management, leased space, health benefits, and other miscellaneous expenses. These expenses are not appropriated centrally for the other divisions within the Department. The sources of cash funds include limited gaming revenues deposited in the State Historical Fund and various fees. The source of reappropriated funds is indirect cost recoveries.

DEPARTMENT ADMINISTRATIVE OFFICE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$4,019,555	\$24,498	\$2,237,647	\$1,085,974	\$671,436	0.0
<b>TOTAL</b>	<b>\$4,019,555</b>	<b>\$24,498</b>	<b>\$2,237,647</b>	<b>\$1,085,974</b>	<b>\$671,436</b>	<b>0.0</b>

# DEPARTMENT ADMINISTRATIVE OFFICE

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$4,019,555	\$24,498	\$2,237,647	\$1,085,974	\$671,436	0.0
Centrally appropriated line items	1,162,981	58,278	710,982	264,748	128,973	0.0
Move Geological Survey centrally appropriated items	(274,814)	(82,776)	(184,257)	0	(7,781)	0.0
<b>SB 17-254</b>	<b>\$4,907,722</b>	<b>\$0</b>	<b>\$2,764,372</b>	<b>\$1,350,722</b>	<b>\$792,628</b>	<b>0.0</b>
<b>TOTAL</b>	<b>\$4,907,722</b>	<b>\$0</b>	<b>\$2,764,372</b>	<b>\$1,350,722</b>	<b>\$792,628</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	\$888,167	(\$24,498)	\$526,725	\$264,748	\$121,192	0.0
Percentage Change	22.1%	(100.0%)	23.5%	24.4%	18.0%	n/a

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items based primarily on common policy.

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	
COMPENSATION-RELATED COMMON POLICY ADJUSTMENTS						
Health, life, and dental insurance	\$345,777	\$32,599	\$161,580	\$103,306	\$48,292	
Short-term disability	2,267	284	1,065	798	120	
Amortization equalization disbursement (AED)	59,159	7,821	28,415	18,999	3,924	
Supplemental AED	64,919	7,921	31,729	20,043	5,226	
Salary survey	236,402	6,713	133,867	46,020	49,802	
Merit Pay	99,516	2,940	54,811	20,156	21,609	
<b>Subtotal - Compensation</b>	<b>\$808,040</b>	<b>\$58,278</b>	<b>\$411,467</b>	<b>\$209,322</b>	<b>\$128,973</b>	
OPERATIONS-RELATED COMMON POLICY ADJUSTMENTS						
Workers' compensation	(\$16,705)	\$0	(\$21,090)	\$4,385	\$0	
Legal services	(7,524)	0	(2,076)	(5,448)	0	
Administrative Law Judge	507	0	507	0	0	
Payment to risk management / property funds adjustment	49,561	0	47,743	1,818	0	
Leased space	7,989	0	1,598	6,391	0	
<b>Subtotal - Operations</b>	<b>\$33,828</b>	<b>\$0</b>	<b>\$26,682</b>	<b>\$7,146</b>	<b>\$0</b>	
IT-RELATED COMMON POLICY ADJUSTMENTS						
Payments to the Office of Information Technology (OIT)	\$308,000	\$0	\$280,330	\$27,670	\$0	
CORE (state financial system) Operations	13,113	0	(7,497)	20,610	0	
<b>Subtotal - IT</b>	<b>\$321,113</b>	<b>\$0</b>	<b>\$272,833</b>	<b>\$48,280</b>	<b>\$0</b>	
<b>Total</b>	<b>\$1,162,981</b>	<b>\$58,278</b>	<b>\$710,982</b>	<b>\$264,748</b>	<b>\$128,973</b>	

**MOVE GEOLOGICAL SURVEY CENTRALLY APPROPRIATED ITEMS:** The appropriation includes a net \$0 adjustment to transfer amounts for the Colorado Geological Survey from centrally-appropriated line items to the Colorado Geological Survey line item in the Colorado Commission on Higher Education section. The amount transferred is \$274,814, including \$82,766 General Fund, \$184,257 cash funds, and \$7,781 federal funds.



## COLORADO COMMISSION ON HIGHER EDUCATION

This division includes funding for the Commission's staff, the Division of Private Occupational Schools, and special purpose initiatives of the Department. The sources of cash funds include indirect cost recoveries, fees paid to the Division of Private Occupational Schools, and limited gaming revenues that are used for competitive research grants. The primary source of reappropriated funds is indirect cost recoveries.

COLORADO COMMISSION ON HIGHER EDUCATION						
	TOTAL FUNDS	GENERAL FUND <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$119,305,502	\$20,144,826	\$77,980,235	\$15,887,788	\$5,292,653	92.4
SB 16-104	441,095	441,095	0	0	0	0.3
SB 16-191	900,000	0	900,000	0	0	0.0
<b>TOTAL</b>	<b>\$120,646,597</b>	<b>\$20,585,921</b>	<b>\$78,880,235</b>	<b>\$15,887,788</b>	<b>\$5,292,653</b>	<b>92.7</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$120,646,597	\$20,585,921	\$78,880,235	\$15,887,788	\$5,292,653	92.7
Higher Ed Federal Mineral Lease COP	3,945,700	3,947,850	(3,950,000)	3,947,850	0	0.0
CSU-Pueblo Cannabis Research Center	900,000	0	900,000	0	0	0.0
Move Geological Survey centrally appropriated items	274,814	82,776	184,257	0	7,781	0.0
Division of Private Occupational Schools increased workload	158,912	0	158,912	0	0	2.0
WICHE programs	48,125	48,125	0	0	0	0.0
Fitzsimons COP	6,564	(1,787,551)	1,794,115	0	0	0.0
Indirect cost adjustments	0	(48,125)	52,876	(4,751)	0	0.0
General Fund Exempt adjustment	0	0	0	0	0	0.0
Annualize prior year legislation	(200,000)	0	0	(200,000)	0	0.0
Other	0	0	5,700	(5,700)	0	0.0
<b>SB 17-254</b>	<b>\$125,780,712</b>	<b>\$22,828,996</b>	<b>\$78,026,095</b>	<b>\$19,625,187</b>	<b>\$5,300,434</b>	<b>94.7</b>
SB 17-060	218,825	0	0	218,825	0	1.0
SB 17-258	25,000	25,000	0	0	0	0.0
<b>TOTAL</b>	<b>\$126,024,537</b>	<b>\$22,853,996</b>	<b>\$78,026,095</b>	<b>\$19,844,012</b>	<b>\$5,300,434</b>	<b>95.7</b>
<b>INCREASE/(DECREASE)</b>	<b>\$5,377,940</b>	<b>\$2,268,075</b>	<b>(\$854,140)</b>	<b>\$3,956,224</b>	<b>\$7,781</b>	<b>3.0</b>
Percentage Change	4.5%	11.0%	(1.1%)	24.9%	0.1%	3.2%

<sup>1</sup>Includes General Fund Exempt

### FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**HIGHER ED FEDERAL MINERAL LEASE COP:** The appropriation includes an increase of \$3,947,850 General Fund based on a decline in Federal Mineral Lease (FML) revenue available to cover certain state lease-purchase obligations. In 2008, the General Assembly authorized the State to enter into lease-purchase agreements (certificates of participation/COPs) to fund capital construction projects for state-supported institutions of higher education. Annual payments were to be made from FML revenues that were projected to increase. The FML revenue stream has been inconsistent, and General Fund has therefore been required to backfill the obligation. House Bill 16-1229 (HED Financial Obligation Repayment) made some additional FML fund balance available in FY 2016-17, but this will be exhausted for FY 2017-18, and additional General Fund is therefore required.

**CSU-PUEBLO CANNABIS RESEARCH CENTER:** The appropriation increases funding for the CSU-Pueblo Cannabis Research Center by \$900,000 cash funds from the Marijuana Tax Cash Fund to provide a total appropriation of \$1,800,000 from the Marijuana Tax Cash Fund for new and expanded marijuana-related research projects.

**MOVE GEOLOGICAL SURVEY CENTRALLY APPROPRIATED ITEMS:** The appropriation includes a net zero adjustment to transfer amounts for the Colorado Geological Survey from centrally-appropriated line items to the Colorado Geological Survey line item in the Colorado Commission on Higher Education section. The amount transferred is \$274,814, including \$82,766 General Fund, \$184,257 cash funds, and \$7,781 federal funds.

**DIVISION OF PRIVATE OCCUPATIONAL SCHOOLS INCREASED WORKLOAD:** The appropriation adds \$158,912 cash funds from the Private Occupational School Fund and 2.0 FTE for the Division of Private Occupational Schools for FY 2017-18. This division regulates two-year institutions that provide training in areas such as truck driving, cosmetology, and administrative support. The additional staff will ease workload issues that have been driven by the Division's increased regulatory oversight and school closures.

**WICHE PROGRAMS:** The appropriation adds \$48,125 General Fund for Western Interstate Commission on Higher Education (WICHE) programs, including \$44,125 for the WICHE Optometry Professional Student Exchange Program (PSEP). The Optometry PSEP, which receives a total appropriation of \$443,125, allows Colorado resident students to pursue professional degrees in optometry at designated out-of-state institutions at a tuition rate comparable to an in-state tuition rate. The General Assembly appropriates a "support fee" that subsidizes student tuition. Students must commit to return to Colorado. The FY 2017-18 increase for WICHE programs also includes an increase of \$4,000 for WICHE membership dues, bringing the total for dues to \$149,000.

**FITZSIMONS COP:** The appropriation includes an adjustment to the total amount and funding sources for the annual lease-purchase payment (Certificate of Participation/COP) for the University of Colorado Health Sciences Center at Fitzsimons that was authorized by H.B. 03-1256 (Lease Purchase for CSPII and Fitzsimons). The adjustment draws on cash fund reserves to offset \$1.7 million in General Fund otherwise required.

**INDIRECT COST ADJUSTMENTS:** The appropriation includes a net increase in the Department's indirect cost assessments in this division, resulting in a matching decrease in General Fund appropriations.

**GENERAL FUND EXEMPT ADJUSTMENT:** The appropriation reduces appropriations of General Fund in the Department by a total of \$92,866,666 and increases appropriations from the General Fund Exempt account by the same amount. This includes adjustments throughout the Department, including a General Fund reduction and General Fund Exempt increase of \$5,350,421 to the University of Colorado, Lease Purchase of Academic Facilities at Fitzsimons line item in this section.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments for the third-year impact of prior year legislation. This includes a reduction in this section of \$200,000 reappropriated funds to annualize H.B. 15-1274 (Career Pathways).

**OTHER:** The appropriation includes other minor adjustments.

**ADDITIONAL LEGISLATION:** For information on additional legislation, see the "Recent Legislation" section at the end of this department.

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## COLORADO COMMISSION ON HIGHER EDUCATION FINANCIAL AID

This division includes the state-funded financial aid programs, most of which are administered by the Colorado Commission on Higher Education. This division is supported by General Fund and, in some years, reappropriated funds from indirect cost recoveries.

COLORADO COMMISSION ON HIGHER EDUCATION FINANCIAL AID						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$175,289,308	\$175,203,345	\$0	\$85,963	\$0	0.0
<b>TOTAL</b>	<b>\$175,289,308</b>	<b>\$175,203,345</b>	<b>\$0</b>	<b>\$85,963</b>	<b>\$0</b>	<b>0.0</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$175,289,308	\$175,203,345	\$0	\$85,963	\$0	0.0
Operating adjustment for public colleges and universities	3,895,962	3,895,962	0	0	0	0.0
General Fund Exempt adjustment	0	0	0	0	0	0.0
Indirect cost adjustments	0	(99,593)	0	99,593	0	0.0
Move Natl Guard Tuition Assistance to MIL	(800,000)	(800,000)	0	0	0	0.0
Fort Lewis Native American tuition waiver	(416,054)	(416,054)	0	0	0	0.0
<b>SB 17-254</b>	<b>\$177,969,216</b>	<b>\$177,783,660</b>	<b>\$0</b>	<b>\$185,556</b>	<b>\$0</b>	<b>0.0</b>
<b>TOTAL</b>	<b>\$177,969,216</b>	<b>\$177,783,660</b>	<b>\$0</b>	<b>\$185,556</b>	<b>\$0</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$2,679,908</b>	<b>\$2,580,315</b>	<b>\$0</b>	<b>\$99,593</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	1.5%	1.5%	n/a	115.9%	n/a	n/a

<sup>1</sup>Includes General Fund Exempt

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**OPERATING ADJUSTMENT FOR PUBLIC COLLEGES AND UNIVERSITIES:** The appropriation includes an increase of \$20,608,853 General Fund allocated among public institutions of higher education (state governing boards, local district colleges, and area technical colleges) and financial aid. The appropriation includes: (1) an overall increase of \$16,674,401 (2.5 percent) for the governing boards, allocated based on the H.B. 14-1319 higher education funding model; and (2) an increase of \$3,895,962 for need-based financial aid, consistent with statutory requirements that financial aid increase at the same rate as support for the governing boards; and (3) an increase of \$38,490 for College Opportunity Fund (COF) stipends for students attending private institutions. The financial aid increase is included in this section.

**GENERAL FUND EXEMPT ADJUSTMENT:** The appropriation reduces appropriations of General Fund in the Department by a total of \$92,866,666 and increases appropriations from the General Fund Exempt account by the same amount. This includes adjustments throughout the Department, including General Fund reductions and General Fund Exempt increases totaling \$29,595,652 in this division.

**INDIRECT COST ADJUSTMENTS:** The appropriation includes adjustments for anticipated indirect cost collections, resulting in a decrease in General Fund required.

**MOVE NAT'L GUARD TUITION ASSISTANCE TO MIL:** The appropriation eliminates a \$800,000 General Fund appropriation for national guard tuition assistance as this appropriation is instead provided in the Department of Military and Veterans Affairs pursuant to S.B. 17-174 (Allocation of Money for National Guard Tuition).

**FORT LEWIS NATIVE AMERICAN TUITION WAIVER:** The appropriation includes a reduction of \$416,054 General Fund for the Fort Lewis College Native American tuition waiver, bringing the total to \$16,948,194 General Fund for the program. Funding for this program is mandated by Section 23-52-105 (1)(b)(I), C.R.S., which requires the General Assembly to fund 100 percent of the tuition obligations for qualifying Native American students attending Fort Lewis College. Funding for the tuition waiver is made one year in arrears and is calculated based on the prior year enrollment estimates. The decrease is based on updated figures from Fort Lewis College.

## COLLEGE OPPORTUNITY FUND PROGRAM

This section provides funding for student stipend payments for resident students attending state-operated higher education institutions and resident students attending certain private institutions located in the state, and for fee-for-service contracts between the Commission and the institutions. For a summary of the impact of these changes by governing board, see the Governing Boards section.

COLLEGE OPPORTUNITY FUND PROGRAM						
	TOTAL FUNDS	GENERAL FUND <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$648,115,016	\$648,115,016	\$0	\$0	\$0	0.0
SB 16-196	250,000	250,000	0	0	0	0.0
SB 17-254	0	0	0	0	0	0.0
<b>TOTAL</b>	<b>\$648,365,016</b>	<b>\$648,365,016</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$648,365,016	\$648,365,016	\$0	\$0	\$0	0.0
Operating adjustment for public colleges and universities	16,081,494	16,081,494	0	0	0	0.0
CSU Western Slope Agricultural Extension	875,000	875,000	0	0	0	0.0
General Fund Exempt adjustment	0	0	0	0	0	0.0
<b>SB 17-254</b>	<b>\$665,321,510</b>	<b>\$665,321,510</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>TOTAL</b>	<b>\$665,321,510</b>	<b>\$665,321,510</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$16,956,494</b>	<b>\$16,956,494</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	2.6%	2.6%	n/a	n/a	n/a	n/a

<sup>1</sup>Includes General Fund Exempt

## FY 2016-17 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 17-254 modifies the FY 2016-17 appropriations to increase appropriations from the General Fund by \$43,633,333 and reduce appropriations from the General Fund Exempt account by the same amount.

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**OPERATING ADJUSTMENT FOR PUBLIC COLLEGES AND UNIVERSITIES:** The appropriation includes an increase of \$20,608,853 General Fund allocated among public institutions of higher education (state governing boards, local district colleges, and area technical colleges) and financial aid. The appropriation includes: (1) an overall increase of \$16,674,401 (2.5 percent) for the governing boards, allocated based on the H.B. 14-1319 higher education funding model; (2) an increase of \$3,895,962 for need-based financial aid, consistent with statutory requirements that financial aid increase at the same rate as support for the governing boards; and (3) an increase of \$38,490 for College Opportunity Fund (COF) stipends for students attending private institutions.

This section includes most of the General Fund increase for the governing boards, including an increase of \$14,146,037 for fee-for-service contracts with state institutions and an increase of \$1,896,967 for stipends for undergraduate resident students attending state institutions. The stipend for students attending public institutions is increased from \$75.00 to \$77.00 per credit hour (\$2,310 per FTE student taking 30 credit hours), with an estimated 126,086.5 student FTE expected to qualify (a decrease of 2,519.1 FTE from the prior year). Appropriations for student stipends and fee-for-service-contracts with the state-operated governing boards are reappropriated in the governing boards section.

The appropriation in this section also includes the increase of \$38,490 for stipends for qualifying students at eligible private institutions, based on an increase in the stipend for such students to \$1,155 per FTE. Pursuant to statute, students who qualify for financial aid at selected private institutions may receive a stipend equal to half of the stipend amount provided for students at the public institutions. A total of 1,283 student FTE at private institutions are expected to qualify for this program in FY 2017-18, reflecting no change from the prior year in the number of FTE.

**CSU WESTERN SLOPE AGRICULTURAL EXTENSION:** The appropriation includes an increase of \$875,000 General Fund to enable Colorado State University to renovate and reopen agricultural extension facilities on the Western Slope.

**GENERAL FUND EXEMPT ADJUSTMENT:** The appropriation reduces appropriations of General Fund in the Department by a total of \$92,866,666 and increases appropriations from the General Fund Exempt account by the same amount. This includes adjustments throughout the Department, including General Fund reductions and General Fund Exempt increases totaling \$57,919,593 in this division.

## GOVERNING BOARDS

This division includes cash funds for the state-operated higher education institutions from tuition, tobacco settlement money, and academic and academic facility fees. It also includes reappropriated funds for student stipend payments and fee-for-service contracts with the state governing boards. Amounts shown as reappropriated funds in this section are initially appropriated as General Fund in the College Opportunity Fund program section.

GOVERNING BOARDS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS <sup>1</sup>	FEDERAL FUNDS	FTE
<b>FY 2016-17 APPROPRIATION:</b>						
HB 16-1405	\$2,990,962,068	\$0	\$2,344,290,427	\$646,671,641	\$0	24,044.7
SB 16-196	250,000	0	0	250,000	0	0.0
HB 16-1408	2,972,504	0	2,972,504	0	0	0.0
HB 16-1453	7,932,020	0	7,932,020	0	0	0.0
SB 17-254	46,385,624	0	46,385,624	0	0	0.0
<b>TOTAL</b>	<b>\$3,048,502,216</b>	<b>\$0</b>	<b>\$2,401,580,575</b>	<b>\$646,921,641</b>	<b>\$0</b>	<b>24,044.7</b>
<b>FY 2017-18 APPROPRIATION:</b>						
FY 2016-17 Appropriation	\$3,048,502,216	\$0	\$2,401,580,575	\$646,921,641	\$0	24,044.7
Tuition spending authority increase	125,490,651	0	125,490,651	0	0	0.0
Operating adjustment for public colleges and universities	16,043,004	0	0	16,043,004	0	0.0
Student fee adjustment	12,967,575	0	12,967,575	0	0	0.0
Higher Ed limited gaming revenue	1,788,178	0	1,788,178	0	0	0.0
CSU Western Slope Agricultural Extension	875,000	0	0	875,000	0	0.0
Tobacco master settlement revenue adjustment	140,439	0	140,439	0	0	0.0
Governing board FTE adjustments	0	0	0	0	0	587.2
Annualize prior year legislation	(7,932,020)	0	(7,932,020)	0	0	0.0
<b>SB 17-254</b>	<b>\$3,197,875,043</b>	<b>\$0</b>	<b>\$2,534,035,398</b>	<b>\$663,839,645</b>	<b>\$0</b>	<b>24,631.9</b>
SB 17-074	500,000	0	500,000	0	0	0.0
SB 17-193	1,000,000	0	1,000,000	0	0	0.0
<b>TOTAL</b>	<b>\$3,199,375,043</b>	<b>\$0</b>	<b>\$2,535,535,398</b>	<b>\$663,839,645</b>	<b>\$0</b>	<b>24,631.9</b>
<b>INCREASE/(DECREASE)</b>	<b>\$150,872,827</b>	<b>\$0</b>	<b>\$133,954,823</b>	<b>\$16,918,004</b>	<b>\$0</b>	<b>587.2</b>
Percentage Change	4.9%	n/a	5.6%	2.6%	n/a	2.4%

<sup>1</sup>Reappropriated amounts in this section reflect General Fund amounts that are initially appropriated in the College Opportunity Fund Program section.

## FY 2016-17 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 17-254 includes adjustments to higher education tuition and fee revenue estimates for FY 2016-17 as reflected in the tables below. These changes sum to a \$46,385,624 cash funds appropriation adjustment.

FY 2016-17 REVISED TUITION REVENUE ESTIMATE			
	FY 2016-17 LONG BILL	FY 2016-17 REVISED FORECAST	CHANGE
Adams State University	\$20,056,050	\$19,879,000	(\$177,050)
Colorado Mesa University	66,827,458	65,022,197	(1,805,261)
Metropolitan State University	105,524,167	107,230,227	1,706,060
Western State Colorado University	17,874,830	18,316,024	441,194
Colorado State University System	417,008,560	431,810,664	14,802,104
Fort Lewis College	40,496,891	38,065,066	(2,431,825)
University of Colorado System	931,319,730	944,777,384	13,457,654
Colorado School of Mines	133,847,436	129,396,963	(4,450,473)
University of Northern Colorado	88,590,203	88,704,974	114,771
Community College System	258,683,346	263,242,577	4,559,231
<b>Total</b>	<b>\$2,080,228,671</b>	<b>\$2,106,445,076</b>	<b>\$26,216,405</b>

FY 2016-17 REVISED FEE REVENUE ESTIMATE			
	FY 2016-17 LONG BILL	FY 2016-17 REVISED FORECAST	CHANGE
Adams State University	\$6,569,160	\$5,752,100	(\$817,060)
Colorado Mesa University	6,094,986	5,424,371	(670,615)
Metropolitan State University	15,642,901	16,596,948	954,047
Western State Colorado University	5,133,893	5,186,945	53,052
Colorado State University System	67,958,136	74,202,469	6,244,333
Fort Lewis College	6,133,000	5,490,523	(642,477)
University of Colorado System	76,454,291	92,414,639	15,960,348
Colorado School of Mines	13,132,026	12,919,122	(212,904)
University of Northern Colorado	18,452,587	17,657,689	(794,898)
Community College System	29,214,555	29,309,948	95,393
<b>Total</b>	<b>\$244,785,535</b>	<b>\$264,954,754</b>	<b>\$20,169,219</b>

These figures are based on the enrollment estimates below.

TOTAL STUDENT FTE ENROLLMENT (INCLUDES RESIDENTS AND NONRESIDENTS)					
	FY 2015-16 TOTAL SFTE	FY 2016-17 TOTAL SFTE FORECAST	% CHANGE	FY 2017-18 TOTAL SFTE FORECAST	% CHANGE
Adams State University	2,483	2,656	7.0%	2,657	0.0%
Colorado Mesa University	7,752	7,815	0.8%	7,905	1.2%
Metropolitan State University	15,420	15,260	(1.0%)	15,260	0.0%
Western State Colorado University	2,099	2,185	4.1%	2,185	0.0%
Colorado State University System	29,116	29,827	2.4%	30,180	1.2%
Ft. Lewis College	3,470	3,299	(4.9%)	3,299	0.0%
University of Colorado System	54,208	55,559	2.5%	56,790	2.2%
Colorado School of Mines	5,809	5,801	(0.1%)	5,934	2.3%
University of Northern Colorado	8,940	9,075	1.5%	9,529	5.0%
Community College System	50,247	49,834	(0.8%)	49,532	(0.6%)
<b>Total</b>	<b>179,544</b>	<b>181,311</b>	<b>1.0%</b>	<b>183,270</b>	<b>1.1%</b>

RESIDENT STUDENT FTE ENROLLMENT					
	FY 2015-16 RESIDENT SFTE	FY 2016-17 RESIDENT SFTE FORECAST	% CHANGE	FY 2017-18 RESIDENT FTE	% CHANGE
Adams State University	1,826	1,779	(2.6%)	1,780	0.1%
Colorado Mesa University	6,598	6,566	(0.5%)	6,631	1.0%
Metropolitan State University	14,892	14,662	(1.5%)	14,662	0.0%
Western State Colorado University	1,534	1,619	5.5%	1,619	0.0%
Colorado State University System	21,539	21,747	1.0%	21,723	(0.1%)
Ft. Lewis College	1,864	1,737	(6.8%)	1,737	0.0%
University of Colorado System	39,059	39,659	1.5%	40,433	2.0%
Colorado School of Mines	3,456	3,387	(2.0%)	3,373	(0.4%)
University of Northern Colorado	7,612	7,626	0.2%	7,895	3.5%
Community College System	47,272	46,574	(1.5%)	46,286	(0.6%)
<b>Total</b>	<b>145,652</b>	<b>145,355</b>	<b>(0.2%)</b>	<b>146,138</b>	<b>0.5%</b>

## FY 2016-17 APPROPRIATION – H.B. 16-1405 (LONG BILL) ISSUE DESCRIPTIONS

**TUITION SPENDING AUTHORITY INCREASE:** The appropriation includes an increase of \$125,490,651 cash funds spending authority for state public institutions' tuition revenue for FY 2017-18. The increase is intended to cover base costs and strategic initiatives, given a 2.5 percent General Fund increase. The amount reflects: (1) institutions' base funding needs; (2) the General Fund increase requested for each governing board; and (3) feedback from the affected governing boards. The Long Bill includes footnotes allowing 5.0 percent to 7.7 percent increases in undergraduate resident tuition rates, depending upon the governing board, with no restrictions on non-resident or graduate tuition or mandatory fees. The table below summarizes the footnotes and tuition revenue assumptions.

LONG BILL "CAP" ON UNDERGRADUATE RESIDENT RATES: FIGURE IDENTIFIED IN LONG BILL FOOTNOTE AS ASSUMED MAXIMUM UNDERGRADUATE RESIDENT STUDENT RATE INCREASE	
Adams State University	7.0%
Colorado Mesa University	7.0%
Metropolitan State University of Denver	7.0%
Western State Colorado University <sup>1</sup>	6.0%
Colorado State University System <sup>1,2</sup>	6.0%
Fort Lewis College	6.0%
University of Colorado system <sup>1,2</sup>	5.0%
Colorado School of Mines	n/a
University of Northern Colorado	7.0%
Colorado Community College System	7.7%

<sup>1</sup> These governing boards have indicated that their undergraduate resident tuition increases will be lower than the caps reflected, as follows: UCB: 4.9%; UCCS: 4.0%, UCD: 3.2%; CSU Fort Collins: 5.0%; Western State University: 4.9%. These lower figures are incorporated in the revenue projections.

<sup>2</sup> The Long Bill footnote includes exceptions for specific programs.

The FY 2017-18 amounts reflect the following estimates of resident and non-resident tuition, enrollment, and weighted tuition per full-time-equivalent student.

**FY 2017-18 ESTIMATED RESIDENT AND NON-RESIDENT TUITION, ENROLLMENT, AND  
TUITION PER FULL TIME EQUIVALENT (FTE) STUDENT**

	RESIDENT TUITION	RESIDENT STUDENT FTE	WEIGHTED AVG. TUITION PER RESIDENT STUDENT FTE	NON-RESIDENT TUITION	NON- RESIDENT STUDENT FTE	WEIGHTED AVG. TUITION PER NON- RESIDENT STUDENT FTE
Adams State University	\$12,562,180	1,780.0	\$7,057	\$8,550,270	877.0	\$9,749
Colorado Mesa University	56,913,522	6,630.6	8,583	13,356,394	1,274.6	10,479
Metropolitan State University	104,433,434	14,662.1	7,123	9,628,887	597.5	16,115
Western State Colorado University	9,252,275	1,618.6	5,716	9,758,387	566.1	17,238
Colorado State University System	234,911,503	21,723.3	10,814	222,974,291	8,456.8	26,366
Fort Lewis College	11,250,728	1,737.0	6,477	28,823,731	1,562	18,459
University of Colorado System	476,853,131	40,433.0	11,794	516,532,541	16,357.0	31,579
Colorado School of Mines	51,600,380	3,372.6	15,300	84,393,498	2,561.4	32,948
University of Northern Colorado	69,968,705	7,895.0	8,862	29,522,771	1,634.0	18,068
Community College System	234,315,561	46,285.7	5,062	46,333,537	3,246.0	14,274
<b>Total/Weighted Average</b>	<b>\$1,262,061,419</b>	<b>146,137.9</b>	<b>\$8,636</b>	<b>\$969,874,307</b>	<b>37,131.9</b>	<b>\$26,120</b>

*Resident student perspective – tuition and fees:* The impact of these changes on the sum of weighted average resident student tuition and estimated mandatory fees, if institutions increase tuition at the estimated levels (incorporates maximum allowed by caps on resident undergraduates) and increase mandatory fees consistent with projections, are shown in the table below.

**RESIDENT STUDENT WEIGHTED AVERAGE TUITION AND FEES FY 2016-17 TO FY 2017-18**

	FY 2016-17	FY 2017-18	CHANGE	PERCENTAGE CHANGE
Adams State University	\$8,761	\$9,223	\$462	5.3%
Colorado Mesa University	8,716	9,278	562	6.4%
Metropolitan State University	7,744	8,210	466	6.0%
Western State Colorado University	7,821	8,090	269	3.4%
Colorado State University System	12,787	13,302	515	4.0%
Fort Lewis College	7,775	8,142	367	4.7%
University of Colorado System	13,150	13,457	307	2.3%
Colorado School of Mines	17,228	17,527	298	1.7%
University of Northern Colorado	10,228	10,808	580	5.7%
Community College System	5,289	5,651	362	6.8%

*Institutional perspective – revenue per student:* The impact of all changes in the Long Bill on total institutional revenue per student including General Fund, other state support (e.g. gaming revenue), resident and non-resident tuition, and anticipated fee revenue increases are shown below for FY 2016-17 (including mid-year adjustments), and FY 2017-18.

**TOTAL AMOUNT REFLECTED IN THE LONG BILL PER TOTAL STUDENT FTE (RESIDENT AND NON-RESIDENT)**

	FY 2016-17 TOTAL PER SFTE	FY 2017-18 TOTAL PER SFTE	CHANGE	PERCENTAGE CHANGE
Adams State University	\$14,957	\$15,673	\$716	4.8%
Colorado Mesa University	12,167	12,926	759	6.2%
Metropolitan State University	11,484	12,007	523	4.6%
Western State Colorado University	16,038	16,702	664	4.1%
Colorado State University System	21,475	22,317	842	3.9%
Ft. Lewis College	16,685	17,463	778	4.7%
University of Colorado System	22,444	22,903	459	2.0%
Colorado School of Mines	28,090	28,786	696	2.5%
University of Northern Colorado	16,030	16,728	698	4.4%
Community College System	9,079	9,537	458	5.0%
<b>Total</b>	<b>\$16,814</b>	<b>\$17,449</b>	<b>\$635</b>	<b>3.8%</b>



**OPERATING ADJUSTMENT FOR PUBLIC COLLEGES AND UNIVERSITIES:** The appropriation includes an increase of \$20,608,853 General Fund allocated among public institutions of higher education (state governing boards, local district colleges, and area technical colleges) and financial aid. The appropriation includes: (1) an overall increase of \$16,674,401 (2.5 percent) for the governing boards, allocated based on the H.B. 14-1319 higher education funding model; (2) an increase of \$3,895,962 for need-based financial aid, consistent with statutory requirements that financial aid increase at the same rate as support for the governing boards; and (3) an increase of \$38,490 for College Opportunity Fund (COF) stipends for students attending private institutions, consistent with statutory requirements that align COF stipends for students attending public and private institutions.

An increase of \$16,043,004 for the state-operated governing boards (**Subtotal - State Boards** in the table) is reappropriated in this section of the Long Bill.

OPERATING ADJUSTMENT FOR PUBLIC COLLEGES AND UNIVERSITIES GENERAL FUND APPROPRIATIONS AND CHANGES BY CATEGORY AND GOVERNING BOARD FY 2016-17 TO FY 2017-18				
GOVERNING BOARDS/INSTITUTIONS <sup>1</sup>	FY 2016-17 APPROPRIATION	FY 2017-18 LONG BILL	AMOUNT CHANGE	PERCENTAGE CHANGE
Adams State University	\$14,076,360	\$14,259,963	\$183,603	1.3%
Colorado Mesa University	24,280,729	25,951,161	1,670,432	6.9%
Metropolitan State University of Denver	51,415,001	51,626,603	211,602	0.4%
Western State Colorado University	11,534,927	11,821,897	286,970	2.5%
Colorado State University System <sup>2</sup>	134,518,307	138,410,526	3,892,219	2.9%
Fort Lewis College	11,481,200	11,784,939	303,739	2.6%
University of Colorado System	186,532,686	194,318,227	7,785,541	4.2%
Colorado School of Mines	20,639,050	21,484,706	845,656	4.1%
University of Northern Colorado	39,113,234	39,597,408	484,174	1.2%
Community College System	153,330,147	153,709,215	379,068	0.2%
<b>Subtotal – State Boards (this Section)</b>	<b>\$646,921,641</b>	<b>\$662,964,645</b>	<b>\$16,043,004</b>	<b>2.5%</b>
Colorado Mountain College	7,143,039	7,319,484	176,445	2.5%
Aims Community College	8,446,176	8,654,810	208,634	2.5%
Area Technical Colleges	9,971,721	10,218,039	246,318	2.5%
<b>Subtotal - Governing Boards/Institutions</b>	<b>\$672,482,577</b>	<b>\$689,156,978</b>	<b>\$16,674,401</b>	<b>2.5%</b>
Need Based Grants (total funds) <sup>3</sup>	\$124,570,732	\$128,466,694	\$3,895,962	3.1%
COF Stipend - Students at Private Institutions	1,443,375	1,481,865	38,490	2.7%
<b>TOTAL</b>	<b>\$798,496,684</b>	<b>\$819,105,537</b>	<b>\$20,608,853</b>	<b>2.6%</b>

<sup>1</sup> Includes College Opportunity Fund stipends, fee-for-service contracts, and grants to local district colleges and area technical colleges.

<sup>2</sup> Excludes a specialty education increase above the base model amount.

<sup>3</sup> Statute requires a proportionate increase for financial aid on a base that includes other components, in addition to Need Based Grants.

The H.B. 14-1319 higher education funding model for FY 2017-18 is unchanged from the model used for the FY 2016-17 Long Bill. Under the model, the state-operated boards receive increases that range from 0.2 percent to 6.9 percent, based on the distribution of institutional enrollment and degrees awarded in actual FY 2015-16. Specialty education programs such as the health sciences campus at the University of Colorado and the veterinary school at Colorado State University, local district colleges, and area technical colleges receive a 2.5 percent increase. For additional information on the higher education funding model, see Factors Driving the Budget for the Department of Higher Education in Part II of this report.

**STUDENT FEE ADJUSTMENT:** The appropriation incorporates projected mandatory student fee adjustments for each institution, based on institutional projections.

### FY 2017-18 FEE REVENUE ESTIMATE - MANDATORY FEES

	FY 2016-17 ADJUSTED ESTIMATE	FY 2017-18 ESTIMATE	AMOUNT CHANGE	PERCENTAGE CHANGE
Adams State University	\$5,752,100	\$6,247,500	\$495,400	8.6%
Colorado Mesa University	5,424,371	5,525,694	101,323	1.9%
Metropolitan State University	16,596,948	17,535,770	938,822	5.7%
Western State Colorado University	5,186,945	5,655,581	468,636	9.0%
Colorado State University System	74,202,469	76,344,737	2,142,268	2.9%
Ft. Lewis College	5,490,523	5,741,921	251,398	4.6%
University of Colorado System	92,414,639	97,468,984	5,054,345	5.5%
Colorado School of Mines	12,919,122	13,336,810	417,688	3.2%
University of Northern Colorado	17,657,689	20,316,749	2,659,060	15.1%
Community College System	29,309,948	29,748,583	438,635	1.5%
<b>TOTAL</b>	<b>\$264,954,754</b>	<b>\$277,922,329</b>	<b>\$12,967,575</b>	<b>4.9%</b>

Estimated mandatory fee revenue per student FTE is reflected in the table below. Fees are typically the same for resident and non-resident students.

### FY 2017-18 ESTIMATED MANDATORY FEES PER STUDENT FTE

	FEE REVENUE	TOTAL STUDENT FTE	WEIGHTED AVG. MANDATORY FEE REVENUE PER STUDENT FTE
Adams State University	\$6,247,500	2,657.0	\$2,351
Colorado Mesa University	5,525,694	7,905.2	699
Metropolitan State University	17,535,770	15,259.6	1,149
Western State Colorado University	5,655,581	2,184.7	2,589
Colorado State University System	76,344,737	30,180.1	2,530
Ft. Lewis College	5,741,921	3,298.5	1,741
University of Colorado System	97,468,984	56,790.0	1,716
Colorado School of Mines	13,336,810	5,934.0	2,248
University of Northern Colorado	20,316,749	9,529.0	2,132
Community College System	29,748,583	49,531.7	601
<b>Total</b>	<b>\$277,922,329</b>	<b>183,269.8</b>	<b>\$1,516</b>

**HIGHER ED LIMITED GAMING REVENUE:** The appropriation adjusts funding for higher education institutions with a two-year mission to reflect the most recent actual receipts of Amendment 50 limited gaming revenue. These amounts are shown for informational purposes and are based on the most recent actual revenue (FY 2015-16 receipts). This section includes the increase for State Institutions only.

### HIGHER EDUCATION (AMENDMENT 50) LIMITED GAMING REVENUE

	FY 2014-15 ACTUAL	FY 2015-16 ACTUAL	INCREASE IN FY 2017-18 LONG BILL
<i>State Institutions</i>			
State Community College System	\$6,545,140	\$8,255,091	\$1,709,951
Adams State University	21,568	24,487	2,919
Colorado Mesa University	356,644	431,952	75,308
<i>Local District Colleges</i>			
Aims Community College	413,645	569,080	155,435
Colorado Mountain College	365,887	514,229	148,342
<b>Total</b>	<b>\$7,702,884</b>	<b>\$9,794,839</b>	<b>\$2,091,955</b>

**CSU WESTERN SLOPE AGRICULTURAL EXTENSION:** The appropriation includes an increase of \$875,000 General Fund to enable Colorado State University to renovate and reopen agricultural extension facilities on the Western Slope. This General Fund amount is reappropriated in this section of the Long Bill.

**TOBACCO MASTER SETTLEMENT REVENUE ADJUSTMENT:** The appropriation increases spending authority for money received by the University of Colorado pursuant to the tobacco master settlement agreement by \$140,439 cash funds to a total of \$12,493,308, based on the tobacco revenue projection, statutory allocation formulas, and projected fund reserves. The funds are used for programs at the Health Sciences Center, including for cancer research.

**GOVERNING BOARD FTE ADJUSTMENTS:** The appropriation adjusts FTE shown in the Long Bill for each governing board to reflect the most recent estimates available (estimates for FY 2016-17). These FTE figures are shown for informational purposes only. This section includes all governing board FTE increases except the increase for the Auraria Higher Education Center, which appears in a separate division.

GOVERNING BOARD EMPLOYEE FTE					
	FY 2016-17	FY 2017-18	LONG BILL		
	(FY 2015-16 ESTIMATES)	(FY 2016-17 ESTIMATES)	CHANGE	PERCENT	
Adams State University	331.6	339.5	7.9	2.4%	
Colorado Mesa University	705.8	728.3	22.5	3.2%	
Metropolitan State University	1,453.2	1,392.8	(60.4)	-4.2%	
Western State Colorado University	248.1	250.2	2.1	0.8%	
Colorado State University System <sup>1</sup>	4,856.2	5,315.2	259.0	5.3%	
Fort Lewis College	430.4	441.4	11.0	2.6%	
University of Colorado System	7,982.3	8,255.5	273.2	3.4%	
Colorado School of Mines	896.8	952.4	55.6	6.2%	
University of Northern Colorado	1,136.5	1,308.0	171.5	15.1%	
Community College System	6,003.8	5,848.6	(155.2)	-2.6%	
Auraria Higher Education Center	190.6	190.2	(0.4)	-0.2%	
<b>TOTAL</b>	<b>24,235.3</b>	<b>25,022.1</b>	<b>586.8</b>	<b>2.4%</b>	

<sup>1</sup>Incorporates two years of growth, due to errors in the prior year submission.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments for the second-year impact of prior year legislation. This includes a reduction in this section of \$7,932,020 cash funds to annualize H.B. 16-1453 (Cybersecurity).

**ADDITIONAL LEGISLATION:** For information on additional legislation, see the "Recent Legislation" section at the end of this department.

## LOCAL DISTRICT COLLEGE GRANTS PURSUANT TO SECTION 23-71-301, C.R.S.

This section subsidizes the operations of the state's two local district colleges: Aims Community College and Colorado Mountain College. These two institutions have special property tax districts that support their operations and governing boards that are independent from state-operated governing board systems. Students from the special property tax districts pay discounted tuition rates. The source of cash funds is limited gaming money.

LOCAL DISTRICT COLLEGE GRANTS PURSUANT TO SECTION 23-71-301, C.R.S.						
	TOTAL FUNDS	GENERAL FUND <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$16,368,747	\$15,589,215	\$779,532	\$0	\$0	0.0
<b>TOTAL</b>	<b>\$16,368,747</b>	<b>\$15,589,215</b>	<b>\$779,532</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**LOCAL DISTRICT COLLEGE GRANTS PURSUANT TO SECTION 23-71-301, C.R.S.**

	TOTAL FUNDS	GENERAL FUND <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2017-18 APPROPRIATION:</b>						
FY 2016-17 Appropriation	\$16,368,747	\$15,589,215	\$779,532	\$0	\$0	0.0
Operating adjustment for public colleges and universities	385,079	385,079	0	0	0	0.0
Higher Ed limited gaming revenue	303,777	0	303,777	0	0	0.0
<b>SB 17-254</b>	<b>\$17,057,603</b>	<b>\$15,974,294</b>	<b>\$1,083,309</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>TOTAL</b>	<b>\$17,057,603</b>	<b>\$15,974,294</b>	<b>\$1,083,309</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	\$688,856	\$385,079	\$303,777	\$0	\$0	0.0
Percentage Change	4.2%	2.5%	39.0%	n/a	n/a	n/a

<sup>1</sup>Includes General Fund Exempt

**FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS**

**OPERATING ADJUSTMENT FOR PUBLIC COLLEGES AND UNIVERSITIES:** The appropriation includes an increase of \$20,608,853 General Fund allocated among public institutions of higher education (state governing boards, local district colleges, and area technical colleges) and financial aid. The appropriation includes: (1) an overall increase of \$16,674,401 (2.5 percent) for the governing boards, allocated based on the H.B. 14-1319 higher education funding model; (2) an increase of \$3,895,962 for need-based financial aid, consistent with statutory requirements that financial aid increase at the same rate as support for the governing boards; and (3) an increase of \$38,490 for College Opportunity Fund (COF) stipends for students attending private institutions, consistent with statutory requirements that align COF stipends for students attending public and private institutions.

This section includes the increase for the local district colleges, Aims Community College and Colorado Mountain College, which receive a 2.5 percent increase to align with the overall increase provided for the other governing boards, consistent with statutory requirements.

**HIGHER ED LIMITED GAMING REVENUE:** The appropriation adjusts funding for higher education institutions with a two-year mission to reflect the most recent actual receipts of Amendment 50 limited gaming revenue. These amounts are shown for informational purposes and are based on the most recent actual revenue (FY 2015-16 receipts). This section includes the increases for Aims Community College and Colorado Mountain College.

<b>HIGHER EDUCATION (AMENDMENT 50) LIMITED GAMING REVENUE</b>			
	FY 2014-15 ACTUAL	FY 2015-16 ACTUAL	INCREASE IN FY 2017-18 LONG BILL
Aims Community College	413,645	569,080	155,435
Colorado Mountain College	365,887	514,229	148,342
<b>Total</b>	<b>\$779,532</b>	<b>\$1,083,309</b>	<b>\$303,777</b>

**DIVISION OF OCCUPATIONAL EDUCATION**

This division supervises and administers state occupational education programs and approves the allocation and distribution of state and federal vocational education funds to the community colleges, local district colleges, area technical colleges, secondary school districts, and any other appropriate state and local educational agencies or institutions. This division also coordinates resources available for the promotion of job development, job training, and job retraining in the state. The primary source of reappropriated funds is a transfer from the Department of Education for career and technical education, but there is also a smaller transfer from the Governor's Office for

training related to economic development, as well as indirect cost recoveries. The federal funds are from grants from the Carl D. Perkins Vocational and Technical Education Act, and miscellaneous smaller grants.

DIVISION OF OCCUPATIONAL EDUCATION						
	TOTAL FUNDS	GENERAL FUND <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$56,585,062	\$9,971,721	\$0	\$31,039,363	\$15,573,978	32.0
<b>TOTAL</b>	<b>\$56,585,062</b>	<b>\$9,971,721</b>	<b>\$0</b>	<b>\$31,039,363</b>	<b>\$15,573,978</b>	<b>32.0</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$56,585,062	\$9,971,721	\$0	\$31,039,363	\$15,573,978	32.0
State Assistance for Career and Tech Ed	525,118	0	0	525,118	0	0.0
Operating adjustment for public colleges and universities	246,318	246,318	0	0	0	0.0
<b>SB 17-254</b>	<b>\$57,356,498</b>	<b>\$10,218,039</b>	<b>\$0</b>	<b>\$31,564,481</b>	<b>\$15,573,978</b>	<b>32.0</b>
<b>TOTAL</b>	<b>\$57,356,498</b>	<b>\$10,218,039</b>	<b>\$0</b>	<b>\$31,564,481</b>	<b>\$15,573,978</b>	<b>32.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$771,436</b>	<b>\$246,318</b>	<b>\$0</b>	<b>\$525,118</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	1.4%	2.5%	n/a	1.7%	0.0%	0.0%

<sup>1</sup>Includes General Fund Exempt

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**STATE ASSISTANCE FOR CAREER AND TECH ED:** The appropriation increases funding for career and technical education by \$525,118 reappropriated funds, to \$26,164,481 reappropriated funds, based on money transferred from the Department of Education.

**OPERATING ADJUSTMENT FOR PUBLIC COLLEGES AND UNIVERSITIES:** The appropriation includes an increase of \$20,608,853 General Fund allocated among public institutions of higher education (state governing boards, local district colleges, and area technical colleges) and financial aid. The appropriation includes: (1) an overall increase of \$16,674,401 (2.5 percent) for the governing boards, allocated based on the H.B. 14-1319 higher education funding model; (2) an increase of \$3,895,962 for need-based financial aid, consistent with statutory requirements that financial aid increase at the same rate as support for the governing boards; and (3) an increase of \$38,490 for College Opportunity Fund (COF) stipends for students attending private institutions, consistent with statutory requirements that align COF stipends for students attending public and private institutions.

This section includes the increase for the area technical colleges, which receive a 2.5 percent increase to align with the overall increase provided for the other governing boards, consistent with statutory requirements.

## AURARIA HIGHER EDUCATION CENTER

Established by statute in 1974, the Auraria Higher Education Center (AHEC) is governed by a Board of Directors who oversee the centralized operations of the campus located in Denver. AHEC houses and provides common services to the Community College of Denver, Metropolitan State University of Denver, and the University of Colorado at Denver and Health Sciences Center. Reappropriated funds in this section are from the governing boards located on the campus.

### AURARIA HIGHER EDUCATION CENTER

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$20,276,580	\$0	\$0	\$20,276,580	\$0	190.6
<b>TOTAL</b>	<b>\$20,276,580</b>	<b>\$0</b>	<b>\$0</b>	<b>\$20,276,580</b>	<b>\$0</b>	<b>190.6</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$20,276,580	\$0	\$0	\$20,276,580	\$0	190.6
Auraria Higher Ed Center adjustment	1,216,595	0	0	1,216,595	0	0.0
Governing board FTE adjustments	0	0	0	0	0	(0.4)
<b>SB 17-254</b>	<b>\$21,493,175</b>	<b>\$0</b>	<b>\$0</b>	<b>\$21,493,175</b>	<b>\$0</b>	<b>190.2</b>
<b>TOTAL</b>	<b>\$21,493,175</b>	<b>\$0</b>	<b>\$0</b>	<b>\$21,493,175</b>	<b>\$0</b>	<b>190.2</b>
<b>INCREASE/(DECREASE)</b>	<b>\$1,216,595</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,216,595</b>	<b>\$0</b>	<b>(0.4)</b>
Percentage Change	6.0%	n/a	n/a	6.0%	n/a	(0.2%)

### FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**AURARIA HIGHER ED CENTER ADJUSTMENT:** The appropriation increases spending authority for the Auraria Higher Education Center by \$1,216,595 (6.0 percent) for funds received from the institutions operating on the Auraria campus (University of Colorado – Denver, Metropolitan State University of Denver, and the Community College of Denver).

**GOVERNING BOARD FTE ADJUSTMENTS:** The appropriation adjusts FTE shown in the Long Bill for each governing board to reflect the most recent estimates available (estimates for FY 2016-17). This includes a reduction of 0.4 FTE for the Auraria Higher Education Center. These FTE figures are shown for informational purposes only.

## HISTORY COLORADO

History Colorado, founded in 1879, is an educational institution of the State and acts as trustee for the State in collecting, preserving, exhibiting, and interpreting collections and properties of state historical significance. History Colorado maintains museums and historical sites throughout Colorado and provides assistance to local and regional historical societies and museums. It also distributes gaming revenue to gaming cities and operates a state-wide grant program for historic preservation. Cash funds in this section are primarily from limited gaming funds deposited in the State Historical Fund. Additional sources include cash funds from museum fees, memberships, and other revenue-generating activities and, for informational purposes, support from the State of New Mexico for the Cumbres and Toltec Railroad.

### HISTORY COLORADO

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$30,389,545	\$1,295,000	\$28,120,095	\$0	\$974,450	131.4
HB 16-1352	2,000,000	0	2,000,000	0	0	0.0
SB 17-254	51,383	0	0	51,383	0	0.0
<b>TOTAL</b>	<b>\$32,440,928</b>	<b>\$1,295,000</b>	<b>\$30,120,095</b>	<b>\$51,383</b>	<b>\$974,450</b>	<b>131.4</b>

HISTORY COLORADO						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$32,440,928	\$1,295,000	\$30,120,095	\$51,383	\$974,450	131.4
Revitalization funds for community museums	1,461,401	1,461,401	0	0	0	6.0
History Colorado informational funds adjustments	560,000	0	560,000	0	0	0.0
Preservation tax credit transfer	45,900	0	0	45,900	0	0.0
Annualize prior year legislation	(2,000,000)	0	(2,000,000)	0	0	0.0
Align History Colorado appropriations with revenue	(400,000)	0	(400,000)	0	0	0.0
Other	(2)	0	(2)	0	0	0.0
<b>SB 17-254</b>	<b>\$32,108,227</b>	<b>\$2,756,401</b>	<b>\$28,280,093</b>	<b>\$97,283</b>	<b>\$974,450</b>	<b>137.4</b>
SB 17-257	0	0	0	0	0	0.0
<b>TOTAL</b>	<b>\$32,108,227</b>	<b>\$2,756,401</b>	<b>\$28,280,093</b>	<b>\$97,283</b>	<b>\$974,450</b>	<b>137.4</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$332,701)</b>	<b>\$1,461,401</b>	<b>(\$1,840,002)</b>	<b>\$45,900</b>	<b>\$0</b>	<b>6.0</b>
Percentage Change	(1.0%)	112.8%	(6.1%)	89.3%	0.0%	4.6%

## FY 2016-17 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 17-254 modifies FY 2016-17 appropriations to add \$51,383 reappropriated funds transferred from the Governor's Office to the History Colorado Office of Archeology and Historic Preservation for administration of the historic preservation tax credit.

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**REVITALIZATION FUNDS FOR COMMUNITY MUSEUMS:** The appropriation includes an increase of \$1,461,401 General Fund and 6.0 FTE for History Colorado to support community museums located across the state. A portion of the funding will support FTE whose responsibilities will focus on community museum security, local community involvement, philanthropic development, and educational outreach in remote areas. A portion will also support the development of revenue-generating enterprise programs that will enable the community museums to reduce the General Fund support required over time. General Fund support will step down in FY 2020-21.

**HISTORY COLORADO INFORMATIONAL FUNDS ADJUSTMENTS:** The appropriation includes adjustments to funds shown in History Colorado for informational purpose, including an anticipated increase in limited gaming revenue for preservation grants (\$350,000 increase/\$8,250,000 total), an anticipated increase in limited gaming distributions to local governments for historic preservation (\$300,000 increase/\$5,300,000 total), and an anticipated reduction in funds appropriated by the New Mexico legislature for the Cumbres and Toltec Scenic Railroad (\$90,000 reduction/\$645,000 total)

**PRESERVATION TAX CREDIT TRANSFER:** The appropriation adds \$45,900 reappropriated funds transferred from the Governor's Office of Economic Development for administration of the historic preservation tax credit by History Colorado.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments for the second-year impact of prior year legislation, including eliminating a one-time \$2,000,000 cash funds appropriation for H.B. 16-1352 (History Colorado Cash Fund).

**ALIGN HISTORY COLORADO APPROPRIATIONS WITH REVENUE:** The appropriation reduces History Colorado appropriations of limited gaming revenue for museum operations to align with anticipated revenue.

**OTHER:** The appropriation includes other minor adjustments.

**ADDITIONAL LEGISLATION:** For information on additional legislation, see the "Recent Legislation" section at the end of this department.

## RECENT LEGISLATION

### 2016 SESSION BILLS

**S.B. 16-073 (STATE AUDITOR AUDIT HISTORIC FUND DISTRIBUTION):** Requires the State Auditor to conduct postaudits and performance audits of the limited gaming funds that are transferred to the State Historical Fund for the preservation and restoration of the gaming cities of Central, Black Hawk, and Cripple Creek. The State Auditor must conduct three audits, no later than September 1, 2017, September 1, 2022, and September 1, 2027.

**S.B. 16-104 (INCENTIVES TO BUILD NUMBER OF RURAL TEACHERS):** Creates several new programs to provide incentives for individuals to become teachers in rural school districts, and to support the needs of professional educators in rural school districts: provides funding for a rural education coordinator (\$145,000); provides financial stipends for student teachers who agree to teach in rural areas (\$112,000), provides support for teacher cadet programs to support high school students interested in pursuing teaching careers in rural schools (\$50,000); provides funds for national board certification, concurrent enrollment certification, and other professional development for rural teachers (\$120,000); and provides support to the Department of Higher Education to oversee these programs. Provides an appropriation of \$441,095 General Fund and 0.3 FTE to the Department of Higher Education for the new programs and related administrative costs for FY 2016-17; and (2) adjusts FY 2016-17 appropriations in the Department of Education for the State Share of Districts' Total Program Funding to increase funding from the State Public School Fund by \$441,095 cash funds and decrease funding from the General Fund by the same amount.

**S.B. 16-121 (HIGHER EDUCATION REVENUE PLEDGED FOR BONDING):** Allows the governing board of a higher education institution or institutions to pledge up to 100 percent of tuition revenues, excluding any General Fund appropriations, when it issues bonds to pay the costs of a capital project. Institutions that participate in the Higher Education Revenue Bond Intercept Program (intercept program) are only allowed to pledge up to 10 percent of tuition revenues, which is the amount permitted in current law.

**S.B. 16-191 (MARIJUANA RESEARCH MARIJUANA TAX CASH FUND):** Authorizes the General Assembly to appropriate money from the Marijuana Tax Cash Fund (MTCF) to the Board of Governors of the Colorado State University System (CSU) to fund scientific and social science research at CSU-Pueblo concerning marijuana and other matters that impact the state and its regions. Appropriates \$900,000 cash funds from the MTCF to CSU-Pueblo for FY 2016-17 for this purpose. Continues ongoing study in the Department of Public Safety (DPS) of law enforcement's costs related to legalization of marijuana. Appropriates \$79,992 cash funds from the MTCF for this purpose for FY 2016-17. Also requires the Governor's Office of Marijuana Coordination to facilitate data sharing and address data gaps related to the impact of marijuana legalization on public health, safety, or economic issues.

**S.B. 16-196 (INCLUSIVE HIGHER EDUCATION PILOT PROGRAM):** Creates an inclusive higher education pilot program aimed at establishing higher education programs for students with intellectual and developmental disabilities. The program will operate from FY 2016-17 through FY 2020-21 at three institutions: the University of Northern Colorado, the University of Colorado-Colorado Springs, and Arapahoe Community College. Appropriates



\$250,000 General Fund to the Department of Higher Education and reappropriates this amount, within the Department, to the participating governing boards for FY 2016-17. Transfers \$250,000 cash funds from the Intellectual and Development Disabilities Services (IDD) Cash Fund to the General Fund to support FY 2016-17 and FY 2017-18 General Fund appropriations for this program.

**S.B. 16-204 (HIGHER EDUCATION REVENUE BOND INTERCEPT PROGRAM):** Makes various changes to the higher education revenue bond intercept program. This program enables higher education institutions to issue debt under the State's credit rating. Changes include expanding legislative review and approval process for intercept debt so that the Capital Development Committee and the Joint Budget Committee must explicitly approve expansion of all intercept debt for all participating governing boards. Also caps the program based on General Fund appropriations to each governing board, and changes how the debt coverage ratio test that a governing board must pass to qualify for the program is calculated. Requires an annual report on the program from the Treasurer's Office, requires Treasurer pre-approval of new intercept debt, and authorizes the Treasurer to authorize refinance of existing intercept debt under certain circumstances.

SUMMARY PREVIOUS PROVISIONS FOR QUALIFYING FOR HIGHER EDUCATION REVENUE BOND INTERCEPT PROGRAM VERSUS S.B. 16-204 REQUIREMENTS FOR NEW BONDS ISSUED		
	PREVIOUS	S.B. 16-204
Coverage ratio (Funds Available for Debt Service/Debt Service)		
Intercept debt only	150%	n/a
All debt	n/a	150%
Credit Rating	In 3 highest categories/ A-rated	In 3 highest categories/ A-rated
Annual payments for all bonds issued under the intercept program as a percent of annual governing board General Fund appropriation (at time of issuance)	n/a	75%
Pre-certification by Treasurer for intercept debt increase	n/a	Yes
CDC/JBC approval for intercept debt increase	Some	All
Treasurer approval for refinance existing intercept debt	Some	All

**S.B. 16-209 (AUTHORIZE SCHOOL DISTRICT PROPERTY LEASE TO HIGHER ED INSTITUTION):** Authorizes a school district board of education to lease school district property to a state institution of higher education and to accept in-kind services (such as tuition reduction or scholarships for their students) from the institution as all or part of the lease payments. The bill clarifies that a school district may issue bonds to construct a building for lease to a state institution of higher education.

**H.B. 16-1083 (WESTERN STATE COLORADO ROLE AND MISSION):** Changes the admission standard for Western State Colorado University to "selective" from "moderately selective".

**H.B. 16-1229 (HIGHER ED FINANCIAL OBLIGATION REPAYMENT):** Effective FY 2015-16, transfers federal mineral lease (FML) revenues in the Higher Education Maintenance and Reserve Fund (reserve fund) into the Higher Education Federal Mineral Lease Revenues Fund (revenues fund). The revenues fund pays for lease purchase agreements (certificates of participation/COPs) to fund capital construction projects at state institutions of higher education. The bill then eliminates the reserve fund and directs all FML money previously deposited to the reserve fund to the revenues fund. The bill also prohibits the state from entering into any additional lease-purchase agreements to be funded from the revenues fund. Finally, the bill clarifies that annual appropriations for these higher education COP payments are made to the Department of Higher Education for transfer to the State Treasurer.

**H.B. 16-1241 (HIGHER EDUCATION SUPPLEMENTAL):** Makes supplemental adjustments to FY 2015-16 and FY 2014-15 appropriations to the Department of Higher Education.

**H.B. 16-1350 (HIGHER EDUCATION TRANSFERS FEE-FOR-SERVICE CONTRACT):** Makes a technical adjustment to the Department of Higher Education's authority to make certain year-end transfers. Expands the Department's authority to make year-end transfers between College Opportunity Fund Program student stipends and fee-for-service appropriations. Allows such transfers to include fee-for-service appropriations for specialty education programs such as the medical school at the University of Colorado Health Sciences Center.

**H.B. 16-1352 (HISTORY COLORADO CASH FUND):** Allows money in the State Museum Cash Fund to be appropriated for exhibit planning, development, and build-out at all State Historical Society facilities, instead of limiting use of these funds to development of the new state history museum. For FY 2016-17, appropriates \$2.0 million from the State Museum Cash Fund for exhibit planning, development, and build-out at state facilities. The State Historical Society has four years to spend the appropriation. Also requires that \$3.0 million, plus interest earned on that amount beginning on July 1, 2015, must be retained in the cash fund as a controlled maintenance reserve for the new museum. This amount is available for appropriation beginning in FY 2027-28.

**H.B. 16-1405 (LONG BILL):** General appropriations act for FY 2016-17. Also includes supplemental adjustments to FY 2015-16 appropriations for the Department of Higher Education.

**H.B. 16-1408 (CASH FUND ALLOCATIONS FOR HEALTH-RELATED PROGRAMS):** Establishes a new formula for the allocation of the annual payment received by the state as part of the Tobacco Master Settlement Agreement (Tobacco MSA). Increases annual allocations to most programs receiving funding under the current distribution, while eliminating dedicated funding for six purposes and replacing five of them with appropriations from the Marijuana Tax Cash Fund. Also modifies statute concerning higher education fee-for-service contracts paid to the University of Colorado for specialty education services, specifying that these contracts include care provided by faculty of the University of Colorado Health Sciences Center that are eligible for payment under the state's Medicaid provider reimbursement. Among other appropriations, appropriates an additional \$2,972,504 cash funds to the Department of Higher Education in FY 2016-17 for use by the University of Colorado Health Sciences. Of this amount, \$1,751,471 is designated for cancer research. For additional information see the recent legislation section at the end of the Department of Public Health and Environment.

**H.B. 16-1453 (COLORADO CYBERSECURITY INITIATIVE):** Creates the Colorado Cybersecurity Council in the Department of Public Safety (DPS). The Council operates as a steering group to develop cybersecurity policy guidance for the Governor, establish related goals and initiatives, and coordinate with the General Assembly and the judicial branch regarding cybersecurity. Specifies that the University of Colorado at Colorado Springs (UCCS), in partnership with a nonprofit organization, may establish and expand higher education programs in cybersecurity and establish needed cyber education and training laboratories in specified subject areas. UCCS and the nonprofit organization also may establish a secure environment for research and development, initial operational testing and evaluation, and expedited contracting for production for industrial cyber products and techniques. Creates the Cybersecurity Cash Fund (Fund) in the state treasury. Subject to annual appropriation, the Regents of the University of Colorado may expend money from the Fund for the purposes of the bill. For FY 2016-17, the bill transfers \$7,932,020 from the General Fund to the Fund, to be reappropriated to the Department of Higher Education for use by the Regents of the University of Colorado. Also creates in the Fund a cybersecurity gifts, grants, and donations account for use by the Regents of the University of Colorado. Appropriates \$67,980 General Fund to the Department of Public Safety for FY 2016-17 for use by the Office of Prevention and Security.

## 2017 SESSION BILLS

**S.B. 17-060 (CO STUDENT LEADERS INSTITUTE RELOCATION TO CDHE):** Relocates the Colorado Student Leaders Institute from the Office of the Lieutenant Governor to the Department of Higher Education. Transfers an appropriation of \$218,825 General Fund and 1.0 FTE from the Office of the Lieutenant Governor to the Department of Higher Education for FY 2017-18.

**S.B. 17-074 (CREATE MEDICATION-ASSISTED TREATMENT PROGRAM):** Creates a pilot program in the College of Nursing in the University of Colorado to make grants for organizations providing medication-assisted treatment to persons with opioid use disorders in Pueblo and Routt counties. Requires an annual appropriation from the Marijuana Tax Cash Fund (MTCF) of \$500,000 in FY 2017-18 and FY 2018-19, and provides the FY 2017-18 appropriation to the Department of Higher Education for the University of Colorado. Any unexpended money is returned to the MTCF at the end of FY 2018-19. The program is repealed as of June 30, 2020.

**S.B. 17-174 (ALLOCATION OF MONEY FOR NATIONAL GUARD TUITION):** Removes a statutory provision requiring the Colorado Commission on Higher Education to allocate funds for tuition assistance to members of the Colorado National Guard. The change allows the General Assembly to make all of the program's FY 2017-18 and future appropriations to the Department of Military and Veterans Affairs instead of funding a portion through the Department of Higher Education.

**S.B. 17-193 (RESEARCH CTR PREVENTION SUBSTANCE ABUSE ADDICTION):** Creates a research center for substance abuse and addiction prevention strategies and treatment at the University of Colorado Health Sciences Center. Provides a one-time appropriation of \$1,000,000 from the Marijuana Tax Cash Fund (MTCF) for FY 2017-18 to the Department of Higher Education for allocation to the University of Colorado.

**S.B. 17-254 (LONG BILL):** General appropriations act for FY 2017-18. Includes provisions modifying FY 2016-17 appropriations to the Department.

**S.B. 17-257 (HISTORICAL SOCIETY COMMUNITY MUSEUMS CASH):** Creates the Community Museums Cash Fund to receive fees, membership dues, and other revenue earned at History Colorado's community museums. This separates these revenues from the balance of History Colorado earned revenue, which is deposited in the Enterprise Services Cash Fund. Amounts in the new fund are subject to annual appropriation for the use of the community museums. Modifies Higher Education appropriations in the FY 2017-18 Long Bill to: (1) eliminate the \$847,000 cash funds currently appropriated from the Enterprise Services Cash Fund to the community museums; (2) replace this appropriation with \$847,000 cash funds from the Community Museums Cash Fund; and (3) specify that if available revenue in the Community Museums Cash Fund is less than the appropriated amount, an amount equal to the unused balance is appropriated from the Enterprise Services Cash Fund.

**S.B. 17-258 (USING OPEN EDUCATIONAL RESOURCES IN HIGHER ED):** Creates the Open Educational Resources Council in the Department of Higher Education, which is charged with overseeing a contracted study and making recommendations on increasing the use of Open Educational Resources (OER) at public institutions of higher education. Provides an appropriation of \$25,000 General Fund to the Department of Higher Education for FY 2017-18 to contract for the study of OER and for other Council expenses. The Council is repealed July 1, 2018.

**S.B. 17-297 (REVISING HIGHER EDUCATION PERFORMANCE REQUIREMENTS):** Revises various higher education performance requirements, including: (1) striking statutory provisions that require performance funding for higher education institutions; and (2) striking most statutory provisions requiring the state to negotiate performance contracts with public higher education institutions. Instead, requires public institutions to annually affirm the institutions' contribution toward meeting the goals of the state higher education master plan, requires

goals for each institution to be outlined, and requires that each institution's contributions to the master plan be measured using data collected for state and federal reporting purposes and for populating the higher education funding model.

Reduces the authority of the Colorado Commission on Higher Education to waive a broad range statutory provisions for institutions with performance contracts, but modifies or eliminates specific statutory requirements that were previously waived by the Commission.

Requires reporting by December 1 of each year to the Joint Budget Committee and the education committees concerning the master plan goals and each institution's progress toward master plan goals and requires this information be posted to the Department's website.

**H.B. 17-1140 (ENHANCE STUDENT SUPPORT CSM FEE-FOR-SERVICE FUNDS):** Modifies restrictions on the Colorado School of Mines' (CSM) use of state fee-for-service contract funds. Statute previously required the Colorado School of Mines to use a portion of its fee-for-service funding to provide financial aid for in-state students, with all fee-for-service funds to be used for this purpose by FY 2021. Under the bill, CSM may also use fee-for-service funding for advising, counseling, academic support, and precollegiate program expenses.

**H.B. 17-1282 (RURAL VETERINARY EDUCATION LOAN REPAYMENT PROGRAM):** Creates the Veterinary Education Loan Repayment Program in Colorado State University (CSU). The program provides financial incentives through education loan repayment to licensed veterinarians to practice in rural areas with a shortage of veterinarians. Creates the Veterinary Education Loan Repayment Fund, consisting of gifts, grants, and donations and transfers from the General Assembly. Money in this fund is continuously appropriated to the State Veterinary Education Council, which operates under the supervision of the dean of CSU's College of Veterinary Medicine and Biomedical Sciences. Transfers \$140,000 from the General Fund to the Veterinary Education Loan Repayment Fund on September 1, 2017.

# Details

## DEPARTMENT OF HUMAN SERVICES

### FY 2016-17 AND FY 2017-18 APPROPRIATIONS BY DIVISION AND BILL

DEPARTMENT OF HUMAN SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2016-17 TOTAL APPROPRIATION:</b>	<b>\$1,907,776,487</b>	<b>\$831,272,286</b>	<b>\$390,905,724</b>	<b>\$129,320,756</b>	<b>\$556,277,721</b>	<b>4,793.4</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
Executive Director's Office	87,875,609	53,159,792	3,757,122	18,528,679	12,430,016	137.4
Office of Information Technology Services	73,509,876	42,241,930	1,627,667	1,036,482	28,603,797	11.0
Office of Operations	47,546,581	25,967,403	5,424,359	11,789,652	4,365,167	431.3
County Administration	67,913,060	24,096,625	17,535,967	0	26,280,468	0.0
Division of Child Welfare	473,369,686	260,769,713	94,530,084	16,340,342	101,729,547	94.8
Office of Early Childhood	203,005,567	61,685,454	49,722,480	6,563,353	85,034,280	78.3
Office of Self Sufficiency	259,311,254	9,973,344	30,332,822	25,779	218,979,309	248.7
Office of Behavioral Health	265,106,048	189,121,411	21,918,814	18,843,531	35,222,292	1,293.6
Services for People with Disabilities	113,486,021	1,086,130	37,392,900	53,160,691	21,846,300	1,433.6
Adult Assistance Programs	198,293,454	51,448,742	126,475,524	1,800	20,367,388	30.5
Division of Youth Corrections	118,359,331	111,721,742	2,187,985	3,030,447	1,419,157	1,034.2
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
HB 16-1405	\$1,886,419,116	\$828,943,472	\$375,832,301	\$128,067,449	\$553,575,894	4,786.2
SB 16-019	62,831	62,831	0	0	0	0.4
SB 16-190	550,000	0	0	0	550,000	0.0
SB 16-199	81,675	0	81,675	0	0	1.0
SB 16-202	6,000,000	0	6,000,000	0	0	1.0
HB 16-1112	100,000	100,000	0	0	0	0.0
HB 16-1227	268,562	0	0	0	268,562	0.0
HB 16-1290	1,151,628	1,151,628	0	0	0	1.0
HB 16-1328	4,900	4,900	0	0	0	0.0
HB 16-1398	900,000	900,000	0	0	0	0.0
HB 16-1408	6,743,164	0	6,743,164	0	0	0.0
HB 16-1410	107,076	475,076	0	(368,000)	0	1.8
HB 16-1414	172,778	0	0	172,778	0	2.0
SB 17-163	667,813	(365,621)	291,469	147,349	594,616	0.0
SB 17-254	4,546,944	0	1,957,115	1,301,180	1,288,649	0.0
<b>FY 2017-18 TOTAL APPROPRIATION:</b>	<b>\$2,035,604,120</b>	<b>\$866,955,020</b>	<b>\$415,732,200</b>	<b>\$174,562,607</b>	<b>\$578,354,293</b>	<b>4,937.6</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
Executive Director's Office	99,023,192	63,205,789	1,832,234	26,213,420	7,771,749	141.1
Office of Information Technology Services	82,409,411	47,949,329	1,067,550	16,329,733	17,062,799	11.0
Office of Operations	48,813,681	20,377,494	1,103,132	27,333,055	0	433.4
County Administration	86,118,349	28,892,409	22,126,918	0	35,099,022	0.0
Division of Child Welfare	485,720,078	264,408,558	97,267,394	17,023,314	107,020,812	92.8
Office of Early Childhood	220,436,325	71,298,895	50,369,615	6,696,282	92,071,533	88.8
Office of Self Sufficiency	276,142,208	10,921,934	30,409,050	90,572	234,720,652	248.7

## DEPARTMENT OF HUMAN SERVICES

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Office of Behavioral Health	297,735,126	190,612,813	44,667,927	21,483,631	40,970,755	1,316.7
Services for People with Disabilities	117,719,043	1,045,430	39,335,141	55,496,688	21,841,784	1,433.6
Adult Assistance Programs	196,453,261	49,753,432	125,211,218	1,001,800	20,486,811	30.9
Division of Youth Corrections	125,033,446	118,488,937	2,342,021	2,894,112	1,308,376	1,140.6
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
SB 17-254	\$2,023,402,359	\$865,857,539	\$408,627,920	\$174,562,607	\$574,354,293	4,936.0
SB 17-012	18,000	0	18,000	0	0	0.0
SB 17-019	26,000	26,000	0	0	0	0.0
SB 17-028	12,960	12,960	0	0	0	0.0
SB 17-207	7,086,280	0	7,086,280	0	0	0.9
SB 17-292	4,000,000	0	0	0	4,000,000	0.0
HB 17-1045	0	0	0	0	0	0.0
HB 17-1204	108,710	108,710	0	0	0	0.0
HB 17-1207	(160,270)	(160,270)	0	0	0	0.0
HB 17-1264	75,000	75,000	0	0	0	0.0
HB 17-1284	428,779	428,779	0	0	0	0.4
HB 17-1292	300,000	300,000	0	0	0	0.0
HB 17-1329	306,302	306,302	0	0	0	0.3
<b>INCREASE/(DECREASE)</b>	<b>\$127,827,633</b>	<b>\$35,682,734</b>	<b>\$24,826,476</b>	<b>\$45,241,851</b>	<b>\$22,076,572</b>	<b>144.2</b>
Percentage Change	6.7%	4.3%	6.4%	35.0%	4.0%	3.0%

**INFORMATIONAL FUNDS:** The FY 2017-18 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Human Services are annotated with the "(I)". For additional information, see Appendix E.

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2017-18 Appropriations containing an (I) notation	\$517,917,121	\$0	\$262,798,849	\$1,340,200	\$253,778,072

## DETAIL OF APPROPRIATION BY ADMINISTRATIVE SECTION

### EXECUTIVE DIRECTOR'S OFFICE

This office is responsible for the management and administration of the Department, performing such functions as budgeting, human resources, and quality control, as well as program supervision, coordination, and evaluation. This section includes centrally appropriated line items, such as workers' compensation, legal services, administrative law judge services, and payments related to risk management. In addition, this office contains funding for specific functions including:

- The Juvenile Parole Board;
- The Developmental Disabilities Council;
- The Colorado Commission for the Deaf and Hard of Hearing;
- Compliance with the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA); and
- The Administrative Review Unit, which performs case reviews of children and youth who are placed in out-of-home residential care, and conducts formal reviews of county adult protective services cases.

Cash funds include patient payments collected by the mental health institutes, in addition to other sources. Reappropriated funds are primarily Medicaid cash funds transferred from the Department of Health Care Policy and Financing. Federal fund sources include indirect cost recoveries, the Temporary Assistance for Needy Families Block Grant, and the Substance Abuse Prevention and Treatment Block Grant, among other sources.

EXECUTIVE DIRECTOR'S OFFICE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$87,665,725	\$53,154,892	\$3,724,916	\$18,355,901	\$12,430,016	135.4
HB 16-1328	4,900	4,900	0	0	0	0.0
HB 16-1414	172,778	0	0	172,778	0	2.0
SB 17-163	32,206	0	32,206	0	0	0.0
<b>TOTAL</b>	<b>\$87,875,609</b>	<b>\$53,159,792</b>	<b>\$3,757,122</b>	<b>\$18,528,679</b>	<b>\$12,430,016</b>	<b>137.4</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$87,875,609	\$53,159,792	\$3,757,122	\$18,528,679	\$12,430,016	137.4
Centrally appropriated line items	10,634,488	8,547,427	53,644	1,873,398	160,019	0.0
Youth corrections facility staffing, phase III of III	727,183	727,183	0	0	0	0.0
Quality assurance for adult protective services	276,612	276,612	0	0	0	3.7
Long Bill indirect cost plan	180,031	1,829,384	(2,230,530)	5,976,679	(5,395,502)	0.0
MHI program relocation	106,185	106,185	0	0	0	0.0
Optimization of early childhood alignment	15,584	0	0	0	15,584	0.0
Provider rate adjustment	9,467	1,915	0	7,552	0	0.0
Shift differential technical adjustment	1	(823,463)	213,904	(18,575)	628,135	0.0
Annualize prior year budget actions	(803,704)	(634,781)	51,893	(154,313)	(66,503)	0.0
Youth corrections reduction of client managers	(27,238)	(27,238)	0	0	0	0.0
Staff training	(13,799)	0	(13,799)	0	0	0.0
<b>SB 17-254</b>	<b>\$98,980,419</b>	<b>\$63,163,016</b>	<b>\$1,832,234</b>	<b>\$26,213,420</b>	<b>\$7,771,749</b>	<b>141.1</b>
HB 17-1284	42,773	42,773	0	0	0	0.0
<b>TOTAL</b>	<b>\$99,023,192</b>	<b>\$63,205,789</b>	<b>\$1,832,234</b>	<b>\$26,213,420</b>	<b>\$7,771,749</b>	<b>141.1</b>
<b>INCREASE/(DECREASE)</b>	<b>\$11,147,583</b>	<b>\$10,045,997</b>	<b>(\$1,924,888)</b>	<b>\$7,684,741</b>	<b>(\$4,658,267)</b>	<b>3.7</b>
Percentage Change	12.7%	18.9%	(51.2%)	41.5%	(37.5%)	2.7%

## FY 2016-17 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 17-163 modifies FY 2016-17 appropriations to provide \$32,206 total funds for adjustments to centrally appropriated lines items.

## FY 2017-18 APPROPRIATION HIGHLIGHTS

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to the following centrally appropriated line items:

### CENTRALLY APPROPRIATED LINE ITEMS

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
<b>COMPENSATION RELATED COMMON POLICY ADJUSTMENTS</b>					
Salary survey	\$4,197,219	\$2,835,829	\$141,047	\$755,330	\$465,013
Health, life, and dental	2,359,236	2,803,970	(338,796)	238,156	(344,094)
Merit pay	1,889,255	1,272,218	66,955	343,547	206,535
Supplemental amortization equalization disbursement	703,612	408,630	164,235	100,463	30,284
Amortization equalization disbursement	593,956	334,267	162,039	79,853	17,797
Short-term disability	5,951	1,547	5,708	20	(1,324)
Shift differential	(417,597)	(48,888)	(213,904)	473,330	(628,135)
<b>SUBTOTAL, COMPENSATION RELATED ADJUSTMENTS</b>	<b>\$9,331,632</b>	<b>\$7,607,573</b>	<b>(\$12,716)</b>	<b>\$1,990,699</b>	<b>(\$253,924)</b>
<b>OPERATIONS RELATED COMMON POLICY ADJUSTMENTS</b>					
Payment to risk management / property funds	\$606,116	\$318,629	\$48,264	(\$37,032)	\$276,255
Legal services	544,903	540,932	3,971	0	0
Workers' compensation	80,000	34,400	12,000	(80,269)	113,869
Administrative law judges	71,837	45,893	2,125	0	23,819
<b>SUBTOTAL, OPERATIONS RELATED ADJUSTMENTS</b>	<b>\$1,302,856</b>	<b>\$939,854</b>	<b>\$66,360</b>	<b>(\$117,301)</b>	<b>\$413,943</b>
<b>TOTAL, CENTRALLY APPROPRIATED LINE ITEMS</b>	<b>\$10,634,488</b>	<b>\$8,547,427</b>	<b>\$53,644</b>	<b>\$1,873,398</b>	<b>\$160,019</b>

**YOUTH CORRECTIONS FACILITY STAFFING, PHASE III OF III:** The appropriation includes an increase of \$727,183 General Fund for the compensation benefits associated with adding staff to State-owned and -operated youth corrections facilities in an effort to improve safety and security of staff and youth.

**QUALITY ASSURANCE FOR ADULT PROTECTIVE SERVICES:** The appropriation includes an increase of \$276,612 General Fund and 3.7 FTE to add quality assurance reviewers in the Department's Administrative Review Division to conduct formal reviews of county adult protective services cases.

**LONG BILL INDIRECT COST PLAN:** The appropriation includes adjustments to implement an indirect cost plan in the Department's Long Bill section. The increase is due to the restructuring of funds appropriated as indirect cost assessments and reappropriated into the Executive Director's Office, Office of Information Technology Services, or Office of Operations.

**MHI PROGRAM RELOCATION:** The appropriation includes an increase of \$106,185 General Fund to allow the Department to implement a plan that involves relocating two existing programs at the mental health institute (MHI) in Pueblo and add 20 beds to serve long-term patients who are preparing to re-enter the community.

**OPTIMIZATION OF EARLY CHILDHOOD ALIGNMENT:** The appropriation includes an increase of \$15,584 federal Child Care Development Funds to align early care and learning programs.

**PROVIDER RATE ADJUSTMENT:** The appropriation includes an increase of \$9,467 total funds, including \$1,915 General Fund, for an across-the-board increase for community providers of approximately 1.4 percent. In the Executive Director's Office, this increase was applied to the Colorado Commission for the Deaf and Hard of Hearing line item.

**SHIFT DIFFERENTIAL TECHNICAL ADJUSTMENT:** The appropriation includes adjustments to fund sources for shift differential costs for employees who work non-traditional hours.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second- and third-year impact of prior year budget actions.



ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Youth corrections background investigations	\$77,620	\$0	\$77,620	\$0	0	0.0
Prior year salary survey	(881,324)	(634,781)	(25,727)	(154,313)	(66,503)	0.0
<b>TOTAL</b>	<b>(\$803,704)</b>	<b>(\$634,781)</b>	<b>\$51,893</b>	<b>(\$154,313)</b>	<b>(\$66,503)</b>	<b>0.0</b>

**YOUTH CORRECTIONS REDUCTION OF CLIENT MANAGERS:** The appropriation includes a decrease of \$27,238 General Fund for the compensation benefits associated with eliminating two client managers in the Division of Youth Corrections due to forecasted declines in committed and paroled youth caseloads.

**STAFF TRAINING:** The bill includes a decrease of \$13,799 cash fund spending authority as a result of the elimination of the Staff Training line item from the FY 2017-18 Long Bill.

**ADDITIONAL LEGISLATION:** For information on additional legislation, see the "Recent Legislation" section at the end of this department.

## OFFICE OF INFORMATION TECHNOLOGY SERVICES

The Office of Information Technology Services (OITS) is responsible for developing and maintaining the major centralized computer systems of the Department, including systems that link to all counties in the state. The OITS supports centralized databases and provides support and training to users, including county staff and private social service providers. It also helps to set policies and strategic directions for decentralized information technology systems that are operated by individual divisions within the Department. Major systems funded in this section of the budget include the Colorado Benefits Management System, the County Financial Management System, and the Colorado Trails information system. The primary source of cash funds is the Old Age Pension Fund. The primary source of reappropriated funds is Medicaid funds transferred from the Department of Health Care Policy and Financing. Major sources of federal funds include Title IV-E of the Social Security Act and the Temporary Assistance for Needy Families block grant.

OFFICE OF INFORMATION TECHNOLOGY SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$71,998,429	\$40,959,156	\$1,667,556	\$1,036,482	\$28,335,235	11.0
HB 16-1227	268,562	0	0	0	268,562	0.0
SB 17-163	1,242,885	1,282,774	(39,889)	0	0	0.0
<b>TOTAL</b>	<b>\$73,509,876</b>	<b>\$42,241,930</b>	<b>\$1,627,667</b>	<b>\$1,036,482</b>	<b>\$28,603,797</b>	<b>11.0</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$73,509,876	\$42,241,930	\$1,627,667	\$1,036,482	\$28,603,797	11.0
Centrally appropriated line items	5,160,832	3,461,661	7,222	131,672	1,560,277	0.0
Annualize prior year budget actions	2,922,577	2,944,120	83,620	(106,267)	1,104	0.0
Regional Centers electronic health record system project	698,688	0	0	698,688	0	0.0
Adult protective services additional software licenses	59,029	59,029	0	0	0	0.0
Long Bill indirect cost plan	1	(1,086,247)	(650,959)	14,569,158	(12,831,951)	0.0
Technical changes	0	1,866	0	0	(1,866)	0.0
Annualize prior year legislation	(268,562)	0	0	0	(268,562)	0.0
<b>SB 17-254</b>	<b>\$82,082,441</b>	<b>\$47,622,359</b>	<b>\$1,067,550</b>	<b>\$16,329,733</b>	<b>\$17,062,799</b>	<b>11.0</b>
SB 17-028	12,960	12,960	0	0	0	0.0

OFFICE OF INFORMATION TECHNOLOGY SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 17-1204	108,710	108,710	0	0	0	0.0
HB 17-1284	205,300	205,300	0	0	0	0.0
<b>TOTAL</b>	<b>\$82,409,411</b>	<b>\$47,949,329</b>	<b>\$1,067,550</b>	<b>\$16,329,733</b>	<b>\$17,062,799</b>	<b>11.0</b>
<b>INCREASE/(DECREASE)</b>	\$8,899,535	\$5,707,399	(\$560,117)	\$15,293,251	(\$11,540,998)	0.0
Percentage Change	12.1%	13.5%	(34.4%)	1,475.5%	(40.3%)	0.0%

#### FY 2016-17 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 17-163 modifies FY 2016-17 appropriations to provide a net increase of \$1,242,885 total funds, including an increase of \$1,282,774 General Fund and a decrease of \$39,889 cash funds, based on revised cost allocation trend data for the Colorado Benefits Management System (CBMS) and the Program Eligibility and Application Kit (PEAK). These systems assist Colorado citizens in accessing public assistance programs, such as food stamps and Medicaid. Note, the increase in General Fund in the Department of Human Services due to the revised cost allocation data is offset by a decrease of \$2,123,226 General Fund in the Department of Health Care Policy and Financing's supplemental bill.

#### FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items for the following: payments to the Governor's Office of Information Technology (OIT) and CORE operations.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second- and third-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
CBMS/PEAK Annual Funding Adjustment	\$2,342,353	\$2,258,751	\$83,602	\$0	\$0	0.0
MHI electronic health record system	578,443	684,710	0	(106,267)	0	0.0
Prior year salary survey	1,781	659	18	0	1,104	0.0
<b>TOTAL</b>	<b>\$2,922,577</b>	<b>\$2,944,120</b>	<b>\$83,620</b>	<b>(\$106,267)</b>	<b>\$1,104</b>	<b>0.0</b>

**REGIONAL CENTERS ELECTRONIC HEALTH RECORD SYSTEM PROJECT:** The appropriation includes an increase of \$698,688 reappropriated funds transferred from the Department's regional centers for individuals with intellectual and developmental disabilities and the Medicaid program in the Department of Health Care Policy and Financing to cover the operating costs associated with implementing an electronic health records system for citizens receiving services in the Department's three regional centers.

**ADULT PROTECTIVE SERVICES ADDITIONAL SOFTWARE LICENSES:** The appropriation includes an increase of \$59,029 General Fund for additional software licenses for counties for the Colorado Adult Protective Services Data System (CAPS).

**LONG BILL INDIRECT COST PLAN:** The appropriation includes adjustments to implement an indirect cost plan in the Department's Long Bill appropriation. The increase is due to the restructuring of funds appropriated as indirect cost assessments and reappropriated into the Executive Director's Office, Office of Information Technology Services, or Office of Operations. Specifically, in the Office of Information Technology Services, the change to the total indirect cost pool results in a net increase of \$1 total funds.

**TECHNICAL CHANGES:** The appropriation includes a net zero total funds adjustment for a minor fund source change in the National Aging Program Information System line item.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments for the second-year impact of prior year legislation, including H.B. 16-1227 (Exemptions Child Support Requirements Child Care Assistance).

**ADDITIONAL LEGISLATION:** For information on additional legislation, see the "Recent Legislation" section at the end of this department.

## OFFICE OF OPERATIONS

This section of the budget contains appropriations for various central Departmental functions and incorporates four department units: Facilities Management, Accounting, Procurement, and Contract Management. The largest of these units, the Division of Facilities Management, is responsible for operating, cleaning, and maintaining an estimated 301 department buildings and facilities, including ten youth correctional facilities, two state mental health institute campuses, and three regional centers for the developmentally disabled, in addition to department office buildings. The Department's leased space, vehicle leases and facility utility costs are also managed by this division. The Division of Accounting manages all the Department's financial operations and resources, including payments to counties and service providers, overall accounts and controls over expenditures and revenues from multiple state and federal sources, and private party billing for the Department's various community and institutional programs. The Procurement Division purchases goods and services for the Department's programs and operates warehouses and distribution centers for all departmental residential facilities. The Contract Management Unit is responsible for managing the contracting process in the Department including development, approval, and performance oversight of all Department contracts. Funding for the Office is from General Fund and reappropriated funds from indirect cost assessments initially appropriated in each division.

OFFICE OF OPERATIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$42,893,088	\$25,991,173	\$3,567,701	\$10,237,430	\$3,096,784	431.3
SB 16-019	37,206	37,206	0	0	0	0.0
HB 16-1410	6,144	6,144	0	0	0	0.0
SB 17-163	154,813	(67,120)	(8,843)	251,042	(20,266)	0.0
SB 17-254	4,455,330	0	1,865,501	1,301,180	1,288,649	0.0
<b>TOTAL</b>	<b>\$47,546,581</b>	<b>\$25,967,403</b>	<b>\$5,424,359</b>	<b>\$11,789,652</b>	<b>\$4,365,167</b>	<b>431.3</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$47,546,581	\$25,967,403	\$5,424,359	\$11,789,652	\$4,365,167	431.3
Long Bill indirect cost plan	1,968,309	(6,653,952)	(2,474,086)	14,207,962	(3,111,615)	0.0
DOC/DHS interagency agreement true-up	981,655	0	0	981,655	0	1.0
Mount View Youth Services Center ditch repair	473,000	473,000	0	0	0	0.0
MHI program relocation	440,397	440,397	0	0	0	1.1
Annualize prior year budget actions	310,853	187,852	18,360	69,544	35,097	0.0

OFFICE OF OPERATIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Centrally appropriated line items	284,242	0	0	284,242	0	0.0
Annualize prior year legislation	(3,191,356)	(37,206)	(1,865,501)	0	(1,288,649)	0.0
<b>SB 17-254</b>	<b>\$48,813,681</b>	<b>\$20,377,494</b>	<b>\$1,103,132</b>	<b>\$27,333,055</b>	<b>\$0</b>	<b>433.4</b>
<b>TOTAL</b>	<b>\$48,813,681</b>	<b>\$20,377,494</b>	<b>\$1,103,132</b>	<b>\$27,333,055</b>	<b>\$0</b>	<b>433.4</b>
<b>INCREASE/(DECREASE)</b>	\$1,267,100	(\$5,589,909)	(\$4,321,227)	\$15,543,403	(\$4,365,167)	2.1
Percentage Change	2.7%	(21.5%)	(79.7%)	131.8%	(100.0%)	0.5%

## FY 2016-17 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 17-163 modifies FY 2016-17 appropriations to:

- Add \$285,179 reappropriated funds from the Department of Corrections (DOC) to true-up the appropriation for maintenance services provided by the Department of Human Services to the Department of Corrections.
- Reduce \$130,366 total funds, including \$67,120 General Fund, for the annual midyear adjustment to the vehicle lease payment appropriation.

Senate Bill 17-254 modifies FY 2016-17 appropriations to add \$4,455,330 total funds for departmental indirect costs.

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**LONG BILL INDIRECT COST PLAN:** The appropriation includes adjustments to implement an indirect cost plan in the Department's Long Bill appropriation. The increase is due to the restructuring of funds appropriated as indirect cost assessments and reappropriated into the Executive Director's Office, Office of Information Technology Services, or Office of Operations. Specifically, in the Office of Operations, the increase is due to an increase in the total indirect cost pool.

**DOC/DHS INTERAGENCY AGREEMENT TRUE-UP:** The appropriation includes an increase of \$981,655 reappropriated funds from the Department of Corrections (DOC) for facility maintenance costs at DOC facilities. The Department of Human Services (DHS) provides these maintenance services to DOC facilities located on the Colorado Mental Health Institute at Pueblo campus.

**MOUNT VIEW YOUTH SERVICES CENTER DITCH REPAIR:** The appropriation includes an increase of \$473,000 General Fund to repair the non-potable water ditch located on the Mount View Youth Services Center campus.

**MHI PROGRAM RELOCATION:** The appropriation includes an increase of \$440,397 General Fund and 1.1 FTE in the Office of Operations to allow the Department to implement a plan that involves relocating two existing programs at the mental health institute (MHI) in Pueblo. See the Office of Behavioral Health for additional information on the MHI Program relocation.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes an increase of \$310,853 total funds, including \$187,852 is General Fund, for the second-year impact of the FY 2016-17 salary survey.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items for vehicle lease payments (an increase of \$55,516) and Capitol complex leased space (an increase of \$228,526).

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments for the second year impact of prior year legislation.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 17-254 (Long Bill supplemental)	(\$3,154,150)	\$0	(\$1,865,501)	\$0	(\$1,288,649)	0.0
SB 16-019 (Videotape mental condition evaluations)	(37,206)	(37,206)	0	0	0	0.0
<b>TOTAL</b>	<b>(\$3,191,356)</b>	<b>(\$37,206)</b>	<b>(\$1,865,501)</b>	<b>\$0</b>	<b>(\$1,288,649)</b>	<b>0.0</b>

## COUNTY ADMINISTRATION

This section contains appropriations for 64 county departments of social or human services to administer the Supplemental Nutrition Assistance Program (food assistance) and Aid to the Needy Disabled. It also includes appropriations to assist counties with high human services program costs relative to their county property tax bases. Cash funds sources in this section include retained child support collections, fraud refunds, and state revenue intercepts. Federal funds are from the U.S. Department of Agriculture for the Supplemental Nutrition Assistance Program and the Title XX Social Services Block Grant, among other sources.

COUNTY ADMINISTRATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$67,363,060	\$23,546,625	\$17,535,967	\$0	\$26,280,468	0.0
SB 16-190	550,000	550,000	0	0	0	0.0
<b>TOTAL</b>	<b>\$67,913,060</b>	<b>\$24,096,625</b>	<b>\$17,535,967</b>	<b>\$0</b>	<b>\$26,280,468</b>	<b>0.0</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$67,913,060	\$24,096,625	\$17,535,967	\$0	\$26,280,468	0.0
County administration funding increase	16,666,666	5,000,000	3,333,333	0	8,333,333	0.0
Technical changes	1,049,867	0	1,049,867	0	0	0.0
Provider rate adjustment	1,038,756	345,784	207,751	0	485,221	0.0
Annualize prior year legislation	(550,000)	(550,000)	0	0	0	0.0
<b>SB 17-254</b>	<b>\$86,118,349</b>	<b>\$28,892,409</b>	<b>\$22,126,918</b>	<b>\$0</b>	<b>\$35,099,022</b>	<b>0.0</b>
<b>TOTAL</b>	<b>\$86,118,349</b>	<b>\$28,892,409</b>	<b>\$22,126,918</b>	<b>\$0</b>	<b>\$35,099,022</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$18,205,289</b>	<b>\$4,795,784</b>	<b>\$4,590,951</b>	<b>\$0</b>	<b>\$8,818,554</b>	<b>0.0</b>
Percentage Change	26.8%	19.9%	26.2%	n/a	33.6%	n/a

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**COUNTY ADMINISTRATION FUNDING INCREASE:** The appropriation includes an increase of \$16,666,666 total funds, including \$5,000,000 General Fund, to increase funding to counties to administer the Supplemental Nutrition Assistance Program (food stamps) and a variety of small programs. SNAP administrative costs are shared between the U.S. Department of Agriculture (46 percent), the State (34 percent), and counties (20 percent). The increase in State funding will be used to offset county expenditures occurring at match rates greater than 20 percent.

**TECHNICAL CHANGES:** The appropriation includes an increase of \$1,049,867 cash funds from county funds in the County Administration line item to correct a technical error contained in prior year appropriations. Note, this appropriation does not increase the amount of money available for county administration nor does it require counties to contribute additional money for county administration. The appropriation only comports with State statute and accurately captures what is currently expended on county administration.

**PROVIDER RATE ADJUSTMENT:** The appropriation includes an increase of \$1,038,756 total funds, including \$345,784 General Fund, for an across-the-board increase for community providers of approximately 1.4 percent.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments for the second-year impact of prior year legislation, including S.B. 16-190 (Improve County Administration Public Assistance).

## DIVISION OF CHILD WELFARE

This section provides funding for programs that protect children from harm and assist families in caring for and protecting their children. Nearly 88.0 percent of funding in this division is allocated to counties, which are responsible for administering child welfare services under the supervision of the Department. In FY 2015-16, 32,001 children were served in open child welfare cases. Reappropriated funds reflect Medicaid funds and are transferred from the Department of Health Care Policy and Financing. Cash funds include county tax revenues, federal Title IV-E Waiver Demonstration Project funds that are deposited to a cash fund, docket fee revenues, Tobacco Master Settlement funds, and marijuana sales tax funds that are deposited to a cash fund. Federal fund sources include those available pursuant to Titles IV-B and IV-E of the Social Security Act, the Title XX Social Services Block Grant, and the Child Abuse Prevention and Treatment Act.

DIVISION OF CHILD WELFARE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$473,369,686	\$261,319,713	\$94,530,084	\$16,340,342	\$101,179,547	94.8
SB 16-190	0	(550,000)	0	0	550,000	0.0
HB 16-1408	0	0	0	0	0	0.0
<b>TOTAL</b>	<b>\$473,369,686</b>	<b>\$260,769,713</b>	<b>\$94,530,084</b>	<b>\$16,340,342</b>	<b>\$101,729,547</b>	<b>94.8</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$473,369,686	\$260,769,713	\$94,530,084	\$16,340,342	\$101,729,547	94.8
Provider rate adjustment	5,886,931	3,421,642	1,013,111	213,044	1,239,134	0.0
Long Bill indirect cost plan	5,530,698	0	466,329	469,560	4,594,809	0.0
Child welfare indirect cost mitigation	4,955,836	4,955,836	0	0	0	0.0
County child welfare staff phase III	4,087,561	3,676,625	408,756	0	2,180	0.0
Tony Gramscas Youth Services Program funding	1,000,000	0	1,000,000	0	0	0.0
Child welfare oversight and technical assistance	0	0	0	0	0	0.0
Annualize prior year legislation	0	550,000	0	0	(550,000)	0.0
Annualize prior year budget actions	(9,308,679)	(9,265,258)	(48,931)	368	5,142	(2.0)
Tobacco Master Settlement Agreement adjustment	(101,955)	0	(101,955)	0	0	0.0
<b>SB 17-254</b>	<b>\$485,420,078</b>	<b>\$264,108,558</b>	<b>\$97,267,394</b>	<b>\$17,023,314</b>	<b>\$107,020,812</b>	<b>92.8</b>
HB 17-1292	300,000	300,000	0	0	0	0.0
<b>TOTAL</b>	<b>\$485,720,078</b>	<b>\$264,408,558</b>	<b>\$97,267,394</b>	<b>\$17,023,314</b>	<b>\$107,020,812</b>	<b>92.8</b>
<b>INCREASE/(DECREASE)</b>	<b>\$12,350,392</b>	<b>\$3,638,845</b>	<b>\$2,737,310</b>	<b>\$682,972</b>	<b>\$5,291,265</b>	<b>(2.0)</b>
Percentage Change	2.6%	1.4%	2.9%	4.2%	5.2%	(2.1%)

## FY 2017-18 APPROPRIATION HIGHLIGHTS

**PROVIDER RATE ADJUSTMENT:** The appropriation includes an increase of \$5,886,931 total funds, including \$3,421,642 General Fund, for an across-the-board increase for community providers of approximately 1.4 percent.

**LONG BILL INDIRECT COST PLAN:** The appropriation includes adjustments to implement an indirect cost plan in the Department's Long Bill appropriation. The increase is due to the restructuring of funds appropriated as indirect cost assessments and reappropriated into the Executive Director's Office, Office of Information Technology Services, or Office of Operations. Specifically, in the Division of Child Welfare, the increase in total funds is due to capturing indirect cost recoveries that were previously omitted from the Department's annual appropriation.

**CHILD WELFARE INDIRECT COST MITIGATION:** The appropriation includes an increase of \$4,955,836 General Fund to mitigate the impact of the indirect cost assessment applied to line items in the Division of Child Welfare that fund county block allocations.

**COUNTY CHILD WELFARE STAFFING, PHASE III:** The appropriation includes an increase of \$4,087,561 total funds, including \$3,676,625 General Fund, to increase county level child welfare staffing in response to the Child Welfare Workload Study performed by the Office of the State Auditor in 2014.

**TONY GRAMPSAS YOUTH SERVICES PROGRAM FUNDING:** The appropriation includes an increase of \$1,000,000 cash funds from the Marijuana Tax Cash Fund to increase funds available for grants to eligible organizations that provide youth prevention, intervention, and mentoring programs.

**CHILD WELFARE OVERSIGHT AND TECHNICAL ASSISTANCE:** The appropriation includes a net zero transfer of \$492,144 total funds, including \$408,480 General Fund, and 6.0 FTE from the Administration line item to the Continuous Quality Improvement line item in the Division of Child Welfare.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments related to prior year legislation, including S.B. 16-190 (Improve County Administration public assistance).

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second- and third-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Salary survey	\$25,699	\$19,120	\$1,069	\$368	\$5,142	0.0
Realignment of OEC programs	(8,442,653)	(8,442,653)	0	0	0	(2.0)
County child welfare staff phase II	(500,000)	(450,000)	(50,000)	0	0	0.0
Child welfare public awareness campaign	(391,725)	(391,725)	0	0	0	0.0
<b>TOTAL</b>	<b>(\$9,308,679)</b>	<b>(\$9,265,258)</b>	<b>(\$48,931)</b>	<b>\$368</b>	<b>\$5,142</b>	<b>(2.0)</b>

**TOBACCO MASTER SETTLEMENT AGREEMENT ADJUSTMENT:** The appropriation includes a decrease of \$101,955 cash funds for programs receiving Tobacco Master Settlement Agreement funds, including the Tony Grampsas Youth Services Program, based on projected tobacco settlement receipts and statutory allocation formulas.

**ADDITIONAL LEGISLATION:** For information on additional legislation, see the "Recent Legislation" section at the end of this department.

## OFFICE OF EARLY CHILDHOOD

The Office of Early Childhood (OEC) was created pursuant to H.B. 13-1117 to align child development programs that address early learning, child health, child mental health, and family support and parent education. The office is comprised of two divisions – the Division of Early Care and Learning and the Division of Community and Family Supports.

The Division of Early Care and Learning includes funding associated with the state supervision and county administration of the Colorado Child Care Assistance Program (CCCAP). Through CCCAP, counties provide child care subsidies to low income families and families transitioning from the Colorado Works Program. This division is also responsible for licensing and monitoring child care facilities and for administering various early childhood grant programs. Cash fund sources reflect local funds as well as fees and fines paid by child care facilities. The primary federal funds source is Child Care Development Funds.

The Division of Community and Family Supports includes funding for various early childhood family support programs such as the Early Intervention Services, Early Childhood Mental Health Services, Nurse Home Visitor Program, and Tony Grampas Youth Services Program. Cash fund sources include local funds, the Early Intervention Services Trust Fund, the Colorado Children's Trust Fund, and the Nurse Home Visitor Program Fund. Federal funds are primarily Child Care Development Funds and funds received pursuant to Part C of the federal Individuals with Disabilities Education Improvement Act.

OFFICE OF EARLY CHILDHOOD						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$195,006,646	\$61,160,972	\$42,979,316	\$6,563,353	\$84,303,005	78.3
HB 16-1408	6,743,164	0	6,743,164	0	0	0.0
SB 17-163	1,255,757	524,482	0	0	731,275	0.0
<b>TOTAL</b>	<b>\$203,005,567</b>	<b>\$61,685,454</b>	<b>\$49,722,480</b>	<b>\$6,563,353</b>	<b>\$85,034,280</b>	<b>78.3</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$203,005,567	\$61,685,454	\$49,722,480	\$6,563,353	\$85,034,280	78.3
Annualize prior year budget actions	8,697,753	7,926,032	3,227	0	768,494	9.5
Long Bill indirect cost plan	5,100,127	0	2,252,702	40,923	2,806,502	0.0
Mitigation of CCCAP Waitlists	2,471,482	524,482	0	0	1,947,000	0.0
Provider rate adjustment	2,159,294	741,567	312,338	92,006	1,013,383	0.0
Optimization of early childhood alignment	501,874	0	0	0	501,874	1.0
Healthy steps for young children	421,360	421,360	0	0	0	0.0
Colorado Child Care Assistance Program realignment	0	0	0	0	0	0.0
Tobacco Master Settlement Agreement adjustment	(1,921,132)	0	(1,921,132)	0	0	0.0
<b>SB 17-254</b>	<b>\$220,436,325</b>	<b>\$71,298,895</b>	<b>\$50,369,615</b>	<b>\$6,696,282</b>	<b>\$92,071,533</b>	<b>88.8</b>
<b>TOTAL</b>	<b>\$220,436,325</b>	<b>\$71,298,895</b>	<b>\$50,369,615</b>	<b>\$6,696,282</b>	<b>\$92,071,533</b>	<b>88.8</b>
INCREASE/(DECREASE)						
Percentage Change	8.6%	15.6%	1.3%	2.0%	8.3%	13.4%



## FY 2016-17 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 17-163 modifies FY 2016-17 appropriations to:

- Add \$2,471,482 total funds, including \$524,482 General Fund and \$1,947,000 federal Child Care Development Funds, to mitigate county waitlists in the Colorado Child Care Assistance Program; and
- Reduce \$1,215,725 federal Child Care Development Funds (CCDF), including \$877,525 from the Colorado Child Care Assistance Program line item and \$338,200 from the Micro Loans to Increase Access to Child Care line item. It eliminates roll-forward authority for \$455,000 federal CCDF appropriated to the Child Care Automated Tracking System (CHATS) Enhancements Capital IT line item through H.B. 14-1317.

## FY 2017-18 APPROPRIATION HIGHLIGHTS

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second- and third-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Realignment of OEC programs	\$8,442,653	\$8,442,653	\$0	\$0	\$0	2.0
Continuation of child care quality initiatives	1,431,257	0	0	0	1,431,257	7.3
Supplemental bill	1,215,725	0	0	0	1,215,725	0.0
Annual child care licensing visits	62,003	0	0	0	62,003	0.2
Prior year salary survey	17,597	7,861	3,227	0	6,509	0.0
FY 16-17 S1 Mitigation of CCCAP Waitlists	(2,471,482)	(524,482)	0	0	(1,947,000)	0.0
<b>TOTAL</b>	<b>\$8,697,753</b>	<b>\$7,926,032</b>	<b>\$3,227</b>	<b>\$0</b>	<b>\$768,494</b>	<b>9.5</b>

**LONG BILL INDIRECT COST PLAN:** The appropriation includes adjustments to implement an indirect cost plan in the Department's Long Bill appropriation. The increase is due to the restructuring of funds appropriated as indirect cost assessments and reappropriated into the Executive Director's Office, Office of Information Technology Services, or Office of Operations. Specifically, in the Office of Early Childhood, the increase in total funds is due to capturing indirect cost recoveries that were previously omitted from the Department's annual appropriation.

**MITIGATION OF CCCAP WAITLISTS:** The appropriation includes an increase of \$2,471,482 total funds, including \$524,482 General Fund, to mitigate county waitlists in the Colorado Child Care Assistance Program (CCCAP).

**PROVIDER RATE ADJUSTMENT:** The appropriation includes an increase of \$2,159,294 total funds, including \$741,567 General Fund, for an across-the-board increase for community providers of approximately 1.4 percent.

**OPTIMIZATION OF EARLY CHILDHOOD ALIGNMENT:** The appropriation includes an increase of \$501,874 federal Child Care Development Funds and 1.0 FTE to align early care and learning programs.

**HEALTHY STEPS FOR YOUNG CHILDREN:** The appropriation includes \$421,360 General Fund to serve families in seven high-need communities through the evidence-based Healthy Steps program.

**COLORADO CHILD CARE ASSISTANCE PROGRAM REALIGNMENT:** The appropriation includes a net zero transfer of \$1,200,000 federal Child Care Development Funds from the Colorado Child Care Assistance Program line item to the Child Care Assistance Program Support line item in the Office of Early Childhood.

**TOBACCO MASTER SETTLEMENT AGREEMENT ADJUSTMENT:** The appropriation includes a decrease of \$1,921,132 cash funds for programs receiving Tobacco Master Settlement Agreement funds, including the Nurse Home Visitors Program, based on projected tobacco settlement receipts and statutory allocation formulas.

## OFFICE OF SELF SUFFICIENCY

This section includes appropriations for various public assistance programs, including Colorado Works, the Low-income Energy Assistance Program (LEAP), child support enforcement, and disability determination programs, among others. The majority of funding for this Office comes from the federal Temporary Assistance for Needy Families Block Grant.

OFFICE OF SELF SUFFICIENCY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$258,159,626	\$8,821,716	\$30,332,822	\$25,779	\$218,979,309	247.7
HB 16-1290	1,151,628	1,151,628	0	0	0	1.0
<b>TOTAL</b>	<b>\$259,311,254</b>	<b>\$9,973,344</b>	<b>\$30,332,822</b>	<b>\$25,779</b>	<b>\$218,979,309</b>	<b>248.7</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$259,311,254	\$9,973,344	\$30,332,822	\$25,779	\$218,979,309	248.7
Long Bill indirect cost plan	14,572,580	0	75,537	64,793	14,432,250	0.0
Annualize prior year legislation	257,486	953,641	0	0	(696,155)	0.0
Annualize prior year budget actions	888	(5,051)	691	0	5,248	0.0
Employment-focused programs reduction	(2,000,000)	0	0	0	(2,000,000)	0.0
<b>SB 17-254</b>	<b>\$272,142,208</b>	<b>\$10,921,934</b>	<b>\$30,409,050</b>	<b>\$90,572</b>	<b>\$230,720,652</b>	<b>248.7</b>
SB 17-292	4,000,000	0	0	0	4,000,000	0.0
<b>TOTAL</b>	<b>\$276,142,208</b>	<b>\$10,921,934</b>	<b>\$30,409,050</b>	<b>\$90,572</b>	<b>\$234,720,652</b>	<b>248.7</b>
<b>INCREASE/(DECREASE)</b>	<b>\$16,830,954</b>	<b>\$948,590</b>	<b>\$76,228</b>	<b>\$64,793</b>	<b>\$15,741,343</b>	<b>0.0</b>
Percentage Change	6.5%	9.5%	0.3%	251.3%	7.2%	0.0%

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**LONG BILL INDIRECT COST PLAN:** The appropriation includes adjustments to implement an indirect cost plan in the Department's Long Bill section. The increase is due to the restructuring of funds appropriated as indirect cost assessments and reappropriated into the Executive Director's Office, Office of Information Technology Services, or Office of Operations. Specifically, for the Office of Self Sufficiency, the increase in total funds is due to capturing indirect cost recoveries that were previously omitted from the Department's annual appropriation.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments for the second- and third-year impact of prior year legislation.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 16-1290 (Extend Transitional Jobs Program)	\$1,144,653	\$1,144,653	\$0	\$0	\$0	1.0
SB 15-012 (Colorado Works Pass-through Child Support Payment)	311,035	1,007,190	0	0	(696,155)	0.0
HB 14-1015 (Extend Transitional Jobs Program)	(1,198,202)	(1,198,202)	0	0	0	(1.0)
<b>TOTAL</b>	<b>\$257,486</b>	<b>\$953,641</b>	<b>0</b>	<b>0</b>	<b>(\$696,155)</b>	<b>0.0</b>

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second- and third-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Prior year salary survey	\$14,998	\$2,004	\$691	\$0	\$12,303	0.0
SNAP administration increase	(14,110)	(7,055)	0	0	(7,055)	0.0
<b>TOTAL</b>	<b>\$888</b>	<b>(\$5,051)</b>	<b>\$691</b>	<b>\$0</b>	<b>\$5,248</b>	<b>0.0</b>

**EMPLOYMENT-FOCUSED PROGRAMS REDUCTION:** The appropriation includes a decrease of \$2,000,000 federal funds from the State's Temporary Assistance for Needy Families (TANF) reserve. The intent of this funding is to provide additional money for counties to implement experimental employment-focused tools and programs. However, S.B. 17-292 (CO Works Employment Opportunities With Wages) appropriates \$4,000,000 federal funds from the State's TANF reserve to create a subsidized employment program, and funding for experimental employment-focused tools and programs in the Long Bill is discontinued.

**ADDITIONAL LEGISLATION:** For information on additional legislation, see the "Recent Legislation" section at the end of this department.

## BEHAVIORAL HEALTH SERVICES

This section provides funding for community-based mental health and substance use disorder treatment and prevention services that are otherwise not accessible. This includes services for people with low income who are not eligible for Medicaid, as well as services for Medicaid-eligible clients if such services are not covered by the Medicaid program. Funding in this section also supports administration and operation of the State's two mental health institutes, which provide comprehensive psychiatric, psychological, rehabilitation, and therapeutic care for individuals with serious mental illness. The institutes serve three populations: (a) individuals with pending criminal charges who require evaluations of competency to stand trial and services to restore competency; (b) individuals who have been found to be not guilty by reason of insanity; and (c) adults and adolescents who are referred for admission by the community mental health centers, county departments of social services, or the Division of Youth Corrections.

Significant sources of cash funding include: the Marijuana Tax Cash Fund, patient revenues earned by the mental health institutes, and the Persistent Drunk Driver Cash Fund. Significant sources of reappropriated funds include: Medicaid funds transferred from the Department of Health Care Policy and Financing, Correctional Treatment Cash Fund money transferred from the Judicial Department, and General Fund transferred from the Department of Corrections. Finally, federal funds primarily include the Substance Abuse Prevention and Treatment Block Grant and the Mental Health Services Block Grant.

OFFICE OF BEHAVIORAL HEALTH						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$259,658,773	\$189,322,150	\$16,063,002	\$19,051,329	\$35,222,292	1,290.4
SB 16-019	25,625	25,625	0	0	0	0.4
SB 16-202	6,000,000	0	6,000,000	0	0	1.0
HB 16-1408	0	0	0	0	0	0.0
HB 16-1410	100,932	468,932	0	(368,000)	0	1.8
SB 17-163	(679,282)	(695,296)	(144,188)	160,202	0	0.0
<b>TOTAL</b>	<b>\$265,106,048</b>	<b>\$189,121,411</b>	<b>\$21,918,814</b>	<b>\$18,843,531</b>	<b>\$35,222,292</b>	<b>1,293.6</b>

OFFICE OF BEHAVIORAL HEALTH						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$265,106,048	\$189,121,411	\$21,918,814	\$18,843,531	\$35,222,292	1,293.6
Implementation of SB 16-202	6,000,000	0	6,000,000	0	0	0.0
Long Bill indirect cost plan	5,915,299	0	3,075,650	2,477,475	362,174	0.0
Informational funds adjustment	5,379,941	0	0	0	5,379,941	7.0
Diversion from the criminal justice system	2,557,942	0	2,557,942	0	0	1.3
Community mental health center services	2,439,030	0	2,439,030	0	0	0.0
Provider rate adjustment	1,812,576	1,503,291	191,606	117,679	0	0.0
MHI security enhancements	580,507	580,507	0	0	0	0.0
MHI substance use disorder treatment	556,986	0	556,986	0	0	8.0
Crisis services system enhancements	400,000	400,000	0	0	0	0.0
MHI capital outlay	350,377	350,377	0	0	0	0.0
MHI program relocation	343,157	343,157	0	0	0	4.3
Annualize prior year legislation	312,389	15,717	296,672	0	0	0.6
Centrally appropriated line items	135,493	0	135,493	0	0	0.0
Native American behavioral health services assistance	67,090	67,090	0	0	0	0.9
DOC food inflation	42,650	0	0	42,650	0	0.0
Office of Behavioral Health reorganization	0	0	0	0	0	0.0
Correctional Treatment Cash Fund allocation	0	0	0	0	0	0.0
Annualize prior year budget actions	(704,125)	(715,850)	3,081	2,296	6,348	0.1
MHI contract medical services adjustment	(557,674)	(557,674)	0	0	0	0.0
Fund source adjustment	(132,840)	(521,213)	388,373	0	0	0.0
<b>SB 17-254</b>	<b>\$290,604,846</b>	<b>\$190,586,813</b>	<b>\$37,563,647</b>	<b>\$21,483,631</b>	<b>\$40,970,755</b>	<b>1,315.8</b>
SB 17-012	18,000	0	18,000	0	0	0.0
SB 17-019	26,000	26,000	0	0	0	0.0
SB 17-207	7,086,280	0	7,086,280	0	0	0.9
<b>TOTAL</b>	<b>\$297,735,126</b>	<b>\$190,612,813</b>	<b>\$44,667,927</b>	<b>\$21,483,631</b>	<b>\$40,970,755</b>	<b>1,316.7</b>
<b>INCREASE/(DECREASE)</b>	<b>\$32,629,078</b>	<b>\$1,491,402</b>	<b>\$22,749,113</b>	<b>\$2,640,100</b>	<b>\$5,748,463</b>	<b>23.1</b>
Percentage Change	12.3%	0.8%	103.8%	14.0%	16.3%	1.8%

## FY 2016-17 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 17-163 modifies FY 2016-17 appropriations to:

- Add \$145,725 General Fund to make physical improvements to address security risks in the adolescent behavioral treatment unit at the Colorado Mental Health Institute at Pueblo (CMHIP);
- Adjust appropriations for the mental health institutes to reflect updated estimates of revenues earned, including a reduction of \$141,021 General Fund, a reduction of \$19,181 cash funds, and an increase of \$160,202 reappropriated funds;
- Reduce General Fund appropriations for behavioral health service contracts by \$700,000, including: (a) a \$900,000 reduction in the appropriation for intensive behavioral health services and supports for individuals with serious mental illness who transition from a mental health institute back to the community based on projections that expenditures will fall short of the appropriation; and (b) an increase of \$200,000 for the behavioral health crisis response system telephone hotline/warmline to address increases in the number and duration of calls; and
- Make technical corrections to the appropriation clause in H.B. 16-1408, resulting in a net reduction of \$125,007 cash funds.

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**IMPLEMENTATION OF S.B. 16-202:** The appropriation adds \$6,000,000 cash funds from the Marijuana Tax Cash Fund to expand funding available to managed service organizations to implement local community action plans to increase access to effective substance use disorder services. These community action plans were submitted March 1, 2017 as required by S.B. 16-202 and are available on the Colorado Behavioral Healthcare Council website at: <https://www.cbhc.org/substance-use-disorder-community-assessment-sb-16-202-report/>.

**LONG BILL INDIRECT COST PLAN:** The appropriation includes adjustments to implement an indirect cost plan in the Department's Long Bill appropriation. The increase is due to the restructuring of funds appropriated as indirect cost assessments and reappropriated into the Executive Director's Office, Office of Information Technology Services, or Office of Operations.

**INFORMATIONAL FUNDS ADJUSTMENT:** The appropriation includes an increase of \$5,379,941 federal funds and 7.0 FTE to more accurately reflect anticipated expenditures by the Office of Behavioral Health.

**DIVERSION FROM THE CRIMINAL JUSTICE SYSTEM:** The appropriation includes \$2,557,942 cash funds from the Marijuana Tax Cash Fund and 1.3 FTE to support four local Law Enforcement Assisted Diversion ("LEAD") pilot programs to divert individuals with substance use disorders from the criminal justice system. This funding implements one of the recommendations from the Colorado Commission on Criminal and Juvenile Justice (CCJJ) to strengthen the Behavioral Health Crisis Response System and support partnerships between law enforcement agencies and behavioral health agencies.

**COMMUNITY MENTAL HEALTH CENTER SERVICES:** The appropriation includes an increase of \$2,439,030 cash funds from the Marijuana Tax Cash Fund for community mental health centers to provide services for juvenile and adult offenders who have mental health problems. This increase restores to FY 2009-10 levels the amounts allocated to 11 community mental health centers, and adds funding for the remaining six rural centers.

**PROVIDER RATE ADJUSTMENT:** The appropriation includes an increase of \$1,812,576 total funds, including \$1,503,291 General Fund, for an across-the-board increase for community providers of approximately 1.4 percent.

**MHI SECURITY ENHANCEMENTS:** The appropriation includes \$580,507 General Fund for security enhancements at both mental health institutes (MHIs), including: \$372,867 for security cameras; \$117,160 for security staff training, weapons, and gear; and \$90,480 for physical modifications to certain entrances and a nurses' station.

**MHI SUBSTANCE USE DISORDER TREATMENT:** The appropriation includes \$556,986 cash funds from the Marijuana Tax Cash Fund to add 8.0 FTE certified addiction counselors to expand substance use disorder treatment at both mental health institutes (MHIs).

**CRISIS SERVICES SYSTEM ENHANCEMENTS:** The appropriation adds \$400,000 General Fund for the behavioral health crisis response system telephone hotline to address increases in the number and duration of contacts.

**MHI CAPITAL OUTLAY:** The appropriation includes \$350,377 General Fund to implement a standardized equipment replacement and minor renovation plan at both mental health institutes (MHIs).

**MHI PROGRAM RELOCATION:** The appropriation includes an increase of \$343,157 General Fund and 4.3 FTE to allow the Department to implement a plan that involves relocating two existing programs at the mental health institute (MHI) in Pueblo. The plan will:

- Address significant safety risks that exist in the 20-bed adolescent program, thereby increasing the MHI's ability to utilize existing capacity and serve more adolescents;
- Improve the therapeutic environment for adolescents and for the adults who are served through the Circle Program, a program that serves adults with co-occurring mental health and substance use disorders;
- Add 20 beds to serve long-term patients who are preparing to re-enter the community; and
- Free up 20 existing adult beds in various existing units in early 2018, allowing the MHI to serve an additional 20 adults in need of inpatient psychiatric care.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments related to prior year legislation.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 16-202 (Increasing access to effective SUD services)	\$171,665	\$0	\$171,665	\$0	\$0	0.0
Technical changes related to HB 16-1408 (Cash Fund Allocations for Health-related Programs)	125,007	0	125,007	0	0	0.0
SB 16-019 (Videotape mental condition evaluations)	13,924	13,924	0	0	0	0.4
HB 16-1410 (Competency evaluation location)	1,793	1,793	0	0	0	0.2
<b>TOTAL</b>	<b>\$312,389</b>	<b>\$15,717</b>	<b>\$296,672</b>	<b>\$0</b>	<b>\$0</b>	<b>0.6</b>

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to the following centrally appropriated line items:

CENTRALLY APPROPRIATED LINE ITEMS					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
Health, life, and dental adjustment	\$61,074	\$0	\$61,074	\$0	\$0
Salary survey	26,972	0	26,972	0	0
Supplemental amortization equalization disbursement	22,364	0	22,364	0	0
Amortization equalization disbursement	21,826	0	21,826	0	0
Merit pay	13,765	0	13,765	0	0
Short-term disability	768	0	768	0	0
Shift differential	(11,276)	0	(11,276)	0	0
<b>TOTAL</b>	<b>\$135,493</b>	<b>\$0</b>	<b>\$135,493</b>	<b>\$0</b>	<b>\$0</b>

**NATIVE AMERICAN BEHAVIORAL HEALTH SERVICES ASSISTANCE:** The appropriation includes an increase of \$67,090 General Fund and 0.9 FTE for the Office of Behavioral Health to provide training and technical assistance to behavioral health providers in delivering culturally responsive treatment to American Indian and Alaskan Native people seeking care throughout the state.

**DOC FOOD INFLATION:** The appropriation includes an increase of \$42,650 reappropriated funds transferred from the Department of Corrections (DOC) to the Department of Human Services to cover the increased costs of providing food to DOC inmates prepared by the Colorado Mental Health Institute at Pueblo.

**OFFICE OF BEHAVIORAL HEALTH REORGANIZATION:** The appropriation includes a number of changes within the Office of Behavioral Health section of the Long Bill that result in a net zero impact. The changes include the consolidation of several line items and modifications to the titles of some subsections and line items.

**CORRECTIONAL TREATMENT CASH FUND ALLOCATION:** The appropriation reflects three allocation changes recommended by the Correctional Treatment Board that result in a net zero fiscal impact:

- A decrease of \$200,000 for Treatment and Detoxification Programs;
- An increase of \$100,000 for the Short-term Intensive Residential Remediation and Treatment (STIRRT) program; and
- An increase of \$100,000 for Jail-based Behavioral Health Services.

These funds are transferred from the Judicial Department and are thus reflected as reappropriated funds in this department.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second- and third-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Prior year salary survey	\$207,874	\$196,149	\$3,081	\$2,296	\$6,348	0.0
FY 16-17 Court-ordered competency evaluations and restoration treatment	4,726	4,726	0	0	0	0.1
FY 16-17 MHI electronic health record system	(771,000)	(771,000)	0	0	0	0.0
Reverse supplemental (one-time funding)	(145,725)	(145,725)	0	0	0	0.0
<b>TOTAL</b>	<b>(\$704,125)</b>	<b>(\$715,850)</b>	<b>\$3,081</b>	<b>\$2,296</b>	<b>\$6,348</b>	<b>0.1</b>

**MHI CONTRACT MEDICAL SERVICES ADJUSTMENT:** The appropriation includes a decrease of \$557,674 General Fund for the mental health institutes' (MHIs') purchase of outside medical services for patients based on recent expenditures.

**FUND SOURCE ADJUSTMENT:** The appropriation includes two fund source adjustments: (1) the elimination of a \$521,213 General Fund appropriation for a line item that supports behavioral health services for adolescents and adults who have co-occurring mental health and substance use disorders, offset by an equal increase in the cash funds appropriation from the Marijuana Tax Cash Fund; and (2) reductions totaling \$132,840 from two substance use-related cash funds based on available revenues.

**ADDITIONAL LEGISLATION:** For information on additional legislation, see the "Recent Legislation" section at the end of this department.

## SERVICES FOR PEOPLE WITH DISABILITIES

This division includes funding for Regional Centers for People with Developmental Disabilities, the Work Therapy Program, the Colorado Brain Injury Program, and the Veterans Community Living Centers.

### REGIONAL CENTERS FOR PEOPLE WITH DEVELOPMENTAL DISABILITIES

Regional Centers are state operated facilities for individuals with intellectual and developmental disabilities. Regional Centers provide residential services, medical care, and active treatment programs based on individual assessments and habilitation plans. Services are provided in one of two settings: large congregate residential settings on the Regional Center campus, or group homes which serve four to eight individuals in a community setting. The campuses are licensed as Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IID). With the exception of the group homes in Wheat Ridge, which are licensed as ICF/IID, group homes are licensed as comprehensive developmental disability waiver homes (waiver), which is the same license used for community run group homes. Medicaid pays a daily rate based on the actual cost of services for individuals in ICF/IID beds. In community-based group homes, services are provided to individuals through the Adult Comprehensive waiver and the state is reimbursed for costs based on the individual's level of need and corresponding fee-for-service level as adjusted for actual costs of operating the group home. The array of services offered for individuals in ICF/IID beds is more extensive than services offered directly through the Medicaid waiver. Individuals served through state run waiver beds receive additional services through the State Medicaid Plan.

Only a portion of costs associated with the Regional Center are appropriated in the line items for Regional Centers. Costs associated with the physical building and campus maintenance and housekeeping, among other components of the Regional Centers, are distributed out through the centrally appropriated line items in the Office of Operations, Executive Director's Office, and the Office of Information Technology Services. Funding for the Regional Centers is primarily from Medicaid reappropriated funds and a small amount is from client cash funds.

### WORK THERAPY PROGRAM

The Work Therapy Program provides sheltered training and employment workshops for individuals receiving services at the Colorado Mental Health Institute at Fort Logan and the Regional Centers at Grand Junction and Wheat Ridge. The Work Therapy Cash Fund receives revenue from contracts with area businesses and organizations for custodial services, printing, packaging, mailing, and other types of manual processing that can be performed by program clients. Enrolled clients are paid from funds received in proportion to the work performed. Funding for the Work Therapy Program is from the Work Therapy Cash Fund.

### COLORADO BRAIN INJURY PROGRAM

The Colorado Brain Injury Program provides funding for direct services for individuals with a traumatic brain injury, research related to traumatic brain injuries, and education related to traumatic brain injuries. The funding for this subdivision is from cash funds including the Traumatic Brain Injury Trust Fund and federal funds.

### VETERANS COMMUNITY LIVING CENTERS

There are four state-owned veterans community living centers and one county run center that provide skilled nursing care primarily to honorably discharged veterans and their spouses, widows and in some instances, parents of deceased veterans. The five Centers are located throughout the state in Aurora (Fitzsimons), Florence (McCandless), Monte Vista (Homelake), Rifle, and Walsenburg. Each facility is Medicare and Medicaid certified and licensed by the Department of Public Health and Environment. Additionally, the Centers are certified by the U.S. Department of Veterans Affairs to receive federal funds in support of the care of veterans. The Veterans Community Living Centers are designated as enterprises as long as the Centers comply with the requirements of Section 26-12-110, C.R.S. The Centers offer the following services:



- Long-term care including skilled nursing care; speech, physical and occupational therapy; social activities; and assistance with bathing, dressing and other daily activities.
- Short-term rehabilitation services are provided to individuals seeking to return home following a qualifying hospital stay.
- Memory care services for individuals with dementia are available at the Fitzsimons, Florence, Rifle and Walsenburg Centers.
- Short-term respite care is available through short-term stays at the Florence, Homelake, Rifle and Walsenburg Centers.
- End-of-life/hospice services are available at all Centers.

The Long Bill appropriation for the Veterans Community Living Centers is primarily informational because the Centers are funded by the Central Fund for Veterans Community Living Centers. Pursuant to Section 26-12-108 (1)(b)(I), C.R.S., the Fund is not subject to appropriation. The federal funds appropriated in the Long Bill are informational as well.

SERVICES FOR PEOPLE WITH DISABILITIES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$113,261,021	\$986,130	\$37,192,900	\$53,235,691	\$21,846,300	1,433.6
HB 16-1112	100,000	100,000	0	0	0	0.0
SB 17-163	125,000	0	200,000	(75,000)	0	0.0
<b>TOTAL</b>	<b>\$113,486,021</b>	<b>\$1,086,130</b>	<b>\$37,392,900</b>	<b>\$53,160,691</b>	<b>\$21,846,300</b>	<b>1,433.6</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$113,486,021	\$1,086,130	\$37,392,900	\$53,160,691	\$21,846,300	1,433.6
Long Bill indirect cost plan	13,167,655	0	2,187,241	10,570,430	409,984	0.0
Pueblo Regional Center corrective action plan	100,000	0	0	100,000	0	0.0
Annualize prior year budget actions	84,106	0	0	84,106	0	0.0
Homelake veterans cemetery	59,300	59,300	0	0	0	0.0
Regional Center adjustments	(8,418,539)	0	0	(8,418,539)	0	0.0
Annualize prior year legislation	(759,500)	(100,000)	(245,000)	0	(414,500)	0.0
<b>SB 17-254</b>	<b>\$117,719,043</b>	<b>\$1,045,430</b>	<b>\$39,335,141</b>	<b>\$55,496,688</b>	<b>\$21,841,784</b>	<b>1,433.6</b>
<b>TOTAL</b>	<b>\$117,719,043</b>	<b>\$1,045,430</b>	<b>\$39,335,141</b>	<b>\$55,496,688</b>	<b>\$21,841,784</b>	<b>1,433.6</b>
<b>INCREASE/(DECREASE)</b>	<b>\$4,233,022</b>	<b>(\$40,700)</b>	<b>\$1,942,241</b>	<b>\$2,335,997</b>	<b>(\$4,516)</b>	<b>(0.0)</b>
Percentage Change	3.7%	(3.7%)	5.2%	4.4%	(0.0%)	(0.0%)

## FY 2016-17 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 17-163 modifies FY 2016-17 appropriations to:

- Add \$200,000 cash funds from the Grand Junction Regional Center Transition Cash Fund for resident engagement consultation and consulting fees for a project manager to implement S.B. 16-178 (Grand Junction Regional Center Campus). Senate Bill 16-178 required the Department to vacate the Grand Junction Regional Center Campus by July 1, 2018, or as soon as possible.
- Reduce \$75,000 reappropriated funds from the Department of Health Care Policy and Financing, to pay for a contracted auditor to review and determine appropriate rates for the Regional Centers.

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**LONG BILL INDIRECT COST PLAN:** The appropriation includes adjustments to implement an indirect cost plan in the Department's Long Bill appropriation. The increase is due to the restructuring of funds appropriated as indirect cost assessments and reappropriated into the Executive Director's Office, Office of Information Technology Services, or Office of Operations.

**PUEBLO REGIONAL CENTER CORRECTIVE ACTION PLAN:** The appropriation includes an increase of \$100,000 reappropriated funds from the Department of Health Care Policy and Financing to hire a contractor to oversee staffing changes and training related to implementation of the federally required Pueblo Regional Center corrective action plan.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Prior year salary survey	\$82,105	\$0	\$0	\$82,105	\$0	0.0
Personal needs allowance for Regional Center clients	2,001	0	0	2,001	0	0.0
<b>TOTAL</b>	<b>\$84,106</b>	<b>\$0</b>	<b>\$0</b>	<b>\$84,106</b>	<b>\$0</b>	<b>0.0</b>

**HOMELAKE VETERANS CEMETERY:** The appropriation includes an increase of \$59,300 General Fund to pay for maintenance costs of the veterans cemetery at the Homelake Veterans Community Living Center.

**REGIONAL CENTER ADJUSTMENTS:** The appropriation includes a decrease of \$8,418,539 reappropriated funds to align the spending authority for the Regional Centers with actual expenditures.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments related to prior year legislation.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 16-093 (Move Older Blind Grants to CDLE)	(\$459,500)	\$0	(\$45,000)	\$0	(\$414,500)	0.0
SB 16-178 (Grand Junction Regional Center Campus )	(200,000)	0	(200,000)	0	0	0.0
HB 16-1112 (Veterans to Train Service Dogs Pilot)	(100,000)	(100,000)	0	0	0	0.0
<b>TOTAL</b>	<b>(\$759,500)</b>	<b>(\$100,000)</b>	<b>(\$245,000)</b>	<b>\$0</b>	<b>(\$414,500)</b>	<b>0.0</b>

## ADULT ASSISTANCE PROGRAMS

This section includes funding for the Old Age Pension Program, for various adult cash assistance programs, and for community services for the elderly, including Older Americans Act programs. Cash Funds are primarily from the Old Age Pension Fund and from local funds.

ADULT ASSISTANCE PROGRAMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$197,067,982	\$50,548,742	\$126,150,052	\$1,800	\$20,367,388	29.5
SB 16-199	81,675	0	81,675	0	0	1.0
HB 16-1398	900,000	900,000	0	0	0	0.0
SB 17-163	152,183	0	152,183	0	0	0.0
SB 17-254	91,614	0	91,614	0	0	0.0
<b>TOTAL</b>	<b>\$198,293,454</b>	<b>\$51,448,742</b>	<b>\$126,475,524</b>	<b>\$1,800</b>	<b>\$20,367,388</b>	<b>30.5</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$198,293,454	\$51,448,742	\$126,475,524	\$1,800	\$20,367,388	30.5
Aging and disabilities resources for Colorado	500,000	(500,000)	0	1,000,000	0	0.0
Provider rate adjustment	251,191	172,342	50,238	0	28,611	0.0
Old Age Pension cost of living adjustment	169,514	0	169,514	0	0	0.0
Long Bill indirect cost plan	148,660	0	57,848	0	90,812	0.0
Technical changes	(1,519,482)	23,841	(1,543,323)	0	0	0.0
Annualize prior year legislation	(900,000)	(900,000)	0	0	0	0.0
Annualize prior year budget actions	(745,782)	(747,199)	1,417	0	0	0.0
<b>SB 17-254</b>	<b>\$196,197,555</b>	<b>\$49,497,726</b>	<b>\$125,211,218</b>	<b>\$1,001,800</b>	<b>\$20,486,811</b>	<b>30.5</b>
HB 17-1045	0	0	0	0	0	0.0
HB 17-1264	75,000	75,000	0	0	0	0.0
HB 17-1284	180,706	180,706	0	0	0	0.4
<b>TOTAL</b>	<b>\$196,453,261</b>	<b>\$49,753,432</b>	<b>\$125,211,218</b>	<b>\$1,001,800</b>	<b>\$20,486,811</b>	<b>30.9</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$1,840,193)</b>	<b>(\$1,695,310)</b>	<b>(\$1,264,306)</b>	<b>\$1,000,000</b>	<b>\$119,423</b>	<b>0.4</b>
Percentage Change	(0.9%)	(3.3%)	(1.0%)	55,555.6%	0.6%	1.3%

## FY 2016-17 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 17-163 modifies FY 2016-17 appropriations to provide an increase of \$152,183 cash funds from the Old Age Pension (OAP) Fund to implement a 0.3 percent cost-of-living (COLA) increase for OAP recipients.

Senate Bill 17-254 modifies FY 2016-17 appropriations to provide an increase of \$91,614 cash funds from the PACE Ombudsman Fund. The Department received funds from the NextFifty Foundation to operate the program for FY 2016-17 and FY 2017-18.

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**AGING AND DISABILITIES RESOURCES FOR COLORADO:** The appropriation includes a net increase of \$500,000 total funds, including a decrease of \$500,000 General Fund, to continue the Aging and Disability Resources for Colorado (ADRC) program with Medicaid funding.

**PROVIDER RATE ADJUSTMENT:** The appropriation includes an increase of \$251,191 total funds, including \$172,342 General Fund, for an across-the-board increase for community providers of approximately 1.4 percent.

**OLD AGE PENSION COST OF LIVING ADJUSTMENT:** The appropriation includes an increase of \$169,514 cash funds from the Old Age Pension (OAP) Fund to implement a 0.3 percent cost-of-living (COLA) increase for OAP recipients. This will increase the monthly grant standard from \$771 to \$773.

**LONG BILL INDIRECT COST PLAN:** The appropriation includes adjustments to implement an indirect cost plan in the Department's Long Bill appropriation. The increase is due to the restructuring of funds appropriated as indirect cost assessments and reappropriated into the Executive Director's Office, Office of Information Technology Services, or Office of Operations. Specifically, for Adult Assistance Programs, the increase in total funds is due to capturing indirect cost recoveries that were previously omitted from the Department's annual appropriation.

**TECHNICAL CHANGES:** The appropriation includes two technical changes:

- An increase of \$23,841 General Fund and a decrease of \$23,841 local funds for FY 2017-18 in the Adult Protective Services line item to correct a technical error contained in prior year appropriations.
- A decrease of \$1,519,482 cash funds spending authority for FY 2017-18 to make a technical correction to the State Funding for Senior Services line item. Note, this adjustment does not impact the amount of money available to the Department for senior services. It only eliminates spending authority for FY 2017-18 from a cash fund in an amount equal to funds expended in prior fiscal years from a one-time appropriation.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments for the second-year impact of prior year legislation, including H.B. 16-1398 (Implement Respite Care Task Force Recommendations).

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second- and third-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Prior year salary survey	\$4,218	\$2,801	\$1,417	\$0	\$0	0.0
Sunset of Home Care Allowance Grant Program	(750,000)	(750,000)	0	0	0	0.0
<b>TOTAL</b>	<b>(\$745,782)</b>	<b>(\$747,199)</b>	<b>\$1,417</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**ADDITIONAL LEGISLATION:** For information on additional legislation, see the "Recent Legislation" section at the end of this department.

## DIVISION OF YOUTH CORRECTIONS

The Division of Youth Corrections (DYC) is responsible for the supervision, care, and treatment of: (1) detained juveniles awaiting adjudication; (2) juveniles committed or sentenced to the Department of Human Services by courts; and (3) juveniles on parole from a facility operated or contracted for by the Division. The Division is not responsible for juveniles sentenced as adults to the Department of Corrections' Youthful Offender System. In addition to treating incarcerated and paroled juveniles, DYC administers the S.B. 91-094 grant program intended to divert juveniles from detention and commitment or to reduce their length of stay. DYC maintains institutional centers and augments this capacity with contracts for community placements, secure placements, and detention placements. The reappropriated funds amounts reflected in this section of the budget includes Medicaid funds transferred from the Department of Health Care Policy and Financing (HCPF).

DIVISION OF YOUTH CORRECTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$119,975,080	\$113,132,203	\$2,087,985	\$3,219,342	\$1,535,550	1,034.2
SB 17-163	(1,615,749)	(1,410,461)	100,000	(188,895)	(116,393)	0.0
<b>TOTAL</b>	<b>\$118,359,331</b>	<b>\$111,721,742</b>	<b>\$2,187,985</b>	<b>\$3,030,447</b>	<b>\$1,419,157</b>	<b>1,034.2</b>

DIVISION OF YOUTH CORRECTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$118,359,331	\$111,721,742	\$2,187,985	\$3,030,447	\$1,419,157	1,034.2
Youth corrections facility staffing, phase III of III	3,998,118	3,998,118	0	0	0	59.6
Youth corrections 24 hour medical coverage	1,743,882	1,743,882	0	0	0	16.1
Annualize prior year budget actions	1,314,599	1,314,599	0	0	0	32.4
Provider rate adjustment	690,241	641,896	28,036	11,359	8,950	0.0
Youth corrections detention mental health	666,632	666,632	0	0	0	0.0
Long Bill indirect cost plan	126,000	0	126,000	0	0	0.0
Youth corrections electronic health records funds transfer	0	0	0	0	0	0.0
Youth corrections caseload adjustment	(1,884,809)	(1,617,384)	0	(147,694)	(119,731)	0.0
Youth corrections reduction of client managers	(126,580)	(126,580)	0	0	0	(2.0)
<b>SB 17-254</b>	<b>\$124,887,414</b>	<b>\$118,342,905</b>	<b>\$2,342,021</b>	<b>\$2,894,112</b>	<b>\$1,308,376</b>	<b>1,140.3</b>
HB 17-1207	(160,270)	(160,270)	0	0	0	0.0
HB 17-1329	306,302	306,302	0	0	0	0.3
<b>TOTAL</b>	<b>\$125,033,446</b>	<b>\$118,488,937</b>	<b>\$2,342,021</b>	<b>\$2,894,112</b>	<b>\$1,308,376</b>	<b>1,140.6</b>
<b>INCREASE/(DECREASE)</b>	<b>\$6,674,115</b>	<b>\$6,767,195</b>	<b>\$154,036</b>	<b>(\$136,335)</b>	<b>(\$110,781)</b>	<b>106.4</b>
Percentage Change	5.6%	6.1%	7.0%	(4.5%)	(7.8%)	10.3%

## FY 2016-17 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 17-163 modifies FY 2016-17 appropriations to:

- Increase \$70,000 cash funds spending authority from payments made by the operator of facility schools at three State-owned and privately-operated youth corrections facilities. Currently, the Division of Youth Corrections does not have spending authority for these payments. The funding will be used to replace kitchen equipment throughout facilities, and offset other food costs;
- Increase \$30,000 cash funds spending authority for program monitoring from payments made by the operator of the Ridge View Youth Services Center facility. Previously, payments made by the operator to the Department for facility monitoring exceeded the spending authority provided in the Long Bill appropriation;
- Decrease \$1,683,543 total funds, including a decrease of \$1,410,461 General Fund, based on a decrease in the forecasted caseload for committed youth. This also includes an increase of \$32,206 cash funds to conduct background investigations on employees at youth corrections contract facilities to comport with the provisions of the Vulnerable Persons Act (Section 27-90-111, C.R.S.).

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**YOUTH CORRECTIONS FACILITY STAFFING, PHASE III OF III:** The appropriation includes an increase of \$3,998,118 General Fund and 59.6 FTE to add staff to State-owned and -operated youth corrections facilities in an effort to improve safety and security of staff and youth. Additionally, the appropriation includes funding for independent evaluations of Division of Youth Corrections' program practices, including hiring and training practices.

**YOUTH CORRECTIONS 24 HOUR MEDICAL COVERAGE:** The appropriation includes an increase of \$1,743,882 General Fund and 16.1 FTE to add 38 nurse and mid-level provider staff to State-owned and -operated youth corrections facilities to provide increased coverage for medical services. Additionally, the appropriation includes funding for the provision of contracted psychiatric services to detained juveniles beginning January 2018.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second- and third-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
DYC security staffing, phase II	\$1,466,964	\$1,466,964	\$0	\$0	\$0	32.4
Prior year salary survey	218,335	218,335	0	0	0	0.0
DYC trauma informed care	(245,700)	(245,700)	0	0	0	0.0
DYC special education needs assessment	(125,000)	(125,000)	0	0	0	0.0
<b>TOTAL</b>	<b>\$1,314,599</b>	<b>\$1,314,599</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>32.4</b>

**PROVIDER RATE ADJUSTMENT:** The appropriation includes an increase of \$690,241 total funds, including \$641,896 General Fund, for an across-the-board increase for community providers of approximately 1.4 percent.

**YOUTH CORRECTIONS DETENTION MENTAL HEALTH:** The appropriation includes an increase of \$666,632 General Fund to increase the availability of contract mental health services to detained juveniles at the Division of Youth Corrections' eight detention centers.

**LONG BILL INDIRECT COST PLAN:** The appropriation includes adjustments to implement an indirect cost plan in the Department's Long Bill appropriation. The increase is due to the restructuring of funds appropriated as indirect cost assessments and reappropriated into the Executive Director's Office, Office of Information Technology Services, or Office of Operations. Specifically, for the Division of Youth Corrections, the increase in total funds is due to capturing indirect cost recoveries that were previously omitted from the Department's annual appropriation.

**YOUTH CORRECTIONS ELECTRONIC HEALTH RECORDS FUNDS TRANSFER:** The appropriation includes a net zero transfer of \$140,000 General Fund from the Personal Services line item to the Operating Expenses line item in the Division of Youth Corrections' Institutions subdivision to support the costs of cloud hosting, hardware, and software licenses for the Division's new electronic health record system (EHR).

**YOUTH CORRECTIONS CASELOAD ADJUSTMENT:** The appropriation includes a decrease of \$1,884,809 total funds, including \$1,617,384 General Fund, resulting from a forecasted decline in the caseload for committed juveniles in the youth corrections' system. For FY 2017-18, the December 2016 Legislative Council Staff forecast predicts a committed youth caseload of 592.0, down from a forecasted caseload of 630.0 for FY 2016-17.

**YOUTH CORRECTIONS REDUCTION OF CLIENT MANAGERS:** The appropriation includes a decrease of \$126,580 General Fund and 2.0 FTE to eliminate two client managers in the Division of Youth Corrections due to forecasted declines in committed and paroled youth caseloads.

**ADDITIONAL LEGISLATION:** For information on additional legislation, see the "Recent Legislation" section at the end of this department.

## RECENT LEGISLATION

### 2016 SESSION BILLS

**S.B. 16-019 (VIDEOTAPE MENTAL CONDITION EVALUATIONS):** Requires audio-visual recording of court-ordered mental condition examinations for individuals charged with class 1 or 2 felonies and felony sex offenses. Appropriates \$62,831 General Fund to the Department of Human Services for FY 2016-17, and states the assumption that the Department will require an additional 0.4 FTE.

**S.B. 16-178 (GRAND JUNCTION REGIONAL CENTER CAMPUS):** Requires the Department of Human Services to vacate the Grand Junction Regional Center campus and list the campus for sale no later than July 1, 2018 if the Department can transition each person receiving services at the Grand Junction Regional Center campus to non-regional center campus residences before that date. Requires the Department no later than December 10, 2016 to:

- Submit to the Capital Development Committee a plan for the disposition of the Grand Junction Regional Center campus, including a plan to spend the proceeds of the sale; and
- Make any associated capital construction budget requests for capital construction, capital renewal, or controlled maintenance needs related to transitioning of persons receiving services at the Grand Junction Regional Center campus, based on each individual's choice for non-campus residence.

In order to formulate the plan and the budget requests, the Department must create an advisory group comprised of direct care staff currently working on the campus, families of persons receiving services at the campus, and other stakeholders.

**S.B. 16-190 (IMPROVE COUNTY ADMIN PUBLIC ASSISTANCE PROGRAMS):** Establishes performance standards for administering the Supplemental Nutrition Assistance Program (SNAP), establishes a process for distributing monetary bonuses or sanctions associated with SNAP to county departments of social services, outlines the parameters of a data collection and analysis project to capture information regarding costs and performance associated with administering public assistance programs, and requires the Colorado Department of Human Services and counties to design a continuous quality improvement program to improve the administration of public assistance programs. Appropriates \$550,000 General Fund to the Department for FY 2016-17 for data collection and analysis, as well as the design of a continuous quality improvement program to improve the administration of public assistance programs. The bill also includes a decrease of \$550,000 General Fund and an increase of \$550,000 federal funds from county Temporary Assistance for Needy Families (TANF) reserve funds for child welfare services.

**S.B. 16-195 (VETERANS CENTERS ANNUAL APPROPRIATION FROM CENTRAL FUND):** Beginning July 1, 2017, grants the Department of Human Services continuous spending authority from the Central Fund for Veterans Community Living Centers for the direct costs of the operation and administration of the Veterans Community Living Centers, and for capital construction in connection with the centers. Requires expenditures for indirect costs from the Central Fund to be subject to annual appropriation. In any fiscal year, the Department may not spend more than 5.0 percent of total expenditures on indirect costs. Requires the Department, as part of the annual budget request, to provide the Joint Budget Committee with a detailed report of the anticipated direct and indirect costs for the operation and administration of each center for the upcoming fiscal year, including amounts for personal services, operating expenses, indirect costs, centrally appropriated costs, and the number of full time equivalent employees (FTE).

**S.B. 16-199 (PROGRAM OF ALL-INCLUSIVE CARE FOR THE ELDERLY):** Establishes a Program of All-Inclusive Care for the Elderly (PACE) ombudsman office in the long-term care ombudsman office to set forth statewide policies and procedures to identify, investigate, and seek resolution of referral of complaints made by or on behalf of a PACE participant. Appropriates \$225,000 cash funds for FY 2016-17 to the Department of Health Care Policy and Financing for general professional services related to the rate-setting process for Medicaid participants in the PACE program. Additionally, appropriates \$81,675 cash funds for FY 2016-17 to the Department of Human Services for use by the state ombudsman program and states the assumption that the Department will require an additional 1.0 FTE.

**S.B. 16-202 (INCREASING ACCESS TO EFFECTIVE SUD SERVICES):** Requires each of the State's designated regional managed service organizations (MSOs) to assess the sufficiency of substance use disorder services in its geographic region, and requires each MSO to prepare a community action plan to address the most critical service gaps and submit the plan to the Department of Human Services (DHS) and the Department of Health Care Policy and Financing by March 1, 2017. Provides for an annual appropriation from the Marijuana Tax Cash Fund (MTCF) for the initial community assessments and for the ongoing implementation of resulting community action plans. Requires DHS to disburse to each MSO an annual allocation from the MTCF on July 1 each fiscal year, except that for FY 2016-17 forty percent of the allocation is disbursed upon receipt of an MSO's community action plan. Requires DHS to contract for an evaluation of the effectiveness of intensive residential treatment of substance use disorder services provided through MSOs. Appropriates \$6,000,000 cash funds from the MTCF to the DHS for FY 2016-17, and states the assumption that the DHS will require an additional 1.0 FTE.

**H.B. 16-1112 (TRAINING VETS TO TRAIN SERVICE DOGS PILOT PROGRAM):** Creates the Training Veterans to Train Their Own Service Dogs Pilot Program in the Department of Human Services to identify and train veterans to foster, train, and ultimately utilize dogs as their own service or companion animals. The Program will be operated by two nonprofit entities. Creates the Training Veterans to Train Their Own Service Dogs Pilot Program Cash Fund, which consists of General Fund appropriated or transferred to the Fund and any gifts, grants, or private donations obtained by the Department. Money in the Fund is continuously appropriated to the Department. Appropriates \$100,000 General Fund to this new cash fund for FY 2016-17.

**H.B. 16-1227 (EXEMPTIONS CHILD SUPPORT REQUIREMENTS CHILD CARE ASSISTANCE PROGRAM (CCCAP)):** Exempts an applicant who is a teen parent, as defined by rule of the state board, from child support cooperation requirements as a condition of receiving child care assistance. Exempts an applicant who is a victim of domestic violence, a sexual offense, harassment, or stalking from child support cooperation requirements or from establishing good cause for not cooperating as a condition of receiving child care assistance. Sets forth the requirements that a victim of domestic violence, a sexual offense, harassment, or stalking must establish evidence to qualify for this exception. Requires the state board to revise its rules on CCCAP to implement the exceptions from child support cooperation for teen parents and victims of domestic violence, sexual offense, harassment, or stalking. Appropriates \$268,562 federal Child Care Development Funds to the Department for FY 2016-17.

**H.B. 16-1290 (EXTEND TRANSITIONAL JOBS PROGRAM):** Extends the Transitional Jobs Program (known as ReHire Colorado) through June 30, 2019, except that the Department shall offer no new transitional jobs after December 31, 2018. Appropriates \$1,151,628 General Fund for FY 2016-17 and 1.0 FTE to the Department to continue the program.

**H.B. 16-1328 (USE OF RESTRAINT AND SECLUSION ON INDIVIDUALS):** Directs the Department on the use of seclusion in youth corrections facilities. Requires the Department to maintain prescribed documentation each time a youth is placed in seclusion as a result of an emergency. Appropriates \$4,900 General Fund to the Department for FY 2016-17 for the purchase of legal services from the Department of Law.



**H.B. 16-1398 (IMPLEMENT RESPITE CARE TASK FORCE RECOMMENDATIONS):** Requires the Department to use a competitive request-for-proposal (RFP) process to select a contractor to implement the recommendations of the Respite Care Task Force. Appropriates \$900,000 General Fund for FY 2016-17 to implement the Task Force recommendations. Any money from this appropriation that is not expended prior to July 1, 2017 is further appropriated to the Department for the same purpose.

**H.B. 16-1405 (LONG BILL):** General appropriations act for FY 2016-17. Includes provisions modifying appropriations to the Department of Human Services for FY 2014-15 and FY 2015-16.

**H.B. 16-1408 (CASH FUND ALLOCATIONS FOR HEALTH-RELATED PROGRAMS):** Establishes a new formula for the allocation of the annual payment received by the state as part of the Tobacco Master Settlement Agreement (Tobacco MSA). The new formula allocates all Tobacco MSA revenue by percentage shares, rather than the hybrid structure of fixed dollar amounts and capped percentage shares in multiple tiers. The formula increases annual allocations to most programs receiving funding under the current distribution, while eliminating dedicated funding for the three purposes in this department:

- Offender Mental Health Services Program;
- Alcohol and Drug Abuse Prevention Program; and
- Children's' Mental Health Treatment Program.

For all of these purposes listed, the bill makes FY 2016-17 appropriations from the Marijuana Tax Cash Fund in the amounts that the programs are expected to receive under the current law allocation formula. Makes the following appropriation changes in this department related to funds from the Tobacco Master Settlement revenues and Marijuana Tax Cash Fund dollars.

SUMMARY OF TOBACCO MASTER SETTLEMENT AGREEMENT DISTRIBUTION FORMULA APPROPRIATION CHANGES				
SECTION	PROGRAM	GENERAL FUND	TOBACCO MASTER SETTLEMENT CASH FUNDS	MARIJUANA TAX CASH FUND
28	Mental Health Services for Juvenile and Adult Offenders	\$0	(\$3,025,192)	\$3,025,192
28	Mental Health Services for Youth (H.B. 99-1116)	0	(300,000)	300,000
28	Community Prevention Treatment - Alcohol and Drug Abuse	0	(756,298)	756,298
30	Tony Gramscas Youth Services	0	(2,626,328)	2,626,328
33	Nurse Home Visitor Program	0	6,743,164	0
<b>TOTAL</b>		<b>\$0</b>	<b>\$35,346</b>	<b>\$6,707,818</b>

For additional information, see the "Recent Legislation" section at the end of the Department of Public Health and Environment.

**H.B. 16-1410 (COMPETENCY EVALUATION LOCATION):** Limits the court's discretion to order that a competency evaluation be conducted at the Colorado Mental Health Institute at Pueblo (CMHIP) by specifying that the evaluation must be done on an outpatient basis or at the place where the defendant is in custody unless: (a) the court makes certain specified findings; (b) the court receives a recommendation from the CMHIP court services evaluator that conducting the evaluation at CMHIP is appropriate; or (c) the court receives written approval from the Department of Human Services (DHS). Prohibits the court from considering the need for the defendant to receive a competency evaluation when setting bond. If a defendant needs to return to the county jail after CMHIP has completed a competency evaluation, directs a county sheriff to make all reasonable efforts to take custody of the defendant as soon as practicable. Appropriates \$107,076 General Fund to DHS for FY 2016-17 for CMHIP to hire two secure transport staff (1.8 FTE for FY 2016-17) to facilitate the transportation of defendants between jails, CMHIP, and the restoration program located in the Arapahoe County Detention Center.

Repeals a provision that requires CMHIP to bill the court for the cost of defendants for whom the court has ordered an inpatient competency evaluation. Shifts a \$368,000 General Fund appropriation to the Judicial Department for FY 2016-17 to the DHS, and eliminates an appropriation of \$368,000 reappropriated funds for FY 2016-17 that authorizes DHS to receive and spend money received from the Judicial Department.

**H.B. 16-1414 (FUNDING FOR TELECOM RELAY SERVICES):** Expands the application of monthly surcharge for telecom relay services to mobile wireless and Voice-over-Internet Protocol subscribers. Appropriates \$172,778 cash funds from the renamed Colorado Telephone Users with Disabilities Fund to the Department of Regulatory Agencies for FY 2016-17. Reappropriates \$172,778 to the Department of Human Services and 2.0 FTE for the Commission for the Deaf and Hard of Hearing to provide deaf-blind services. For additional information, see the "Recent Legislation" section at the end of the Department of Regulatory Agencies.

## 2017 SESSION BILLS

**S.B. 17-012 (COMPETENCY RESTORATION SERVICES AND EDUCATION):** Establishes the Department of Human Services' Office of Behavioral Health (OBH) as the agency responsible for the oversight of competency restoration education and coordination of services for both juveniles and adults. Requires OBH to develop standardized juvenile and adult curricula for the educational component of competency restoration services by December 1, 2017, and establishes several other duties and responsibilities for OBH beginning July 1, 2018. For defendants on bond or summons, directs the court to consider whether restoration to competency should occur on an outpatient and out-of-custody basis. For juveniles in custody, requires the court to review the case at least every 30 (rather than 90) days. Appropriates \$18,000 cash funds from the Marijuana Tax Cash Fund to OBH for FY 2017-18 for the development of competency restoration education curricula.

**S.B. 17-019 (BEHAVIORAL HEALTH MEDICATION FOR PERSONS IN THE CRIMINAL JUSTICE SYSTEM):** Beginning December 1, 2017, requires the Department of Human Services (DHS), in consultation with the Department of Corrections (DOC), to promulgate rules that require providers under each department's authority and allow public hospitals and licensed private hospitals to use an agreed upon medication formulary. To ensure medication consistency for persons with mental health disorders in the criminal and juvenile justice systems, requires DHS' Division of Youth Corrections, DOC, counties, community mental health centers, and other providers to share patient-specific mental health care and treatment information. Establishes, beginning July 1, 2018, several other duties and responsibilities for DHS' Office of Behavioral Health (OBH) related to the medication formulary, cooperative purchasing of medication, and the sharing of patient information. Appropriates \$26,000 General Fund to OBH for FY 2017-18 for development of a medication formulary.

**S.B. 17-021 (ASSISTANCE TO PERSONS WITH MENTAL ILLNESS IN THE CRIMINAL JUSTICE SYSTEM):** Establishes a housing program for persons with a behavioral or mental health disorder transitioning from the Department of Corrections, the Department of Human Services' Division of Youth Corrections, or county jail. Authorizes the appropriation of money in the Marijuana Tax Cash Fund for housing, rental assistance, and supportive services as defined in the act. For additional information, see the "Recent Legislation" section at the end of the Department of Local Affairs.

**S.B. 17-028 (HEALTHY FAMILIES AND MILITARY PREPAREDNESS ACT):** Requires the Department of Human Services and county departments of human or social services to provide notice and to collect and share information with the command authority of national military installations regarding any report received of known or suspected instances of child abuse or neglect in which the person having custody or control of the child is a member of the armed forces, a spouse, or a significant other or family member residing in the home of the member of the armed forces assigned to that military installation. Appropriates \$12,960 General Fund to the Department and transfers

this money to the Governor's Office of Information Technology for FY 2017-18 for computer programming services.

**S.B. 17-163 (SUPPLEMENTAL BILL):** Modifies FY 2016-17 appropriations to the Department.

**S.B. 17-207 (STRENGTHEN BEHAVIORAL HEALTH CRISIS RESPONSE SYSTEM):** Effective May 1, 2018, eliminates the use of the criminal justice system to hold individuals who are experiencing a mental health crisis, and allows a person experiencing a mental health crisis to be taken to an emergency medical services facility if a facility that has been approved by the Department of Human Services (DHS) is not available. Makes a number of changes regarding the State's coordinated behavioral health crisis response system (crisis system) including the following:

- requires that on or before January 1, 2018, all crisis system walk-in centers, acute treatment units, and crisis stabilization units be able to adequately care for individuals brought to the facility through the emergency mental health hold procedure or a voluntary application for mental health services as authorized by the act;
- requires DHS, on or before January 1, 2018, to ensure that crisis system mobile response units are available to respond to a behavioral health crisis anywhere in the state within two hours;
- requires DHS to ensure that crisis system contractors are responsible for community engagement, coordination, and system navigation for key partners including criminal justice agencies, emergency departments, hospitals, primary care facilities, and walk-in centers;
- requires DHS to ensure consistent training for professionals who have regular contact with individuals experiencing a behavioral health crisis, and to explore solutions for addressing secure transportation of individuals placed on a 72-hour treatment and evaluation hold;
- allows certain licensed advanced practice nurses to determine that a person in custody as a result of an emergency mental health hold can be discharged or referred for further care and treatment in another setting;
- modifies reporting requirements related to behavioral health crisis services; and
- requires that on or before July 1, 2019, and each July 1 thereafter, each emergency medical services facility that has treated a person taken into emergency custody for a mental health hold provide an annual report to DHS including specified and confidential aggregated service information.

Expands the authorized use of money in the Marijuana Tax Cash Fund (MTCF) to include treatment and related services for people with a mental health disorder, evaluation of the effectiveness and sufficiency of behavioral health services, and behavioral health services for persons diverted from the criminal justice system. Appropriates a total of \$7,086,280 cash funds from the MTCF to the DHS' Office of Behavioral Health for FY 2017-18, including:

- \$2,960,000 for local partnerships between law enforcement and behavioral health agencies;
- \$2,451,481 for local implementation and regional coordination for the provision of 24-7 crisis services;
- \$976,255 to expand behavioral health crisis response system services in rural areas;
- \$485,082 for a transportation pilot program for individuals experiencing a behavioral health crisis;
- \$107,500 for statewide training for first responders concerning mental health holds; and
- \$105,962 for administration and for a crisis system needs and capacity study.

In addition, states the assumption that the Department will require an additional 0.9 FTE.

**S.B. 17-254 (LONG BILL):** General appropriations act for FY 2017-18. Includes provisions modifying FY 2016-17 appropriations to the Department.

**S.B. 17-264 (FUNDING FOR BEHAVIORAL HEALTH DISORDERS):** Makes two statutory changes related to the implementation of H.B. 16-1408:

- Makes a conforming amendment to the authorized purposes for which the Marijuana Tax Cash Fund may be used to include both substance use and behavioral health services; and
- Repeals the Offender Mental Health Services Fund.

**S.B. 17-292 (CO WORKS EMPLOYMENT OPPORTUNITIES WITH WAGES):** Creates the Employment Opportunities with Wages Program to assist individuals receiving public assistance through the state's implementation of the federal Temporary Assistance for Needy Families (TANF) program, known as Colorado Works, in attaining living-wage, permanent jobs. Appropriates \$4.0 million federal funds from the state's TANF reserve for the costs associated with implementing the Employment Opportunities with Wages Program.

**H.B. 17-1045 (EXTEND HOME CARE ALLOWANCE GRANT PROGRAM):** Continues the Home Care Assistance (HCA) Grant Program for an indefinite period of time until the State has established a consumer-directed support service delivery option for providing homemaker, personal care, and medical support services for individuals who are receiving home- and community-based services (HCBS) on the Supported Living Services (SLS) waiver program under Medicaid. Transfers \$695,107 General Fund from the HCA line item in the Department to the HCA Grant Program line item in the Department in FY 2017-18.

**H.B. 17-1204 (JUVENILE DELINQUENCY RECORD EXPUNGEMENT):** Makes a number of changes relating to access to juvenile delinquency records and the eligibility and process for expunging these records. Appropriates \$108,710 General Fund to the Department and transfers this money to the Governor's Office of Information Technology for computer programming services.

**H.B. 17-1207 (NO DETENTION FACILITY REQUIREMENT YOUTH AGES 10-12):** States that no juvenile aged 10, 11, or 12 may be ordered to detention in the Division of Youth Corrections within the Department unless he or she was arrested for a felony or a weapons charge. Reduces appropriations to the Department by \$160,270 General Fund for FY 2017-18 as a result of anticipated decreases in the detention population.

**H.B. 17-1264 (PACE OMBUDSMAN PROGRAM ADD LOCAL OMBUDSMEN):** Adds a local Program of All-Inclusive Care for the Elderly (PACE) ombudsmen to the State Ombudsman's office, and outlines provisions related the training and authority of the local PACE ombudsmen. Appropriates \$75,000 General Fund to the Department for FY 2017-18 to add one local ombudsman position.

**H.B. 17-1284 (DATA SYSTEM CHECK FOR EMPLOYEES SERVING AT-RISK ADULTS):** Requires certain employers to conduct a records check of the Colorado adult protective services (CAPS) data system for prospective employees to determine if a prospective employee who will work directly with at-risk adults is the subject of a substantiated report of adult abuse or neglect. Appropriates \$428,779 General Fund to the Department for FY 2017-18 to make several changes to the CAPS system, hire a compliance investigator to initially develop appeals process procedures and then receive appeals from persons facing a substantiated allegation of adult abuse or neglect, provide training to staff on the new policy, and promulgate rules. Of this amount, \$42,773 is transferred to the Department of Law to assist with rules promulgation. In addition, states the assumption that the Department will require an additional 0.4 FTE.

**H.B. 17-1292 (CHILD WELFARE PROVIDER RATES):** Sets forth guidelines for the establishment of provider rates for licensed out-of-home placement providers. Directs the Department to continue completing an annual review of the methodology by which counties evaluate and negotiate provider rates and outcomes and submit a report to the Joint Budget Committee by April 2, 2018. The new rate-setting methodology must be implemented on or before June 1, 2018, except for those rates that must be approved by the federal Centers for Medicare and Medicaid Services. Requires the Department to contract with an independent vendor to:

- Perform a salary survey and study related to the delivery of child welfare services. The study must include salary surveys for providers; child protection employees; residential child care facility employees; and state and county employees involved with the provision of child welfare services.
- Perform an actuarial analysis of actual vendor costs to do business in the context of current service demands; and
- Develop a rate-setting methodology for provider compensation using the salary survey and actuarial analysis. In developing the rate-setting methodology, the independent vendor shall solicit input from representatives of the Department, counties, the provider community, and the Department of Health Care Policy and Financing. The rate-setting methodology must clearly include a process by which the full amount of any provider rate adjustments to the base rate or previously contracted rate approved by the General Assembly are included as part of any final contract with a provider.

Appropriates \$300,000 General Fund to the Department for contract services.

**H.B. 17-1329 (REFORM DIVISION OF YOUTH CORRECTIONS):** Changes the name of the Department's Division of Youth Corrections to the "Division of Youth Services" and redefines the unit's purpose. Requires the Division, on or before July 1, 2018, to serve youth in a pilot program to aid in the creation of a Division-wide therapeutic and rehabilitative culture. Requires the Division to contract with an independent third party to conduct a performance assessment that evaluates safety in all facilities of the Division by December 1, 2017. The assessment must review the Division's safety protocols and procedures and use of restraints and seclusion and make comparisons with best practices and outcomes. Creates, in each region served by the Division, a community board to promote transparency and community involvement, opportunities for youths to build positive adult relationships, and youth involvement in the community. Adds that in its biannual report to the General Assembly, the Youth Restraint and Seclusion Working Group must include details on the use and type of restraints used in incidents involving youth. Appropriates \$306,302 General Fund to the Department for FY 2017-18 for facility renovations and for pilot program implementation, training, and evaluation, and states the assumption that the Department will require an additional 0.3 FTE.

# Details

## JUDICIAL DEPARTMENT

### FY 2016-17 AND FY 2017-18 APPROPRIATIONS BY DIVISION AND BILL

JUDICIAL DEPARTMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2016-17 TOTAL APPROPRIATION:</b>	<b>\$694,494,996</b>	<b>\$491,246,425</b>	<b>\$164,554,601</b>	<b>\$34,268,970</b>	<b>\$4,425,000</b>	<b>4,615.1</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
Supreme Court and Court of Appeals	25,763,271	14,171,683	11,518,691	72,897	0	215.5
Courts Administration	194,893,360	91,276,475	92,639,135	10,977,750	0	431.3
Trial Courts	167,675,203	134,024,678	30,475,525	1,550,000	1,625,000	1,877.1
Probation and Related Services	145,631,754	91,495,326	29,701,250	21,635,178	2,800,000	1,248.7
Office of the State Public Defender	86,573,321	86,423,321	150,000	0	0	785.9
Office of the Alternate Defense Counsel	32,023,507	31,983,507	40,000	0	0	12.0
Office of the Child's Representative	25,715,797	25,706,407	0	9,390	0	29.1
Office of the Respondent Parents' Counsel	15,245,228	15,191,473	30,000	23,755	0	10.0
Office of the Child Protection Ombudsman	614,458	614,458	0	0	0	4.5
Independent Ethics Commission	359,097	359,097	0	0	0	1.0
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
HB 16-1405	\$690,115,303	\$486,631,108	\$164,813,980	\$34,245,215	\$4,425,000	4,610.7
SB 16-102	65,788	65,788	0	0	0	0.9
SB 16-116	178,173	0	178,173	0	0	3.5
HB 16-1410	(368,000)	(368,000)	0	0	0	0.0
SB 17-164	4,503,732	4,917,529	(437,552)	23,755	0	0.0
<b>FY 2017-18 TOTAL APPROPRIATION:</b>	<b>\$710,383,981</b>	<b>\$513,002,350</b>	<b>\$157,894,176</b>	<b>\$35,062,455</b>	<b>\$4,425,000</b>	<b>4,648.3</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
Supreme Court and Court of Appeals	25,972,183	14,418,399	11,480,887	72,897	0	216.5
Courts Administration	204,022,167	106,594,927	85,915,668	11,511,572	0	442.1
Trial Courts	168,496,777	134,808,968	30,512,809	1,550,000	1,625,000	1,872.4
Probation and Related Services	146,117,036	91,722,242	29,724,812	21,869,982	2,800,000	1,247.7
Office of the State Public Defender	89,699,687	89,549,687	150,000	0	0	811.1
Office of the Alternate Defense Counsel	31,738,129	31,658,129	80,000	0	0	12.0
Office of the Child's Representative	26,976,491	26,949,582	0	26,909	0	29.5
Office of the Respondent Parents' Counsel	16,230,423	16,169,328	30,000	31,095	0	10.0
Office of the Child Protection Ombudsman	782,421	782,421	0	0	0	6.0
Independent Ethics Commission	348,667	348,667	0	0	0	1.0
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
SB 17-254	\$710,314,244	\$512,932,613	\$157,894,176	\$35,062,455	\$4,425,000	4,647.5
HB 17-1204	45,237	45,237	0	0	0	0.8
HB 17-1303	24,500	24,500	0	0	0	0.0

JUDICIAL DEPARTMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>Increase/(Decrease)</b>	\$15,888,985	\$21,755,925	(\$6,660,425)	\$793,485	\$0	33.2
Percentage Change	2.3%	4.4%	(4.0%)	2.3%	0.0%	0.7%

**INFORMATIONAL FUNDS:** The FY 2017-18 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Judicial Department are annotated with the "(I)". For additional information, see Appendix E.

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	
FY 2017-18 Appropriations containing an (I) notation	\$45,666,891	\$0	\$41,183,887	\$58,004	\$4,425,000	

## DETAIL OF APPROPRIATION BY ADMINISTRATIVE SECTION

### SUPREME COURT AND COURT OF APPEALS

This Long Bill section provides funding for the Colorado Supreme Court and the Colorado Court of Appeals. The *Supreme Court* is the State's court of last resort, and its decisions are binding on all other State courts. While requests to review decisions of the Colorado Court of Appeals constitute the majority of the Supreme Court's filings, the Court also has direct appellate jurisdiction over other types of cases, such as those cases in which a statute has been held to be unconstitutional. The Supreme Court also oversees the regulation of attorneys and the practice of law. The Supreme Court is composed of seven Justices who serve renewable ten year terms. The Chief Justice, selected by the Justices of the Court, is the executive head of the Judicial Department. In FY 2015-16, 1,494 cases were filed with the Supreme Court.

Created by statute, the *Court of Appeals* is generally the first court to hear appeals of judgments and orders in criminal, juvenile, civil, domestic relations, and probate matters. The Court of Appeals also has initial jurisdiction to review actions and decisions of several state agencies, boards, and commissions. Its determination of an appeal is final unless the Colorado Supreme Court agrees to review the matter. The Court of Appeals is currently composed of 22 judges who serve renewable eight year terms. In FY 2015-16, 2,204 cases were filed with the Court of Appeals.

Cash fund sources primarily include annual attorney registration fees and law examination application fees, appellate court filing fees, and court docket fees that are credited to the Judicial Stabilization Cash Fund. Reappropriated funds are funds transferred from the Department of Law.

SUPREME COURT AND COURT OF APPEALS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$25,763,271	\$14,171,683	\$11,518,691	\$72,897	\$0	215.5
<b>TOTAL</b>	<b>\$25,763,271</b>	<b>\$14,171,683</b>	<b>\$11,518,691</b>	<b>\$72,897</b>	<b>\$0</b>	<b>215.5</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$25,763,271	\$14,171,683	\$11,518,691	\$72,897	\$0	215.5
Annualize prior year budget actions	246,716	246,716	0	0	0	0.0
Indirect cost adjustment	(37,804)	0	(37,804)	0	0	0.0
Other	0	0	0	0	0	1.0
<b>SB 17-254</b>	<b>\$25,972,183</b>	<b>\$14,418,399</b>	<b>\$11,480,887</b>	<b>\$72,897</b>	<b>\$0</b>	<b>216.5</b>

**SUPREME COURT AND COURT OF APPEALS**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>TOTAL</b>	<b>\$25,972,183</b>	<b>\$14,418,399</b>	<b>\$11,480,887</b>	<b>\$72,897</b>	<b>\$0</b>	<b>216.5</b>
<b>INCREASE/(DECREASE)</b>	\$208,912	\$246,716	(\$37,804)	\$0	\$0	1.0
Percentage Change	0.8%	1.7%	(0.3%)	0.0%	n/a	0.5%

**FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS**

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of FY 2016-17 salary survey and merit pay.

**INDIRECT COST ADJUSTMENT:** The appropriation includes a decrease of \$37,804 cash funds in the Department's indirect cost assessments for this Long Bill section.

**OTHER:** The appropriation reflects a net increase of 1.0 FTE, including:

- An increase of 2.0 FTE based on plans by the Office of Attorney Regulation Counsel to add two positions for equal access to justice initiatives and for investigations; and
- A decrease of 1.0 FTE resulting from an initiative to purchase accounting-related services from the State Court Administrator's Office rather than providing such services through staff in the Office of Attorney Regulation Counsel.

**COURTS ADMINISTRATION**

The Justices of the Supreme Court appoint a State Court Administrator to oversee the daily administration of the Department and provide technical and administrative support to the courts and probation. This Long Bill section is comprised of four subsections: Administration and Technology; Central Appropriations; Centrally Administered Programs; and Ralph L. Carr Colorado Judicial Center.

**COURTS ADMINISTRATION**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2016-17 APPROPRIATION:</b>						
HB 16-1405	\$195,225,354	\$91,189,729	\$93,057,875	\$10,977,750	\$0	431.3
SB 16-102	4,703	4,703	0	0	0	0.0
SB 16-116	18,812	0	18,812	0	0	0.0
SB 17-164	(355,509)	82,043	(437,552)	0	0	0.0
<b>TOTAL</b>	<b>\$194,893,360</b>	<b>\$91,276,475</b>	<b>\$92,639,135</b>	<b>\$10,977,750</b>	<b>\$0</b>	<b>431.3</b>
<b>FY 2017-18 APPROPRIATION:</b>						
SB 17-254	\$203,992,964	\$106,565,724	\$85,915,668	\$11,511,572	\$0	442.1
HB 17-1204	4,703	4,703	0	0	0	0.0
HB 17-1303	24,500	24,500	0	0	0	0.0
<b>TOTAL</b>	<b>\$204,022,167</b>	<b>\$106,594,927</b>	<b>\$85,915,668</b>	<b>\$11,511,572</b>	<b>\$0</b>	<b>442.1</b>
<b>INCREASE/(DECREASE)</b>	\$9,128,807	\$15,318,452	(\$6,723,467)	\$533,822	\$0	10.8
Percentage Change	4.7%	16.8%	(7.3%)	4.9%	n/a	2.5%



## ADMINISTRATION AND TECHNOLOGY

This Long Bill subsection provides funding and staff associated with central administration of the State's judicial system, including information technology systems and support. Cash funds are primarily from fees and cost recoveries that are credited to the Judicial Department Information Technology Cash Fund, and drug offender surcharges that are credited to the Correctional Treatment Cash Fund. Reappropriated funds are primarily from departmental indirect cost recoveries.

ADMINISTRATION AND TECHNOLOGY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$42,250,458	\$18,001,213	\$21,971,293	\$2,277,952	\$0	239.3
<b>TOTAL</b>	<b>\$42,250,458</b>	<b>\$18,001,213</b>	<b>\$21,971,293</b>	<b>\$2,277,952</b>	<b>\$0</b>	<b>239.3</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$42,250,458	\$18,001,213	\$21,971,293	\$2,277,952	\$0	239.3
Indirect cost adjustment	98,550	(55,998)	84,709	69,839	0	0.0
Correctional Treatment Cash Fund allocation	601	0	601	0	0	0.0
Annualize prior year budget actions	(6,257,901)	365,042	(6,622,943)	0	0	0.5
Other	361,823	0	0	361,823	0	4.0
<b>SB 17-254</b>	<b>\$36,453,531</b>	<b>\$18,310,257</b>	<b>\$15,433,660</b>	<b>\$2,709,614</b>	<b>\$0</b>	<b>243.8</b>
<b>TOTAL</b>	<b>\$36,453,531</b>	<b>\$18,310,257</b>	<b>\$15,433,660</b>	<b>\$2,709,614</b>	<b>\$0</b>	<b>243.8</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$5,796,927)</b>	<b>\$309,044</b>	<b>(\$6,537,633)</b>	<b>\$431,662</b>	<b>\$0</b>	<b>4.5</b>
Percentage Change	(13.7%)	1.7%	(29.8%)	18.9%	n/a	1.9%

### FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**INDIRECT COST ADJUSTMENT:** The appropriation includes a net increase of \$98,550 due to two changes related to indirect costs assessments. First, the indirect cost assessments that are reflected in this Long Bill section increase by \$98,550, including \$84,709 cash funds and \$13,841 reappropriated funds. Second, indirect cost assessments that are collected throughout the Department are used to offset the cost of staff in the State Court Administrator's Office. Total Department indirect cost assessments will increase by \$55,998, so this section reflects a \$55,998 increase in reappropriated funds and decrease of \$55,998 General Fund.

**CORRECTIONAL TREATMENT CASH FUND ALLOCATION:** The appropriation includes \$601 cash funds to implement the Correctional Treatment Board's recommended allocation of money in the Correctional Treatment Cash Fund and to reflect updated information concerning indirect cost recoveries and employee benefits.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 16-17 Salary survey and merit pay	\$307,645	\$307,645	\$0	\$0	\$0	0.0
FY 16-17 JUD R1 Information Security and Supervisor Staff, Server Replacement, and Disaster Recovery	(6,565,546)	57,397	(6,622,943)	0	0	0.5
<b>TOTAL</b>	<b>(\$6,257,901)</b>	<b>\$365,042</b>	<b>(\$6,622,943)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.5</b>

**OTHER:** The appropriation includes:

- An increase of \$180,722 reappropriated funds and 2.0 FTE as part of an initiative to pay for two existing positions responsible for grant management and statewide accounting and oversight using indirect cost recoveries rather than directly charging these expenses to federal grants;
- An increase of \$84,123 reappropriated funds and 1.0 FTE to allow the State Court Administrator's Office to take over accounting responsibilities for the Office of the Attorney Regulation Counsel and to improve supervision and professional oversight; and
- An increase of \$96,978 reappropriated funds and 1.0 FTE to respond to recent federal audit findings concerning the Department's time keeping practices.

## CENTRAL APPROPRIATIONS

This Long Bill subsection includes funding related to employee benefits, leased space, and services purchased from other agencies such as legal and technology services. Significant sources of cash funds include the following: payments and fees that are credited to the Offender Services Fund and the Alcohol and Drug Driving Safety Program Fund; fees and cost recoveries that are credited to the Judicial Department Information Technology Cash Fund; and time payment and late penalty fees credited to the Judicial Collection Enhancement Fund.

CENTRAL APPROPRIATIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$59,419,190	\$55,250,395	\$4,168,795	\$0	\$0	0.0
SB 17-164	45,268	45,268	0	0	0	0.0
<b>TOTAL</b>	<b>\$59,464,458</b>	<b>\$55,295,663</b>	<b>\$4,168,795</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$59,464,458	\$55,295,663	\$4,168,795	\$0	\$0	0.0
Centrally appropriated line items	15,020,680	14,203,520	817,160	0	0	0.0
Annualize prior year budget actions	(1,217,579)	(942,473)	(275,106)	0	0	0.0
<b>SB 17-254</b>	<b>\$73,267,559</b>	<b>\$68,556,710</b>	<b>\$4,710,849</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>TOTAL</b>	<b>\$73,267,559</b>	<b>\$68,556,710</b>	<b>\$4,710,849</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$13,803,101</b>	<b>\$13,261,047</b>	<b>\$542,054</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	23.2%	24.0%	13.0%	n/a	n/a	n/a

## FY 2016-17 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 17-164 modifies FY 2016-17 appropriations to provide an additional \$45,268 General Fund for the purchase of legal services.

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; salary survey; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; vehicle lease payments; leased space adjustments; payments to the Governor's Office of Information Technology (OIT); and CORE operations.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Reverse supplemental action	(\$45,268)	(\$45,268)	\$0	\$0	\$0	0.0
FY 16-17 Salary survey and merit pay	(1,172,311)	(897,205)	(275,106)	0	0	0.0
<b>TOTAL</b>	<b>(\$1,217,579)</b>	<b>(\$942,473)</b>	<b>(\$275,106)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

## CENTRALLY ADMINISTERED PROGRAMS

This Long Bill subsection includes various programs and distributions that are administered by the Office of the State Court Administrator for the benefit of the courts, probation, and administrative functions.

Significant sources of cash funds include the following: the Victims and Witnesses Assistance and Law Enforcement Fund; the Crime Victim Compensation Fund; time payment and late penalty fees credited to the Judicial Collection Enhancement Fund; fines credited to the Fines Collection Cash Fund; docket fees credited to the Judicial Stabilization Cash Fund and the State Commission on Judicial Performance Cash Fund; fees and cost recoveries that are credited to the Judicial Department Information Technology Cash Fund; various fees and cost recovery charges paid by court system users; surcharges credited to the Court Security Cash Fund and the Family-Friendly Court Program Cash Fund; and fees for divorce proceedings credited to the Family Violence Justice Fund. Reappropriated funds include: General Fund that is appropriated to the Underfunded Courthouse Facility Cash Fund; local victim assistance funds transferred from the Trial Courts section; and federal child support enforcement funds that are transferred from the Department of Human Services.

CENTRALLY ADMINISTERED PROGRAMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$64,461,349	\$13,131,596	\$48,369,288	\$2,960,465	\$0	190.0
SB 16-102	4,703	4,703	0	0	0	0.0
SB 16-116	18,812	0	18,812	0	0	0.0
SB 17-164	(400,777)	36,775	(437,552)	0	0	0.0
<b>TOTAL</b>	<b>\$64,084,087</b>	<b>\$13,173,074</b>	<b>\$47,950,548</b>	<b>\$2,960,465</b>	<b>\$0</b>	<b>190.0</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$64,084,087	\$13,173,074	\$47,950,548	\$2,960,465	\$0	190.0
Courthouse furnishings and infrastructure maintenance	3,230,056	2,639,800	590,256	0	0	0.0
Veterans treatment courts	473,699	473,699	0	0	0	6.3
Language access caseload and contractor rate increase	307,916	307,916	0	0	0	0.0
Annualize prior year legislation	6,485	(4,703)	11,188	0	0	0.0
Annualize prior year budget actions	(3,090,981)	(1,598,498)	(1,492,483)	0	0	0.0
Other	3,104	3,104	0	0	0	0.0
<b>SB 17-254</b>	<b>\$65,014,366</b>	<b>\$14,994,392</b>	<b>\$47,059,509</b>	<b>\$2,960,465</b>	<b>\$0</b>	<b>196.3</b>
HB 17-1204	4,703	4,703	0	0	0	0.0
HB 17-1303	24,500	24,500	0	0	0	0.0
<b>TOTAL</b>	<b>\$65,043,569</b>	<b>\$15,023,595</b>	<b>\$47,059,509</b>	<b>\$2,960,465</b>	<b>\$0</b>	<b>196.3</b>
<b>INCREASE/(DECREASE)</b>	<b>\$959,482</b>	<b>\$1,850,521</b>	<b>(\$891,039)</b>	<b>\$0</b>	<b>\$0</b>	<b>6.3</b>
Percentage Change	1.5%	14.0%	(1.9%)	0.0%	n/a	3.3%

## FY 2016-17 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 17-164 makes three modifications to FY 2016-17 appropriations, including:

- Adding \$821,775 General Fund for language interpreter services;
- Adding \$122,704 cash funds from the Restorative Justice Surcharge Fund for local restorative justice programs; and
- Reducing appropriations for furnishings, phone systems, and communication systems in local courthouse facilities by \$1,345,256 (including reductions of \$785,000 General Fund and \$560,256 cash funds from the Judicial Department Information Technology Cash Fund) to reflect updated time frames and cost estimates.

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**COURTHOUSE FURNISHINGS AND INFRASTRUCTURE MAINTENANCE:** The appropriation includes a total of \$3,230,056, including \$2,639,800 General Fund and \$590,256 cash funds, to fulfill the State's responsibility to provide furnishing and equipment for court facilities, including:

- \$1,919,800 for new projects in 10 judicial districts; and
- \$1,310,256 for projects that were delayed from FY 2016-17 to FY 2017-18.

**VETERANS TREATMENT COURTS:** The appropriation includes \$473,699 General Fund for veterans treatment courts, including: \$432,779 to add peer mentor coordinators in each of the six operational veterans treatment courts (5.8 FTE), and \$40,920 to add a half-time position (0.5 FTE) to provide training for local peer mentor coordinators, and to provide statewide technical support, coordination, resource development, public education and outreach, grant management, and coordination for veterans treatment courts.

**LANGUAGE ACCESS CASELOAD AND CONTRACTOR RATE INCREASE:** The appropriation includes \$307,916 General Fund to increase by \$5.00 the hourly rate for independent contract court language interpreters.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments related to prior year legislation.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 08-054 Judicial Performance Evaluations	\$30,000	\$0	\$30,000	\$0	\$0	0.0
SB 16-116 Alternate Process for Sealing Criminal Records	(18,812)	0	(18,812)			0.0
SB 16-102 Repeal Certain Mandatory Minimum Sentences	(4,703)	(4,703)	0	0	0	0.0
<b>TOTAL</b>	<b>\$6,485</b>	<b>(\$4,703)</b>	<b>\$11,188</b>	<b>\$0</b>	<b>\$0</b>	<b>0.</b>

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Reverse supplemental action	\$1,325,256	\$785,000	\$560,256	\$0	\$0	0.0
FY 16-17 Salary survey and merit pay	284,332	13,340	270,992	0	0	0.0
FY 16-17 JUD R1 Information Security and Supervisor Staff, Server Replacement, and Disaster Recovery	(28,218)	(20,838)	(7,380)	0	0	0.0
FY 16-17 JUD R2 Courthouse Capital and Infrastructure Maintenance	(4,692,351)	(2,376,000)	(2,316,351)	0	0	0.0
<b>TOTAL</b>	<b>(\$3,090,981)</b>	<b>(\$1,598,498)</b>	<b>(\$1,492,483)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**OTHER:** The appropriation includes an increase of \$3,104 General Fund for a required inflationary increase in payments to exonerated persons.

**ADDITIONAL LEGISLATION:** For information on additional legislation, see the "Recent Legislation" section at the end of this department.

### RALPH L. CARR COLORADO JUDICIAL CENTER

This Long Bill subsection includes appropriations related to the operations of the Ralph L. Carr Colorado Judicial Center. The source of funding is the Justice Center Cash Fund, which consists of docket fees, lease payments from Carr Center tenants, and parking fees paid by employees and members of the public who utilize the Carr Center parking garage. Reappropriated funds reflect transfers from the Department of Law and the State Court Administrator's Office (from an appropriation in the Central Appropriations subsection above) for leased space in the Carr Center. The remaining sources of revenue are reflected as cash fund appropriations, and they include: fee revenue that is used to pay for the Supreme Court and Court of Appeals areas of the Carr Center; leased space payments from other tenants; and parking fees paid by state employees and the public for use of the Carr Center parking garage.

RALPH L. CARR COLORADO JUDICIAL CENTER						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$29,094,357	\$4,806,525	\$18,548,499	\$5,739,333	\$0	2.0
<b>TOTAL</b>	<b>\$29,094,357</b>	<b>\$4,806,525</b>	<b>\$18,548,499</b>	<b>\$5,739,333</b>	<b>\$0</b>	<b>2.0</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$29,094,357	\$4,806,525	\$18,548,499	\$5,739,333	\$0	2.0
Centrally appropriated line items	15,927	0	15,927	0	0	0.0
Fund source adjustment	0	(102,160)	0	102,160	0	0.0
Other	147,224	0	147,224	0	0	0.0
<b>SB 17-254</b>	<b>\$29,257,508</b>	<b>\$4,704,365</b>	<b>\$18,711,650</b>	<b>\$5,841,493</b>	<b>\$0</b>	<b>2.0</b>
<b>TOTAL</b>	<b>\$29,257,508</b>	<b>\$4,704,365</b>	<b>\$18,711,650</b>	<b>\$5,841,493</b>	<b>\$0</b>	<b>2.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$163,151</b>	<b>(\$102,160)</b>	<b>\$163,151</b>	<b>\$102,160</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	0.6%	(2.1%)	0.9%	1.8%	n/a	0.0%

### FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items for Carr Center debt service payments.

**FUND SOURCE ADJUSTMENT:** The appropriation reflects a \$102,160 increase in the leased space payments paid by tenants within the Ralph L. Carr Colorado Judicial Center (reappropriated funds), which allows for a \$102,160 decrease in the General Fund share of Carr Center expenses.

**OTHER:** The appropriation includes an increase of \$147,224 cash funds to reflect adjustments to the contract with the Colorado State Patrol to provide security services for the Carr Center.

TRIAL COURTS

This Long Bill section provides funding for operation of the State trial courts, which include district courts in 22 judicial districts, water courts, and county courts (excluding the Denver county court). This section also provides funding to reimburse district attorneys for “mandated costs” incurred for prosecution of state matters as well as the ACTION case management and the statewide discovery sharing systems, which are operated by the Colorado District Attorneys’ Council.

*District courts* hear civil cases involving any dollar amount, as well as domestic relations, felony criminal, juvenile, probate, and mental health cases. In addition, district courts handle appeals from municipal and county courts, and review decisions of administrative boards and agencies. Within the district court system, the General Assembly established seven water divisions in the State based on the drainage patterns of major rivers in Colorado. Each water division is staffed by a division engineer, a district court judge who is designated as the water judge by the Colorado Supreme Court, a water referee appointed by the water judge, and a water clerk assigned by the district court. Water judges have exclusive jurisdiction over cases involving the determination of water rights and the use and administration of water. The General Assembly establishes judicial districts and the number of judges for each district in statute; these judges serve renewable six year terms. There are currently a total of 181 district court judges, and a total of 217,569 cases were filed in district courts in FY 2015-16.

*County courts* have limited jurisdiction, handling civil actions involving no more than \$15,000, misdemeanor cases, civil and criminal traffic infractions, and felony complaints. County courts also issue search warrants and protection orders in cases involving domestic violence. In addition, county courts handle appeals from municipal courts. The General Assembly establishes the number of judges for each county in statute; these judges serve renewable four year terms. There are currently a total of 111 county court judges (although some of these judges are part-time), and a total of 412,714 cases were filed in county courts in FY 2015-16.

Significant cash fund sources include court docket fees that are credited to the Judicial Stabilization Cash Fund, various fees and cost recovery charges paid by court system users, and grants. Reappropriated funds include funds transferred from other state agencies.

TRIAL COURTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$167,883,842	\$134,392,678	\$30,316,164	\$1,550,000	\$1,625,000	1,873.6
SB 16-116	159,361	0	159,361	0	0	3.5
HB 16-1410	(368,000)	(368,000)	0	0	0	0.0
TOTAL	\$167,675,203	\$134,024,678	\$30,475,525	\$1,550,000	\$1,625,000	1,877.1
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$167,675,203	\$134,024,678	\$30,475,525	\$1,550,000	\$1,625,000	1,877.1
eDiscovery and annualization of SB 14-190	360,672	360,672	0	0	0	0.0

TRIAL COURTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Annualize prior year budget actions	315,664	315,664	0	0	0	0.0
District attorney mandated costs	67,420	67,420	0	0	0	0.0
Annualize prior year legislation	37,284	0	37,284	0	0	0.5
Other	0	0	0	0	0	(6.0)
<b>SB 17-254</b>	<b>\$168,456,243</b>	<b>\$134,768,434</b>	<b>\$30,512,809</b>	<b>\$1,550,000</b>	<b>\$1,625,000</b>	<b>1,871.6</b>
HB 17-1204	40,534	40,534	0	0	0	0.8
<b>TOTAL</b>	<b>\$168,496,777</b>	<b>\$134,808,968</b>	<b>\$30,512,809</b>	<b>\$1,550,000</b>	<b>\$1,625,000</b>	<b>1,872.4</b>
<b>INCREASE/(DECREASE)</b>	\$821,574	\$784,290	\$37,284	\$0	\$0	(4.7)
Percentage Change	0.5%	0.6%	0.1%	0.0%	0.0%	(0.3%)

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**EDISCOVERY AND ANNUALIZATION OF SB 14-190:** The appropriation includes an increase of \$360,672 General Fund for the first full year of operating eDiscovery. This system will enable the sharing and transfer of information electronically between law enforcement agencies, district attorneys' offices, and defense attorneys. As this system is implemented in each judicial district, the defense is no longer required to reimburse district attorneys for duplicating discoverable materials. The appropriation thus reflects:

- A reduction of \$13,220 from existing appropriations for the State Court Administrator's Office to reimburse the prosecution for discoverable materials; and
- An increase of \$373,892 for the ongoing operations of eDiscovery and the associated ACTION case management system.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of FY 2016-17 salary survey and merit pay.

**DISTRICT ATTORNEY MANDATED COSTS:** The appropriation includes \$67,420 General Fund to cover projected increases in mandated costs incurred by district attorneys.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments related to S.B. 16-116 (Alternate Process for Sealing Criminal Records).

**OTHER:** The appropriation includes two other changes to the number of FTE reflected in this section. First, the appropriation includes a reduction of 5.0 FTE to more accurately reflect filled court staff positions. Second, the appropriation includes a reduction of 1.0 FTE that is being transferred to the Courts Administration section. This position is responsible for grant management and statewide accounting and oversight, and the Department will be supporting this position through indirect cost assessments rather than directly charging these expenses to federal grants.

**ADDITIONAL LEGISLATION:** For information on additional legislation, see the "Recent Legislation" section at the end of this department.

## PROBATION AND RELATED SERVICES

This Long Bill section provides funding for probation officers and staff, as well as services that are provided to offenders on probation or related to the probation function. Persons convicted of certain offenses are eligible to apply to the court for probation. An offender on probation serves a sentence in the community under the supervision of a probation officer, subject to conditions imposed by the court. A breach of any imposed condition may result in revocation or modification of probation, or incarceration. As of June 30, 2016, a total of 75,801 individuals who were sentenced to probation were under supervision, including 71,890 adults and 3,911 juveniles. Managed by the Chief Probation Officer in each judicial district, approximately 1,250 employees prepare assessments and provide pre-sentence investigation services to the courts, supervise adult and juvenile offenders sentenced to community programs, and provide notification and support services to victims. The Chief Probation Officer is supervised by the Chief Judge in each district. Investigation and supervision services are provided based on priorities established by the Chief Justice and each offender's risk of re-offending.

Cash fund sources include: payments and fees that are credited to the Offender Services Fund, the Correctional Treatment Cash Fund, the Alcohol and Drug Driving Safety Program Fund, the Sex Offender Surcharge Fund, the Interstate Compact Probation Transfer Cash Fund, and the Offender Identification Fund; the Marijuana Tax Cash Fund; and various fees, cost recoveries, and grants. Sources of reappropriated funds include: General Fund that is appropriated to the Correctional Treatment Cash Fund; Victims and Witnesses Assistance and Law Enforcement Board grants that are transferred from the Courts Administration section; and transfers from other state agencies.

PROBATION AND RELATED SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$145,570,669	\$91,434,241	\$29,701,250	\$21,635,178	\$2,800,000	1,247.8
SB 16-102	61,085	61,085	0	0	0	0.9
<b>TOTAL</b>	<b>\$145,631,754</b>	<b>\$91,495,326</b>	<b>\$29,701,250</b>	<b>\$21,635,178</b>	<b>\$2,800,000</b>	<b>1,248.7</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$145,631,754	\$91,495,326	\$29,701,250	\$21,635,178	\$2,800,000	1,248.7
Community provider rate	469,608	213,076	21,728	234,804	0	0.0
Annualize prior year budget actions	17,954	13,840	4,114	0	0	0.0
Correctional Treatment Cash Fund allocation	2,468	0	2,468	0	0	0.0
Indirect cost adjustment	(4,748)	0	(4,748)	0	0	0.0
Other	0	0	0	0	0	(1.0)
<b>SB 17-254</b>	<b>\$146,117,036</b>	<b>\$91,722,242</b>	<b>\$29,724,812</b>	<b>\$21,869,982</b>	<b>\$2,800,000</b>	<b>1,247.7</b>
<b>TOTAL</b>	<b>\$146,117,036</b>	<b>\$91,722,242</b>	<b>\$29,724,812</b>	<b>\$21,869,982</b>	<b>\$2,800,000</b>	<b>1,247.7</b>
<b>INCREASE/(DECREASE)</b>	<b>\$485,282</b>	<b>\$226,916</b>	<b>\$23,562</b>	<b>\$234,804</b>	<b>\$0</b>	<b>(1.0)</b>
Percentage Change	0.3%	0.2%	0.1%	1.1%	0.0%	(0.1%)

### FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**COMMUNITY PROVIDER RATE:** The appropriation includes \$469,608 total funds, including \$213,076 General Fund, for the community provider rate increase of approximately 1.4 percent.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of FY 2016-17 salary survey and merit pay.

**CORRECTIONAL TREATMENT CASH FUND ALLOCATION:** The appropriation includes \$2,468 cash funds to implement the Correctional Treatment Board's recommended allocation of money in the Correctional Treatment Cash Fund and to reflect updated information concerning indirect cost recoveries and employee benefits.



**INDIRECT COST ADJUSTMENT:** The appropriation includes a decrease of \$4,748 cash funds in the Department's indirect cost assessments for this Long Bill section.

**OTHER:** The appropriation includes a reduction of 1.0 FTE that is being transferred to the Courts Administration section. This position is responsible for grant management and statewide accounting and oversight, and the Department will be supporting this position through indirect cost assessments rather than directly charging these expenses to federal grants.

## OFFICE OF THE STATE PUBLIC DEFENDER

The Office of the State Public Defender (OSPD) is an independent agency that provides legal representation for indigent defendants who are facing the possibility of incarceration. The OSPD provides representation through employees who are located around the state. The OSPD is comprised of a central administrative office, an appellate office, and 21 regional trial offices. The OSPD provided legal representation in 167,814 active cases in FY 2015-16. Cash fund sources include grants and training fees.

OFFICE OF THE STATE PUBLIC DEFENDER						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$86,426,501	\$86,276,501	\$150,000	\$0	\$0	785.9
SB 17-164	146,820	146,820	0	0	0	0.0
<b>TOTAL</b>	<b>\$86,573,321</b>	<b>\$86,423,321</b>	<b>\$150,000</b>	<b>\$0</b>	<b>\$0</b>	<b>785.9</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$86,573,321	\$86,423,321	\$150,000	\$0	\$0	785.9
Centrally appropriated line items	2,574,655	2,574,655	0	0	0	0.0
OSPD support staff	1,113,027	1,113,027	0	0	0	23.4
OSPD mandated and electronic data management expenses	585,831	585,831	0	0	0	0.0
New criminal judge in the 12th	110,084	110,084	0	0	0	1.8
eDiscovery and annualization of SB 14-190	(1,154,986)	(1,154,986)	0	0	0	0.0
OSPD bandwidth	(99,963)	(99,963)	0	0	0	0.0
OSPD vehicles	(2,282)	(2,282)	0	0	0	0.0
<b>SB 17-254</b>	<b>\$89,699,687</b>	<b>\$89,549,687</b>	<b>\$150,000</b>	<b>\$0</b>	<b>\$0</b>	<b>811.1</b>
<b>TOTAL</b>	<b>\$89,699,687</b>	<b>\$89,549,687</b>	<b>\$150,000</b>	<b>\$0</b>	<b>\$0</b>	<b>811.1</b>
<b>INCREASE/(DECREASE)</b>	<b>\$3,126,366</b>	<b>\$3,126,366</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>25.2</b>
Percentage Change	3.6%	3.6%	0.0%	n/a	n/a	3.2%

## FY 2016-17 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 17-164 modifies FY 2016-17 appropriations to provide an additional \$146,820 General Fund for the OSPD to increase the bandwidth for its regional offices to the level of service needed to support the new statewide discovery sharing system.

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; salary survey; and vehicle lease payments.

**OSPD SUPPORT STAFF:** The appropriation includes \$1,113,027 General Fund for the OSPD to add 23.4 FTE investigators, paralegals, and administrative staff to improve the ratio of support staff to attorneys.

**OSPD MANDATED AND ELECTRONIC DATA MANAGEMENT EXPENSES:** The appropriation includes \$585,831 General Fund for the OSPD for mandated court costs and data management expenses, including:

- \$469,585 to adjust the mandated costs appropriation based on recent caseload increases; and
- A one-time appropriation of \$116,246 to acquire the hardware and software necessary to receive and manage the electronic discovery that will be made available through the new statewide discovery sharing system (called “eDiscovery”).

**NEW CRIMINAL JUDGE IN THE 12TH:** The appropriation includes \$110,084 General Fund for the OSPD to add 1.8 FTE to address the workload impact of adding a new district court judge in the 12th judicial district (H.B. 15-1034) due to a recent decision to reallocate criminal cases and add a new adult criminal drug court.

**EDISCOVERY AND ANNUALIZATION OF SB 14-190:** The appropriation includes a reduction of \$1,154,986 General Fund from existing appropriations for the OSPD to reimburse the prosecution for discoverable materials. Fiscal year 2017-18 is the first full year of operations for the eDiscovery system, which will enable the sharing and transfer of information electronically between law enforcement agencies, district attorneys' offices, and defense attorneys. As this system is implemented in each judicial district, the defense is no longer required to reimburse district attorneys for duplicating discoverable materials.

**OSPD BANDWIDTH:** The appropriation includes a reduction of \$99,963 General Fund related to a project to increase the bandwidth in OSPD regional offices to the level of service needed to support eDiscovery. The bill eliminates one-time funding that was provided in FY 2016-17 to purchase and install routers capable of handling the higher bandwidth for several regional offices, and provides \$46,857 General Fund for the ongoing costs of upgraded circuits that will accommodate the increased bandwidth needs.

**OSPD VEHICLES:** The appropriation includes a reduction of \$2,282 General Fund based on a proposal to increase the OSPD fleet of state-owned vehicles by four (from 26 to 30). The bill includes an increase of \$5,552 for Vehicle Lease Payments and a decrease of \$7,834 for Operating Expenses (for employee mileage reimbursements).

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## OFFICE OF THE ALTERNATE DEFENSE COUNSEL

The Office of Alternate Defense Counsel (OADC) is an independent agency that provides legal representation for indigent defendants in criminal and juvenile delinquency cases in which the Office of the State Public Defender is precluded from doing so because of an ethical conflict of interest. The OADC provides legal representation by contracting with licensed attorneys and investigators. The OADC paid for legal representation in 18,244 cases in FY 2015-16. Cash funds are from training fees.

OFFICE OF THE ALTERNATE DEFENSE COUNSEL						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$31,403,173	\$31,363,173	\$40,000	\$0	\$0	12.0
SB 17-164	620,334	620,334	0	0	0	0.0
<b>TOTAL</b>	<b>\$32,023,507</b>	<b>\$31,983,507</b>	<b>\$40,000</b>	<b>\$0</b>	<b>\$0</b>	<b>12.0</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$32,023,507	\$31,983,507	\$40,000	\$0	\$0	12.0
Centrally appropriated line items	68,164	68,164	0	0	0	0.0
OADC salary adjustments	0	0	0	0	0	0.0
eDiscovery and annualization of SB 14-190	(350,908)	(350,908)	0	0	0	0.0
Annualize prior year budget actions	(42,634)	(42,634)	0	0	0	0.0
Other	40,000	0	40,000	0	0	0.0
<b>SB 17-254</b>	<b>\$31,738,129</b>	<b>\$31,658,129</b>	<b>\$80,000</b>	<b>\$0</b>	<b>\$0</b>	<b>12.0</b>
<b>TOTAL</b>	<b>\$31,738,129</b>	<b>\$31,658,129</b>	<b>\$80,000</b>	<b>\$0</b>	<b>\$0</b>	<b>12.0</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$285,378)</b>	<b>(\$325,378)</b>	<b>\$40,000</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	(0.9%)	(1.0%)	100.0%	n/a	n/a	0.0%

#### FY 2016-17 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 17-164 modifies FY 2016-17 appropriations to provide an additional \$620,403 General Fund for two purposes:

- \$582,403 for higher than anticipated mandated court costs incurred by court-appointed counsel; and
- \$37,931 for leave payouts for two employees.

#### FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; and salary survey.

**OADC SALARY ADJUSTMENTS:** The appropriation includes an increase of \$106,924 General Fund to increase base salaries for four OADC employees. This increase is fully offset by a \$106,924 decrease in the General Fund appropriation for OADC's payments for court-appointed counsel.

**EDISCOVERY AND ANNUALIZATION OF SB 14-190:** The appropriation includes a reduction of \$350,908 General Fund from existing appropriations for the OADC to reimburse the prosecution for discoverable materials. Fiscal year 2017-18 is the first full year of operations for the eDiscovery system, which will enable the sharing and transfer of information electronically between law enforcement agencies, district attorneys' offices, and defense attorneys. As this system is implemented in each judicial district, the defense is no longer required to reimburse district attorneys for duplicating discoverable materials.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of FY 2016-17 budget actions, including the elimination of \$4,703 in capital outlay funding for a new Social Worker Coordinator position and the elimination of \$37,931 that was provided for leave payouts.

**OTHER:** The appropriation includes an increase of \$40,000 cash funds to allow OADC to collect and spend additional revenue related to training.

## OFFICE OF THE CHILD'S REPRESENTATIVE

The Office of the Child's Representative (OCR) is an independent agency that is responsible for ensuring the provision of uniform, high-quality legal representation and non-legal advocacy to children involved in judicial proceedings. Generally, this includes representing children involved in the court system due to abuse or neglect, delinquency, truancy, high conflict divorce, alcohol or drug abuse, mental health issues, and probate matters. In most judicial districts, OCR provides legal representation by contracting with private attorneys or multi-disciplinary law offices. However, in El Paso County, the OCR employs attorneys and other staff to provide legal representation through a centralized office rather than through contracted services. The OCR paid for legal representation associated with 15,470 court appointments in FY 2015-16. Reappropriated funds are from federal funds transferred from the Department of Human Services.

OFFICE OF THE CHILD'S REPRESENTATIVE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$23,989,466	\$23,980,076	\$0	\$9,390	\$0	29.1
SB 17-164	1,726,331	1,726,331	0	0	0	0.0
<b>TOTAL</b>	<b>\$25,715,797</b>	<b>\$25,706,407</b>	<b>\$0</b>	<b>\$9,390</b>	<b>\$0</b>	<b>29.1</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$25,715,797	\$25,706,407	\$0	\$9,390	\$0	29.1
OCR case management and billing system	803,000	803,000	0	0	0	0.0
OCR and ORPC caseload adjustments	281,689	281,689	0	0	0	0.0
Centrally appropriated line items	103,818	103,818	0	0	0	0.0
OCR staffing adjustment	41,914	41,914	0	0	0	0.4
eDiscovery and annualization of SB 14-190	(10,189)	(10,189)	0	0	0	0.0
Other	40,462	22,943	0	17,519	0	0.0
<b>SB 17-254</b>	<b>\$26,976,491</b>	<b>\$26,949,582</b>	<b>\$0</b>	<b>\$26,909</b>	<b>\$0</b>	<b>29.5</b>
<b>TOTAL</b>	<b>\$26,976,491</b>	<b>\$26,949,582</b>	<b>\$0</b>	<b>\$26,909</b>	<b>\$0</b>	<b>29.5</b>
<b>INCREASE/(DECREASE)</b>	<b>\$1,260,694</b>	<b>\$1,243,175</b>	<b>\$0</b>	<b>\$17,519</b>	<b>\$0</b>	<b>0.4</b>
Percentage Change	4.9%	4.8%	n/a	186.6%	n/a	1.4%

## FY 2016-17 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 17-164 modifies FY 2016-17 appropriations to provide an additional \$1,726,331 General Fund for higher than anticipated court-appointed counsel expenses.

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**OCR CASE MANAGEMENT AND BILLING SYSTEM:** The appropriation includes \$803,000 General Fund to replace the OCR's case management and billing system.

**OCR AND ORPC CASELOAD ADJUSTMENTS:** The appropriation includes \$281,689 General Fund to align the OCR appropriation with the projected caseload and expenditures for state-paid court-appointed counsel. Primarily this increase is based on a projected increase in the number of dependency and neglect case filings.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; salary survey; and expenses associated with the relocation of OCR's El Paso office.

**OCR STAFFING ADJUSTMENT:** The appropriation includes \$41,914 General Fund to convert a part-time (0.6 FTE) OCR staff attorney position to a full time position.

**eDISCOVERY AND ANNUALIZATION OF SB 14-190:** The appropriation includes a reduction of \$10,189 General Fund from existing appropriations for the OCR to reimburse the prosecution for discoverable materials. Fiscal year 2017-18 is the first full year of operations for the eDiscovery system, which will enable the sharing and transfer of information electronically between law enforcement agencies, district attorneys' offices, and defense attorneys. As this system is implemented in each judicial district, the defense is no longer required to reimburse district attorneys for duplicating discoverable materials

**OTHER:** The appropriation includes other minor adjustments.

OTHER						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Court-appointed special advocate (CASA) volunteer background checks	\$30,000	\$30,000	\$0	\$0	\$0	0.0
OCR federal grant adjustment	17,519	0	0	17,519	0	0.0
Adjustment based on recent actual expenditures	(7,057)	(7,057)	0	0	0	0.0
<b>TOTAL</b>	<b>\$40,462</b>	<b>\$22,943</b>	<b>\$0</b>	<b>\$17,519</b>	<b>\$0</b>	<b>0.0</b>

## OFFICE OF THE RESPONDENT PARENTS' COUNSEL

The Office of the Respondent Parents' Counsel (ORPC) is an independent agency charged with ensuring the provision and availability of high-quality legal representation for indigent respondent parents involved in dependency and neglect proceedings. The ORPC provides legal representation by contracting with licensed attorneys. Cash funds are from training fees, and reappropriated funds are from federal funds transferred from the Department of Human Services.

OFFICE OF THE RESPONDENT PARENTS' COUNSEL						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$12,879,472	\$12,849,472	\$30,000	\$0	\$0	10.0
SB 17-164	2,365,756	2,342,001	0	23,755	0	0.0
<b>TOTAL</b>	<b>\$15,245,228</b>	<b>\$15,191,473</b>	<b>\$30,000</b>	<b>\$23,755</b>	<b>\$0</b>	<b>10.0</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$15,245,228	\$15,191,473	\$30,000	\$23,755	\$0	10.0
ORPC conversion to hourly billing	785,902	785,902	0	0	0	0.0
ORPC social worker pilot program	301,033	301,033	0	0	0	0.0
OCR and ORPC caseload adjustments	219,354	219,354	0	0	0	0.0
Centrally appropriated line items	15,956	15,956	0	0	0	0.0
Annualize prior year legislation	(337,500)	(337,500)	0	0	0	0.0
Annualize prior year budget actions	(6,890)	(6,890)	0	0	0	0.0
Other	7,340	0	0	7,340	0	0.0
<b>SB 17-254</b>	<b>\$16,230,423</b>	<b>\$16,169,328</b>	<b>\$30,000</b>	<b>\$31,095</b>	<b>\$0</b>	<b>10.0</b>
<b>TOTAL</b>	<b>\$16,230,423</b>	<b>\$16,169,328</b>	<b>\$30,000</b>	<b>\$31,095</b>	<b>\$0</b>	<b>10.0</b>

OFFICE OF THE RESPONDENT PARENTS' COUNSEL						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>INCREASE/(DECREASE)</b>	\$985,195	\$977,855	\$0	\$7,340	\$0	0.0
Percentage Change	6.5%	6.4%	0.0%	30.9%	n/a	0.0%

## FY 2016-17 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 17-164 makes three modifications to FY 2016-17 appropriations, including:

- \$2,335,111 for higher than anticipated court-appointed counsel and mandated court cost expenses;
- \$23,755 reappropriated funds to reflect anticipated training expenditures using federal funds transferred from the Department of Human Services; and
- \$6,890 General Fund to make reasonable accommodations for a new staff member in compliance with the federal Americans with Disabilities Act.

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**ORPC CONVERSION TO HOURLY BILLING:** The appropriation includes \$785,902 General Fund for the ORPC to convert to a consistent hourly contractor payment system, eliminating flat fee payments to attorneys in eight jurisdictions.

**ORPC SOCIAL WORKER PILOT PROGRAM:** The appropriation includes \$301,033 General Fund to allow the ORPC to implement a pilot program that will provide respondent parents' counsel in two judicial districts with access to contract social workers.

**OCR AND ORPC CASELOAD ADJUSTMENTS:** The appropriation includes \$219,354 General Fund to align the ORPC appropriation with the projected caseload and expenditures for state-paid court-appointed counsel. Primarily this increase is based on a projected increase in the number of dependency and neglect case filings.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; salary survey; and legal services.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments related to S.B. 14-203 and H.B. 15-1149 (Office of the Respondent Parents Counsel).

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments to eliminate one-time funding that was provided to make reasonable accommodations for a new staff member in compliance with the federal Americans with Disabilities Act.

**OTHER:** The appropriation includes an increase of \$7,340 reappropriated funds to reflect anticipated grants.

## OFFICE OF THE CHILD PROTECTION OMBUDSMAN

The Office of the Child Protection Ombudsman (OCPO) is an independent agency that serves as a resource for persons involved in the child welfare system, reviews and investigates complaints concerning child protection services, makes recommendations about system improvements, and educates the public concerning child maltreatment.

OFFICE OF THE CHILD PROTECTION OMBUDSMAN						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$614,458	\$614,458	\$0	\$0	\$0	4.5
<b>TOTAL</b>	<b>\$614,458</b>	<b>\$614,458</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>4.5</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$614,458	\$614,458	\$0	\$0	\$0	4.5
OCPO staffing	154,088	154,088	0	0	0	1.5
Centrally appropriated line items	13,875	13,875	0	0	0	0.0
<b>SB 17-254</b>	<b>\$782,421</b>	<b>\$782,421</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>6.0</b>
<b>TOTAL</b>	<b>\$782,421</b>	<b>\$782,421</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>6.0</b>
INCREASE/(DECREASE)						
	\$167,963	\$167,963	\$0	\$0	\$0	1.5
Percentage Change	27.3%	27.3%	n/a	n/a	n/a	33.3%

### FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**OCPO STAFFING:** The appropriation includes \$154,088 General Fund for the OCPO to add 1.0 FTE to address an increasing number of calls and complaints concerning child protection services, and to convert a half-time Communications Director to a full-time position (i.e., an increase of 0.5 FTE).

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; salary survey; and legal services.

## INDEPENDENT ETHICS COMMISSION

The Independent Ethics Commission is an independent agency that is responsible for hearing complaints, issuing findings, assessing penalties, and issuing advisory opinions on ethics issues arising under Article XXIX of the State Constitution and other standards of conduct and reporting requirements as provided by law. The Commission has jurisdiction over all state legislative and executive branch elected officials and employees, as well as elected officials and employees of all Colorado counties and municipalities, unless the county or municipality is a home rule jurisdiction that has adopted charters, ordinances, or resolutions that address the matters covered by Article XXIX.

INDEPENDENT ETHICS COMMISSION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$359,097	\$359,097	\$0	\$0	\$0	1.0
<b>TOTAL</b>	<b>\$359,097</b>	<b>\$359,097</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>1.0</b>

## INDEPENDENT ETHICS COMMISSION

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$359,097	\$359,097	\$0	\$0	\$0	1.0
Centrally appropriated line items	(10,430)	(10,430)	0	0	0	0.0
<b>SB 17-254</b>	<b>\$348,667</b>	<b>\$348,667</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>1.0</b>
<b>TOTAL</b>	<b>\$348,667</b>	<b>\$348,667</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>1.0</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$10,430)</b>	<b>(\$10,430)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	(2.9%)	(2.9%)	n/a	n/a	n/a	0.0%

### FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; salary survey; and legal services.

## RECENT LEGISLATION

### 2016 SESSION BILLS

**S.B. 16-102 (REPEAL CERTAIN MANDATORY MINIMUM SENTENCES):** Removes the mandatory term of incarceration requirement for persons convicted of certain types of second degree assault or violations of bail bond conditions. Appropriates \$65,788 General Fund to the Judicial Department for FY 2016-17, and states that the appropriation is based on the assumption that the Department will require an additional 0.9 FTE. For additional information, see the "Recent Legislation" section at the end of the Department of Corrections.

**S.B. 16-116 (ALTERNATIVE PROCESS FOR SEALING CRIMINAL RECORDS):** Provides a simplified process for sealing criminal justice records. Requires defendants to pay a \$65 fee to seal their records and credits the fee revenue to the Judicial Stabilization Cash Fund. Appropriates \$178,173 cash funds from the Judicial Stabilization Cash Fund to the Judicial Department for FY 2016-17, and states that the appropriation is based on the assumption that the Department will require an additional 3.5 FTE.

**H.B. 16-1405 (LONG BILL):** General appropriations act for FY 2016-17. Includes provisions modifying FY 2015-16 appropriations included in the FY 2015-16 Long Bill (S.B. 15-234) and in S.B. 15-204 (Office of the Child Protection Ombudsman).

**H.B. 16-1410 (LOCATION FOR COMPETENCY EVALUATIONS):** Limits the court's discretion to order that a competency evaluation be conducted at the Colorado Mental Health Institute at Pueblo (CMHIP). Repeals a provision that requires CMHIP to bill the court for the cost of defendants for whom the court has ordered an inpatient competency evaluation. Reduces by \$368,000 the General Fund appropriation to the Judicial Department for FY 2016-17. For additional information, see the "Recent Legislation" section at the end of the Department of Human Services.



## 2017 SESSION BILLS

**S.B. 17-125 (LUMP-SUM COMPENSATION FOR EXONERATED PERSONS):** Allows exonerated persons eligible to receive compensation from the State to receive a lump sum payment in lieu of annual payments. Requires the State Court Administrator to pay the exonerated person the balance of the State's duty of monetary compensation within one year of receiving required written documentation from an exonerated person.

**S.B. 17-164 (SUPPLEMENTAL BILL):** Modifies FY 2016-17 appropriations to the Department.

**S.B. 17-254 (LONG BILL):** General appropriations act for FY 2017-18.

**H.B. 17-1071 (REFUND MONETARY AMOUNTS AFTER VACATED CONVICTION):** Creates a process to issue refunds to a defendant who paid court-ordered fines, fees, or other monetary amounts for a criminal conviction in a Colorado district or county court under certain conditions.

**H.B. 17-1077 (USEFUL PUBLIC SERVICE CASH FUND):** Requires that fee revenue collected from individuals who are ordered to perform useful public service remain in the newly created Useful Public Service Cash Fund rather than being credited to the General Fund. Continuously appropriates money in the new fund for the cost of administering useful public service programs.

**H.B. 17-1087 (OFFICE OF PUBLIC GUARDIANSHIP):** Creates the Public Guardianship Commission and the Office of Public Guardianship to serve indigent and incapacitated adults in need of guardianship in the 2<sup>nd</sup>, 7<sup>th</sup>, and 16<sup>th</sup> judicial districts. Creates the Office of Public Guardianship Cash Fund, consisting of any money received from gifts, grants, and donations, and any other money appropriated by the General Assembly. Requires the Commission to appoint a Director to establish the new office not more than one month after receiving at least \$1,700,000 in gifts, grants, and donations to the new cash fund. Requires the Director to submit a report to the Judiciary Committees on or before January 1, 2021, concerning the unmet need for public guardianship services, the costs and benefits of providing such services, and an assessment of funding models and viable funding sources for the Office.

**H.B. 17-1204 (JUVENILE DELINQUENCY RECORD EXPUNGEMENT):** Makes a number of changes relating to access to juvenile delinquency records and the eligibility and process for expunging these records. Appropriates \$45,237 General Fund and 0.8 FTE to the Judicial Department for FY 2017-18. For additional information, see the "Recent Legislation" section at the end of the Department of Human Services.

**H.B. 17-1265 (PERA JUDICIAL DIVISION TOTAL EMPLOYER CONTRIBUTION):** Starting January 1, 2019, increases the employer contribution rates to the Judicial Division of the Colorado Public Employees' Retirement Association (PERA) for amortization equalization disbursement and supplemental amortization equalization disbursement.

**H.B. 17-1266 (SEAL MISDEMEANOR MARIJUANA CONVICTION RECORDS):** Allows defendants convicted of a misdemeanor offense for the use or possession of marijuana to petition to seal their criminal records under certain circumstances. Requires the defendant to pay record sealing fees to the Department of Public Safety's Colorado Bureau of Investigation, as well as associated civil filing fees associated with sealing criminal records to the Judicial Department.

**H.B. 17-1303 (JUDICIAL PERFORMANCE EVALUATION SYSTEM):** Repeals and reenacts statutes related to state and district commissions on judicial performance. Modifies procedures related to appointing commission members, commission duties and procedures, and judicial performance evaluation and reporting processes. Appropriates \$24,500 General Fund to the Judicial Department for FY 2017-18.

# Details

## DEPARTMENT OF LABOR AND EMPLOYMENT

### FY 2016-17 AND FY 2017-18 APPROPRIATIONS BY DIVISION AND BILL

DEPARTMENT OF LABOR AND EMPLOYMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2016-17 TOTAL APPROPRIATION:</b>	<b>\$244,151,762</b>	<b>\$20,786,362</b>	<b>\$71,493,888</b>	<b>\$9,401,877</b>	<b>\$142,469,635</b>	<b>1,279.8</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
Executive Director's Office	48,878,834	3,910,424	20,188,635	657,216	24,122,559	110.2
Division of Unemployment Insurance	41,510,537	36,750	12,012,131	0	29,461,656	484.1
Division of Employment and Training	67,550,826	5,027,581	10,996,625	3,786,030	47,740,590	216.7
Division of Labor Standards and Statistics	4,066,269	588,160	1,299,521	0	2,178,588	56.1
Division of Oil and Public Safety	5,879,147	0	5,150,408	19,318	709,421	68.0
Division of Workers' Compensation	21,027,800	0	21,027,800	0	0	111.0
Division of Vocational Rehabilitation and Independent Living Services	55,238,349	11,223,447	818,768	4,939,313	38,256,821	233.7
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
HB 16-1405	\$243,615,012	\$20,749,612	\$70,993,888	\$9,401,877	\$142,469,635	1,279.1
SB 16-179	36,750	36,750	0	0	0	0.5
HB 16-1267	500,000	0	500,000	0	0	0.2
<b>FY 2017-18 TOTAL APPROPRIATION:</b>	<b>\$248,861,234</b>	<b>\$21,380,958</b>	<b>\$72,525,276</b>	<b>\$9,515,450</b>	<b>\$145,439,550</b>	<b>1,279.8</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
Executive Director's Office	52,536,731	4,460,255	20,766,536	670,789	26,639,151	110.2
Division of Unemployment Insurance	41,582,024	38,361	12,031,533	0	29,512,130	484.1
Division of Employment and Training	67,275,584	4,969,631	10,670,627	3,886,030	47,749,296	216.7
Division of Labor Standards and Statistics	4,056,499	588,160	1,289,751	0	2,178,588	56.1
Division of Oil and Public Safety	6,331,633	0	5,602,894	19,318	709,421	68.0
Division of Workers' Compensation	21,344,752	0	21,344,752	0	0	111.0
Division of Vocational Rehabilitation and Independent Living Services	55,734,011	11,324,551	819,183	4,939,313	38,650,964	233.7
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
SB 17-254	\$248,855,234	\$21,380,958	\$72,519,276	\$9,515,450	\$145,439,550	1,279.8
HB 17-1119	6,000	0	6,000	0	0	0.0
<b>Increase/(Decrease)</b>	<b>\$4,709,472</b>	<b>\$594,596</b>	<b>\$1,031,388</b>	<b>\$113,573</b>	<b>\$2,969,915</b>	<b>0.0</b>
Percentage Change	1.9%	2.9%	1.4%	1.2%	2.1%	0.0%

**INFORMATIONAL FUNDS:** The FY 2017-18 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Labor and Employment are annotated with the "(I)". For additional information, see Appendix E.

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2017-18 Appropriations containing an (I) notation	\$120,326,566	\$0	\$8,236,667	\$4,939,313	\$107,150,586

## DETAIL OF APPROPRIATION BY ADMINISTRATIVE SECTION

### EXECUTIVE DIRECTOR'S OFFICE

The Office provides funding for common services to all divisions including legal services from the Department of Law and information technology services from the Governor's Office of Information Technology. Additionally, this office provides support services to all divisions including budgeting, accounting, and human resources services.

Funding for the Office is 8.5 percent General Fund, 39.5 percent cash funds, 1.3 percent reappropriated funds, and 50.7 percent federal funds. The Employment Support Fund and Workers' Compensation Cash Fund are the largest sources of cash funds.

EXECUTIVE DIRECTOR'S OFFICE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$48,878,834	\$3,910,424	\$20,188,635	\$657,216	\$24,122,559	110.2
<b>TOTAL</b>	<b>\$48,878,834</b>	<b>\$3,910,424</b>	<b>\$20,188,635</b>	<b>\$657,216</b>	<b>\$24,122,559</b>	<b>110.2</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$48,878,834	\$3,910,424	\$20,188,635	\$657,216	\$24,122,559	110.2
Centrally appropriated line items	3,834,095	556,294	600,250	13,740	2,663,811	0.0
Indirect cost assessment adjustment	78,446	0	76,125	(30)	2,351	0.0
Annualize prior year budget actions	(137,997)	(6,210)	(45,504)	0	(86,283)	0.0
Technical changes	(116,647)	(253)	(52,970)	(137)	(63,287)	0.0
<b>SB 17-254</b>	<b>\$52,536,731</b>	<b>\$4,460,255</b>	<b>\$20,766,536</b>	<b>\$670,789</b>	<b>\$26,639,151</b>	<b>110.2</b>
<b>TOTAL</b>	<b>\$52,536,731</b>	<b>\$4,460,255</b>	<b>\$20,766,536</b>	<b>\$670,789</b>	<b>\$26,639,151</b>	<b>110.2</b>
<b>INCREASE/(DECREASE)</b>	<b>\$3,657,897</b>	<b>\$549,831</b>	<b>\$577,901</b>	<b>\$13,573</b>	<b>\$2,516,592</b>	<b>0.0</b>
Percentage Change	7.5%	14.1%	2.9%	2.1%	10.4%	0.0%

### FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; salary survey; shift differential; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; leased space; Capitol complex leased space; payments to OIT; and CORE.

**INDIRECT COST ASSESSMENT:** The appropriation includes an increase of \$78,446 total funds for the division's indirect cost assessment.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes a decrease of \$137,997 total funds to reflect the FY 2017-18 annualized prior year salary survey.

**TECHNICAL CHANGES:** The appropriation includes a decrease of \$116,647 total funds for various technical changes.

## DIVISION OF UNEMPLOYMENT INSURANCE

Unemployment Insurance (UI) Programs provide weekly benefits to individuals who have lost their job through no fault of their own. Responsibilities include tax collection from employers, benefit payments, employer tax audits, call center operation, and claimant appeal application processing. Additionally, the UI Fraud Program identifies, investigates, and prosecutes unqualified individuals who receive UI benefits and employers who fail to pay UI premiums and taxes. The Division's funding consists of less than 0.1 percent General Fund, 71.0 percent federal funds, and 28.9 percent cash funds. The Employment Support Fund is the primary source of cash funds, with funds from the Employment and Training Technology Fund supporting the technology initiatives underway in the Division to modernize and consolidate UI front-end (UI claimants and employers) and back-end (UI staff) systems.

DIVISION OF UNEMPLOYMENT INSURANCE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$41,473,787	\$0	\$12,012,131	\$0	\$29,461,656	483.6
SB 16-179	36,750	36,750	0	0	0	0.5
<b>TOTAL</b>	<b>\$41,510,537</b>	<b>\$36,750</b>	<b>\$12,012,131</b>	<b>\$0</b>	<b>\$29,461,656</b>	<b>484.1</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$41,510,537	\$36,750	\$12,012,131	\$0	\$29,461,656	484.1
Annualize prior year budget actions	69,876	0	19,402	0	50,474	0.0
Annualize prior year legislation	1,611	1,611	0	0	0	0.0
Technical changes	0	0	0	0	0	0.0
<b>SB 17-254</b>	<b>\$41,582,024</b>	<b>\$38,361</b>	<b>\$12,031,533</b>	<b>\$0</b>	<b>\$29,512,130</b>	<b>484.1</b>
<b>TOTAL</b>	<b>\$41,582,024</b>	<b>\$38,361</b>	<b>\$12,031,533</b>	<b>\$0</b>	<b>\$29,512,130</b>	<b>484.1</b>
<b>INCREASE/(DECREASE)</b>	<b>\$71,487</b>	<b>\$1,611</b>	<b>\$19,402</b>	<b>\$0</b>	<b>\$50,474</b>	<b>0.0</b>
Percentage Change	0.2%	4.4%	0.2%	n/a	0.2%	0.0%

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes an increase of \$69,876 total funds to reflect the FY 2017-18 annualized prior year salary survey.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes an increase of \$1,611 to annualize SB 16-179 (CDLE Unemployment Insurance Classification).

**TECHNICAL CHANGES:** Temporary employees for unemployment fraud investigations were transferred to permanent status. This change did not require additional appropriations.

## DIVISION OF EMPLOYMENT AND TRAINING

The Division of Employment and Training offers free assistance to job seekers, including: job search assistance, additional job training, and classes to improve interview and résumé skills. These services are offered through state and county one-stop centers. Additionally, workforce centers match employers with qualified candidates to fill job vacancies. Funding for these programs consists of cash funds, primarily from the Employment Support Fund, and various federal funds including the Workforce Investment Act and Trade Adjustment Act.

DIVISION OF EMPLOYMENT AND TRAINING						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$67,050,826	\$5,027,581	\$10,496,625	\$3,786,030	\$47,740,590	216.5
HB 16-1267	500,000	0	500,000	0	0	0.2
<b>TOTAL</b>	<b>\$67,550,826</b>	<b>\$5,027,581</b>	<b>\$10,996,625</b>	<b>\$3,786,030</b>	<b>\$47,740,590</b>	<b>216.7</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$67,550,826	\$5,027,581	\$10,996,625	\$3,786,030	\$47,740,590	216.7
Additional funding for veteran service to career program	125,000	0	125,000	0	0	0.0
Annualize prior year budget actions	17,412	0	8,706	0	8,706	0.0
Annualize prior year legislation	(300,000)	100,000	(500,000)	100,000	0	0.0
Technical changes	(117,654)	(157,950)	40,296	0	0	0.0
<b>SB 17-254</b>	<b>\$67,275,584</b>	<b>\$4,969,631</b>	<b>\$10,670,627</b>	<b>\$3,886,030</b>	<b>\$47,749,296</b>	<b>216.7</b>
<b>TOTAL</b>	<b>\$67,275,584</b>	<b>\$4,969,631</b>	<b>\$10,670,627</b>	<b>\$3,886,030</b>	<b>\$47,749,296</b>	<b>216.7</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$275,242)</b>	<b>(\$57,950)</b>	<b>(\$325,998)</b>	<b>\$100,000</b>	<b>\$8,706</b>	<b>0.0</b>
Percentage Change	(0.4%)	(1.2%)	(3.0%)	2.6%	0.0%	0.0%

### FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**ADDITIONAL FUNDING FOR VETERAN SERVICE TO CAREER PROGRAM:** The appropriation includes an increase of \$125,000 cash funds for the Veteran Service to Career program.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes an increase of \$17,412 total funds to reflect the FY 2017-18 annualized prior year salary survey.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes a decrease of \$300,000 to annualize prior year legislation, including the following:

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	Federal Funds	FTE
Annualize HB 15-1276 (Skilled Worker Outreach, Recruitment and Training)	\$200,000	\$100,000	\$0	\$100,000	\$0	0.0
Annualize HB 16-1267 (Colorado Veterans' Service-To-Career Pilot Program)	(500,000)	0	(500,000)	0	0	0.0
<b>TOTAL</b>	<b>(\$300,000)</b>	<b>\$100,000</b>	<b>(\$500,000)</b>	<b>\$100,000</b>	<b>\$0</b>	<b>0.0</b>

**TECHNICAL CHANGES:** The Service-to-Career pilot program was annualized resulting in an increase in cash fund spending authority and the Veterans pilot program was discontinued resulting in a decrease in cash fund spending authority.

TECHNICAL CHANGES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Service to career pilot program	\$40,296	\$0	\$40,296	\$0	\$0	0.3
Changes for veterans pilot program	(157,950)	(157,950)	0	0	0	(0.3)
<b>TOTAL</b>	<b>(\$117,654)</b>	<b>(\$157,950)</b>	<b>\$40,296</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

## DIVISION OF LABOR STANDARDS AND STATISTICS

The Division of Labor Standards and Statistics administers two subdivisions: Labor Standards and Labor Statistics. The cash fund appropriations for the Division of Labor Standards and Statistics are primarily from the Employment Support Fund with some support provided by the Employment Verification Cash Fund.

DIVISION OF LABOR STANDARDS AND STATISTICS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$4,066,269	\$588,160	\$1,299,521	\$0	\$2,178,588	56.1
<b>TOTAL</b>	<b>\$4,066,269</b>	<b>\$588,160</b>	<b>\$1,299,521</b>	<b>\$0</b>	<b>\$2,178,588</b>	<b>56.1</b>
FY 2017-18 APPROPRIATION:						
SB 17-254	\$4,056,499	\$588,160	\$1,289,751	\$0	\$2,178,588	56.1
<b>TOTAL</b>	<b>\$4,056,499</b>	<b>\$588,160</b>	<b>\$1,289,751</b>	<b>\$0</b>	<b>\$2,178,588</b>	<b>56.1</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$9,770)</b>	<b>\$0</b>	<b>(\$9,770)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	(0.2%)	0.0%	(0.8%)	n/a	0.0%	0.0%

### (A) LABOR STANDARDS

Labor Standards ensures compliance with Colorado's wage, youth, and labor laws, and facilitates labor dispute resolution and mediation.

LABOR STANDARDS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$1,876,358	\$588,160	\$1,288,198	\$0	\$0	25.8
<b>TOTAL</b>	<b>\$1,876,358</b>	<b>\$588,160</b>	<b>\$1,288,198</b>	<b>\$0</b>	<b>\$0</b>	<b>25.8</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$1,876,358	\$588,160	\$1,288,198	\$0	\$0	25.8
Annualize prior year budget actions	1,553	0	1,553	0	0	0.0
Technical changes	0	0	0	0	0	0.0
<b>SB 17-254</b>	<b>\$1,877,911</b>	<b>\$588,160</b>	<b>\$1,289,751</b>	<b>\$0</b>	<b>\$0</b>	<b>25.8</b>
<b>TOTAL</b>	<b>\$1,877,911</b>	<b>\$588,160</b>	<b>\$1,289,751</b>	<b>\$0</b>	<b>\$0</b>	<b>25.8</b>
<b>INCREASE/(DECREASE)</b>	<b>\$1,553</b>	<b>\$0</b>	<b>\$1,553</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	0.1%	0.0%	0.1%	n/a	n/a	0.0%

### FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes an increase of \$1,553 cash funds to reflect the FY 2017-18 annualized prior year salary survey.

**TECHNICAL CHANGES:** The subdivision of Labor Statistics was moved from the Division of Employment and Training to the Division of Labor Standards and Statistics to conform to the intent of H.B. 16-1323 (Division of Labor Name Change). This technical change did not require an appropriation.

## (B) LABOR STATISTICS

Labor statistics provides data on labor force trends across the state, including monthly unemployment numbers and job growth information. Labor Statistics collaborates with one-stop centers to provide relevant training classes in fields that have potential long-term growth in Colorado.

LABOR STATISTICS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$2,189,911	\$0	\$11,323	\$0	\$2,178,588	30.3
<b>TOTAL</b>	<b>\$2,189,911</b>	<b>\$0</b>	<b>\$11,323</b>	<b>\$0</b>	<b>\$2,178,588</b>	<b>30.3</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$2,189,911	\$0	\$11,323	\$0	\$2,178,588	30.3
Technical changes	(11,323)	0	(11,323)	0	0	0.0
<b>SB 17-254</b>	<b>\$2,178,588</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,178,588</b>	<b>30.3</b>
<b>TOTAL</b>	<b>\$2,178,588</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,178,588</b>	<b>30.3</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$11,323)</b>	<b>\$0</b>	<b>(\$11,323)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	(0.5%)	n/a	(100.0%)	n/a	0.0%	0.0%

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**TECHNICAL CHANGES:** The appropriation includes a decrease of \$11,323 cash funds. This subdivision had cash fund spending authority of \$11,323 from a time period when the subdivision sold labor information. The subdivision no longer sells this information and instead posts it on the internet. As such, no cash fund spending authority is needed.

## DIVISION OF OIL AND PUBLIC SAFETY

This division is comprised of the Public Safety Unit (PSU) and the Office of the State Oil Inspector (Inspector). The PSU conducts inspections of boilers and pressure vessels in commercial and multi-unit residential buildings; regulates the distribution and storage of petroleum products; regulates the remediation of contamination caused by leaking underground storage tanks; enforces statutory requirements pertaining to carnival and amusement park rides; licenses conveyances, conveyance inspectors and mechanics; and regulates and monitors proper storage of explosives. Cash funds used to support the operations of this Division include the Petroleum Storage Tank Fund and the Boiler Inspection Fund. Reappropriated funds are from the Department of Public Health and Environment.

DIVISION OF OIL AND PUBLIC SAFETY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$5,879,147	\$0	\$5,150,408	\$19,318	\$709,421	68.0
<b>TOTAL</b>	<b>\$5,879,147</b>	<b>\$0</b>	<b>\$5,150,408</b>	<b>\$19,318</b>	<b>\$709,421</b>	<b>68.0</b>

## DIVISION OF OIL AND PUBLIC SAFETY

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$5,879,147	\$0	\$5,150,408	\$19,318	\$709,421	68.0
Replace conveyance database	445,000	0	445,000	0	0	0.0
Annualize prior year budget actions	7,486	0	7,486	0	0	0.0
<b>SB 17-254</b>	<b>\$6,331,633</b>	<b>\$0</b>	<b>\$5,602,894</b>	<b>\$19,318</b>	<b>\$709,421</b>	<b>68.0</b>
<b>TOTAL</b>	<b>\$6,331,633</b>	<b>\$0</b>	<b>\$5,602,894</b>	<b>\$19,318</b>	<b>\$709,421</b>	<b>68.0</b>
<b>INCREASE/(DECREASE)</b>	\$452,486	\$0	\$452,486	\$0	\$0	0.0
Percentage Change	7.7%	n/a	8.8%	0.0%	0.0%	0.0%

### FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**REPLACE CONVEYANCE DATABASE:** The appropriation provides \$445,000 cash funds for implementation of a new software system in the Division of Oil and Public Safety. The funds for this request come entirely from the Conveyance Safety Fund.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes an increase of \$7,486 cash funds to reflect the FY 2017-18 annualized prior year salary survey.

## DIVISION OF WORKERS' COMPENSATION

The Division of Workers' Compensation is comprised of five major units: customer service, dispute resolution, medical cost containment, employer services, and special funds.

- The customer service unit provides administrative oversight of injury claims to ensure compliance with all benefit and reporting requirements. This unit provides information and technical assistance and audits insurers' claims handling practices.
- The dispute resolution unit provides mediation, arbitration, pre-hearing, and settlement services to quickly resolve contested issues without administrative hearings and/or litigation.
- The medical cost containment unit oversees the programs intended to ensure that medical services for workers' compensation claims are provided in a cost-effective manner.
- The employer services section administers the self-insurance and premium cost-containment programs and ensures employer compliance with workers' compensation coverage requirements.
- The special funds section administers two large insurance programs, the Major Medical Insurance Fund (MMIF) and Subsequent Injury Fund (SIF). The MMIF covers the medical expenses in excess of \$20,000 of an injured worker who sustained catastrophic injuries between July 1971 and June 1981. The Subsequent Injury Fund covers an injured worker's medical expenses from a second workplace injury that occurred before 1994 and resulted in permanent disability or up to \$10,000 of a worker's medical expenses from a second or subsequent exposure to certain occupational materials.

The Division of Workers' Compensation is cash-funded primarily from the Workers' Compensation Cash Fund, the Subsequent Injury Fund, and the Major Medical Insurance Fund.



DIVISION OF WORKERS' COMPENSATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$21,027,800	\$0	\$21,027,800	\$0	\$0	111.0
<b>TOTAL</b>	<b>\$21,027,800</b>	<b>\$0</b>	<b>\$21,027,800</b>	<b>\$0</b>	<b>\$0</b>	<b>111.0</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$21,027,800	\$0	\$21,027,800	\$0	\$0	111.0
Centrally appropriated line items	305,621	0	305,621	0	0	0.0
Annualize prior year budget actions	8,357	0	8,357	0	0	0.0
Technical changes	(3,026)	0	(3,026)	0	0	0.0
<b>SB 17-254</b>	<b>\$21,338,752</b>	<b>\$0</b>	<b>\$21,338,752</b>	<b>\$0</b>	<b>\$0</b>	<b>111.0</b>
HB 17-1119	6,000	0	6,000	0	0	0.0
<b>TOTAL</b>	<b>\$21,344,752</b>	<b>\$0</b>	<b>\$21,344,752</b>	<b>\$0</b>	<b>\$0</b>	<b>111.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$316,952</b>	<b>\$0</b>	<b>\$316,952</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	1.5%	n/a	1.5%	n/a	n/a	0.0%

### FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; salary survey; shift differential; workers' compensation; administrative law judges; payment to risk management and property funds; leased space; Capitol complex leased space.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes an increase of \$8,357 cash funds to reflect the FY 2017-18 annualized prior year salary survey.

**TECHNICAL CHANGES:** The appropriation includes a decrease of \$3,026 cash funds due to a reduction in the amount of legal services.

**ADDITIONAL LEGISLATION:** For information on additional legislation, see the "Recent Legislation" section at the end of this department.

## DIVISION OF VOCATIONAL REHABILITATION AND INDEPENDENT LIVING SERVICES

This division consists of two subdivisions: Vocational Rehabilitation Programs and Office of Independent Living Services.

DIVISION OF VOCATIONAL REHABILITATION AND INDEPENDENT LIVING SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$55,238,349	\$11,223,447	\$818,768	\$4,939,313	\$38,256,821	233.7
<b>TOTAL</b>	<b>\$55,238,349</b>	<b>\$11,223,447</b>	<b>\$818,768</b>	<b>\$4,939,313</b>	<b>\$38,256,821</b>	<b>233.7</b>
FY 2017-18 APPROPRIATION:						
SB 17-254	\$55,734,011	\$11,324,551	\$819,183	\$4,939,313	\$38,650,964	233.7
<b>TOTAL</b>	<b>\$55,734,011</b>	<b>\$11,324,551</b>	<b>\$819,183</b>	<b>\$4,939,313</b>	<b>\$38,650,964</b>	<b>233.7</b>

DIVISION OF VOCATIONAL REHABILITATION AND INDEPENDENT LIVING SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>INCREASE/(DECREASE)</b>	\$495,662	\$101,104	\$415	\$0	\$394,143	0.0
Percentage Change	0.9%	0.9%	0.1%	0.0%	1.0%	0.0%

(A) Vocational Rehabilitation Programs assists individuals, whose disabilities result in barriers to employment or independent living, with attaining and maintaining employment and/or independent living. At any of the 43 field and satellite offices located throughout the state, rehabilitation counselors work with clients to assess their needs and identify appropriate vocational rehabilitation services. Funding for the Vocational Rehabilitation Programs is 79.0 percent federal funds and 21.0 percent state funds. State funds include General Fund and reappropriated funds primarily from school districts for the School to Work Alliance Program.

VOCATIONAL REHABILITATION PROGRAMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$48,068,484	\$4,442,703	\$789,147	\$4,939,313	\$37,897,321	229.7
<b>TOTAL</b>	<b>\$48,068,484</b>	<b>\$4,442,703</b>	<b>\$789,147</b>	<b>\$4,939,313</b>	<b>\$37,897,321</b>	<b>229.7</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$48,068,484	\$4,442,703	\$789,147	\$4,939,313	\$37,897,321	229.7
Transfer of Older Blind Grants	362,000	0	0	0	362,000	0.0
Annualize prior year budget actions	33,313	6,210	0	0	27,103	0.0
Centrally appropriated line items	2,729	2,729	0	0	0	0.0
<b>SB 17-254</b>	<b>\$48,466,526</b>	<b>\$4,451,642</b>	<b>\$789,147</b>	<b>\$4,939,313</b>	<b>\$38,286,424</b>	<b>229.7</b>
<b>TOTAL</b>	<b>\$48,466,526</b>	<b>\$4,451,642</b>	<b>\$789,147</b>	<b>\$4,939,313</b>	<b>\$38,286,424</b>	<b>229.7</b>
<b>INCREASE/(DECREASE)</b>	<b>\$398,042</b>	<b>\$8,939</b>	<b>\$0</b>	<b>\$0</b>	<b>\$389,103</b>	<b>0.0</b>
Percentage Change	0.8%	0.2%	0.0%	0.0%	1.0%	0.0%

#### FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**TRANSFER OF OLDER BLIND GRANTS:** The appropriation provides \$362,000 federal funds for Older Blind Grants. The program and the federal funds associated with the program have been transferred from the Department of Human Services to the Department of Labor and Employment. This transfer was made because the Older Blind Grants program is required to accompany vocational rehabilitation services. These funds are shown for information purposes only.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes an increase of \$33,313 total funds to reflect the FY 2017-18 annualized prior year salary survey.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items for administrative law judges.

(B) Independent Living Services provides funding to the nine Independent Living Centers in Colorado that provide services to individuals with significant disabilities. The goal of independent living services is to provide individuals with the resources and skills to live independently in the community. Funding for independent living services is primarily General Fund. There is a small amount of client cash funds and federal funds.

OFFICE OF INDEPENDENT LIVING SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$7,169,865	\$6,780,744	\$29,621	\$0	\$359,500	4.0
<b>TOTAL</b>	<b>\$7,169,865</b>	<b>\$6,780,744</b>	<b>\$29,621</b>	<b>\$0</b>	<b>\$359,500</b>	<b>4.0</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$7,169,865	\$6,780,744	\$29,621	\$0	\$359,500	4.0
Community provider rate	97,620	92,165	415	0	5,040	0.0
<b>SB 17-254</b>	<b>\$7,267,485</b>	<b>\$6,872,909</b>	<b>\$30,036</b>	<b>\$0</b>	<b>\$364,540</b>	<b>4.0</b>
<b>TOTAL</b>	<b>\$7,267,485</b>	<b>\$6,872,909</b>	<b>\$30,036</b>	<b>\$0</b>	<b>\$364,540</b>	<b>4.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$97,620</b>	<b>\$92,165</b>	<b>\$415</b>	<b>\$0</b>	<b>\$5,040</b>	<b>0.0</b>
Percentage Change	1.4%	1.4%	1.4%	n/a	1.4%	0.0%

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**COMMUNITY PROVIDER RATE:** The appropriation includes an increase of \$97,620 total funds for the community provider rate increase.

## RECENT LEGISLATION

### 2016 SESSION BILLS

**S.B. 16-093 (TRANSFER INDEPENDENT LIVING SERVICES TO CDLE):** Transfers oversight of the Independent Living Centers (ILCs) from the Department of Human Services to the Department of Labor and Employment effective July 1, 2016. ILCs provide independent living services for persons with disabilities. The fiscal impact of the bill is included in the Long Bill.

**S.B. 16-179 (CDLE UNEMPLOYMENT INSURANCE CLASSIFICATION):** The act directs the Colorado Department of Labor and Employment (CDLE) to develop guidance on and establish a position to serve as a resource for employers on the proper classification of workers for unemployment insurance purposes, audit findings, and options for appealing or curing an audit. Appropriates \$36,750 General Fund and 0.5 FTE to the Department of Labor and Employment for FY 2016-17.

**H.B. 16-1267 (VETERANS' SERVICE-TO-CAREER PILOT PROGRAM):** Creates the Colorado Veterans' Service-To-Career Pilot Program (Program) for the purpose of enhancing workforce center services that are not available under federal law. The Department of Labor and Employment will select one or more workforce centers to contract with a nonprofit agency to administer the Program. A selected workforce center shall develop and expand programs to provide workforce development-related services specifically tailored to the unique needs and talents of veterans, spouses, and other eligible participants. The services provided by the Program may include:

- Skills training;
- Opportunities for apprenticeship placements;
- Opportunities for internship placements;
- Opportunities for work placements with businesses or other organizations; and
- Support services.

The Department is required to develop a grant program so that workforce centers may apply for money to administer the Program. Money for the internships and apprenticeships may come from the employer, federal money, and grant money through the General Fund. The bill outlines specific requirements that workforce centers must meet in order to participate in the grant program.

Appropriates \$500,000 cash funds from the Marijuana Tax Cash Fund to the Department of Labor and Employment for FY 2016-17.

**H.B. 16-1323 (DIVISION OF LABOR NAME CHANGE):** Renames the Division of Labor to the Division of Labor and Vital Statistics effective August 10, 2016.

**H.B. 16-1405 (LONG BILL):** General appropriations act for FY 2016-17.

## 2017 SESSION BILLS

**S.B. 17-254 (LONG BILL):** General appropriations act for FY 2017-18.

**HB 17-1119 (PAYMENT OF WORKERS' COMPENSATION BENEFITS):** Increases cash funds by \$6,000 to the Division of Workers' Compensation to establish the Uninsured Employer Board and the Colorado Uninsured Employer Fund.

# Details

## DEPARTMENT OF LAW

### FY 2016-17 AND FY 2017-18 APPROPRIATIONS BY DIVISION AND BILL

DEPARTMENT OF LAW						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2016-17 TOTAL APPROPRIATION:</b>	<b>\$78,480,560</b>	<b>\$15,190,519</b>	<b>\$15,629,323</b>	<b>\$45,875,081</b>	<b>\$1,785,637</b>	<b>484.5</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
Administration	17,329,114	4,209,620	1,458,969	11,346,167	314,358	53.2
Legal Services to State Agencies	32,939,266	0	1,054,580	31,884,686	0	263.9
Criminal Justice and Appellate	16,271,577	5,781,992	7,353,037	1,665,269	1,471,279	104.7
Water and Natural Resources	2,176,932	596,349	938,639	641,944	0	12.5
Consumer Protection	5,079,533	1,368,420	3,374,098	337,015	0	49.2
Special Purpose	4,684,138	3,234,138	1,450,000	0	0	1.0
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
HB 16-1405	\$77,471,983	\$15,003,005	\$15,612,031	\$45,073,913	\$1,783,034	480.4
SB 16-036	100,000	0	0	100,000	0	0.0
SB 16-040	71,258	0	0	71,258	0	0.4
SB 16-058	3,800	0	0	3,800	0	0.0
SB 16-069	3,802	0	0	3,802	0	0.0
SB 16-161	10,071	0	0	10,071	0	0.1
SB 16-193	135,942	135,942	0	0	0	1.0
SB 16-197	228,024	0	0	228,024	0	1.3
HB 16-1034	3,800	0	0	3,800	0	0.0
HB 16-1047	47,505	0	0	47,505	0	0.1
HB 16-1097	23,753	0	0	23,753	0	0.1
HB 16-1160	15,202	0	0	15,202	0	0.1
HB 16-1197	2,850	0	0	2,850	0	0.0
HB 16-1211	9,501	0	0	9,501	0	0.0
HB 16-1261	9,501	0	0	9,501	0	0.0
HB 16-1280	3,800	0	0	3,800	0	0.0
HB 16-1324	9,501	0	0	9,501	0	0.0
HB 16-1328	4,900	0	0	4,900	0	0.0
HB 16-1404	9,501	0	0	9,501	0	0.0
SB 17-196	144,776	51,572	17,292	73,309	2,603	0.0
SB 17-197	171,090	0	0	171,090	0	1.0
<b>FY 2017-18 TOTAL APPROPRIATION:</b>	<b>\$81,077,081</b>	<b>\$16,214,183</b>	<b>\$17,314,175</b>	<b>\$45,720,252</b>	<b>\$1,828,471</b>	<b>473.4</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
Administration	19,744,961	4,876,832	1,822,570	12,685,093	360,466	53.2
Legal Services to State Agencies	32,071,190	0	1,245,355	30,825,835	0	243.7
Criminal Justice and Appellate	17,036,761	6,061,597	8,091,807	1,415,352	1,468,005	109.8
Water and Natural Resources	2,176,030	596,349	938,639	641,042	0	12.5
Consumer Protection	5,353,704	1,434,970	3,765,804	152,930	0	53.2
Special Purpose	4,694,435	3,244,435	1,450,000	0	0	1.0

DEPARTMENT OF LAW						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
SB 17-254	\$80,889,104	\$16,196,933	\$17,305,035	\$45,558,665	\$1,828,471	472.5
SB 17-126	19,750	17,250	2,500	0	0	0.0
SB 17-198	9,505	0	0	9,505	0	0.1
SB 17-216	6,640	0	6,640	0	0	0.0
HB 17-1221	4,753	0	0	4,753	0	0.0
HB 17-1284	42,773	0	0	42,773	0	0.3
HB 17-1313	4,753	0	0	4,753	0	0.0
HB 17-1326	4,753	0	0	4,753	0	0.0
HB 17-1367	95,050	0	0	95,050	0	0.5
<b>INCREASE/(DECREASE)</b>	<b>\$2,596,521</b>	<b>\$1,023,664</b>	<b>\$1,684,852</b>	<b>(\$154,829)</b>	<b>\$42,834</b>	<b>(11.1)</b>
Percentage Change	3.3%	6.7%	10.8%	(0.3%)	2.4%	(2.3%)

**INFORMATIONAL FUNDS:** The FY 2017-18 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Law are annotated with the "(I)". For additional information, see Appendix E.

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2017-18 Appropriations containing an (I) notation	\$3,811,976	\$0	\$1,700,584	\$282,921	\$1,828,471

## DETAIL OF APPROPRIATION BY ADMINISTRATIVE SECTION

### ADMINISTRATION

This section includes funding for the Attorney General, the Solicitor General, and other management staff, as well as the Office of Community Engagement and the Department's human resources, accounting/budgeting, information technology, and legal support services units. These units are primarily supported by General Fund and indirect cost recoveries. This section also includes central appropriations for the entire Department, including funding for employee benefits, facilities, vehicles, and information technology. Cash funds appropriations include money received by the Attorney General as an award of attorney fees or costs, and other sources. Reappropriated funds derive from indirect cost recoveries and money transferred from a variety of other appropriations. Federal funds are from the Medicaid Fraud Control Program.

ADMINISTRATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$17,048,396	\$4,022,106	\$1,441,677	\$11,272,858	\$311,755	52.2
SB 16-193	135,942	135,942	0	0	0	1.0
SB 17-196	144,776	51,572	17,292	73,309	2,603	0.0
<b>TOTAL</b>	<b>\$17,329,114</b>	<b>\$4,209,620</b>	<b>\$1,458,969</b>	<b>\$11,346,167</b>	<b>\$314,358</b>	<b>53.2</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$17,329,114	\$4,209,620	\$1,458,969	\$11,346,167	\$314,358	53.2
Centrally appropriated line items	2,301,094	644,036	353,487	1,258,612	44,959	0.0
Security asset maintenance and FTE	109,325	12,490	5,111	90,575	1,149	0.0
Financial fraud investigators	3,360	0	3,360	0	0	0.0
Annualize prior year budget actions	(12,979)	(1,861)	(857)	(10,261)	0	0.0

ADMINISTRATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Annualize prior year legislation	(4,703)	(4,703)	0	0	0	0.0
<b>SB 17-254</b>	<b>\$19,725,211</b>	<b>\$4,859,582</b>	<b>\$1,820,070</b>	<b>\$12,685,093</b>	<b>\$360,466</b>	<b>53.2</b>
SB 17-126	19,750	17,250	2,500	0	0	0.0
<b>TOTAL</b>	<b>\$19,744,961</b>	<b>\$4,876,832</b>	<b>\$1,822,570</b>	<b>\$12,685,093</b>	<b>\$360,466</b>	<b>53.2</b>
<b>INCREASE/(DECREASE)</b>	<b>\$2,415,847</b>	<b>\$667,212</b>	<b>\$363,601</b>	<b>\$1,338,926</b>	<b>\$46,108</b>	<b>0.0</b>
Percentage Change	13.9%	15.8%	24.9%	11.8%	14.7%	0.0%

## FY 2016-17 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 17-196 modifies the FY 2016-17 appropriation to add \$144,776 total funds, including \$51,572 General Fund, to improve the Department's information technology (IT) security based on the recommendations of an external audit of the Department's IT security systems and procedures.

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; salary survey; merit pay; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; vehicle lease payments; workers' compensation; attorney registration and continuing legal education; legal services; administrative law judges; payment to risk management and property funds; Ralph L. Carr Colorado Judicial Center leased space; payments to the Governor's Office of Information Technology (OIT); and CORE operations.

**SECURITY ASSET MAINTENANCE AND FTE:** The appropriation includes an increase of \$109,325 total funds, including \$12,490 General Fund (above the FY 2016-17 appropriation as adjusted by S.B. 17-196), to improve information technology (IT) security based on the recommendations of an external audit of the Department's IT security procedures.

**FINANCIAL FRAUD INVESTIGATORS:** The appropriation adds \$3,360 cash funds for vehicle lease payments associated with the addition of two financial fraud investigators to the Special Prosecution Unit.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions, driven by the elimination of one-time funding provided for new FTE added through the FY 2016-17 appropriation.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments related to prior year legislation, including the elimination of one-time funding associated with the addition of new FTE in S.B. 16-193 (Safe2Tell Provide Free Materials and Training).

**ADDITIONAL LEGISLATION:** For information on additional legislation, see the "Recent Legislation" section at the end of Part III of this department.

## LEGAL SERVICES TO STATE AGENCIES

The Department provides legal services on a fee-for-service basis to state agencies and enterprises. This section includes appropriations for the attorneys, legal assistants, and support personnel who provide these services. In most cases, the appropriations in this section are reflected as reappropriated funds because a corresponding appropriation for the purchase of legal services appears in the client agency's budget. Cash funds reflect payments the Department receives from state agencies that are not duplicated in appropriations elsewhere in the budget. In FY 2017-18, the Department expects to provide 402,949 hours of legal service at an average billing rate of \$106.56 per hour, an increase of \$11.51 per hour compared to the FY 2016-17 average billing rate.

LEGAL SERVICES TO STATE AGENCIES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$32,211,407	\$0	\$1,054,580	\$31,156,827	\$0	260.8
SB 16-036	100,000	0	0	100,000	0	0.0
SB 16-040	71,258	0	0	71,258	0	0.4
SB 16-058	3,800	0	0	3,800	0	0.0
SB 16-069	3,802	0	0	3,802	0	0.0
SB 16-161	10,071	0	0	10,071	0	0.1
SB 16-197	228,024	0	0	228,024	0	1.3
HB 16-1034	3,800	0	0	3,800	0	0.0
HB 16-1047	47,505	0	0	47,505	0	0.1
HB 16-1097	23,753	0	0	23,753	0	0.1
HB 16-1160	15,202	0	0	15,202	0	0.1
HB 16-1197	2,850	0	0	2,850	0	0.0
HB 16-1211	9,501	0	0	9,501	0	0.0
HB 16-1261	9,501	0	0	9,501	0	0.0
HB 16-1280	3,800	0	0	3,800	0	0.0
HB 16-1324	9,501	0	0	9,501	0	0.0
HB 16-1328	4,900	0	0	4,900	0	0.0
HB 16-1404	9,501	0	0	9,501	0	0.0
SB 17-197	171,090	0	0	171,090	0	1.0
<b>TOTAL</b>	<b>\$32,939,266</b>	<b>\$0</b>	<b>\$1,054,580</b>	<b>\$31,884,686</b>	<b>\$0</b>	<b>263.9</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$32,939,266	\$0	\$1,054,580	\$31,884,686	\$0	263.9
Annualize prior year legislation	43,704	0	0	43,704	0	0.2
Annualize prior year budget actions	961	0	0	961	0	0.0
Legal allocations and billings	(760,273)	0	0	(760,273)	0	(21.3)
Indirect cost assessments	(314,055)	0	190,775	(504,830)	0	0.0
<b>SB 17-254</b>	<b>\$31,909,603</b>	<b>\$0</b>	<b>\$1,245,355</b>	<b>\$30,664,248</b>	<b>\$0</b>	<b>242.8</b>
SB 17-198	9,505	0	0	9,505	0	0.1
HB 17-1221	4,753	0	0	4,753	0	0.0
HB 17-1284	42,773	0	0	42,773	0	0.3
HB 17-1313	4,753	0	0	4,753	0	0.0
HB 17-1326	4,753	0	0	4,753	0	0.0
HB 17-1367	95,050	0	0	95,050	0	0.5
<b>TOTAL</b>	<b>\$32,071,190</b>	<b>\$0</b>	<b>\$1,245,355</b>	<b>\$30,825,835</b>	<b>\$0</b>	<b>243.7</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$868,076)</b>	<b>\$0</b>	<b>\$190,775</b>	<b>(\$1,058,851)</b>	<b>\$0</b>	<b>(20.2)</b>
Percentage Change	(2.6%)	n/a	18.1%	(3.3%)	n/a	(7.7%)

## FY 2016-17 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 17-197 modifies the FY 2016-17 appropriation to add \$171,090 reappropriated funds and 1.0 FTE to support additional legal services provided to the Department of Education.



## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments related to prior year legislation.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 16-1404 (Regulate Fantasy Contests)	\$57,006	\$0	\$0	\$57,006	\$0	0.4
Annualize HB 16-1324 (Veterinary Access Compounded Pharmaceutical Drugs)	20,902	0	0	20,902	0	0.0
HB 16-1211 (Marijuana Transporter License)	9,501	0	0	9,501	0	0.0
HB 16-1097 (PUC Permit for Medicaid Transportation Providers)	4,750	0	0	4,750	0	0.0
SB 16-197 (Liquor-licensed Drugstores Multiple Licenses)	(38,004)	0	0	(38,004)	0	(0.2)
HB 16-1160 (Sunset Surgical Assistants Surgical Technicians)	(3,801)	0	0	(3,801)	0	0.0
SB 16-058 (CO Farm to Consumer Sales)	(3,800)	0	0	(3,800)	0	0.0
HB 16-1280 (Update Air Ambulance Regulation)	(2,850)	0	0	(2,850)	0	0.0
<b>TOTAL</b>	<b>\$43,704</b>	<b>\$0</b>	<b>\$0</b>	<b>\$43,704</b>	<b>\$0</b>	<b>0.2</b>

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Prior year salary survey	\$5,009	\$0	\$0	\$5,009	\$0	0.0
SB 17-197 (Legal Services for Department of Education)	(4,048)	0	0	(4,048)	0	0.0
<b>TOTAL</b>	<b>\$961</b>	<b>\$0</b>	<b>\$0</b>	<b>\$961</b>	<b>\$0</b>	<b>0.0</b>

**LEGAL ALLOCATIONS AND BILLINGS:** The appropriation includes a reduction of \$760,273 reappropriated funds and 21.3 FTE for legal services provided to state agencies based on a change in the administration of monthly legal allocations and billings to client agencies. Prior to FY 2017-18, the Department has billed client agencies each month for the hours of legal services actually provided to the client during that month. Similar to other common policies, beginning in FY 2017-18 the Department will base each client agency's annual appropriation on prior years' usage of legal services and then bill agencies in twelve equal monthly installments rather than bill monthly based on actual usage.

**INDIRECT COST ASSESSMENTS:** The appropriation includes a net decrease in the division's indirect cost assessments.

**ADDITIONAL LEGISLATION:** For information on additional legislation, see the "Recent Legislation" section at the end of Part III of this department.

## CRIMINAL JUSTICE AND APPELLATE

This section provides funding for department staff who:

- Investigate and prosecute certain complex and multi-jurisdictional cases, environmental crimes, and foreign prosecutions;
- Investigate and prosecute Medicaid provider fraud and patient abuse;
- Investigate and prosecute securities, insurance, and workers' compensation fraud;
- Provide investigative and prosecutorial support to district attorneys for certain homicide cases;
- Represent the State in criminal appeal cases in state and federal courts;
- Ensure that the constitutional and statutory rights of victims are preserved in criminal cases being prosecuted or defended by the Department; and
- Support and provide funding for the Peace Officers Standards and Training (P.O.S.T.) Board.

Cash fund sources include money paid by insurance companies for the investigation and prosecution of insurance fraud, fees paid by peace officers for P.O.S.T. Board certification, and a statewide vehicle registration fee to support training for peace officers. Reappropriated fund sources include departmental indirect cost recoveries, money transferred from the Department of Public Safety from the Colorado Auto Theft Prevention Cash Fund and from the Victims Assistance and Law Enforcement (VALE) Fund, and money transferred from the Department of Regulatory Agencies from fees paid by regulated entities for the investigation and prosecution of securities fraud. Federal funds help support the Medicaid Fraud Control Unit.

CRIMINAL JUSTICE AND APPELLATE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$16,271,577	\$5,781,992	\$7,353,037	\$1,665,269	\$1,471,279	104.7
<b>TOTAL</b>	<b>\$16,271,577</b>	<b>\$5,781,992</b>	<b>\$7,353,037</b>	<b>\$1,665,269</b>	<b>\$1,471,279</b>	<b>104.7</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$16,271,577	\$5,781,992	\$7,353,037	\$1,665,269	\$1,471,279	104.7
POST on-line training	500,010	0	500,010	0	0	0.0
Financial fraud investigators	220,217	0	182,767	37,450	0	2.0
Indirect cost assessments	57,079	0	55,457	4,896	(3,274)	0.0
Appellate FTE retention	0	0	0	0	0	0.0
Fund source adjustments	0	282,447	0	(282,447)	0	0.0
POST audit FTE	0	0	0	0	0	3.0
Adjust anticipated grant funding	(10,365)	0	0	(10,365)	0	0.0
Annualize prior year budget actions	(1,757)	(2,842)	536	549	0	0.1
<b>SB 17-254</b>	<b>\$17,036,761</b>	<b>\$6,061,597</b>	<b>\$8,091,807</b>	<b>\$1,415,352</b>	<b>\$1,468,005</b>	<b>109.8</b>
<b>TOTAL</b>	<b>\$17,036,761</b>	<b>\$6,061,597</b>	<b>\$8,091,807</b>	<b>\$1,415,352</b>	<b>\$1,468,005</b>	<b>109.8</b>
<b>INCREASE/(DECREASE)</b>						
	\$765,184	\$279,605	\$738,770	(\$249,917)	(\$3,274)	5.1
Percentage Change	4.7%	4.8%	10.0%	(15.0%)	(0.2%)	4.9%

### FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**POST ON-LINE TRAINING:** The appropriation adds \$500,010 cash funds from the P.O.S.T. Board Cash Fund to provide online peace officer training to 11,905 peace officers statewide. While focusing specifically on rural peace officers, the initiative is expected to provide training to an estimated 88 percent of the 13,500 certified peace officers in Colorado.

**FINANCIAL FRAUD INVESTIGATORS:** The appropriation adds \$220,217 total funds and 2.0 FTE to add two financial fraud investigators to the Special Prosecution Unit, including an additional criminal investigator II position to support additional insurance fraud investigations and an additional criminal investigator III (chief investigator) position to both conduct investigations and oversee investigative teams in both the insurance fraud unit and the securities fraud unit.

**INDIRECT COST ASSESSMENTS:** The appropriation includes a net increase in the division's indirect cost assessments.

**APPELLATE FTE RETENTION:** The appropriation maintains funding to allow the Department to retain 3.0 attorney FTE in the Appellate Unit originally provided through a FY 2013-14 budget action to reduce the backlog of appellate cases. While the FY 2013-14 budget action anticipated that the 3.0 FTE would no longer be necessary after FY 2016-17, the appropriation maintains funding and staff based in increasing appellate workload.

**FUND SOURCE ADJUSTMENTS:** The appropriation includes an increase of \$282,447 General Fund to offset a decrease of \$282,447 reappropriated funds in the Appellate Unit to align appropriations with available revenues from indirect cost recoveries.

**POST AUDIT FTE:** The appropriation adds 3.0 FTE to the Peace Officers Standards and Training (P.O.S.T.) Board Support line item in response to an external audit of the P.O.S.T. Board. The Department hired the additional staff within existing resources in FY 2016-17 and no additional funds are required.

**ADJUST ANTICIPATED GRANT FUNDING:** The appropriation includes a decrease of \$10,365 reappropriated funds to reflect the total amount of grant funding anticipated to be available from the Department of Public Safety. The total change includes: (1) an increase of \$3,262 associated with victims' assistance programs; and (2) a reduction of \$13,627 associated with efforts to investigate and prosecute multi-jurisdictional auto theft.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Annualize prior year salary survey	\$2,946	\$1,861	\$536	\$549	\$0	0.0
FY 2016-17 Senior AAG Special Prosecution	(4,703)	(4,703)	0	0	0	0.1
<b>TOTAL</b>	<b>(\$1,757)</b>	<b>(\$2,842)</b>	<b>\$536</b>	<b>\$549</b>	<b>\$0</b>	<b>0.1</b>

## WATER AND NATURAL RESOURCES

This section provides funding for department staff who protect and defend the interests of the State and its citizens in all areas of natural resources law and environmental law, including: the use of surface and ground water, oil and gas development, mining and minerals, wildlife, the clean-up of contaminated sites (pursuant to the federal Comprehensive Environmental Response, Compensation and Liability Act or "CERCLA"), the proper storage or disposal of hazardous waste, and protection of the state's air and water. Cash fund sources include the Colorado Water Conservation Board's Litigation Fund and money received by the Attorney General as an award of attorney fees or costs. Reappropriated funds are transferred from the Department of Public Health and Environment from the Hazardous Substance Response Fund.

## WATER AND NATURAL RESOURCES

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$2,176,932	\$596,349	\$938,639	\$641,944	\$0	12.5
<b>TOTAL</b>	<b>\$2,176,932</b>	<b>\$596,349</b>	<b>\$938,639</b>	<b>\$641,944</b>	<b>\$0</b>	<b>12.5</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$2,176,932	\$596,349	\$938,639	\$641,944	\$0	12.5
Indirect cost assessments	(902)	0	0	(902)	0	0.0
<b>SB 17-254</b>	<b>\$2,176,030</b>	<b>\$596,349</b>	<b>\$938,639</b>	<b>\$641,042</b>	<b>\$0</b>	<b>12.5</b>
<b>TOTAL</b>	<b>\$2,176,030</b>	<b>\$596,349</b>	<b>\$938,639</b>	<b>\$641,042</b>	<b>\$0</b>	<b>12.5</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$902)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$902)</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	(0.0%)	0.0%	0.0%	(0.1%)	n/a	0.0%

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**INDIRECT COST ASSESSMENTS:** The appropriation includes a net decrease in the division's indirect cost assessments.

## CONSUMER PROTECTION

This section provides funding for department staff who protect Colorado consumers against fraud and maintain a competitive business environment by enforcing state and federal laws regarding consumer protection, antitrust, consumer lending, mortgage fraud, predatory lending, debt collection, rent-to-own, and credit repair. This section also provides funding to support one attorney who is responsible for enforcing the Tobacco Master Settlement Agreement. Cash fund sources include fees paid by regulated entities, custodial money awarded to the Attorney General in consumer protection lawsuits, and tobacco settlement money. Reappropriated funds are transferred from the Department of Regulatory Agencies for consumer protection activities related to mortgage brokers.

CONSUMER PROTECTION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$5,079,533	\$1,368,420	\$3,374,098	\$337,015	\$0	49.2
<b>TOTAL</b>	<b>\$5,079,533</b>	<b>\$1,368,420</b>	<b>\$3,374,098</b>	<b>\$337,015</b>	<b>\$0</b>	<b>49.2</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$5,079,533	\$1,368,420	\$3,374,098	\$337,015	\$0	49.2
Consumer protection FTE	178,483	66,550	275,760	(163,827)	0	3.0
Custodial funds adjustment	56,990	0	56,990	0	0	1.0
Indirect cost assessments	36,440	0	56,698	(20,258)	0	0.0
Annualize prior year budget actions	(4,382)	0	(4,382)	0	0	0.0
<b>SB 17-254</b>	<b>\$5,347,064</b>	<b>\$1,434,970</b>	<b>\$3,759,164</b>	<b>\$152,930</b>	<b>\$0</b>	<b>53.2</b>
SB 17-216	6,640	0	6,640	0	0	0.0
<b>TOTAL</b>	<b>\$5,353,704</b>	<b>\$1,434,970</b>	<b>\$3,765,804</b>	<b>\$152,930</b>	<b>\$0</b>	<b>53.2</b>
<b>INCREASE/(DECREASE)</b>	<b>\$274,171</b>	<b>\$66,550</b>	<b>\$391,706</b>	<b>(\$184,085)</b>	<b>\$0</b>	<b>4.0</b>
Percentage Change	5.4%	4.9%	11.6%	(54.6%)	n/a	8.1%

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**CONSUMER PROTECTION FTE:** The appropriation includes a net increase of \$178,483 total funds, including \$66,550 General Fund, and 3.0 FTE to augment staffing of the Consumer Protection Section. The changes include two components: (1) realigning and refinancing a portion of the staff currently focused on mortgage and foreclosure fraud based on a decrease in mortgage-related workload; and (2) adding 3.0 centralized administrative staff supported by custodial cash funds to support the consumer protection division.

**CUSTODIAL FUNDS ADJUSTMENT:** The appropriation adds \$56,990 custodial cash funds and 1.0 FTE to reflect the Department's use of consumer protection custodial funds. Because custodial funds are continuously appropriated to the Department, these funds are shown in the Long Bill for informational purposes only.

**INDIRECT COST ASSESSMENTS:** The appropriation includes a net increase in the division's indirect cost assessments.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Prior year salary survey	\$321	\$0	\$321	\$0	\$0	0.0
FY 2016-17 Compliance investigator	(4,703)	0	(4,703)	0	0	0.0
<b>TOTAL</b>	<b>(\$4,382)</b>	<b>\$0</b>	<b>(\$4,382)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**ADDITIONAL LEGISLATION:** For information on additional legislation, see the "Recent Legislation" section at the end of Part III of this department.

## SPECIAL PURPOSE

The section includes funding to cover 80.0 percent of the statutory minimum salary for Colorado's twenty-two district attorneys, for unanticipated legal and technology expenses, and for litigation expenses associated with significant lawsuits. Cash fund sources include tobacco settlement money, money received from the State Board of Land Commissioners from its Investment and Development Fund, and money received by the Attorney General as an award of attorney fees or costs.

SPECIAL PURPOSE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$4,684,138	\$3,234,138	\$1,450,000	\$0	\$0	1.0
<b>TOTAL</b>	<b>\$4,684,138</b>	<b>\$3,234,138</b>	<b>\$1,450,000</b>	<b>\$0</b>	<b>\$0</b>	<b>1.0</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$4,684,138	\$3,234,138	\$1,450,000	\$0	\$0	1.0
Centrally appropriated line items	10,297	10,297	0	0	0	0.0
<b>SB 17-254</b>	<b>\$4,694,435</b>	<b>\$3,244,435</b>	<b>\$1,450,000</b>	<b>\$0</b>	<b>\$0</b>	<b>1.0</b>
<b>TOTAL</b>	<b>\$4,694,435</b>	<b>\$3,244,435</b>	<b>\$1,450,000</b>	<b>\$0</b>	<b>\$0</b>	<b>1.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$10,297</b>	<b>\$10,297</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(0.0)</b>
Percentage Change	0.2%	0.3%	0.0%	n/a	n/a	(0.0%)

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments related to supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund for locally elected district attorneys.

### RECENT LEGISLATION

#### 2016 SESSION BILLS

**S.B. 16-036 (SURETY REQUIREMENT FOR APPEALING TAX BILLS CLAIMED):** Changes the circumstances under which a taxpayer is required to set aside money when he or she files a notice of appeal of a tax decision with a court. For FY 2016-17, provides \$100,000 reappropriated funds to the Department of Law for the provision of legal services to the Department of Revenue (DOR). For additional information see the “Recent Legislation” section at the end of Part III for DOR.

**S.B. 16-040 (MARIJUANA OWNER CHANGES):** Replaces the current statutory definition for owner of a licensed medical or retail marijuana business with two new ownership categories: direct beneficial interest owners and indirect beneficial interest owners and specifies statutory requirements regarding the categories of ownership. For FY 2016-17, provides \$71,258 reappropriated funds and 0.4 FTE to the Department of Law for the provision of legal services to the Department of Revenue (DOR). For additional information see the “Recent Legislation” section at the end of Part III for DOR.

**S.B. 16-058 (COLORADO FARM TO CONSUMER SALES):** Modifies the "Colorado Cottage Foods Act," which allows homemade food producers to sell certain food products directly to consumers. For FY 2016-17, provides \$3,800 reappropriated funds to the Department of Law for the provision of legal services to the Department of Agriculture. For additional information see the “Recent Legislation” section at the end of Part III for the Department of Agriculture.

**S.B. 16-069 (COMMUNITY PARAMEDICINE REGULATION):** Requires the Department of Public Health and Environment (DPHE) to establish rules governing the scope of practice of community integrated health care service, including the issuance of an endorsement in community integrated health care service to emergency medical service providers. For FY 2016-17, provides \$3,802 reappropriated funds to the Department of Law for the provision of legal services to the DPHE. For additional information see the “Recent Legislation” section at the end of Part III for DPHE.

**S.B. 16-161 (REGULATE ATHLETIC TRAINERS):** Requires athletic trainers to be registered with the Division of Professions and Occupations, within the Department of Regulatory Agencies (DORA), and reinstates, with some modifications, the Athletic Trainer Practice Act as it existed prior to its 2015 repeal. For FY 2016-17, provides \$10,071 reappropriated funds and 0.1 FTE to the Department of Law for the provision of legal services to DORA. For additional information see the “Recent Legislation” section at the end of Part III for DORA.

**S.B. 16-193 (SAFE2TELL FREE MATERIALS AND TRAINING):** Requires the Department of Law to provide Safe2Tell program materials to Colorado preschools, elementary schools, middle schools, high schools, 4-H extension offices, and boys and girls clubs free of charge by June 30, 2017, and annually each year thereafter. Also requires the Department of law to develop a training curriculum and teaching materials for a train-the-trainer program which is to be held annually and at diverse geographic locations within Colorado at no cost to attendees. For FY 2016-17, appropriates \$135,942 General Fund and 1.0 FTE to the Department of Law.

**S.B. 16-197 (LIQUOR-LICENSED DRUGSTORES MULTIPLE LICENSES):** Allows a liquor-licensed drugstore to obtain additional liquor-licensed drugstore licenses, under which drugstores are permitted to sell malt, vinous, and spirituous liquors in sealed containers for consumption off the licensed premises. Specifies requirements for licensing and enforcement to be conducted by the Department of Revenue (DOR). For FY 2016-17, provides \$228,024 reappropriated funds and 1.3 FTE to the Department of Law for the provision of legal services to DOR. For additional information see the “Recent Legislation” section at the end of Part III for DOR.

**H.B. 16-1034 (EMERGENCY MEDICAL RESPONDER REGISTRATION):** Renames "first responders" as "emergency medical responders" and requires the Department of Public Health and Environment (DPHE) to begin a voluntary registration program on July 1, 2017. For FY 2016-17, provides \$3,800 reappropriated funds to the Department of Law for the provision of legal services to the DPHE. For additional information see the “Recent Legislation” section at the end of Part III for DPHE.

**H.B. 16-1047 (INTERSTATE MEDICAL LICENSURE COMPACT):** Enacts the Interstate Medical Licensure Compact (compact) and authorizes the Governor to enter into the compact on behalf of Colorado. For FY 2016-17, provides \$47,505 reappropriated funds and 0.1 FTE to the Department of Law for the provision of legal services to the Department of Regulatory Agencies (DORA). For additional information see the “Recent Legislation” section at the end of Part III for DORA.

**H.B. 16-1097 (PUC PERMIT FOR MEDICAID TRANSPORTATION PROVIDERS):** Allows providers of non-emergency transportation services for Medicaid clients to operate under a limited regulation permit from the Public Utilities Commission (PUC), rather than a certificate of public convenience and necessity, and establishes parameters for the limited regulation permits. For FY 2016-17, provides \$23,753 reappropriated funds and 0.1 FTE to the Department of Law for the provision of legal services to the PUC. For additional information see the “Recent Legislation” section at the end of Part III for the Department of Health Care Policy and Financing.

**H.B. 16-1160 (SUNSET SURGICAL ASSISTANTS SURGICAL TECHNICIANS):** Continues the regulation of surgical assistants and surgical technologists until September 1, 2021. These health professions are regulated by the Division of Professions and Occupations in the Department of Regulatory Agencies (DORA). For FY 2016-17, provides \$15,202 reappropriated funds and 0.1 FTE to the Department of Law for the provision of legal services to DORA. For additional information see the “Recent Legislation” section at the end of Part III for DORA.

**H.B. 16-1197 (MILITARY VETERAN OCCUPATIONAL CREDENTIALS):** Requires each state agency that regulates a profession or occupation to evaluate and provide appropriate credit toward licensing and certification for military experience. Each state agency may consult with any military official, state agency, or post-secondary educational institution, and each post-secondary educational institution is obligated to cooperate. For FY 2016-17, provides \$2,850 reappropriated funds to the Department of Law for the provision of legal services to the Department of Regulatory Agencies (DORA). For additional information see the “Recent Legislation” section at the end of Part III for DORA.

**H.B. 16-1211 (MARIJUANA TRANSPORTER LICENSE):** Creates state medical and retail marijuana transporter licenses to be issued by the Marijuana Enforcement Division (MED) in the Department of Revenue (DOR), and allows for the issuance of a local medical marijuana transporter license. Specifies criteria and requirements for licensing and requires transporters to be licensed by July 1, 2017, with the exception of a marijuana transporter for a medical marijuana business or retail marijuana establishment that provides its own distribution. For FY 2016-17, provides \$9,501 reappropriated funds to the Department of Law for the provision of legal services to the DOR. For additional information see the “Recent Legislation” section at the end of Part III for DOR.

**H.B. 16-1261 (RETAIL MARIJUANA SUNSET):** Continues the Colorado Retail Marijuana Code until September 1, 2019, and makes changes regarding licensing, rulemaking, industry operations, county-initiated ballot measures, and criminal provisions. For FY 2016-17, provides \$9,501 reappropriated funds to the Department of Law for the provision of legal services to the Department of Revenue (DOR). For additional information see the “Recent Legislation” section at the end of Part III for the DOR.

**H.B. 16-1280 (UPDATE AIR AMBULANCE REGULATION):** Provides the Department of Public Health and Environment (DPHE) with additional authority to establish state-level licensing of air ambulances that allows for air ambulance operators to receive a license either by gaining accreditation through an approved organization or by meeting licensing standards established by DPHE and the State Board of Health. For FY 2016-17, provides \$3,800 reappropriated funds to the Department of Law for the provision of legal services to the DPHE. For additional information see the “Recent Legislation” section at the end of Part III for DPHE.

**H.B. 16-1324 (VETERINARY ACCESS COMPOUNDED):** Authorizes a compounding pharmacy that possesses a valid manufacturing registration from the federal Drug Enforcement Administration to compound and distribute a drug to a veterinarian for office use or office stock. Additionally, the bill allows a veterinarian to administer to an animal patient a compounded drug maintained for office use and to dispense to a human client for later administration to an animal patient a compound drug. Authorizes the Colorado Board of Pharmacy, within the Department of Regulatory Agencies (DORA), to authorize and license a pharmacy outlet located outside of Colorado to provide compounded veterinary drugs for office use or office stock and to promulgate rules concerning compounded veterinary pharmaceuticals. For FY 2016-17, provides \$9,501 reappropriated funds to the Department of Law for the provision of legal services to DORA. For additional information see the “Recent Legislation” section at the end of Part III for DORA.

**H.B. 16-1328 (USE OF RESTRAINT AND SECLUSION ON INDIVIDUALS):** Directs the Department of Human Services (DHS) on the use of seclusion in youth corrections facilities. Requires the DHS to maintain prescribed documentation each time a youth is placed in seclusion as a result of an emergency in any secure state-operated and state-owned youth corrections facility. For FY 2016-17, provides \$4,900 reappropriated funds to the Department of Law for the provision of legal services to DHS. For additional information see the “Recent Legislation” section at the end of Part III for DHS.

**H.B. 16-1404 (REGULATE FANTASY CONTESTS):** Establishes the registration of small fantasy contest operators and the licensure of all other large fantasy contest operators by the Division of Professions and Occupations within the Department of Regulatory Agencies (DORA). For FY 2016-17, provides \$9,501 reappropriated funds to the Department of Law for the provision of legal services to DORA. For additional information see the “Recent Legislation” section at the end of Part III for DORA.

**H.B. 16-1405 (LONG BILL):** General appropriations act for FY 2016-17.

## 2017 SESSION BILLS

**S.B. 17-126 (DOMESTIC VIOLENCE FATALITY REVIEW BOARD):** Creates the Colorado Domestic Violence Fatality Review Board in the Department of Law, to be chaired by a designee of the Attorney General and to include between 17 and 20 members. Members include representatives from the forensic, domestic violence, law enforcement, prosecutor, and judicial communities and serve without compensation but may receive per diem and reimbursement for costs. Charges the board with: examining data collected by review teams during the previous year; identifying measures to help prevent domestic violence fatalities and near-death incidents; establishing uniform methods for collecting, analyzing, and storing data related to domestic violence fatalities and near-death incidents; and making annual reports and recommendations concerning domestic violence to the General Assembly. For FY



2017-18, appropriates \$19,750 total funds, including \$17,250 General Fund and \$2,500 cash funds from the Colorado Domestic Violence Fatality Review Board Cash Fund, to the Department of Law.

**S.B. 17-196 (DEPARTMENT OF LAW INFORMATION TECHNOLOGY SECURITY):** Modifies FY 2016-17 appropriations to the Department to add \$144,776 total funds, including \$51,572 General Fund, to improve the Department's information technology (IT) security based on the recommendations of an external audit of the Department's IT security systems and procedures.

**S.B. 17-197 (LEGAL SERVICES FOR DEPARTMENT OF EDUCATION):** Modifies FY 2016-17 appropriations to the Department to add \$171,090 reappropriated funds and 1.0 FTE to support additional legal services provided to the Department of Education.

**S.B. 17-198 (PUBLIC PARTICIPATE REVIEW ACQUIRE CONTROL INSURER):** Expands the public notice for the acquisition of either a domestic or foreign insurer that offers health plans in the state by requiring the Commissioner of Insurance within the Department of Regulatory Agencies (DORA) to make the entire pre-acquisition notification available for public inspection promptly after filing. For FY 2017-18, provides \$9,505 reappropriated funds to the Department of Law for the provision of legal services to DORA. For additional information see the "Recent Legislation" section at the end of Part III for DORA.

**S.B. 17-216 (SUNSET CONTINUE FAIR DEBT COLLECTIONS ACT):** Continues the Colorado Fair Debt Collection Practices Act for 11 years, through September 1, 2028. Also implements the recommendation from the Department of Regulatory Agencies sunset report that the Collection Agency Board be repealed. For FY 2017-18, appropriates \$6,640 cash funds from the Collection Agency Cash Fund to the Department of Law.

**S.B. 17-254 (LONG BILL):** General appropriations act for FY 2017-18.

**H.B. 17-1221 (GREY AND BLACK MARKET MARIJUANA ENFORCEMENT EFFORTS):** Creates the Gray and Black Market Marijuana Enforcement Grant Program in the Department of Local Affairs (DOLA). Also creates an offense for a person who is not a primary caregiver for possessing a marijuana plant that the person is growing on behalf of another person. For FY 2017-18, appropriates \$4,753 reappropriated funds to the Department of Law for the provision of legal services to DOLA. For additional information see the "Recent Legislation" section at the end of Part III for DOLA.

**H.B. 17-1284 (DATA SYSTEM CHECK FOR EMPLOYEES SERVING AT-RISK):** Requires certain employers to conduct a records check of the Colorado adult protective services (CAPS) data system for prospective employees to determine if a prospective employee who will work directly with at-risk adults is the subject of a substantiated report of adult abuse or neglect. For FY 2017-18, appropriates \$428,779 General Fund to the Department of Human Services (DHS). Also appropriates \$42,773 reappropriated funds and 0.3 FTE to the Department of Law to assist with rules promulgation in FY 2017-18. For additional information see the "Recent Legislation" section at the end of Part III for DHS.

**H.B. 17-1313 (CIVIL FORFEITURE REFORM):** Requires criminal justice agencies involved in the seizure of property to submit biannual seizure reports to the Department of Local Affairs (DOLA), and requires DOLA to establish and maintain a searchable public access database for seizure-related information. Imposes restrictions and requirements on an agency's ability to receive forfeiture proceeds from the federal government, a joint task force, or multi-jurisdictional collaboration. Requires DOLA to submit annual reports summarizing seizure and forfeiture activity in the state to the Governor, Attorney General, and General Assembly beginning December 31, 2019. For FY 2017-18, appropriates \$4,753 reappropriated funds to the Department of Law for the provision of legal services to DOLA. For additional information see the "Recent Legislation" section at the end of Part III for DOLA.

**H.B. 17-1326 (JUSTICE REINVESTMENT CRIME PREVENTION INITIATIVE):** Changes maximum parole revocation periods for technical parole violations. Establishes a new crime-prevention program in the Department of Local Affairs (DOLA) to provide small business loans and grants that are designed to reduce crime and promote community development in the target communities of north Aurora and southeast Colorado Springs. For FY 2017-18, appropriates \$4,753 reappropriated funds to the Department of Law for the provision of legal services to DOLA. For additional information see the “Recent Legislation” section at the end of Part III for DOLA.

**H.B. 17-1367 (AUTHORIZE MARIJUANA CLINICAL RESEARCH):** Creates two research licenses in the Medical Marijuana Code to be issued by the Marijuana Enforcement Division in the Department of Revenue (DOR) and local licensing authorities. For FY 2017-18, appropriates \$226,671 cash funds from the Marijuana Cash Fund to the DOR, of which \$95,050 is reappropriated to the Department of Law for the provision of legal services to DOR. For additional information see the “Recent Legislation” section at the end of Part III for DOR.

# Details

## LEGISLATIVE BRANCH

### FY 2016-17 AND FY 2017-18 APPROPRIATIONS BY DIVISION AND BILL

LEGISLATIVE DEPARTMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2016-17 TOTAL APPROPRIATION:</b>	<b>\$45,868,293</b>	<b>\$44,789,293</b>	<b>\$179,000</b>	<b>\$900,000</b>	<b>\$0</b>	<b>285.0</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
General Assembly	17,204,559	17,114,559	90,000	0	0	66.0
State Auditor	9,843,630	8,854,630	89,000	900,000	0	74.7
Joint Budget Committee	1,855,355	1,855,355	0	0	0	16.0
Legislative Council	10,240,455	10,240,455	0	0	0	74.3
Committee on Legal Services	6,724,294	6,724,294	0	0	0	54.0
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
HB 16-1353 (Legislative Appropriation)	\$41,573,865	\$40,494,865	\$179,000	\$900,000	\$0	281.3
HB 16-1405 (Long Bill)	3,811,594	3,811,594	0	0	0	0.0
SB 16-163	26,111	26,111	0	0	0	0.4
SB 16-183	19,698	19,698	0	0	0	0.3
SB 16-203	212,149	212,149	0	0	0	2.7
HB 16-1077	21,628	21,628	0	0	0	0.3
HB 16-1172	3,248	3,248	0	0	0	0.0
HB 16-1411	200,000	200,000	0	0	0	0.0
<b>FY 2017-18 TOTAL APPROPRIATION:</b>	<b>\$49,928,386</b>	<b>\$48,280,517</b>	<b>\$470,869</b>	<b>\$1,177,000</b>	<b>\$0</b>	<b>287.7</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
General Assembly	18,281,075	18,191,075	90,000	0	0	66.0
State Auditor	10,369,654	9,442,654	0	927,000	0	75.2
Joint Budget Committee	1,940,846	1,940,846	0	0	0	16.0
Legislative Council	12,337,877	11,713,726	374,151	250,000	0	75.9
Committee on Legal Services	6,998,934	6,992,216	6,718	0	0	54.6
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
SB 17-230 (Legislative Appropriation)	\$43,595,138	\$42,578,138	\$90,000	\$927,000	\$0	286.9
SB 17-254 (Long Bill)	5,626,005	5,376,005	0	250,000	0	0.0
HB 17-1216	26,374	26,374	0	0	0	0.4
HB 17-1340	380,869	0	380,869	0	0	0.4
HB 17-1361	300,000	300,000	0	0	0	0.0
<b>INCREASE/(DECREASE)</b>	<b>\$4,060,093</b>	<b>\$3,491,224</b>	<b>\$291,869</b>	<b>\$277,000</b>	<b>\$0</b>	<b>2.7</b>
Percentage Change	8.9%	7.8%	163.1%	30.8%	n/a	0.9%

## DETAIL OF APPROPRIATION BY ADMINISTRATIVE SECTION

### GENERAL ASSEMBLY

Comprised of 35 members in the Senate and 65 members in the House of Representatives, the General Assembly meets annually beginning in early January and, per the Colorado Constitution, must adjourn within 120 days. The Colorado Constitution vests all legislative power in the General Assembly, except those powers specifically reserved by the people. Funding for the General Assembly is primarily General Fund with a small amount of funding from the sale of bill boxes, legislative directories, publications, and other services.

GENERAL ASSEMBLY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1353 (Legislative Appropriation)	\$14,586,198	\$14,496,198	\$90,000	\$0	\$0	66.0
HB 16-1405 (Long Bill)	2,607,424	2,607,424	0	0	0	0.0
SB 16-183	2,817	2,817	0	0	0	0.0
HB 16-1077	4,872	4,872	0	0	0	0.0
HB 16-1172	3,248	3,248	0	0	0	0.0
<b>TOTAL</b>	<b>\$17,204,559</b>	<b>\$17,114,559</b>	<b>\$90,000</b>	<b>\$0</b>	<b>\$0</b>	<b>66.0</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$17,204,559	\$17,114,559	\$90,000	\$0	\$0	66.0
Centrally appropriated line items	630,062	630,062	0	0	0	0.0
Salary/benefits/operating adjustments	443,832	443,832	0	0	0	0.0
<b>SB 17-230 (Legislative Appropriation)<sup>1</sup></b>	<b>\$15,106,618</b>	<b>\$15,016,618</b>	<b>\$90,000</b>	<b>\$0</b>	<b>\$0</b>	<b>66.0</b>
<b>SB 17-254 (Long Bill)<sup>1</sup></b>	<b>3,171,835</b>	<b>3,171,835</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>
HB 17-1216	2,622	2,622	0	0	0	0.0
<b>TOTAL</b>	<b>\$18,281,075</b>	<b>\$18,191,075</b>	<b>\$90,000</b>	<b>\$0</b>	<b>\$0</b>	<b>66.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$1,076,516</b>	<b>\$1,076,516</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	6.3%	6.3%	0.0%	n/a	n/a	0.0%

<sup>1</sup> The FY 2016-17 Appropriation plus the sum of the incremental changes described in the appropriation highlights equals the combined appropriation in S.B. 17-230 (Legislative Appropriation) and S.B. 17-254 (Long Bill).

### FY 2017-18 APPROPRIATION – S.B. 17-230 (LEGISLATIVE APPROPRIATION) AND S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items as follows: supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund, Capitol Complex maintenance costs, workers compensation, payments to risk management and property funds, CORE operations, and information technology common policy issues. These increases are offset by a decrease in legal services.

**SALARY/BENEFITS/OPERATING ADJUSTMENTS:** The appropriation includes an increase of \$443,832 General Fund that is primarily the result of changes in health, life, and dental insurance benefits; increases to personal services, operating, and travel budgets; an increase for non-metro legislator per diem pursuant to statute; increases for the Legislative Aides Program; an increase for Capitol Complex security; and dues for joint governmental agencies.

**ADDITIONAL LEGISLATION:** For information on additional legislation, see the "Recent Legislation" section at the end of this department.

## STATE AUDITOR

The duties of the Office of the State Auditor are to conduct post audits of all financial transactions and accounts of all state departments, institutions, and agencies of the executive, legislative, and judicial branches; conduct performance post audits; and prepare summary audit reports and recommendations concerning each agency. Legislative oversight is provided by the Legislative Audit Committee, which is comprised of four senators, two from each major political party, and four representatives, two from each major political party. The Office of the State Auditor is primarily funded with General Fund and a small amount of reappropriated funds from billable audits of programs supported by federal or cash funds where permitted.

STATE AUDITOR						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1353 (Legislative Appropriation)	\$9,431,481	\$8,442,481	\$89,000	\$900,000	\$0	72.0
SB 16-203	212,149	212,149	0	0	0	2.7
HB 16-1411	200,000	200,000	0	0	0	0.0
<b>TOTAL</b>	<b>\$9,843,630</b>	<b>\$8,854,630</b>	<b>\$89,000</b>	<b>\$900,000</b>	<b>\$0</b>	<b>74.7</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$9,843,630	\$8,854,630	\$89,000	\$900,000	\$0	74.7
Salary/benefits/operating adjustments	161,791	223,791	(89,000)	27,000	0	0.5
Centrally appropriated line items	64,233	64,233	0	0	0	0.0
<b>SB 17-230 (Legislative Appropriation)</b>	<b>\$10,069,654</b>	<b>\$9,142,654</b>	<b>\$0</b>	<b>\$927,000</b>	<b>\$0</b>	<b>75.2</b>
HB 17-1361	300,000	300,000	0	0	0	0.0
<b>TOTAL</b>	<b>\$10,369,654</b>	<b>\$9,442,654</b>	<b>\$0</b>	<b>\$927,000</b>	<b>\$0</b>	<b>75.2</b>
<b>INCREASE/(DECREASE)</b>	\$526,024	\$588,024	(\$89,000)	\$27,000	\$0	0.5
Percentage Change	5.3%	6.6%	(100.0%)	3.0%	n/a	0.7%

### FY 2017-18 APPROPRIATION – S.B. 17-230 (LEGISLATIVE APPROPRIATION) ISSUE DESCRIPTIONS

**SALARY/BENEFITS/OPERATING ADJUSTMENTS:** The appropriation includes an increase of \$161,791, including \$223,791 General Fund, that is primarily the result of changes in health, life, and dental insurance benefits; and increases to personal services, and operating.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items for supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund.

**ADDITIONAL LEGISLATION:** For information on additional legislation, see the "Recent Legislation" section at the end of this department.

## JOINT BUDGET COMMITTEE

The Joint Budget Committee is the permanent fiscal and budget review agency of the General Assembly. The six-member committee is comprised of three members from the House, including two from the majority political party, and three members from the Senate, including two from the majority political party. The Committee, through its staff, is responsible for analyzing the programs, management, operations, and fiscal needs of state agencies. After holding budget hearings with all state departments and agencies, the Committee and its staff prepare the Long Bill. The staff is also responsible for providing support for both the House and Senate Appropriations Committees. The Joint Budget Committee is funded with General Fund.

JOINT BUDGET COMMITTEE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1353 (Legislative Appropriation)	\$1,855,355	\$1,855,355	\$0	\$0	\$0	16.0
<b>TOTAL</b>	<b>\$1,855,355</b>	<b>\$1,855,355</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>16.0</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$1,855,355	\$1,855,355	\$0	\$0	\$0	16.0
Salary/benefits/operating adjustments	71,408	71,408	0	0	0	0.0
Centrally appropriated line items	14,083	14,083	0	0	0	0.0
<b>SB 17-230 (Legislative Appropriation)</b>	<b>\$1,940,846</b>	<b>\$1,940,846</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>16.0</b>
<b>TOTAL</b>	<b>\$1,940,846</b>	<b>\$1,940,846</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>16.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$85,491</b>	<b>\$85,491</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	4.6%	4.6%	n/a	n/a	n/a	0.0%

### FY 2017-18 APPROPRIATION – S.B. 17-230 (LEGISLATIVE APPROPRIATION) ISSUE DESCRIPTIONS

**SALARY/BENEFITS/OPERATING ADJUSTMENTS:** The appropriation includes an increase of \$71,408 General Fund that is primarily the result of changes in health, life, and dental insurance benefits and increases to personal services.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items for state contributions to the Public Employees' Retirement Association (PERA) pension fund.

## LEGISLATIVE COUNCIL

The Legislative Council is comprised of 18 legislators, nine from the House and nine from the Senate. The staff of the Council provides fact-finding and information-collecting services for all members of the General Assembly. In addition, the staff provides support for all standing committees except Appropriations, and for most interim committees. The staff maintains a reference library for all legislators and staff, and the Council contracts for special studies as needed. The State Capitol Building tour guide coordinator is an employee of the Council. The Council staff is also responsible for preparing fiscal notes on new legislation, for providing revenue estimates, and providing support services for legislative agencies. The Council staff is primarily funded with General Fund with reappropriated funds transferred from the Department of Education every other year.

LEGISLATIVE COUNCIL						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1353 (Legislative Appropriation)	\$9,019,404	\$9,019,404	\$0	\$0	\$0	74.0
HB 16-1405 (Long Bill)	1,204,170	1,204,170	0	0	0	0.0
SB 16-183	16,881	16,881	0	0	0	0.3
<b>TOTAL</b>	<b>\$10,240,455</b>	<b>\$10,240,455</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>74.3</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$10,240,455	\$10,240,455	\$0	\$0	\$0	74.3
Ballot analysis	1,000,000	1,000,000	0	0	0	0.0
Salary/benefits/operating adjustments	397,131	397,131	0	0	0	1.0
Cost of living analysis	250,000	0	0	250,000	0	0.0
Centrally appropriated line items	59,261	59,261	0	0	0	0.0
<b>SB 17-230 (Legislative Appropriation)<sup>1</sup></b>	<b>\$9,492,677</b>	<b>\$9,492,677</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>75.3</b>
<b>SB 17-254 (Long Bill)<sup>1</sup></b>	<b>2,454,170</b>	<b>2,204,170</b>	<b>0</b>	<b>250,000</b>	<b>0</b>	<b>0.0</b>
HB 17-1216	16,879	16,879	0	0	0	0.3
HB 17-1340	374,151	0	374,151	0	0	0.3
<b>TOTAL</b>	<b>\$12,337,877</b>	<b>\$11,713,726</b>	<b>\$374,151</b>	<b>\$250,000</b>	<b>\$0</b>	<b>75.9</b>
<b>INCREASE/(DECREASE)</b>	<b>\$2,097,422</b>	<b>\$1,473,271</b>	<b>\$374,151</b>	<b>\$250,000</b>	<b>\$0</b>	<b>1.6</b>
Percentage Change	20.5%	14.4%	n/a	n/a	n/a	2.2%

<sup>1</sup> The FY 2016-17 Appropriation plus the sum of the incremental changes described in the appropriation highlights equals the combined appropriation in S.B. 17-230 (Legislative Appropriation) and S.B. 17-254 (Long Bill).

## FY 2017-18 APPROPRIATION – S.B. 17-230 (LEGISLATIVE APPROPRIATION) AND S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**BALLOT ANALYSIS:** The appropriation includes an increase of \$1,000,000 General Fund for the costs associated with an analysis of measures on the ballot. Section 1 (7.5) of Article V of the State Constitution requires the nonpartisan research staff of the General Assembly to perform this function.

**SALARY/BENEFITS/OPERATING ADJUSTMENTS:** The appropriation includes an increase of \$397,131 General Fund that is primarily the result of changes in health, life, and dental insurance benefits; and increases to personal services, operating, and travel budgets.

**COST OF LIVING ANALYSIS:** The appropriation includes an increase of \$250,000 reappropriated funds from a transfer from the Department of Education for a cost of living study. Legislative Council staff, pursuant to Section 22-54-104 (5)(c)(III)(A), C.R.S., is required to certify the cost of living factor for each school district every two years based on a cost of living analysis that is typically conducted through a contract.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items for state contributions to the Public Employees' Retirement Association (PERA) pension fund.

**ADDITIONAL LEGISLATION:** For information on additional legislation, see the "Recent Legislation" section at the end of this department.

## COMMITTEE ON LEGAL SERVICES

The Committee on Legal Services consists of ten members, five from the House of Representatives and five from the Senate. It provides legislative oversight to the Office of Legislative Legal Services and coordinates litigation involving the General Assembly.

The Office of Legislative Legal Services drafts and prepares bills, resolutions, amendments, conference committee reports, and digests of enacted bills. The Office also reviews rules promulgated by executive agencies to determine whether they are within the powers delegated to the agency; performs legal research; aids in legal representation of the General Assembly; participates in the review of and comments on the titles given to initiated measures; and assists in staffing interim committees.

The Office is also responsible for compiling, editing, arranging, and preparing for publication all of the laws of the State of Colorado, and for assisting in publication and distribution of portions of the statutes in accordance with Section 2-5-118, C.R.S. Annually, the Office prepares the session laws and supplements to the statutes as necessary and also prepares the index and case law annotations for the Colorado Revised Statutes.

The Colorado Commission of Uniform State Laws, comprised of seven members who are attorneys-at-law in Colorado (three of whom are state legislators), represents Colorado at the National Conference of Commissioners on Uniform State Laws. The purpose of the conference is to promote the uniformity of state laws on all subjects where uniformity is deemed desirable and practical. The Office of Legislative Legal Services is primarily funded with General Fund.

COMMITTEE ON LEGAL SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1353 (Legislative Appropriation)	\$6,681,427	\$6,681,427	\$0	\$0	\$0	53.3
SB 16-163	26,111	26,111	0	0	0	0.4
HB 16-1077	16,756	16,756	0	0	0	0.3
<b>TOTAL</b>	<b>\$6,724,294</b>	<b>\$6,724,294</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>54.0</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$6,724,294	\$6,724,294	\$0	\$0	\$0	54.0
Salary/benefits/operating adjustments	219,784	219,784	0	0	0	0.4
Centrally appropriated line items	41,265	41,265	0	0	0	0.0
<b>SB 17-230 (Legislative Appropriation)</b>	<b>\$6,985,343</b>	<b>\$6,985,343</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>54.4</b>
HB 17-1216	6,873	6,873	0	0	0	0.1
HB 17-1340	6,718	0	6,718	0	0	0.1
<b>TOTAL</b>	<b>\$6,998,934</b>	<b>\$6,992,216</b>	<b>\$6,718</b>	<b>\$0</b>	<b>\$0</b>	<b>54.6</b>
<b>INCREASE/(DECREASE)</b>	<b>\$274,640</b>	<b>\$267,922</b>	<b>\$6,718</b>	<b>\$0</b>	<b>\$0</b>	<b>0.6</b>
Percentage Change	4.1%	4.0%	n/a	n/a	n/a	1.1%

### FY 2017-18 APPROPRIATION – S.B. 17-230 (LEGISLATIVE APPROPRIATION) ISSUE DESCRIPTIONS

**SALARY/BENEFITS/OPERATING ADJUSTMENTS:** The appropriation includes an increase of \$219,784 General Fund that is primarily the result of changes in health, life, and dental insurance benefits; and increases to personal services, operating, and travel budgets.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items for state contributions to the Public Employees' Retirement Association (PERA) pension fund.



**ADDITIONAL LEGISLATION:** For information on additional legislation, see the "Recent Legislation" section at the end of this department.

## RECENT LEGISLATION

### 2016 SESSION BILLS

**SB 16-163 (RECODIFY TITLE 12 STUDY PROCESS):** Requires the Office of Legislative Legal Services (OLLS) to study a recodification of Title 12 of the Colorado Revised Statutes (C.R.S.), which contains state laws regulating professions and occupations. OLLS must solicit input, including estimates of the fiscal impact, from the Judicial Department, specified state agencies, local governments with regulatory authority, representatives of the regulated professions and occupations, and the public. Appropriates \$26,111 General Fund for OLLS for FY 2016-17. Assumes OLLS will require an additional 0.4 FTE.

**SB 16-183 (911 AUTHORITY):** Creates the task force on 911 oversight, outage reporting, and reliability for the purpose of studying the issues surrounding and making findings and recommendations for the improvement of the deployment of 911 service in the state of Colorado. Appropriates \$16,881 General Fund for Legislative Council (LCS) for FY 2016-17. Assumes LCS will require an additional 0.3 FTE. Also includes \$2,817 General Fund for the General Assembly for FY 2016-17 for legislator travel and per diem.

**SB 16-203 (REVIEW OF TAX CREDITS AND EXPENDITURES):** Directs the Office of the State Auditor (OSA) to conduct evaluations of all state tax expenditures. Evaluations are to be completed following a schedule established by the OSA. The OSA is responsible for publishing an initial schedule no later than September 15, 2017, and for posting the first evaluation on the General Assembly's website no later than September 14, 2018. The OSA is required to review each tax expenditure at least once every five years. Appropriates \$212,149 General Fund for OLLS for FY 2016-17. Assumes OLLS will require an additional 2.7 FTE.

**HB 16-1077 (STATUTORY REVIEW PANEL OF LEGISLATORS FOR OUTDATED STATUTES):** Recreates the eight-member Statutory Revision Committee (Committee) in the Legislative Department that was initially created in 1977 to investigate statutory defects, but was repealed in 1985, and establishes guidelines for committee selection, composition, and procedures. The Committee must meet at least twice per year and may meet during the legislative session and during the interim. Any legislation proposed by the Committee and sponsored by a committee member is exempt from the individual five-bill limit. Members are reimbursed for necessary expenses and paid the same per diem for each day of attendance as members of interim committees. The Office of Legislative Legal Services (OLLS) will provide staff support to the Committee. Appropriates \$16,756 General Fund for OLLS for FY 2016-17. Assumes OLLS will require an additional 0.3 FTE. Appropriates \$4,872 General Fund for the General Assembly for FY 2016-17 for legislator travel and per diem.

**HB 16-1172 (F.A.S.T.E.R. EFFICIENCY AND ACCOUNTABILITY COMMITTEE):** Requires the Transportation Commission (Commission) to reestablish the standing Efficiency and Accountability Committee (Committee) under the Colorado Department of Transportation (CDOT). Expands Committee membership to include four state legislators and representatives of counties, municipalities, nonpartisan good governance organizations, and others as determined by the Commission. Clarifies Committee responsibilities, which are generally aimed at ensuring that CDOT and the Commission meet all federal and state requirements. The Committee repeals July 1, 2019, pending a sunset review. Appropriates \$3,392 General Fund for the General Assembly for FY 2016-17 for legislator travel and per diem.

**HB 16-1353 (LEGISLATIVE APPROPRIATION):** Legislative appropriations act for FY 2016-17.

**H.B. 16-1405 (LONG BILL):** General appropriations act for FY 2016-17.

**HB 16-1411 (LONGITUDINAL EXTERNAL EVALUATION OF FT. LYON SUPPORTIVE RESIDENTIAL COMMUNITY):** Authorizes the State Auditor to contract for a study of the Fort Lyon Supportive Residential Community to evaluate the program's costs, benefits, and outcomes. This program serves approximately 250 chronically homeless individuals at a historic facility in Bent County. The contractor for the study is to be selected with the concurrence of the Division of Housing in the Department of Local Affairs, and a Fort Lyon Study Advisory Committee, appointed by the Director of the Division of Housing, will assist the auditor and Division in evaluating proposals and the contractor's progress on the study. A preliminary findings report is due to the State Auditor by August 1, 2017 and a final report is due by August 1, 2018. After review by the Legislative Audit Committee, both reports will be disseminated to various legislative committees and executive branch agencies. For FY 2016-17, appropriates \$200,000 General Fund to the Legislative Department for the Office of the State Auditor to contract for the study and \$11,875 General Fund to the Department of Corrections for contract services related to compiling data for the study. Unspent amounts may roll forward for expenditure in FY 2017-18. The total cost of the study from FY 2016-17 until its completion in FY 2018-19 is not expected to exceed \$450,000 General Fund.

## 2017 SESSION BILLS

**S.B. 17-230 (LEGISLATIVE APPROPRIATION BILL):** Legislative appropriation act for FY 2017-18.

**S.B. 17-254 (LONG BILL):** General appropriations act for FY 2017-18.

**HB 17-1216 (SALES & USE TAX SIMPLIFICATION TASK FORCE):** Creates a sales and use tax simplification task force (task force). The task force is required to meet at least eight times between FY 2017-18 and FY 2019-20 in order to study the necessary components of a simplified sales and use tax system for both the state and local governments. The task force is required to consider the feasibility of potential changes to administration of state and local sales and use taxes and to make annual reports to the Legislative Council in 2017, 2018, and 2019. For FY 2017-18, appropriates \$26,374 General Fund and an allocation of 0.4 FTE to the Legislative Department.

**HB 17-1340 (LEGISLATIVE INTERIM COMMITTEE ON SCHOOL FINANCE):** Creates a legislative interim committee to study school finance issues and make legislative recommendations concerning how to most accurately meet the educational needs of students through the funding of K-12 education in Colorado. Specifies the membership of the interim committee and requires that members be appointed by July 1, 2017. Specifies a list of issues the committee must consider and authorizes the committee to consider additional issues. The committee will meet up to five times per interim in the 2017 and 2018 interims and may introduce up to five bills during each of the 2018 and 2019 legislative sessions. Subject to available appropriations, requires the committee to contract with a private entity to assist in gathering information for the study and analyzing the chosen issues. For FY 2017-18, appropriates \$380,869 cash funds from the State Public School Fund and 0.4 FTE to the Legislative Department.

**H.B. 17-1361 (EVALUATE STATE INFORMATION TECHNOLOGY RESOURCES):** Requires the State Auditor to retain a qualified, independent third-party consulting firm to evaluate the state's implementation of information technology (IT) resources, tools, and projects. Indicates that on or before December 15, 2018, the independent firm shall submit a post-evaluation report with recommendations to the Legislative Audit Committee, the Joint Budget Committee, the Joint Technology Committee, and the Governor's Office of Information Technology. Appropriates \$300,000 General Fund to the State Auditor for FY 2017-18 for this purpose and states that any of the appropriated money that is not expended prior to July 1, 2018, is further appropriated to the State Auditor for FY 2018-19 for the same purpose.

# Details

## DEPARTMENT OF LOCAL AFFAIRS

### FY 2016-17 AND FY 2017-18 APPROPRIATIONS BY DIVISION AND BILL

DEPARTMENT OF LOCAL AFFAIRS						
	TOTAL FUNDS	GENERAL FUND <sup>1,2</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2016-17 TOTAL APPROPRIATION:</b>	<b>\$305,587,580</b>	<b>\$25,487,580</b>	<b>\$194,098,487</b>	<b>\$10,915,745</b>	<b>\$75,085,768</b>	<b>173.9</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
Executive Director's Office	7,538,275	1,653,785	731,687	3,940,985	1,211,818	14.2
Property Taxation	3,894,846	1,437,816	1,296,715	1,160,315	0	50.4
Division of Housing	79,593,127	16,010,300	1,165,467	449,325	61,968,035	53.8
Division of Local Government	214,561,332	6,385,679	190,904,618	5,365,120	11,905,915	55.5
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
HB 16-1405	\$306,083,310	\$25,983,310	\$194,098,487	\$10,915,745	\$75,085,768	173.4
HB 16-1175	29,270	29,270	0	0	0	0.5
SB 17-254	(525,000)	(525,000)	0	0	0	0.0
<b>FY 2017-18 TOTAL APPROPRIATION:</b>	<b>\$305,932,325</b>	<b>\$32,086,084</b>	<b>\$181,821,729</b>	<b>\$11,319,391</b>	<b>\$80,705,121</b>	<b>179.2</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
Executive Director's Office	8,535,267	2,120,981	950,226	4,163,524	1,300,536	14.2
Property Taxation	3,803,457	1,361,174	1,324,212	1,118,071	0	50.4
Division of Housing	101,523,208	16,535,851	16,484,972	961,703	67,540,682	55.8
Division of Local Government	192,070,393	12,068,078	163,062,319	5,076,093	11,863,903	58.8
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
SB 17-254	\$294,037,300	\$26,136,451	\$175,876,337	\$11,319,391	\$80,705,121	176.6
HB 17-1221	5,945,392	0	5,945,392	0	0	1.3
HB 17-1313	84,451	84,451	0	0	0	0.5
HB 17-1326	5,865,182	5,865,182	0	0	0	0.8
<b>INCREASE/(DECREASE)</b>	<b>\$344,745</b>	<b>\$6,598,504</b>	<b>(\$12,276,758)</b>	<b>\$403,646</b>	<b>\$5,619,353</b>	<b>5.3</b>
Percentage Change	0.1%	25.9%	(6.3%)	3.7%	7.5%	3.0%

<sup>1</sup> Includes General Fund Exempt.

<sup>2</sup> Includes \$4,230,000 in FY 2016-17 and in FY 2017-18 that is not subject to the statutory restriction on state General Fund appropriations imposed by Section 24-75-201.1, C.R.S.

**GENERAL FUND EXEMPT:** Amounts in the General Fund column include appropriations from both the General Fund and General Fund Exempt Account. The General Fund Exempt Account was created by Referendum C, passed by Colorado voters in November 2005. Referendum C allowed the State to retain for FY 2005-06 through FY 2009-10 all revenue collected in excess of the TABOR limit and for FY 2010-11 and subsequent fiscal years all revenues in excess of the TABOR limit but less than the excess state revenues cap. The retained revenue must be placed in the General Fund Exempt Account. The table below shows the amount appropriated from the General Fund Exempt Account for FY 2016-17 and FY 2017-18 for volunteer firefighter retirement plans and death and disability insurance, pursuant to Section 24-77-103.6 (2)(c), C.R.S. For additional information on General Fund Exempt appropriations, see Appendix D.

GENERAL FUND SUMMARY	TOTAL GENERAL FUND	GENERAL FUND	GENERAL FUND EXEMPT
FY 2016-17	\$25,487,580	\$21,257,580	\$4,230,000
FY 2017-18	\$32,086,084	\$27,856,084	\$4,230,000

**INFORMATIONAL FUNDS:** The FY 2017-18 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Local Affairs are annotated with the "(I)". For additional information, see Appendix E.

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2017-18 Appropriations containing an (I) notation	\$239,835,121	\$4,230,000	\$154,900,000	\$0	\$80,705,121

## DETAIL OF APPROPRIATION BY ADMINISTRATIVE SECTION

### EXECUTIVE DIRECTOR'S OFFICE

This division is responsible for the management and administration of the Department, including accounting, budgeting, and human resources. The appropriation includes centrally appropriated amounts which are further distributed to the various divisions. The Division also conducts miscellaneous functions statutorily assigned to the Department, including administration of the Moffat Tunnel Improvement District. Cash funds include lease revenues generated from the operation of the Moffat Tunnel and various other sources. Reappropriated funds include indirect cost recoveries and severance tax revenues and federal mineral lease revenues transferred from the Local Government Mineral and Energy Impact Grants and Disbursements line item.

EXECUTIVE DIRECTOR'S OFFICE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$7,538,275	\$1,653,785	\$731,687	\$3,940,985	\$1,211,818	14.2
<b>TOTAL</b>	<b>\$7,538,275</b>	<b>\$1,653,785</b>	<b>\$731,687</b>	<b>\$3,940,985</b>	<b>\$1,211,818</b>	<b>14.2</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$7,538,275	\$1,653,785	\$731,687	\$3,940,985	\$1,211,818	14.2
Centrally appropriated line items	875,980	366,177	197,092	221,850	90,861	0.0
Annualize prior year budget actions	(7,624)	(1,261)	(4,909)	689	(2,143)	0.0
<b>SB 17-254</b>	<b>\$8,406,631</b>	<b>\$2,018,701</b>	<b>\$923,870</b>	<b>\$4,163,524</b>	<b>\$1,300,536</b>	<b>14.2</b>
HB 17-1221	26,356	0	26,356	0	0	0.0
HB 17-1313	49,239	49,239	0	0	0	0.0
HB 17-1326	53,041	53,041	0	0	0	0.0
<b>TOTAL</b>	<b>\$8,535,267</b>	<b>\$2,120,981</b>	<b>\$950,226</b>	<b>\$4,163,524</b>	<b>\$1,300,536</b>	<b>14.2</b>
<b>INCREASE/(DECREASE)</b>	<b>\$996,992</b>	<b>\$467,196</b>	<b>\$218,539</b>	<b>\$222,539</b>	<b>\$88,718</b>	<b>0.0</b>
Percentage Change	13.2%	28.3%	29.9%	5.6%	7.3%	0.0%

### FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items, as detailed in the table below.

CENTRALLY APPROPRIATED LINE ITEMS					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
COMPENSATION-RELATED COMMON POLICY ADJUSTMENTS					
Health, life, and dental	\$187,064	\$85,702	\$2,398	\$49,092	\$49,872
Short-term disability	713	787	(487)	487	(74)
Amortization equalization disbursement (AED)	49,946	27,114	(8,703)	26,690	4,845
Supplemental AED	55,788	28,197	(7,790)	29,256	6,125
Salary survey	232,794	49,971	30,090	104,101	48,632
Merit pay	96,785	19,790	12,295	40,776	23,924
OPERATIONS-RELATED COMMON POLICY ADJUSTMENTS					
Workers' compensation	16,299	15,134	495	670	0
Legal services	(14,997)	(13,245)	(1,096)	(184)	(472)
Payment to risk management / property funds	10,117	9,418	609	90	0
Vehicle lease payments	(11,912)	(10,713)	0	(1,199)	0
Capitol Complex leased space	115,694	(85,457)	6,941	184,965	9,245
IT-RELATED COMMON POLICY ADJUSTMENTS					
Payments to the Office of Information Technology (OIT)	178,336	256,904	162,340	(193,258)	(47,650)
CORE (state financial system) operations	(40,647)	(17,425)	0	(19,636)	(3,586)
<b>TOTAL</b>	<b>\$875,980</b>	<b>\$366,177</b>	<b>\$197,092</b>	<b>\$221,850</b>	<b>\$90,861</b>

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes changes to reflect the out year impact of funding decisions made through the FY 2016-17 appropriation, including annualization of the FY 2016-17 salary survey. Salary survey is appropriated in the Executive Director's Office in the first year it is awarded and then transferred to other Department divisions for the subsequent (annualization) year.

**ADDITIONAL LEGISLATION:** For information on additional legislation, see the "Recent Legislation" section at the end of this department.

## PROPERTY TAXATION

The Division of Property Taxation issues appraisal standards and provides training and technical assistance to county assessors, values multi-county companies, and grants taxation exemptions. This section also provides funding for the State Board of Equalization, which supervises the administration of property tax laws by local county assessors, as well as the Board of Assessment Appeals, which hears petitions for appeal on valuation, abatements, exemptions, and valuation of state-assessed properties. Cash fund appropriations are from the Property Tax Exemption Fund and the Board of Assessment Appeals Cash Fund. Reappropriated funds are from severance tax revenues and federal mineral lease revenues transferred from the Local Government Mineral and Energy Impact Grants and Disbursements line item within the Division of Local Government.

PROPERTY TAXATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$3,865,576	\$1,408,546	\$1,296,715	\$1,160,315	\$0	49.9
HB 16-1175	29,270	29,270	0	0	0	0.5
<b>TOTAL</b>	<b>\$3,894,846</b>	<b>\$1,437,816</b>	<b>\$1,296,715</b>	<b>\$1,160,315</b>	<b>\$0</b>	<b>50.4</b>

PROPERTY TAXATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$3,894,846	\$1,437,816	\$1,296,715	\$1,160,315	\$0	50.4
Annualize prior year budget actions	2,679	710	1,969	0	0	0.0
Board of Assessment Appeals Cash Fund	0	(75,000)	75,000	0	0	0.0
Indirect cost assessment	(91,716)	0	(49,472)	(42,244)	0	0.0
Annualize prior year legislation	(2,352)	(2,352)	0	0	0	0.0
<b>SB 17-254</b>	<b>\$3,803,457</b>	<b>\$1,361,174</b>	<b>\$1,324,212</b>	<b>\$1,118,071</b>	<b>\$0</b>	<b>50.4</b>
<b>TOTAL</b>	<b>\$3,803,457</b>	<b>\$1,361,174</b>	<b>\$1,324,212</b>	<b>\$1,118,071</b>	<b>\$0</b>	<b>50.4</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$91,389)</b>	<b>(\$76,642)</b>	<b>\$27,497</b>	<b>(\$42,244)</b>	<b>\$0</b>	<b>(0.0)</b>
Percentage Change	(2.3%)	(5.3%)	2.1%	(3.6%)	n/a	(0.0%)

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes changes to reflect the out year impact of funding decisions made through the FY 2016-17 appropriation, including annualization of the FY 2016-17 salary survey. Salary survey is appropriated in the Executive Director’s Office in the first year it is awarded and then transferred to other Department divisions for the subsequent (annualization) year.

**BOARD OF ASSESSMENT APPEALS CASH FUND:** The appropriation increases appropriations from the Board of Assessment Appeals Cash Fund by \$75,000 and decreases appropriations from the General Fund by the same amount to spend down reserves in the Fund. Amounts available in this fund vary based on the number of property tax assessments appealed to the State.

**INDIRECT COST ASSESSMENT:** The appropriation includes a reduction in this division’s indirect cost assessments.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments for the second-year impact of prior year legislation, including a reduction of \$2,352 General Fund in this division to annualize H.B. 16-1175 (Property Tax Exempt Admin).

## DIVISION OF HOUSING

This Division provides financial and technical assistance to help communities provide affordable housing to low-income, elderly, and disabled individuals. The Division administers state and federal affordable housing programs and regulates the manufacture of factory-built residential and commercial buildings. The Division also oversees the Fort Lyon Supportive Residential Community, a 250-bed transitional housing program on the historic Fort Lyon campus in Bent County. The Community serves individuals with substance-abuse issues who have been chronically homeless.

Cash fund appropriations are from the Marijuana Tax Cash Fund, the Building Regulation Fund, the Private Activity Bond Allocations Fund, and the Homeless Prevention Activities Cash Fund. Reappropriated funds are from severance tax revenues and federal mineral lease revenues transferred from the Local Government Mineral and Energy Impact Grants and Disbursements line item within the Division of Local Governments, from money transferred from the Department of Health Care Policy and Financing for the Medicaid Home Modification Benefit, and from funds appropriated a second time in this division to reflect the amount used for administration. Federal funds are from the U.S. Department of Housing and Urban Development for rental vouchers and other housing-related grants and programs.

## DIVISION OF HOUSING

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2016-17 APPROPRIATION:</b>						
HB 16-1405	\$80,118,127	\$16,535,300	\$1,165,467	\$449,325	\$61,968,035	53.8
SB 17-254	(525,000)	(525,000)	0	0	0	0.0
<b>TOTAL</b>	<b>\$79,593,127</b>	<b>\$16,010,300</b>	<b>\$1,165,467</b>	<b>\$449,325</b>	<b>\$61,968,035</b>	<b>53.8</b>
<b>FY 2017-18 APPROPRIATION:</b>						
FY 2016-17 Appropriation	\$79,593,127	\$16,010,300	\$1,165,467	\$449,325	\$61,968,035	53.8
Supportive housing initiatives	15,600,000	0	15,300,000	300,000	0	2.0
Informational funds adjustment	5,451,316	0	0	0	5,451,316	0.0
Annualize prior year budget actions	529,945	525,551	0	1,307	3,087	0.0
Reflect admin funds in correct line item	246,000	0	0	246,000	0	0.0
Homeless Prevention Activities Program Fund	60,000	0	60,000	0	0	0.0
Indirect cost assessment	42,820	0	(40,495)	(34,929)	118,244	0.0
<b>SB 17-254</b>	<b>\$101,523,208</b>	<b>\$16,535,851</b>	<b>\$16,484,972</b>	<b>\$961,703</b>	<b>\$67,540,682</b>	<b>55.8</b>
<b>TOTAL</b>	<b>\$101,523,208</b>	<b>\$16,535,851</b>	<b>\$16,484,972</b>	<b>\$961,703</b>	<b>\$67,540,682</b>	<b>55.8</b>
<b>INCREASE/(DECREASE)</b>						
	\$21,930,081	\$525,551	\$15,319,505	\$512,378	\$5,572,647	2.0
Percentage Change	27.6%	3.3%	1,314.5%	114.0%	9.0%	3.7%

### FY 2016-17 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 17-254 modifies the FY 2016-17 appropriation to reduce \$525,000 General Fund for state rental vouchers. People who were issued new rental vouchers in FY 2016-17 will not be able to find and enter into leases for qualified rental units in time to fully use the FY 2016-17 appropriation.

### FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**SUPPORTIVE HOUSING INITIATIVES:** The appropriation adds \$15,300,000 from the Marijuana Tax Cash Fund (MTCF) for supportive housing initiatives. This includes \$4,000,000 to support the development of permanent supportive housing (PSH) units (housing with intensive support services) for behavioral health consumers, including those exiting or at risk of entering hospitals or state mental health institutes, and \$11,300,000 for other permanent supportive housing and rapid rehousing initiatives. Of the total, \$300,000 is reappropriated in a separate line item to support 2.0 FTE and other administrative costs.

*Behavioral health consumers (\$4.0 million):* The funds will be used both for grants to facilitate construction of new units and for state housing rental vouchers, with a mix between the two that would change over time. During the first year, the Department anticipates 125 PSH units will be constructed and 105 people will be served by housing vouchers; by the fifth year, it anticipates 35 units will be constructed and 300 people will be served by housing rental vouchers. The program supports a 1.0 FTE housing navigator position and administrative funding, but treatment and case management services are anticipated to be provided through other funding streams.

*Other Permanent Supportive Housing and Rapid Rehousing (\$11.3 million):* PSH will be targeted to people who are permanently disabled, dually diagnosed with mental illness and substance abuse issues (including the chronically homeless), and veterans and youth with these issues who are homeless or at risk of homelessness. Individuals receiving PSH are expected to require them permanently, although up to sixty percent may ultimately transition from the program. A separate rapid rehousing (RRH) portion of the initiative is targeted to individuals with minimal mental illness who are discharged from the Department of Corrections and at risk of homelessness. RRH services last two years, after which residents transition out. The funding will be used both for construction of new PSH and RRH units and for PSH and RRH housing rental vouchers. The mix between construction funding and voucher

funding is expected to change over time. During the first year, the Department anticipates that the funds will be used to construct close to 300 units and will also be used for rent subsidies; however the Department also anticipates that federal rental vouchers will ultimately take the place of state vouchers, allowing most funding to be used for construction subsidies. The Department anticipates that 300 revolving RRH placements and 1,200 PSH placements will have been created by the program by year 5. The initiative also includes funding for case management, an employment counselor, administration, training and evaluation.

**INFORMATIONAL FUNDS ADJUSTMENT:** The appropriation includes a net increase of \$5.5 million to federal funds amounts shown for informational purposes in the Division of Housing, based on updated estimates.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions. In this division, this includes annualizing the one-time supplemental reduction of \$525,000 General Fund for housing vouchers and annualization of the FY 2016-17 salary survey. Salary survey is appropriated in the Executive Director’s Office in the first year it is awarded and then transferred to other Department divisions for the subsequent (annualization) year.

**REFLECT ADMIN FUNDS IN CORRECT LINE ITEM:** The appropriation \$246,000 reappropriated funds to ensure administrative costs associated with housing development grants are recorded in an appropriate line item. Up to 3.0 percent of state funds that are appropriated for affordable housing construction grants and loans may be used for administration, based on statutory provisions. These related administrative expenses will now be recorded as reappropriated funds in a separate line item.

**HOMELESS PREVENTION ACTIVITIES PROGRAM FUND:** The appropriation increases spending authority from the Homeless Prevention Activities Program Fund by \$60,000 cash funds to enable spend-down of reserves in the Fund for homeless prevention grants.

**INDIRECT COST ASSESSMENT:** The appropriation includes a net increase in this division’s indirect cost assessments.

DIVISION OF LOCAL GOVERNMENT

This division provides information and training for local governments in budget development, purchasing, demographics, land use planning, and regulatory issues. It also manages federal and state funding programs to support infrastructure and local services development. To provide this assistance to local governments, the Division operates eight field offices. Some of the funds distributed to local governments are allocated based on statutory formulas, while some are allocated through grant awards. Significant cash fund sources include: (1) severance tax revenues; (2) federal mineral lease revenues; (3) net lottery proceeds; and (4) gaming revenues. Reappropriated funds are primarily from severance tax revenues and federal mineral lease revenues transferred within this Division from the Local Government Mineral and Energy Impact Grants and Disbursements line item. Federal funds in this section include the Community Development Block Grant and the Community Services Block Grant.

DIVISION OF LOCAL GOVERNMENT						
	TOTAL FUNDS	GENERAL FUND <sup>1,2</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$214,561,332	\$6,385,679	\$190,904,618	\$5,365,120	\$11,905,915	55.5
SB 17-254	0	0	0	0	0	0.0
TOTAL	\$214,561,332	\$6,385,679	\$190,904,618	\$5,365,120	\$11,905,915	55.5



DIVISION OF LOCAL GOVERNMENT						
	TOTAL FUNDS	GENERAL FUND <sup>1,2</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$214,561,332	\$6,385,679	\$190,904,618	\$5,365,120	\$11,905,915	55.5
Rural economic stabilization	83,525	0	0	83,525	0	1.0
REDI roll forward	0	0	0	0	0	0.0
Severance tax and FML revenue reduction	(25,000,000)	0	(25,000,000)	0	0	0.0
Annualize prior year budget actions	(8,750,000)	0	(8,750,000)	0	0	0.0
Indirect cost assessment	(295,899)	0	18,665	(272,552)	(42,012)	0.0
Eliminate unused appropriations	(230,000)	(100,000)	(30,000)	(100,000)	0	0.0
Annualize prior year legislation	(64,954)	(64,954)	0	0	0	(0.3)
<b>SB 17-254</b>	<b>\$180,304,004</b>	<b>\$6,220,725</b>	<b>\$157,143,283</b>	<b>\$5,076,093</b>	<b>\$11,863,903</b>	<b>56.2</b>
HB 17-1221	5,919,036	0	5,919,036	0	0	1.3
HB 17-1313	35,212	35,212	0	0	0	0.5
HB 17-1326	5,812,141	5,812,141	0	0	0	0.8
<b>TOTAL</b>	<b>\$192,070,393</b>	<b>\$12,068,078</b>	<b>\$163,062,319</b>	<b>\$5,076,093</b>	<b>\$11,863,903</b>	<b>58.8</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$22,490,939)</b>	<b>\$5,682,399</b>	<b>(\$27,842,299)</b>	<b>(\$289,027)</b>	<b>(\$42,012)</b>	<b>3.3</b>
Percentage Change	(10.5%)	89.0%	(14.6%)	(5.4%)	(0.4%)	5.9%

<sup>1</sup>Includes General Fund Exempt.

<sup>2</sup>Includes \$4,230,000 per year in FY 2016-17 and FY 2017-18 that is exempt from the statutory limit on state General Fund appropriations pursuant to Section 24-75-201.1, C.R.S.

## FY 2016-17 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 17-254 adds a footnote to allow roll-forward of unused FY 2016-17 appropriations for the Rural Economic Development Initiative program for use in FY 2017-18.

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**RURAL ECONOMIC STABILIZATION:** The appropriation adds \$83,525 reappropriated funds from energy and mineral impact assistance funds (severance tax and federal mineral lease receipts) to hire 1.0 FTE to coordinate state resources in rural communities. The position will help coordinate resources for rural communities that are economically impacted by closures of major employers, such as coal production facilities. The amount annualizes to \$92,869 and 1.0 FTE in FY 2018-19.

**REDI ROLL FORWARD:** The appropriation provides roll-forward authority to enable up to \$750,000 General Fund appropriated in the Rural Economic Development Initiatives (REDI) line item in FY 2017-18 to roll forward for expenditure in FY 2018-19. This will enable the program to provide grants for small construction projects and other activities that may require more than one year to complete.

**SEVERANCE TAX AND FML REVENUE REDUCTION:** The appropriation decreases the line item for Local Government Mineral and Energy Impact Grants and Disbursements based on anticipated severance tax and federal mineral lease (FML) revenue available for distribution to local governments. This line item is shown for informational purposes only in the Long Bill, based on statute that provides the Department with continuous spending authority for these funds.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions. In this division, this includes annualizing \$8,750,000 cash funds appropriated from the Local Government Permanent Fund in FY 2016-17 for distribution to eligible local governments. This appropriation was provided based on the sharp decline in FML revenue in FY 2015-16 and is not available for FY 2017-18 based on statutory restrictions and the amount in the Permanent Fund.

**INDIRECT COST ASSESSMENT:** The appropriation includes a net decrease in this division's indirect cost assessments.

**ELIMINATE UNUSED APPROPRIATIONS:** The appropriation reduces the amount for the Firefighter Heart and Circulatory Malfunction Benefit by \$100,000 General Fund and \$100,000 reappropriated funds. The program has stabilized at a lower spending level than was originally estimated to be required. The appropriation also eliminates the Other Local Government Grants line item, which previously received a \$30,000 cash funds appropriation, as no funding source remains for this line item.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments for the second- and third-year impact of prior year legislation, including a reduction of \$64,954 General Fund and 0.3 FTE in this division to annualize H.B. 15-1033 (Strategic Planning Group on Aging).

**ADDITIONAL LEGISLATION:** For information on additional legislation, see the "Recent Legislation" section at the end of this department.

## RECENT LEGISLATION

### 2016 SESSION BILLS

**S.B. 16-218 (STATE SEVERANCE TAX REFUNDS):** Addresses a severance tax refund obligation arising as a result of the Colorado Supreme Court's April 25, 2016 decision in *BP America v. Colorado Department of Revenue*. Creates a mechanism for refunds of severance tax revenue to businesses, including businesses that revise their severance tax refunds to claim additional tax deductions for tax years 2012 through 2015. Diverts amounts required, estimated at \$115.1 million in FY 2015-16, from the General Fund reserve to make the reimbursements. Restricts expenditures of severance tax money in various funds unless lifted in whole or in part by the Joint Budget Committee. In the Department of Local Affairs, restricts \$48.3 million in the Local Government Severance Tax Fund. For additional information, see the "Recent Legislation" section at the end of the Department of Natural Resources.

**H.B. 16-1175 (PROPERTY TAX EXEMPTION ADMINISTRATION):** Makes various administrative changes to help identify applicants who do not meet the legal requirements for the Senior Citizen and Disabled Veteran Property Tax Exemption. Authorizes data sharing and related cross-checking of records from the Department of Revenue, the Department of Local Affairs, and the Department of Public Health and Environment. Ensures that the Treasurer does not reimburse counties for Homestead Exemptions that do not meet all the legal requirements. Appropriates \$29,270 General Fund and 0.5 FTE to the Department of Local Affairs for FY 2016-17. Is projected to reduce General Fund reimbursements to counties by \$1,898,000 beginning in FY 2017-18.

**H.B. 16-1405 (LONG BILL):** General appropriations act for FY 2016-17.

**H.B. 16-1411 (FORT LYON RESIDENTIAL COMMUNITY STUDY):** Authorizes the State Auditor to contract for a study of the Fort Lyon Supportive Residential Community to evaluate the program's costs, benefits, and outcomes. This program serves approximately 250 chronically homeless individuals at a historic facility in Bent County. The contractor for the study is to be selected with the concurrence of the Division of Housing in the Department of Local Affairs, and a Fort Lyon Study Advisory Committee, appointed by the Director of the Division of Housing, will assist the auditor and Division in evaluating proposals and the contractor's progress on the study. A preliminary findings report is due to the State Auditor by August 1, 2017 and a final report is due by August 1, 2018. After review by the Legislative Audit Committee, both reports will be disseminated to various legislative committees and executive branch agencies. For FY 2016-17, appropriates \$200,000 General Fund to the Legislative Department for the Office of the State Auditor to contract for the study and \$11,875 General Fund to the Department of

Corrections for contract services related to compiling data for the study. Unspent amounts may rolled forward for expenditure in FY 2017-18. The total cost of the study from FY 2016-17 until its completion in FY 2018-19 is not expected to exceed \$450,000 General Fund.

## 2017 SESSION BILLS

**S.B. 17-021 (ASSISTANCE TO RELEASED MENTALLY ILL OFFENDERS):** Establishes a housing program for persons with mental illness transitioning from incarceration to be managed by the Department of Local Affairs (DOLA). Subject to available appropriations, requires DOLA to: (1) provide vouchers and other support services to persons with a mental health disorder or co-occurring behavioral health disorder that are newly released from the Department of Corrections (DOC), the Division of Youth Corrections (DYC) in the Department of Human Services, or county jail; and (2) provide grants or loans for the acquisition, construction, or rehabilitation of rental housing for persons with behavioral or mental health disorders.

Creates the Housing Assistance for Persons Transitioning from Incarceration Cash Fund, which consists of money transferred from the Department of Public Safety (DPS) and money appropriated by the General Assembly. Any money appropriated from the General Fund for community corrections that is unexpended or unencumbered at the close of FY 2016-17 is transferred to the new cash fund for appropriation to DOLA for housing assistance.

Broadens permissible uses of the Marijuana Tax Cash Fund (MTCF), allowing MTCF funds to be used for housing, rental assistance and supportive services, including reentry services. This expands how MTCF appropriations to DOLA for housing that are included in the FY 2017-18 Long Bill may be used.

**S.B. 17-254 (LONG BILL):** General appropriations act for FY 2017-18. Includes provisions modifying FY 2016-17 appropriations to the Department.

**S.B. 17-260 (SEVERANCE TAX CASH FUND TRANSFERS TO GENERAL FUND):** Transfers \$45.7 million originating as severance tax revenue to the General Fund. Includes a transfer of \$22,850,000 from the Local Government Severance Tax Fund to the General Fund on June 30, 2018, reducing amounts available for grants to local governments.

**H.B. 17-1221 (GRAY AND BLACK MARKET MJ ENFORCEMENT EFFORTS):** Creates the Gray and Black Market Marijuana Enforcement Grant Program in the Department of Local Affairs (DOLA). Also creates an offense for a person who is not a primary caregiver for possessing a marijuana plant that the person is growing on behalf of another person.

Authorizes DOLA to award grants to local law enforcement agencies and district attorneys to cover investigation and prosecution costs associated with unlicensed and illegal marijuana cultivation or distribution operations. Outlines priorities for the grant program and requires DOLA to establish related policies and procedures. Authorizes money from the Marijuana Tax Cash Fund (MTCF) to be used to fund the grant program and its administration. Allows money not expended in a given fiscal year to be retained for use in the next fiscal year. Requires DOLA to provide an annual update about the program in its annual SMART Act hearing for the General Assembly, beginning November 1, 2019.

Provides an appropriation of \$5,945,392 cash funds from the MTCF for FY 2017-18 and reflects the assumption that DOLA will require an additional 1.3 FTE. The total includes \$5,919,036 for the grant program and its administration, \$21,603 for the purchase of information technology services, and \$4,753 for the purchase of legal services. Provides FY 2017-18 appropriations of \$21,603 reappropriated funds to the Governor's Office for related information technology services and \$4,753 reappropriated funds to the Department of Law for related legal services. The appropriation to DOLA annualizes to \$5,947,757 cash funds and 1.5 FTE in FY 2018-19.

**H.B. 17-1313 (CIVIL FORFEITURE REFORM):** Requires criminal justice agencies involved in the seizure of property to submit biannual seizure reports to the Department of Local Affairs (DOLA), and requires DOLA to establish and maintain a searchable public access database for seizure-related information. Imposes restrictions and requirements on an agency's ability to receive forfeiture proceeds from the federal government, a joint task force, or multi-jurisdictional collaboration. Requires DOLA to submit annual reports summarizing seizure and forfeiture activity in the state to the Governor, Attorney General, and General Assembly beginning December 31, 2019. Provides a FY 2017-18 appropriation of \$84,451 General Fund to DOLA and reflects the assumption that DOLA will require an additional 0.5 FTE. Also adds FY 2017-18 appropriations of \$4,753 reappropriated funds to the Department of Law and \$44,486 reappropriated funds to the Governor's Office for related legal and information technology services. The appropriation to DOLA annualizes to \$38,416 and 0.5 FTE in FY 2018-19.

**H.B. 17-1326 (JUSTICE REINVESTMENT CRIME PREVENTION INITIATIVE):** Changes maximum parole revocation periods for technical parole violations. Depending on the nature of the parolee's sentence, decreases or increases the revocation period with decreases expected to predominate. Reduces the maximum time a revoked parolee can be held in the Preparole Release and Revocation Facility from 180 to 90 days. Eliminates parole revocation placements in Community Return-to-custody Facilities. Directs the Parole Board to conduct a parole release review in lieu of a hearing, without the presence of the inmate, if (1) the inmate is assessed as being "low" or "very low" risk using a validated risk assessment instrument, (2) the inmate meets readiness criteria, and (3) victim notification is not required. Requires the Division of Adult Parole to investigate the parole release plans of prospective parolees.

Establishes a new crime-prevention program in the Department of Local Affairs (DOLA) to provide small business loans and grants that are designed to reduce crime and promote community development in the target communities of north Aurora and southeast Colorado Springs. Establishes a new Parole Savings Fund to which some of the General Fund savings from the bill's parole revocation rules are appropriated. In FY 2017-18 the DOLA grant and loan program receives direct General Fund appropriations. In subsequent years the grant and loan program will be supported by appropriations from the Parole Savings Fund, and that fund will receive General Fund appropriations. Adjusts FY 2017-18 appropriations to the DOC and DOLA as follows:

APPROPRIATION ADJUSTMENTS IN H.B. 17-1326	
	GENERAL FUND
Department of Corrections (DOC) Appropriation Changes	
Payments to local jails	\$13,595
Payments to in-state private prisons	(2,165,720)
Payments to pre-release parole revocation facilities	(1,082,860)
Payments to community return to custody facilities	(2,775,738)
Parole personal services	36,254
FTE	(0.8 FTE)
Parole operating expenses	5,463
Computer programming	103,824
<b>Total DOC adjustments</b>	<b>(\$5,865,182)</b>
Department of Local Affairs (DOLA) Appropriation Changes	
Division of Local Government	\$51,001
FTE	(0.8 FTE)
Computer programming	48,288
Legal services	4,753
Small business loans	1,000,000
Grants for crime reduction and community development	3,000,000
Parole Savings Fund	1,761,140
<b>Total DOLA Adjustments</b>	<b>\$5,865,182</b>
<b>Overall General Fund Adjustments</b>	<b>\$0</b>

# Details

## DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

### FY 2016-17 AND FY 2017-18 APPROPRIATIONS BY DIVISION AND BILL

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2016-17 TOTAL APPROPRIATION:</b>	<b>\$225,498,851</b>	<b>\$8,443,132</b>	<b>\$1,211,976</b>	<b>\$800,000</b>	<b>\$215,043,743</b>	<b>1,392.4</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
Executive Director and Army National Guard	12,509,288	5,400,987	128,351	800,000	6,179,950	86.8
Division of Veterans Affairs	3,850,490	2,649,965	1,083,625	0	116,900	18.0
Air National Guard	3,492,704	392,180	0	0	3,100,524	48.6
Federal Funded Programs	205,646,369	0	0	0	205,646,369	1,239.0
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
HB 16-1405	\$225,411,689	\$8,305,504	\$1,211,976	\$800,000	\$215,094,209	1,392.4
SB 17-166	87,162	137,628	0	0	(50,466)	0.0
<b>FY 2017-18 TOTAL APPROPRIATION:</b>	<b>\$226,968,060</b>	<b>\$10,530,168</b>	<b>\$1,135,343</b>	<b>\$0</b>	<b>\$215,302,549</b>	<b>1,393.3</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
Executive Director and Army National Guard	13,723,618	7,180,318	113,285	0	6,430,015	87.7
Division of Veterans Affairs	4,094,878	2,955,920	1,022,058	0	116,900	18.0
Air National Guard	3,503,195	393,930	0	0	3,109,265	48.6
Federal Funded Programs	205,646,369	0	0	0	205,646,369	1,239.0
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
SB 17-254	\$226,868,060	\$10,430,168	\$1,135,343	\$0	\$215,302,549	1,393.3
SB 17-183	100,000	100,000	0	0	0	0.0
<b>INCREASE/(DECREASE)</b>	<b>\$1,469,209</b>	<b>\$2,087,036</b>	<b>(\$76,633)</b>	<b>(\$800,000)</b>	<b>\$258,806</b>	<b>0.9</b>
Percentage Change	0.7%	24.7%	(6.3%)	(100.0%)	0.1%	0.1%

**INFORMATIONAL FUNDS:** The FY 2017-18 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Military and Veterans Affairs are annotated with the "(I)". For additional information, see Appendix E.

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2017-18 Appropriations containing an (I) notation	\$215,302,549	\$0	\$0	\$0	\$215,302,549

## DETAIL OF APPROPRIATION BY ADMINISTRATIVE SECTION

### EXECUTIVE DIRECTOR AND ARMY NATIONAL GUARD

This division is responsible for the overall management and administration of the Department. The appropriation includes the operating budget for the Executive Director's Office, as well as all centrally appropriated line items for the Department. It also includes appropriations for tuition assistance for National Guard members attending college and the State's share of maintenance for Army National Guard facilities.

The federal government fully funds National Guard training and provides most of the funding for construction of armories and other military facilities. Under the cooperative agreements with the federal government, the Department provides varying levels of maintenance and utilities costs for the military facilities in the State. Most of the Department's General Fund expenditures for personal services costs are for administrative and professional staff in the Executive Director/Army National Guard Office, and for the labor trades and crafts employees who maintain and repair the armories and other military facilities. The Division also provides support for the Colorado Wing of the Civil Air Patrol and administers the Colorado National Guard Tuition Program.

The Division is funded by General Fund, cash funds, reappropriated funds, and federal funds. The cash funds sources are armory rental fees, the Western Slope Military Veterans' Cemetery Fund, real estate proceeds, and the Distance Learning Cash Fund. The reappropriated funds appropriated to this division in FY 2016-17 were from the Colorado Commission on Higher Education financial assistance program. Federal funds are provided through cooperative agreements with the federal government for operations of the Colorado National Guard.

EXECUTIVE DIRECTOR AND ARMY NATIONAL GUARD						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$12,422,126	\$5,263,359	\$128,351	\$800,000	\$6,230,416	86.8
SB 17-166	87,162	137,628	0	0	(50,466)	0.0
<b>TOTAL</b>	<b>\$12,509,288</b>	<b>\$5,400,987</b>	<b>\$128,351</b>	<b>\$800,000</b>	<b>\$6,179,950</b>	<b>86.8</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$12,509,288	\$5,400,987	\$128,351	\$800,000	\$6,179,950	86.8
Centrally appropriated line items	845,467	600,536	(13,875)	0	258,806	0.0
Increase Colorado National Guard Tuition Fund	212,838	1,012,838	0	(800,000)	0	0.0
State Cooperative Agreement program manager	60,704	60,704	0	0	0	0.9
Annualize terms of new lease agreement	13,220	13,220	0	0	0	0.0
Annualize prior year budget actions	(17,899)	(7,967)	(1,191)	0	(8,741)	0.0
<b>SB 17-254</b>	<b>\$13,623,618</b>	<b>\$7,080,318</b>	<b>\$113,285</b>	<b>\$0</b>	<b>\$6,430,015</b>	<b>87.7</b>
SB 17-183	100,000	100,000	0	0	0	0.0
<b>TOTAL</b>	<b>\$13,723,618</b>	<b>\$7,180,318</b>	<b>\$113,285</b>	<b>\$0</b>	<b>\$6,430,015</b>	<b>87.7</b>
<b>INCREASE/(DECREASE)</b>	<b>\$1,214,330</b>	<b>\$1,779,331</b>	<b>(\$15,066)</b>	<b>(\$800,000)</b>	<b>\$250,065</b>	<b>0.9</b>
Percentage Change	9.7%	32.9%	(11.7%)	(100.0%)	4.0%	1.0%

## FY 2016-17 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 17-166 modifies the FY 2016-17 appropriation to:

- Add \$87,162 General Fund for tuition assistance for Colorado National Guard (CNG) members; and
- Add \$50,466 General Fund and decrease federal funds by a corresponding amount for the refinance of CORE operations expenses paid to the Department of Personnel.

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; salary survey; merit pay; workers' compensation; shift differential; legal services; payment to risk management and property funds; Capitol complex leased space; and CORE operations.

**INCREASE COLORADO NATIONAL GUARD TUITION FUND:** The appropriation includes a net increase of \$212,838 total funds, including an increase of \$1,012,838 General Fund, to support tuition assistance for Colorado National Guard (CNG) members. The funding increase will help the Colorado National Guard Tuition Fund keep pace with tuition increases at institution of higher education across the state.

**STATE COOPERATIVE AGREEMENT PROGRAM MANAGER:** The appropriation includes an increase of \$60,704 General Fund and 0.9 FTE to add a program manager to provide oversight for the Department's cooperative agreement programs with the federal government.

**ANNUALIZE TERMS OF NEW LEASE AGREEMENT:** The appropriation includes an increase of \$13,220 General Fund to reflect the terms of the Division of Veterans Affairs' new lease agreement for its space at 1355 S. Colorado Blvd. in Denver. The new lease will begin July 1, 2017 and includes option years through FY 2020-21.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year salary survey.

**ADDITIONAL LEGISLATION:** For information on additional legislation, see the "Recent Legislation" section at the end of this department.

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## DIVISION OF VETERANS AFFAIRS

The Division of Veterans Affairs represents veterans in federal benefits claims, and provides information, training, and direct funding to county veterans service officers. The State Board of Veterans Affairs makes grants to veterans service organizations from the Veterans Trust Fund, which receives tobacco settlement revenue. The Division has received an appropriation of \$1.0 million General Fund annually since FY 2012-13 to provide additional grants to organizations serving veterans, with priority given to homeless veterans services. The Division also maintains the Western Slope Veterans' Cemetery in Grand Junction.

The cash funds sources are the Colorado State Veterans Trust Fund and the Western Slope Military Veterans' Cemetery Fund. The federal funds source is interment fees from the U.S. Department of Veterans Affairs, to defray the interment costs at the Western Slope Military Veterans' Cemetery.

DIVISION OF VETERANS AFFAIRS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$3,850,490	\$2,649,965	\$1,083,625	\$0	\$116,900	18.0
<b>TOTAL</b>	<b>\$3,850,490</b>	<b>\$2,649,965</b>	<b>\$1,083,625</b>	<b>\$0</b>	<b>\$116,900</b>	<b>18.0</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$3,850,490	\$2,649,965	\$1,083,625	\$0	\$116,900	18.0
Increase county veterans service officer payments	300,000	300,000	0	0	0	0.0
Annualize prior year budget actions	7,146	5,955	1,191	0	0	0.0
Tobacco Master Settlement revenue adjustment	(62,758)	0	(62,758)	0	0	0.0
<b>SB 17-254</b>	<b>\$4,094,878</b>	<b>\$2,955,920</b>	<b>\$1,022,058</b>	<b>\$0</b>	<b>\$116,900</b>	<b>18.0</b>
<b>TOTAL</b>	<b>\$4,094,878</b>	<b>\$2,955,920</b>	<b>\$1,022,058</b>	<b>\$0</b>	<b>\$116,900</b>	<b>18.0</b>
<b>INCREASE/(DECREASE)</b>						
Percentage Change	6.3%	11.5%	(5.7%)	n/a	0.0%	0.0%

### FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**INCREASE COUNTY VETERANS SERVICE OFFICER PAYMENTS:** The appropriation includes an increase of \$300,000 General Fund for county veterans services officer payments. This appropriation funds a reimbursement program that assists all Colorado counties with the personal services and operating costs associated with their veterans services offices, which assist Colorado’s military veterans in claiming their federal benefits.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year salary survey.

**TOBACCO MASTER SETTLEMENT REVENUE ADJUSTMENT:** The appropriation includes a reduction of \$62,758 cash funds based on the Legislative Council FY 2017-18 Master Settlement revenue projections.

### AIR NATIONAL GUARD

This division provides funding for the operations of the Buckley and Greeley Air National Guard bases. The State's share of operating and maintenance costs varies under its agreements with the federal government and is based on the type and use of the building and whether it is on state or federal land. The federal government also funds five full-time security guards at the space command facility at Greeley. Federal funds are provided through cooperative agreements with the federal government for the operations of the Colorado National Guard.

AIR NATIONAL GUARD						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$3,492,704	\$392,180	\$0	\$0	\$3,100,524	48.6
<b>TOTAL</b>	<b>\$3,492,704</b>	<b>\$392,180</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,100,524</b>	<b>48.6</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$3,492,704	\$392,180	\$0	\$0	\$3,100,524	48.6
Annualize prior year budget actions	10,491	1,750	0	0	8,741	0.0
<b>SB 17-254</b>	<b>\$3,503,195</b>	<b>\$393,930</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,109,265</b>	<b>48.6</b>
<b>TOTAL</b>	<b>\$3,503,195</b>	<b>\$393,930</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,109,265</b>	<b>48.6</b>



AIR NATIONAL GUARD						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>INCREASE/(DECREASE)</b>	\$10,491	\$1,750	\$0	\$0	\$8,741	0.0
Percentage Change	0.3%	0.4%	n/a	n/a	0.3%	0.0%

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year salary survey.

## FEDERAL FUNDED PROGRAMS

This section identifies funding that is managed by the Department but is not subject to appropriation by the General Assembly and does not flow through the State accounting system. This funding supports training for members of the Colorado National Guard, and the operations, maintenance, and construction of armories and other military facilities. Funding is based on the federal fiscal year, which begins October 1. Federal funds are received pursuant to cooperative agreements with the federal government for the operations of the Colorado National Guard.

FEDERAL FUNDED PROGRAMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$205,646,369	\$0	\$0	\$0	205,646,369	1,239.0
<b>TOTAL</b>	<b>\$205,646,369</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$205,646,369</b>	<b>1,239.0</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$205,646,369	\$0	\$0	\$0	\$205,646,369	1,239.0
<b>SB 17-254</b>	<b>\$205,646,369</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$205,646,369</b>	<b>1,239.0</b>
<b>TOTAL</b>	<b>\$205,646,369</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$205,646,369</b>	<b>1,239.0</b>
<b>INCREASE/(DECREASE)</b>	\$0	\$0	\$0	\$0	\$0	0.0
Percentage Change	0.0%	n/a	n/a	n/a	0.0%	0.0%

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**No CHANGES:** The appropriation does not contain changes from the FY 2016-17 appropriation.

## RECENT LEGISLATION

### 2016 SESSION BILLS

**H.B. 16-1125 (ALIGNING DEFINITION OF VETERAN WITH FEDERAL LAW):** Recreates the definition of "veteran" in state law to conform to the definition used in federal law and makes conforming amendments.

**H.B. 16-1197 (MILITARY VETERAN OCCUPATIONAL CREDENTIALS):** Requires each state agency that regulates a profession or occupation to evaluate and provide appropriate credit toward licensing and certification for military experience. Each state agency may consult with any military official, state agency, or post-secondary educational institution, and each post-secondary educational institution is obligated to cooperate. Refer to the Department of Regulatory Agencies for additional information.

**H.B. 16-1405 (LONG BILL):** General appropriations act for FY 2016-17.

## 2017 SESSION BILLS

**S.B. 17-166 (SUPPLEMENTAL BILL):** Modifies FY 2016-17 appropriations to the Department of Military and Veterans Affairs.

**S.B. 17-174 (ALLOCATION OF MONEY FOR NATIONAL GUARD TUITION):** Removes the statutory reference to the Colorado Commission on Higher Education allocating funds for the Colorado National Guard Tuition Fund, allowing the Joint Budget Committee to make the program's future appropriations directly from the General Fund to the Department of Military and Veterans Affairs.

**S.B. 17-183 (SUPPORT USS COLORADO COMMISSIONING):** Appropriates \$100,000 General Fund for FY 2017-18 to the Department of Military and Veterans Affairs and requires the Department to make grants in support of the USS Colorado, a nuclear submarine expected to be commissioned in 2017.

**S.B. 17-212 (SUNSET BOARD OF VETERANS AFFAIRS):** Implements the recommendations in the Department of Regulatory Agencies' sunset report on the Board of Veterans Affairs and eliminates the repeal date of the board, continuing it indefinitely.

**S.B. 17-254 (LONG BILL):** General appropriations act for FY 2017-18.

# Details

## DEPARTMENT OF NATURAL RESOURCES

### FY 2016-17 AND FY 2017-18 APPROPRIATIONS BY DIVISION AND BILL

DEPARTMENT OF NATURAL RESOURCES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2016-17 TOTAL APPROPRIATION:</b>	<b>\$266,054,974</b>	<b>\$28,742,941</b>	<b>\$202,967,586</b>	<b>\$7,703,225</b>	<b>\$26,641,222</b>	<b>1,462.7</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
Executive Director's Office	57,981,833	7,870,569	41,445,575	7,478,225	1,187,464	52.2
Division of Reclamation, Mining, and Safety	7,998,511	0	4,485,633	0	3,512,878	67.9
Oil and Gas Conservation Commission	12,501,619	0	12,397,060	0	104,559	110.3
State Board of Land Commissioners	4,991,219	0	4,766,219	225,000	0	41.0
Division of Parks and Wildlife	140,722,456	150,000	119,126,484	0	21,445,972	886.5
Colorado Water Conservation Board	18,802,123	0	18,611,673	0	190,450	45.7
Division of Water Resources	23,057,213	20,722,372	2,134,942	0	199,899	259.1
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
HB 16-1405	\$254,938,806	\$28,742,941	\$191,851,418	\$7,703,225	\$26,641,222	1,462.7
SB 16-174	7,905,000	0	7,905,000	0	0	0.0
HB 16-1256	211,168	0	211,168	0	0	0.0
HB 16-1458	3,000,000	0	3,000,000	0	0	0.0
<b>FY 2017-18 TOTAL APPROPRIATION:</b>	<b>\$295,292,465</b>	<b>\$30,864,532</b>	<b>\$230,795,872</b>	<b>\$6,932,593</b>	<b>\$26,699,468</b>	<b>1,458.6</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
Executive Director's Office	67,718,528	9,912,501	49,817,748	6,707,593	1,280,686	52.2
Division of Reclamation, Mining, and Safety	7,949,217	0	4,460,425	0	3,488,792	67.9
Oil and Gas Conservation Commission	12,471,154	0	12,370,025	0	101,129	110.3
State Board of Land Commissioners	5,089,096	0	4,864,096	225,000	0	41.0
Division of Parks and Wildlife	140,032,678	150,000	118,491,675	0	21,391,003	886.5
Colorado Water Conservation Board	38,799,973	0	38,597,165	0	202,808	46.7
Division of Water Resources	23,231,819	20,802,031	2,194,738	0	235,050	254.0
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
SB 17-254	\$261,308,465	\$30,864,532	\$196,811,872	\$6,932,593	\$26,699,468	1,458.6
SB 17-202	3,850,000	0	3,850,000	0	0	0.0
HB 17-1248	30,134,000	0	30,134,000	0	0	0.0
<b>INCREASE/(DECREASE)</b>	<b>\$29,237,491</b>	<b>\$2,121,591</b>	<b>\$27,828,286</b>	<b>(\$770,632)</b>	<b>\$58,246</b>	<b>(4.1)</b>
Percentage Change	11.0%	7.4%	13.7%	(10.0%)	0.2%	(0.3%)

**INFORMATIONAL FUNDS:** The FY 2017-18 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Natural Resources are annotated with the "(I)". For additional information, see Appendix E.

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2017-18 Appropriations containing an (I) notation	\$51,349,002	\$0	\$24,649,534	\$0	\$26,699,468

## DETAIL OF APPROPRIATION BY ADMINISTRATIVE SECTION

### EXECUTIVE DIRECTOR'S OFFICE

The Executive Director's Office is responsible for the management and administration of the Department, including: departmental administration and policy development, human resources, accounting and purchasing, budgeting, and information technology services. The Colorado Avalanche Information Center is also included as a special program within this division. Funding consists of \$44.0 million from various cash funds and \$2.0 million from the Severance Tax Operational Fund to pay for employee benefits and other central services, as well as \$3.85 million from the Species Conservation Trust Fund pursuant to S.B. 17-202 (Species Conservation Trust Fund Projects). Reappropriated funds are from indirect cost recoveries.

EXECUTIVE DIRECTOR'S OFFICE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$54,981,833	\$7,870,569	\$38,445,575	\$7,478,225	\$1,187,464	52.2
HB 16-1458	3,000,000	0	3,000,000	0	0	0.0
<b>TOTAL</b>	<b>\$57,981,833</b>	<b>\$7,870,569</b>	<b>\$41,445,575</b>	<b>\$7,478,225</b>	<b>\$1,187,464</b>	<b>52.2</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$57,981,833	\$7,870,569	\$41,445,575	\$7,478,225	\$1,187,464	52.2
Centrally appropriated line items	8,914,183	2,196,450	7,536,061	(914,434)	96,106	0.0
Indirect cost assessment	15,636	(143,802)	18,520	143,802	(2,884)	0.0
Fund source adjustment	0	0	0	0	0	0.0
Annualize prior year legislation	(3,000,000)	0	(3,000,000)	0	0	0.0
Annualize prior year budget actions	(43,124)	(10,716)	(32,408)	0	0	0.0
<b>SB 17-254</b>	<b>\$63,868,528</b>	<b>\$9,912,501</b>	<b>\$45,967,748</b>	<b>\$6,707,593</b>	<b>\$1,280,686</b>	<b>52.2</b>
SB 17-202	3,850,000	0	3,850,000	0	0	0.0
<b>TOTAL</b>	<b>\$67,718,528</b>	<b>\$9,912,501</b>	<b>\$49,817,748</b>	<b>\$6,707,593</b>	<b>\$1,280,686</b>	<b>52.2</b>
<b>INCREASE/(DECREASE)</b>						
	\$9,736,695	\$2,041,932	\$8,372,173	(\$770,632)	\$93,222	0.0
Percentage Change	16.8%	25.9%	20.2%	(10.3%)	7.9%	0.0%

### FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; salary survey; merit pay; shift differential; workers' compensation; legal services; payment to risk management and property funds; leased space; Capitol complex leased space; payments to the Governor's Office of Information Technology (OIT); and CORE operations.

**INDIRECT COST ASSESSMENT:** The appropriation includes a net increase of \$15,636 total funds, including a decrease of \$143,802 General Fund, in the division's indirect cost assessment.

**FUND SOURCE ADJUSTMENT:** The appropriation includes a budget neutral change to the allocation of indirect cost recoveries for 2,194 square feet of capitol complex leased space at 1313 Sherman St. from the Division of Water Resources to the Executive Director's Office. This capitol complex leased space is used for department-wide purposes.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes a decrease of \$3,000,000 cash funds for the second-year impacts of H.B. 16-1458 (Species Conservation Fund Bill).

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes a decrease of \$43,124 total funds, including a decrease of \$10,716 General Fund, for the second-year impact of prior year salary survey.

**ADDITIONAL LEGISLATION:** For information on additional legislation, see the "Recent Legislation" section at the end of this department.

## DIVISION OF RECLAMATION, MINING, AND SAFETY

The Division of Reclamation, Mining, and Safety includes four main program areas, described below, which are primarily funded by the Severance Tax Operational Fund and federal grants.

- 1 The **Coal Regulatory Program** issues and enforces mining and reclamation permits for coal mines in Colorado on state, federal, and private lands, including ensuring compliance with the requirements of the federal Surface Mining Control and Reclamation Act. The program is currently responsible for 37 permitted mines and 57 exploration units (permitted areas covering 174,500 acres).
- 2 The **Minerals Regulatory Program** issues and enforces mining and reclamation permits for all non-coal mines in Colorado on state, federal, and private lands. The program permits and inspects the 1,710 non-coal mines in Colorado (190,019 permitted acres) and regulates 168 active prospecting operations.
- 3 The **Inactive Mines Reclamation Program** safeguards mine openings, inspects and monitors inactive mine sites, and reclaims abandoned mines. A total of 9,472 hazardous mine openings have been reclaimed since the program started and approximately 13,528 hazardous mine openings remain in Colorado.
- 4 The **Mine Safety Program** regulates active mines for safety, inspects tourist mines, performs safety audits, administers certification programs for mining employees, provides training in mine rescue and safety, and regulates underground diesel equipment and mining explosives.

DIVISION OF RECLAMATION, MINING, AND SAFETY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$7,998,511	\$0	\$4,485,633	\$0	\$3,512,878	67.9
<b>TOTAL</b>	<b>\$7,998,511</b>	<b>\$0</b>	<b>\$4,485,633</b>	<b>\$0</b>	<b>\$3,512,878</b>	<b>67.9</b>

DIVISION OF RECLAMATION, MINING, AND SAFETY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$7,998,511	\$0	\$4,485,633	\$0	\$3,512,878	67.9
Indirect cost assessment	(49,294)	0	(25,208)	0	(24,086)	0.0
<b>SB 17-254</b>	<b>\$7,949,217</b>	<b>\$0</b>	<b>\$4,460,425</b>	<b>\$0</b>	<b>\$3,488,792</b>	<b>67.9</b>
<b>TOTAL</b>	<b>\$7,949,217</b>	<b>\$0</b>	<b>\$4,460,425</b>	<b>\$0</b>	<b>\$3,488,792</b>	<b>67.9</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$49,294)</b>	<b>\$0</b>	<b>(\$25,208)</b>	<b>\$0</b>	<b>(\$24,086)</b>	<b>0.0</b>
Percentage Change	(0.6%)	n/a	(0.6%)	n/a	(0.7%)	0.0%

#### FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**INDIRECT COST ASSESSMENT:** The appropriation includes a decrease of \$49,294 total funds in the division's indirect cost assessment.

#### OIL AND GAS CONSERVATION COMMISSION

The Oil and Gas Conservation Commission (OGCC) is responsible for promoting the exploration, development, and conservation of Colorado's oil and natural gas resources. The OGCC also has the authority to regulate oil and gas operations to protect public health, prevent significant adverse environmental impacts, and prevent waste. In addition to enforcement, this responsibility involves: answering complaints and inquiries; responding to oil and gas spills and other environmental emergencies at production sites; managing reclamation work at abandoned well sites; and performing baseline water quality studies. Funding for the OGCC is from the Oil and Gas Conservation and Environmental Response Fund, supported by a mill levy on oil and gas production, and from the Severance Tax Operational Fund.

OIL AND GAS CONSERVATION COMMISSION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$12,501,619	\$0	\$12,397,060	\$0	\$104,559	110.3
<b>TOTAL</b>	<b>\$12,501,619</b>	<b>\$0</b>	<b>\$12,397,060</b>	<b>\$0</b>	<b>\$104,559</b>	<b>110.3</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$12,501,619	\$0	\$12,397,060	\$0	\$104,559	110.3
Annualize prior year budget actions	549	0	549	0	0	0.0
Indirect cost assessment	(31,014)	0	(27,584)	0	(3,430)	0.0
<b>SB 17-254</b>	<b>\$12,471,154</b>	<b>\$0</b>	<b>\$12,370,025</b>	<b>\$0</b>	<b>\$101,129</b>	<b>110.3</b>
<b>TOTAL</b>	<b>\$12,471,154</b>	<b>\$0</b>	<b>\$12,370,025</b>	<b>\$0</b>	<b>\$101,129</b>	<b>110.3</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$30,465)</b>	<b>\$0</b>	<b>(\$27,035)</b>	<b>\$0</b>	<b>(\$3,430)</b>	<b>0.0</b>
Percentage Change	(0.2%)	n/a	(0.2%)	n/a	(3.3%)	0.0%

#### FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes an increase of \$549 cash funds for the second-year impact of prior year salary survey.

**INDIRECT COST ASSESSMENT:** The appropriation includes a decrease of \$31,014 cash funds in the division's indirect cost assessment.

## STATE BOARD OF LAND COMMISSIONERS

The State Board of Land Commissioners (State Land Board) manages eight public trusts of land including the Public School Trust, to raise money for the benefit of K-12 education and other trust beneficiaries as specified in the Colorado Constitution or in statute. Over 98.0 percent of State Land Board revenue is attributable to the Public School Trust and the majority of this amount is from mineral assets including oil and gas leases and bonus payments. Funding for this division reflects the State Land Board's operating costs. Cash funds are from a portion of School Trust revenues, and the reappropriated funds are transferred from the Division of Parks and Wildlife.

STATE BOARD OF LAND COMMISSIONERS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$4,991,219	\$0	\$4,766,219	\$225,000	\$0	41.0
<b>TOTAL</b>	<b>\$4,991,219</b>	<b>\$0</b>	<b>\$4,766,219</b>	<b>\$225,000</b>	<b>\$0</b>	<b>41.0</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$4,991,219	\$0	\$4,766,219	\$225,000	\$0	41.0
Indirect cost assessment	102,026	0	102,026	0	0	0.0
Annualize prior year budget actions	(4,149)	0	(4,149)	0	0	0.0
<b>SB 17-254</b>	<b>\$5,089,096</b>	<b>\$0</b>	<b>\$4,864,096</b>	<b>\$225,000</b>	<b>\$0</b>	<b>41.0</b>
<b>TOTAL</b>	<b>\$5,089,096</b>	<b>\$0</b>	<b>\$4,864,096</b>	<b>\$225,000</b>	<b>\$0</b>	<b>41.0</b>
<b>INCREASE/(DECREASE)</b>	\$97,877	\$0	\$97,877	\$0	\$0	0.0
Percentage Change	2.0%	n/a	2.1%	0.0%	n/a	0.0%

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**INDIRECT COST ASSESSMENT:** The appropriation includes an increase of \$102,026 cash funds in the division's indirect cost assessment.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year salary survey and FY 2016-17 Western Slope Asset Manager.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY16-17 Salary survey	\$884	\$0	\$884	\$0	\$0	0.0
FY16-17 Western slope asset manager	(5,033)	0	(5,033)	0	0	0.0
<b>TOTAL</b>	<b>(\$4,149)</b>	<b>\$0</b>	<b>(\$4,149)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

## DIVISION OF PARKS AND WILDLIFE

The Division of Parks and Wildlife (CPW) manages 42 parks and several special purpose programs including the snowmobile program, the off-highway vehicle program, river outfitters regulation, federal grants, aquatic nuisance species control and prevention, and the distribution of trails grants. Funding for the State Parks' programs is a mixture of cash funds from license fees, lottery funds, off-highway vehicle recreation funds, severance tax dollars, and other state and federal funds.

The CPW also manages the state's 960 game and non-game wildlife species by issuing fishing and hunting licenses, enforcing wildlife regulations, protecting habitat and native wildlife populations, and managing approximately 1.5 million acres including 345 state wildlife areas. Funding for Wildlife operations and programs is a mixture of cash funds from license fees (primarily hunting and fishing licenses), federal funds, Great Outdoors Colorado funds, and various other sources.

DIVISION OF PARKS AND WILDLIFE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$140,722,456	\$150,000	\$119,126,484	\$0	\$21,445,972	886.5
<b>TOTAL</b>	<b>\$140,722,456</b>	<b>\$150,000</b>	<b>\$119,126,484</b>	<b>\$0</b>	<b>\$21,445,972</b>	<b>886.5</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$140,722,456	\$150,000	\$119,126,484	\$0	\$21,445,972	886.5
Chatfield reallocation loan repayment	216,829	0	216,829	0	0	0.0
Annualize prior year budget actions	27,988	0	27,988	0	0	0.0
Indirect cost assessment	(934,595)	0	(879,626)	0	(54,969)	0.0
<b>SB 17-254</b>	<b>\$140,032,678</b>	<b>\$150,000</b>	<b>\$118,491,675</b>	<b>\$0</b>	<b>\$21,391,003</b>	<b>886.5</b>
<b>TOTAL</b>	<b>\$140,032,678</b>	<b>\$150,000</b>	<b>\$118,491,675</b>	<b>\$0</b>	<b>\$21,391,003</b>	<b>886.5</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$689,778)</b>	<b>\$0</b>	<b>(\$634,809)</b>	<b>\$0</b>	<b>(\$54,969)</b>	<b>0.0</b>
Percentage Change	(0.5%)	0.0%	(0.5%)	n/a	(0.3%)	0.0%

### FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**CHATFIELD REALLOCATION LOAN REPAYMENT:** The appropriation includes an increase of \$216,829 cash funds from the Wildlife Cash Fund for the repayment of a 30-year interest free loan from the Colorado Water Conservation Board for the Chatfield Reservoir Reallocation Project. The project will reduce depletions and dependency on non-renewable basin groundwater, facilitate re-use of water, and use the existing reservoir capacity to provide additional supplies for municipal and agricultural users without requiring new dam construction.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes an increase of \$27,988 cash funds for the second-year impact of prior year salary survey.

**INDIRECT COST ASSESSMENT:** The appropriation includes a decrease of \$934,595 total funds in the division's indirect cost assessment.



## COLORADO WATER CONSERVATION BOARD

Under the guidance of the Board, this division is responsible for protecting, conserving, and developing the state's water resources, and minimizing the risk of flood damage and associated economic loss. The Colorado Water Conservation Board is divided into two main functional areas: administration and special purpose programs. This division is primarily supported by cash funds from the Colorado Water Conservation Board Construction Fund. Special purpose programs are generally supported by specific cash funds or federal funds.

COLORADO WATER CONSERVATION BOARD						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$11,065,955	\$0	\$10,875,505	\$0	\$190,450	45.7
SB 16-174	7,525,000	0	7,525,000	0	0	0.0
HB 16-1256	211,168	0	211,168	0	0	0.0
<b>TOTAL</b>	<b>\$18,802,123</b>	<b>\$0</b>	<b>\$18,611,673</b>	<b>\$0</b>	<b>\$190,450</b>	<b>45.7</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$18,802,123	\$0	\$18,611,673	\$0	\$190,450	45.7
Indirect cost assessment	121,029	0	108,671	0	12,358	0.0
Instream flow program assistant	59,958	0	59,958	0	0	1.0
Annualize prior year budget actions	1,728	0	1,728	0	0	0.0
Annualize prior year legislation	(9,938,865)	0	(9,938,865)	0	0	0.0
<b>SB 17-254</b>	<b>\$9,045,973</b>	<b>\$0</b>	<b>\$8,843,165</b>	<b>\$0</b>	<b>\$202,808</b>	<b>46.7</b>
HB 17-1248	29,754,000	0	29,754,000	0	0	0.0
<b>TOTAL</b>	<b>\$38,799,973</b>	<b>\$0</b>	<b>\$38,597,165</b>	<b>\$0</b>	<b>\$202,808</b>	<b>46.7</b>
<b>INCREASE/(DECREASE)</b>	\$19,997,850	\$0	\$19,985,492	\$0	\$12,358	1.0
Percentage Change	106.4%	n/a	107.4%	n/a	6.5%	2.2%

### FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**INDIRECT COST ASSESSMENT:** The appropriation includes an increase of \$121,029 total funds in the division's indirect cost assessment.

**INSTREAM FLOW PROGRAM ASSISTANT:** The appropriation includes an increase of \$59,958 cash funds spending authority from the Colorado Water Conservation Board (CWCB) Construction Fund for 1.0 FTE to address an increase in workload in the Instream Flow and Natural Lake Level Protection Section of the CWCB.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes an increase of \$1,728 for the second-year impact of prior year salary survey.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments for the second- and third-year impacts of prior year legislation.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 15-1016 Precipitation Harvest Pilot Projects	\$20,400	\$0	\$20,400	\$0	\$0	0.0
SB 16-174 CWCB Projects Bill	(7,525,000)	0	(7,525,000)	0	0	0.0
HB 15-1006 Phreatophyte Control Cost Sharing	(2,000,000)	0	(2,000,000)	0	0	0.0
HB 16-1256 South Platte Water Storage Study	(211,168)	0	(211,168)	0	0	0.0
HB 15-1178 Emergency Dewatering Grant	(209,497)	0	(209,497)	0	0	0.0
S.B. 15-008 Water Conservation Training	(13,600)	0	(13,600)	0	0	0.0
<b>TOTAL</b>	<b>(\$9,938,865)</b>	<b>\$0</b>	<b>(\$9,938,865)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**ADDITIONAL LEGISLATION:** For information on additional legislation, see the "Recent Legislation" section at the end of this department.

## DIVISION OF WATER RESOURCES

This division, also called the Office of the State Engineer, is primarily responsible for administration of water resources. This includes daily oversight of water allocations within the state and downstream interstate compact compliance, monitoring of water supply through stream-flow measurements, and groundwater regulation. The Division administers and operates over 170,000 surface and ground water rights and is responsible for dam safety inspections and groundwater well construction regulation. The Water Resources Cash Fund, the Colorado Water Conservation Board Construction Fund, the Well Inspection Cash Fund, and the Satellite Monitoring System Cash Fund provide the bulk of cash fund revenue.

DIVISION OF WATER RESOURCES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$22,677,213	\$20,722,372	\$1,754,942	\$0	\$199,899	259.1
SB 16-174	380,000	0	380,000	0	0	0.0
<b>TOTAL</b>	<b>\$23,057,213</b>	<b>\$20,722,372</b>	<b>\$2,134,942</b>	<b>\$0</b>	<b>\$199,899</b>	<b>259.1</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$23,057,213	\$20,722,372	\$2,134,942	\$0	\$199,899	259.1
Satellite monitoring system	70,176	0	70,176	0	0	0.0
Water Division 3 assistant subdistrict coordinator	68,943	68,943	0	0	0	0.9
DWR federal funds adjustment	35,740	0	0	0	35,740	0.0
Annualize prior year budget actions	11,975	10,716	1,259	0	0	0.0
DWR FTE true-up	0	0	0	0	0	(6.0)
Annualize prior year legislation	(380,000)	0	(380,000)	0	0	0.0
Indirect cost assessment	(12,228)	0	(11,639)	0	(589)	0.0
<b>SB 17-254</b>	<b>\$22,851,819</b>	<b>\$20,802,031</b>	<b>\$1,814,738</b>	<b>\$0</b>	<b>\$235,050</b>	<b>254.0</b>
HB 17-1248	380,000	0	380,000	0	0	0.0
<b>TOTAL</b>	<b>\$23,231,819</b>	<b>\$20,802,031</b>	<b>\$2,194,738</b>	<b>\$0</b>	<b>\$235,050</b>	<b>254.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$174,606</b>	<b>\$79,659</b>	<b>\$59,796</b>	<b>\$0</b>	<b>\$35,151</b>	<b>(5.1)</b>
Percentage Change	0.8%	0.4%	2.8%	n/a	17.6%	(2.0%)

### FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**SATELLITE MONITORING SYSTEM:** The appropriation includes an increase of \$70,176 cash funds from the Satellite Monitoring Cash Fund to assist with hydrography and water rights administration statewide.

**WATER DIVISION 3 ASSISTANT SUBDISTRICT COORDINATOR:** The appropriation includes an increase of \$68,943 General Fund and 0.9 FTE for the Division of Water Resources to add an Assistant Subdistrict Coordinator for the Water Division 3 Office, which serves the San Luis Valley. This position will assist coordination and direction of other Division 3 staff working on augmentation related projects, verify compliance with approved Water Court decrees, and ensure that interstate compacts are followed.

**DWR FEDERAL FUNDS ADJUSTMENT:** The appropriation includes an increase of \$35,740 federal funds for the Division of Water Resources to account for additional revenue from federal sources. These funds are included in the bill for informational purposes only.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes an increase of \$11,975 cash funds for the second-year impact of prior year salary survey.

**DWR FTE TRUE-UP:** The appropriation includes a reduction of 6.0 FTE for the Division of Water Resources to better reflect actual resource usage.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes a decrease of \$380,000 cash funds for the second-year impacts of S.B. 16-174 (CWCB Projects Bill).

**INDIRECT COST ASSESSMENT:** The appropriation includes a decrease of \$12,228 total funds in the division's indirect cost assessment.

**ADDITIONAL LEGISLATION:** For information on additional legislation, see the "Recent Legislation" section at the end of this department.

## RECENT LEGISLATION

### 2016 SESSION BILLS

**S.B. 16-167 (SEVERANCE TAX OPERATIONAL FUND RESERVE REDUCTION):** Excludes \$2.98 million from the Severance Tax Operational Fund Tier I reserve requirement in FY 2016-17. The bill reduces the impact of the Oil and Gas Conservation Commission fund source adjustment, which refinanced \$2.98 million cash funds from the Oil and Gas Conservation and Environmental Response Fund with the same amount from Tier I of the Severance Tax Operational Fund in FY 2016-17. The Tier I reserve requirement is normally 100.0 percent of Tier I appropriations pursuant to Section 39-29-109.3 (3) (a), C.R.S.

**S.B. 16-174 (CWCB CONSTRUCTION FUND PROJECTS):** Appropriates \$7,905,000 funds from the CWCB Construction Fund to the Department of Natural Resources in FY 2016-17 for various water-related projects. Authorizes the following transfers:

- \$5,200,000 from Severance Tax Perpetual Base Fund to the CWCB Construction Fund to support appropriations made in other sections of the bill;
- \$5,000,000 from the Perpetual Base Fund to the CWCB Construction Fund to secure funding in advance of anticipated expenditures in FY 2017-18 for the implementation of the Colorado State Water Plan; and
- \$1,100,000 from the CWCB Construction Fund to replenish the Litigation Fund and the Flood and Drought Response Fund, both of which are continuously appropriated.

**S.B. 16-218 (STATE SEVERANCE TAX REFUNDS):** Specifies the funding mechanism for potential severance tax refunds associated with the Colorado Supreme Court decision in *BP America v. Colorado Department of Revenue*. In FY 2015-16, any required refunds will first be made from severance tax revenue collected during June 2016. If the amount of required refunds exceeds severance tax collections, the remainder will be made from the General Fund reserve and the statutory reserve requirement will be adjusted by the same amount. In FY 2016-17, refunds will be made from severance tax collections up to a cap of 15.0 percent of gross monthly severance tax revenues. If the amount required for refunds exceeds 15.0 percent of gross severance tax revenues in a month, the additional amount will be refunded from income tax revenue diverted from the General Fund. Includes provisions restricting a total of \$72.9 million within the three cash funds that receive severance tax revenue:

- Severance Tax Operational Fund (Department of Natural Resources): \$10.0 million
- Severance Tax Perpetual Base Fund (Department of Natural Resources): \$19.1 million
- Local Government Severance Tax Fund (Department of Local Affairs): \$43.8 million from the portion of revenue allocated grants.

These funds are restricted from being expended for any use unless released in whole or in part by a majority vote of the Joint Budget Committee. The Joint Budget Committee exercised this authority on two separate occasions:

- 1 On September 20, 2016, the Committee voted to release the restriction of \$19.9 million from the Local Government Severance Tax Fund; and
- 2 On April 12, 2017, the Committee voted to release the remaining \$57.5 million.

**H.B. 16-1256 (SOUTH PLATTE WATER STORAGE STUDY):** Directs the CWCB to conduct or commission a storage study of the South Platte River basin in collaboration with the Division of Water Resources in the Department of Natural Resources and the South Platte Basin and Metro Roundtables. Appropriates \$211,168 cash funds transferred into the CWCB Construction Fund from the Water Supply Reserve Account, contingent upon the approval of the study by the South Platte Basin and Metro Roundtables.

**H.B. 16-1405 (LONG BILL):** General appropriations act for FY 2016-17.

**H.B. 16-1458 (SPECIES CONSERVATION TRUST FUND PROJECTS):** Authorizes the Department of Natural Resources to obligate and expend \$3.0 million from the Species Conservation Trust Fund in FY 2016-17 for programs to conserve native species listed as threatened or endangered under state or federal law, or are likely to become candidate species as determined by the United States Fish and Wildlife Services. The SCTF is supported by annual transfers from Tier II of the Severance Tax Operational Fund pursuant to Section 39-29-109.3 (2) (e), C.R.S.

## 2017 SESSION BILLS

**S.B. 17-026 (STATE ENGINEER STATUTES CLEANUP):** Removes obsolete provisions and modernizes the language of state statutes related to the State Engineer and the Division of Water Resources.

**S.B. 17-202 (SPECIES CONSERVATION TRUST FUND PROJECTS):** Authorizes the Department of Natural Resources to obligate and expend \$3.9 million from the Species Conservation Trust Fund in FY 2017-18 for programs to conserve native species listed as threatened or endangered under state or federal law, or are likely to become candidate species as determined by the United States Fish and Wildlife Services.

**S.B. 17-254 (LONG BILL):** General appropriations act for FY 2017-18.

**S.B. 17-259 (GENERAL FUND TRANSFERS TO PROTECT NATURAL RESOURCES):** Makes transfers totaling \$10.0 million General Fund to support four Severance Tax Tier 2-funded programs as described in the following table:

TRANSFERS OF FUNDS TO SUPPORT SEVERANCE TIER 2 PROGRAMS		
FY 2017-18 TRANSFER ON JUNE 30, 2018	CASH FUNDS	GENERAL FUND
FOREST HEALTH AND WILDFIRE PREVENTION AND MITIGATION PROGRAMS		
Health forest and vibrant communities program	\$1,186,363	(\$1,186,363)
Forest restoration and wildfire risk mitigation grant program	954,545	(954,545)
Wildfire preparedness program	86,364	(86,364)
Wildland-urban interface training program	45,455	(45,455)
Species conservation trust fund	4,090,909	(4,090,909)
AQUATIC NUISANCE SPECIES		
Division of Wildlife--Aquatic nuisance species	2,452,193	(2,452,193)
Division of Parks--Aquatic nuisance species	1,184,171	(1,184,171)
<b>TOTAL</b>	<b>\$10,000,000</b>	<b>(\$10,000,000)</b>

**S.B. 17-260 (SEVERANCE TAX CASH FUND TRANSFER TO GENERAL FUND):** Transfers \$45.7 million funds originating as severance tax revenue to the General Fund.

**H.B. 17-1030 (UPDATE 1921 IRRIGATION DISTRICT LAW):** Updates the 1921 Irrigation District Act. The bill made the following changes: increases the compensation of board members and election judges; clarifies the definitions of agricultural land and landowner; allows an irrigation district to lease its surplus water for any beneficial use permitted by decree or applicable law; clarifies how irrigation district assessments are to be collected, held, and reported; eliminates the bonding requirement for district board members; and modernizes election procedures and procedures for selling surplus property.

**H.B. 17-1248 (CWCB CONSTRUCTION FUND PROJECTS):** Appropriates \$30,134,000 funds from the CWCB Construction Fund to the Department of Natural Resources in FY 2017-18 for various water-related projects. Authorizes the following transfers:

- \$30,000,000 from the Severance Tax Perpetual Base Fund to the Loan Guarantee Fund for repayment of loans made for water projects;
- \$20,000,000 from the Severance Tax Perpetual Base Fund to the CWCB Construction Fund to support appropriations made in other sections of the bill;
- \$10,000,000 from the Severance Tax Perpetual Base Fund to the Water Supply Reserve Fund to support water basin roundtable approved projects;
- \$1,500,000 from the CWCB Construction Fund to replenish the continuously-appropriated Fish and Wildlife Resources Fund;
- \$1,300,000 from the CWCB Construction Fund to replenish the continuously-appropriated Litigation Fund;
- \$500,000 from the CWCB Construction Fund to replenish the continuously-appropriated Flood and Drought Response Fund;
- \$300,000 from the CWCB Construction Fund to replenish the continuously-appropriated Feasibility Study Small Grant Fund; and
- \$260,000 from the CWCB Construction Fund to the Public and Private Utilities Sector Fund to support appropriations made in other sections of the bill.

**H.B. 17-1250 (RENEW AND EXPAND TAX CHECK-OFF TO BENEFIT WILDLIFE):** Extends and modifies the Colorado Nongame Conservation and Wildlife Restoration voluntary checkoff program and establishes the Colorado Nongame Conservation and Wildlife Restoration Cash Fund Authority that is overseen by a board of directors. The bill also creates the Nongame Conservation and Wildlife Restoration Cash Fund. Money in the fund is used by the Division of Parks and Wildlife to support a variety of activities that aid nongame and endangered species work. In addition, a percentage of the checkoff revenue may be given in the form of grants for wildlife rehabilitation in Colorado. Grants will be overseen by the board of directors.

**H.B. 17-1289 (STATE ENGINEER RULES HISTORICAL CONSUMPTIVE USE):** Directs the State Engineer in the Department of Natural Resources (DNR) to adopt rules taking into account local conditions that an applicant can use to calculate the historical consumptive use of a water right. The use of the methodology, approach, or local factors developed by the State Engineer is voluntary, and the resulting calculation of historical consumptive use carries no presumptive effect in the determination by the State Engineer, water referee, or water judge.

# Details

## DEPARTMENT OF PERSONNEL

### FY 2016-17 AND FY 2017-18 APPROPRIATIONS BY DIVISION AND BILL

DEPARTMENT OF PERSONNEL						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2016-17 TOTAL APPROPRIATION:</b>	<b>\$192,518,150</b>	<b>\$13,145,504</b>	<b>\$16,928,150</b>	<b>\$162,444,496</b>	<b>\$0</b>	<b>421.5</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
Executive Director's Office	22,415,363	7,831,597	3,160,667	11,423,099	0	49.3
Division of Human Resources	67,591,150	2,115,074	3,062,844	62,413,232	0	46.7
Constitutionally Independent Entities	547,480	546,302	1,178	0	0	4.8
Central Services	78,168,674	143,543	1,553,595	76,471,536	0	179.7
Division of Accounts and Control	19,765,159	2,508,988	9,043,950	8,212,221	0	96.5
Administrative Courts	4,030,324	0	105,916	3,924,408	0	44.5
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
HB 16-1405	\$189,285,533	\$13,145,504	\$16,006,122	\$160,133,907	\$0	421.0
SB 16-040	4,950	0	0	4,950	0	0.0
HB 16-1362	42,283	0	42,283	0	0	0.5
HB 16-1408	879,745	0	879,745	0	0	0.0
SB 17-167	2,305,639	0	0	2,305,639	0	0.0
<b>FY 2017-18 TOTAL APPROPRIATION:</b>	<b>\$195,217,235</b>	<b>\$12,499,410</b>	<b>\$13,927,636</b>	<b>\$168,790,189</b>	<b>\$0</b>	<b>422.1</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
Executive Director's Office	22,582,887	6,183,389	2,823,899	13,575,599	0	49.3
Division of Human Resources	68,315,150	2,031,559	3,018,534	63,265,057	0	46.7
Constitutionally Independent Entities	548,780	548,780	0	0	0	4.8
Central Services	79,503,398	1,159,017	1,553,595	76,790,786	0	179.5
Division of Accounts and Control	20,074,709	2,568,565	6,425,692	11,080,452	0	97.3
Administrative Courts	4,192,311	8,100	105,916	4,078,295	0	44.5
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
SB 17-254	\$195,012,900	\$12,491,310	\$13,927,636	\$168,593,954	\$0	422.3
SB 17-121	8,100	8,100	0	0	0	0.0
HB 17-1296	196,235	0	0	196,235	0	(0.2)
<b>INCREASE/(DECREASE)</b>	<b>\$2,699,085</b>	<b>(\$646,094)</b>	<b>(\$3,000,514)</b>	<b>\$6,345,693</b>	<b>\$0</b>	<b>0.6</b>
Percentage Change	1.4%	(4.9%)	(17.7%)	3.9%	n/a	0.1%

**INFORMATIONAL FUNDS:** The FY 2017-18 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Personnel are annotated with the "(I)". For additional information, see Appendix E.

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2017-18 Appropriations containing an (I) notation	\$57,035,072	\$0	\$1,848,701	\$55,186,371	\$0

## DETAIL OF APPROPRIATION BY ADMINISTRATIVE SECTION

### EXECUTIVE DIRECTOR'S OFFICE

This division provides centralized accounting, personnel, and budgeting services for the Department. It also includes the Colorado State Employees Assistance Program (C-SEAP), the Office of the State Architect, and the Colorado State Archives. The primary fund source is reappropriated funds, which originate as indirect cost recoveries from other divisions within the Department, as well as user fees from other state agencies.

EXECUTIVE DIRECTOR'S OFFICE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$22,270,381	\$7,831,597	\$3,118,384	\$11,320,400	\$0	48.8
HB 16-1362	42,283	0	42,283	0	0	0.5
SB 17-167	102,699	0	0	102,699	0	0.0
<b>TOTAL</b>	<b>\$22,415,363</b>	<b>\$7,831,597</b>	<b>\$3,160,667</b>	<b>\$11,423,099</b>	<b>\$0</b>	<b>49.3</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$22,415,363	\$7,831,597	\$3,160,667	\$11,423,099	\$0	49.3
Centrally appropriated line items	208,561	188,368	(320,741)	340,934	0	0.0
Indirect cost assessment	134,818	0	0	134,818	0	0.0
Annualize prior year legislation	86,862	6,193	80,669	0	0	0.0
Fund source adjustment	0	(1,805,024)	(15,651)	1,820,675	0	0.0
Annualize prior year budget actions	(178,717)	(33,745)	(1,045)	(143,927)	0	0.0
Personal services and operating expenses adjustments	(84,000)	(4,000)	(80,000)	0	0	0.0
<b>SB 17-254</b>	<b>\$22,582,887</b>	<b>\$6,183,389</b>	<b>\$2,823,899</b>	<b>\$13,575,599</b>	<b>\$0</b>	<b>49.3</b>
<b>TOTAL</b>	<b>\$22,582,887</b>	<b>\$6,183,389</b>	<b>\$2,823,899</b>	<b>\$13,575,599</b>	<b>\$0</b>	<b>49.3</b>
<b>INCREASE/(DECREASE)</b>	<b>\$167,524</b>	<b>(\$1,648,208)</b>	<b>(\$336,768)</b>	<b>\$2,152,500</b>	<b>\$0</b>	<b>(0.0)</b>
Percentage Change	0.7%	(21.0%)	(10.7%)	18.8%	n/a	(0.0%)

### FY 2016-17 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 17-167 modifies FY 2016-17 appropriations to provide an additional \$102,699 reappropriated funds to reflect Motor Pool vehicle lease payments in Fleet Management's Vehicle Lease Payments line item.

### FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; salary survey; merit pay; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; shift differential; vehicle lease payments; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; Capitol complex leased space; payments to the Governor's Office of Information Technology (OIT); and CORE operations.

**INDIRECT COST ASSESSMENT:** The appropriation includes a net increase in the division's indirect cost assessments.



**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments related to prior year legislation.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 13-276 (Disability Investigational and Pilot Support Procurement)	\$82,000	\$0	\$82,000	\$0	\$0	0.0
SB 15-270 (Create the Office of the State Architect)	6,193	6,193	0	0	0	0.0
HB 16-1362 (License Plate Auction Transfer)	(1,331)	0	(1,331)	0	0	0.0
<b>TOTAL</b>	<b>\$86,862</b>	<b>\$6,193</b>	<b>\$80,669</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**FUND SOURCE ADJUSTMENT:** The appropriation includes a decrease in General Fund and cash funds offset by an increase in reappropriated funds. This includes an increase in the amount of total department indirect cost recoveries applied to offset the need for General Fund in this division, which necessitates an increase in the reappropriated funds appropriation.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY16-17 OAC Resources	\$2,175	\$0	\$0	\$2,175	\$0	0.0
Supplemental appropriation	(102,699)	0	0	(102,699)	0	0.0
Prior year salary survey	(78,193)	(33,745)	(1,045)	(43,403)	0	0.0
<b>TOTAL</b>	<b>(\$178,717)</b>	<b>(\$33,745)</b>	<b>(\$1,045)</b>	<b>(\$143,927)</b>	<b>\$0</b>	<b>0.0</b>

**PERSONAL SERVICES AND OPERATING EXPENSES ADJUSTMENTS:** The appropriation includes a decrease of \$84,000 total funds, including decreases of \$4,000 General Fund and \$80,000 cash funds, for adjustments to personal services and operating expenses based on recent actual usage.

## DIVISION OF HUMAN RESOURCES

This division administers the State's classified personnel system, administers the employee benefits programs, manages statewide systems for payroll and employee databases, and operates the statewide risk management program, including the provision of liability, property, and workers' compensation insurance.

DIVISION OF HUMAN RESOURCES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$66,711,405	\$2,115,074	\$2,183,099	\$62,413,232	\$0	46.7
HB 16-1408	879,745	0	879,745	0	0	0.0
<b>TOTAL</b>	<b>\$67,591,150</b>	<b>\$2,115,074</b>	<b>\$3,062,844</b>	<b>\$62,413,232</b>	<b>\$0</b>	<b>46.7</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$67,591,150	\$2,115,074	\$3,062,844	\$62,413,232	\$0	46.7
Training Services adjustment	1,000,000	0	0	1,000,000	0	0.0
Tobacco Master Settlement revenue adjustment	714,254	0	714,254	0	0	0.0
Indirect cost assessment	198,779	0	135,604	63,175	0	0.0
Annualize prior year legislation	(879,745)	0	(879,745)	0	0	0.0

DIVISION OF HUMAN RESOURCES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Risk Management adjustments	(126,482)	0	0	(126,482)	0	0.0
Personal services and operating expenses adjustments	(101,434)	0	(15,000)	(86,434)	0	0.0
Annualize prior year budget actions	(81,372)	(83,515)	577	1,566	0	0.0
<b>SB 17-254</b>	<b>\$68,315,150</b>	<b>\$2,031,559</b>	<b>\$3,018,534</b>	<b>\$63,265,057</b>	<b>\$0</b>	<b>46.7</b>
<b>TOTAL</b>	<b>\$68,315,150</b>	<b>\$2,031,559</b>	<b>\$3,018,534</b>	<b>\$63,265,057</b>	<b>\$0</b>	<b>46.7</b>
<b>INCREASE/(DECREASE)</b>	\$724,000	(\$83,515)	(\$44,310)	\$851,825	\$0	0.0
Percentage Change	1.1%	(3.9%)	(1.4%)	1.4%	n/a	0.0%

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**TRAINING SERVICES ADJUSTMENT:** The appropriation adds \$1,000,000 reappropriated funds for Training Services to provide Human Resource Information System (HRIS) training to state agencies.

**TOBACCO MASTER SETTLEMENT REVENUE ADJUSTMENT:** The appropriation adds \$714,254 cash funds for the Supplemental State Contribution Fund informational appropriation in the Division of Human Resources due to an increase in Tobacco Master Settlement Agreement allocations.

**INDIRECT COST ASSESSMENT:** The appropriation includes a net increase in the division's indirect cost assessments.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes a decrease of \$879,745 cash funds related to H.B. 16-1408 (Cash Fund Allocations).

**RISK MANAGEMENT ADJUSTMENTS:** The appropriation includes a net decrease of \$126,482 reappropriated funds for risk management adjustments. Adjustments determined by the State's actuary include:

- A 14.3 percent increase of \$571,000 for liability legal services;
- A 1.2 percent increase of \$433,000 for workers' compensation claims;
- A 5.2 percent increase of \$270,000 for property policies;
- A 4.1 percent increase of \$14,000 for liability excess policy;
- A 21.7 percent decrease of \$1.5 million for liability claims;
- A 2.9 percent decrease of \$72,000 for workers' compensation legal services; and
- An 8.4 percent decrease of \$69,000 for workers' compensation excess policy.

**PERSONAL SERVICES AND OPERATING EXPENSES ADJUSTMENTS:** The appropriation includes a decrease of \$101,434 cash and reappropriated funds for adjustments to personal services and operating expenses based on recent actual usage.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the out-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY13-14 Employee engagement survey	\$215,000	\$215,000	\$0	\$0	\$0	0.0
Prior year salary survey	3,628	1,485	577	1,566	0	0.0
FY14-15 Total comp vendor	(300,000)	(300,000)	0	0	0	0.0
<b>TOTAL</b>	<b>(\$81,372)</b>	<b>(\$83,515)</b>	<b>\$577</b>	<b>\$1,566</b>	<b>\$0</b>	<b>0.0</b>

## CONSTITUTIONALLY INDEPENDENT ENTITIES

This division includes the State Personnel Board, which has the authority to adopt, by rule, a uniform grievance procedure to be used by all state agencies for classified employees in the state personnel system. The Board adjudicates employment disputes within the state classified system and is responsible for promulgating rules to ensure that state employment is based on merit.

CONSTITUTIONALLY INDEPENDENT ENTITIES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$547,480	\$546,302	\$1,178	\$0	\$0	4.8
<b>TOTAL</b>	<b>\$547,480</b>	<b>\$546,302</b>	<b>\$1,178</b>	<b>\$0</b>	<b>\$0</b>	<b>4.8</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$547,480	\$546,302	\$1,178	\$0	\$0	4.8
Centrally appropriated line items	3,798	3,798	0	0	0	0.0
Personal services and operating expenses adjustments	(2,498)	(1,320)	(1,178)	0	0	0.0
<b>SB 17-254</b>	<b>\$548,780</b>	<b>\$548,780</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>4.8</b>
<b>TOTAL</b>	<b>\$548,780</b>	<b>\$548,780</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>4.8</b>
<b>INCREASE/(DECREASE)</b>	<b>\$1,300</b>	<b>\$2,478</b>	<b>(\$1,178)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	0.2%	0.5%	(100.0%)	n/a	n/a	0.0%

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes an adjustment for legal services.

**PERSONAL SERVICES AND OPERATING EXPENSES ADJUSTMENTS:** The appropriation includes a decrease of \$2,498 total funds, including a decrease of \$1,320 General Fund, for adjustments to personal services and operating expenses based on recent actual usage by the division.

## CENTRAL SERVICES

This division is responsible for providing statewide support services such as print, document management, and mail services, fleet management, and operation and maintenance of buildings in the capitol complex and other state-owned facilities. Central Services is almost entirely funded by reappropriated funds consisting of user fees from state agencies. General Fund and cash funds from offender surcharges and grants provide funding for the Address Confidentiality Program within Integrated Document Solutions.

CENTRAL SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$75,960,784	\$143,543	\$1,553,595	\$74,263,646	\$0	179.7
SB 16-040	4,950	0	0	4,950	0	0.0
SB 17-167	2,202,940	0	0	2,202,940	0	0.0
<b>TOTAL</b>	<b>\$78,168,674</b>	<b>\$143,543</b>	<b>\$1,553,595</b>	<b>\$76,471,536</b>	<b>\$0</b>	<b>179.7</b>

CENTRAL SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$78,168,674	\$143,543	\$1,553,595	\$76,471,536	\$0	179.7
Fleet Management adjustments	2,897,133	0	0	2,897,133	0	0.0
Indirect cost assessment	1,102,532	0	0	1,102,532	0	0.0
Capitol Complex maintenance and historical renovation	1,000,000	1,000,000	0	0	0	0.0
Annualize prior year legislation	33,027	4,401	0	28,626	0	0.0
Annualize prior year budget actions	(2,073,904)	11,073	0	(2,084,977)	0	0.0
Personal services and operating expenses adjustments	(1,648,461)	0	0	(1,648,461)	0	0.0
Capitol Complex adjustments	(171,838)	0	0	(171,838)	0	0.0
<b>SB 17-254</b>	<b>\$79,307,163</b>	<b>\$1,159,017</b>	<b>\$1,553,595</b>	<b>\$76,594,551</b>	<b>\$0</b>	<b>179.7</b>
HB 17-1296	196,235	0	0	196,235	0	(0.2)
<b>TOTAL</b>	<b>\$79,503,398</b>	<b>\$1,159,017</b>	<b>\$1,553,595</b>	<b>\$76,790,786</b>	<b>\$0</b>	<b>179.5</b>
<b>INCREASE/(DECREASE)</b>	\$1,334,724	\$1,015,474	\$0	\$319,250	\$0	(0.2)
Percentage Change	1.7%	707.4%	0.0%	0.4%	n/a	(0.1%)

## FY 2016-17 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 17-167 modifies FY 2016-17 appropriations to provide an additional \$2,202,940 reappropriated funds spending authority for Vehicle Lease Payments in Fleet Management.

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**FLEET MANAGEMENT ADJUSTMENTS:** The appropriation adds \$2,897,133 reappropriated funds for vehicle lease-purchase payments in the Fleet Management Program for approved replacement vehicles and new vehicles.

**INDIRECT COST ASSESSMENT:** The appropriation includes a net increase in the division's indirect cost assessments.

**CAPITOL COMPLEX MAINTENANCE AND HISTORICAL RENOVATION:** The appropriation adds \$1,000,000 General Fund for repairs and maintenance for the Governor's Mansion property managed by Capitol Complex.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments related to prior year legislation.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 16-1467 (First-time Home Buyer)	\$21,276	\$0	\$0	\$21,276	\$0	0.0
SB 16-040 (MJ Owner Changes)	4,950	0	0	4,950	0	0.0
SB 16-120 (Review by Medicaid Client)	4,401	4,401	0	0	0	0.0
HB 16-1194 (Income Tax Deduct)	2,400	0	0	2,400	0	0.0
<b>TOTAL</b>	<b>\$33,027</b>	<b>\$4,401</b>	<b>\$0</b>	<b>\$28,626</b>	<b>\$0</b>	<b>0.0</b>

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Prior year salary survey	\$65,003	\$11,073	\$0	\$53,930	\$0	0.0
FY16-17 CBMS 1095-B Client	59,844	0	0	59,844	0	0.0
FY16-17 West Slope Asset Mgt	3,864	0	0	3,864	0	0.0
FY16-17 Income Tax Refund	325	0	0	325	0	0.0
Supplemental appropriation	(2,202,940)	0	0	(2,202,940)	0	0.0
<b>TOTAL</b>	<b>(\$2,073,904)</b>	<b>\$11,073</b>	<b>\$0</b>	<b>(\$2,084,977)</b>	<b>\$0</b>	<b>0.0</b>

**PERSONAL SERVICES AND OPERATING EXPENSES ADJUSTMENTS:** The appropriation includes a decrease of \$1,648,461 reappropriated funds for adjustments to personal services and operating expenses based on recent actual usage by the division.

**CAPITOL COMPLEX ADJUSTMENTS:** The appropriation includes a net decrease of \$171,838 reappropriated funds, including a \$63,856 increase for Capitol Complex Security paid to the Department of Public Safety and a \$235,694 decrease for utilities.

## DIVISION OF ACCOUNTS AND CONTROL

This division includes the Office of the State Controller in Financial Operations and Reporting, which manages statewide fiscal rules, conducts statewide financial reporting, provides policy and procedural guidance, and develops the statewide indirect cost allocation plan. CORE Operations oversees the Colorado Operations Resource Engine (CORE), the state's accounting system. Procurement and Contracts administers a statewide procurement program and meets the product and service needs of state agencies by negotiating contracts for goods and services. Central Collections Services provides for the collection of debts due to the state. This division is funded with rebates received from the Procurement Card Program, statewide indirect cost recoveries, cash funds from the Supplier Database Cash Fund, user fees from state agencies for CORE Operations deposited in the Statewide Financial Information Technology Systems Cash Fund created in Section 24-30-209 (2)(a), C.R.S., collection fees assessed to individuals making payments in the collections process deposited in the Debt Collection Fund created in Section 24-30-202.4 (3)(e), C.R.S., and General Fund.

DIVISION OF ACCOUNTS AND CONTROL						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$19,765,159	\$2,508,988	\$9,043,950	\$8,212,221	\$0	96.5
<b>TOTAL</b>	<b>\$19,765,159</b>	<b>\$2,508,988</b>	<b>\$9,043,950</b>	<b>\$8,212,221</b>	<b>\$0</b>	<b>96.5</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$19,765,159	\$2,508,988	\$9,043,950	\$8,212,221	\$0	96.5
Indirect cost assessment	236,627	0	92,986	143,641	0	0.0
Annualize prior year legislation	58,777	58,777	0	0	0	0.8
Annualize prior year budget actions	9,562	1,513	5,906	2,143	0	0.0
CORE Operations adjustments	6,720	0	(2,715,727)	2,722,447	0	0.0
Personal services and operating expenses adjustments	(2,136)	(713)	(1,423)	0	0	0.0
<b>SB 17-254</b>	<b>\$20,074,709</b>	<b>\$2,568,565</b>	<b>\$6,425,692</b>	<b>\$11,080,452</b>	<b>\$0</b>	<b>97.3</b>
<b>TOTAL</b>	<b>\$20,074,709</b>	<b>\$2,568,565</b>	<b>\$6,425,692</b>	<b>\$11,080,452</b>	<b>\$0</b>	<b>97.3</b>
<b>INCREASE/(DECREASE)</b>						
Percentage Change	1.6%	2.4%	(29.0%)	34.9%	n/a	0.8%

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**INDIRECT COST ASSESSMENT:** The appropriation includes a net increase in the division's indirect cost assessments.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes an increase of \$58,777 General Fund related to H.B. 13-1286 (Suspend Recovery Audits).

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year salary survey.

**CORE OPERATIONS ADJUSTMENTS:** The appropriation adds \$6,720 total funds including a \$2,715,727 cash funds to reappropriated funds refinancing due to a decrease in available cash funds from the Supplier Database Cash Fund for CORE Operations from the prior fiscal year.

**PERSONAL SERVICES AND OPERATING EXPENSES ADJUSTMENTS:** The appropriation includes a decrease of \$2,136 total funds, including a decrease of \$713 General Fund, for adjustments to personal services and operating expenses based on recent actual usage by the division.

## ADMINISTRATIVE COURTS

This division provides an independent administrative law adjudication system for state agencies in order to resolve cases related to workers' compensation, human resources, and regulatory law. It offers a full range of alternative dispute resolution options, including evidentiary hearings, settlement conferences, and mediation. Approximately one-half of all hearings are related to workers' compensation cases. The division is primarily funded with reappropriated funds transferred from user agencies, and it receives a small amount of cash funds that originate as user fees from non-state agencies.

ADMINISTRATIVE COURTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$4,030,324	\$0	\$105,916	\$3,924,408	\$0	44.5
<b>TOTAL</b>	<b>\$4,030,324</b>	<b>\$0</b>	<b>\$105,916</b>	<b>\$3,924,408</b>	<b>\$0</b>	<b>44.5</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$4,030,324	\$0	\$105,916	\$3,924,408	\$0	44.5
Indirect cost assessment	122,973	0	0	122,973	0	0.0
Administrative Courts electronic case management system	54,429	0	0	54,429	0	0.0
Annualize prior year budget actions	(23,515)	0	0	(23,515)	0	0.0
<b>SB 17-254</b>	<b>\$4,184,211</b>	<b>\$0</b>	<b>\$105,916</b>	<b>\$4,078,295</b>	<b>\$0</b>	<b>44.5</b>
SB 17-121	8,100	8,100	0	0	0	0.0
<b>TOTAL</b>	<b>\$4,192,311</b>	<b>\$8,100</b>	<b>\$105,916</b>	<b>\$4,078,295</b>	<b>\$0</b>	<b>44.5</b>
<b>INCREASE/(DECREASE)</b>	<b>\$161,987</b>	<b>\$8,100</b>	<b>\$0</b>	<b>\$153,887</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	4.0%	n/a	0.0%	3.9%	n/a	0.0%

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**INDIRECT COST ASSESSMENT:** The appropriation includes a net increase in the division's indirect cost assessments.

**ADMINISTRATIVE COURTS ELECTRONIC CASE MANAGEMENT SYSTEM:** The appropriation adds \$54,429 reappropriated funds for the Office of Administrative Courts to pay for licensing costs of an online, electronic case management system (E-CAM).

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes a decrease of \$23,515 reappropriated funds for the second-year impact of the FY 2016-17 adjustment for OAC Resources.

## RECENT LEGISLATION

### 2016 SESSION BILLS

**S.B. 16-040 (MARIJUANA OWNER CHANGES):** For FY 2016-17, provides \$4,950 reappropriated funds to the Department of Personnel for vehicle replacement lease/purchase for the Department of Revenue (DOR). For additional information see the “Recent Legislation” section at the end of Part III for the DOR.

**H.B. 16-1362 (LICENSE PLATE AUCTION TRANSFER DISABILITY BENEFIT):** Transfers the functions of the License Plate Auction Group, currently housed in the Governor's Office, to the Disability-Benefit Support Contract Committee, housed in the Department of Personnel, and renames the new entity the Colorado Disability Funding Committee. Provides that the committee will contract with an entity, which it will retain oversight of, to sell and auction registration numbers, for which it will also determine a reasonable commission. When adequate funding is available through registration number sales, requires the committee to contract with a nonprofit entity that will aid people with disabilities in accessing disability benefits. Once this contract is in place, allows the committee to make grants or loans to pilot projects or programs that aim to improve quality of life or increase independence for people with disabilities. Allows the committee to obtain the services of professional advisors or contract employees to provide administrative assistance and the Department of Personnel to hire employees to provide administrative support. Repeals the License Plate Auction Group and its Registration Number Fund within 60 days after the bill's effective date. Renames the Disability Investigational and Pilot Support (DIPS) Fund as the Disability Support Fund. Transfers the Registration Number Fund balance and all future proceeds from the sales of registration numbers to the Disability Support Fund. Repeals the Disability-Benefit Support Fund. Transfers any money used to implement additional license plate options to the Division of Correctional Industries in the Department of Corrections. Appropriates \$42,283 cash funds and 0.5 FTE from the Disability Support Fund to the Department of Personnel for administrative support of the Colorado Disability Funding Committee.

**H.B. 16-1405 (LONG BILL):** General appropriations act for FY 2016-17.

**H.B. 16-1408 (CASH FUND ALLOCATIONS FOR HEALTH-RELATED PROGRAMS):** Establishes a new formula for the allocation of the annual payment received by the state as part of the Tobacco Master Settlement Agreement. For FY 2016-17, provides \$879,745 cash funds from the Supplemental State Contribution Fund to the Department of Personnel for the H.B. 07-1335 Supplemental State Contribution Fund. For additional information see the “Recent Legislation” section at the end of Part III for the Department of Public Health and Environment.

### 2017 SESSION BILLS

**S.B. 17-121 (IMPROVE MEDICAID CLIENT CORRESPONDENCE):** Requires the Department of Health Care Policy and Financing to implement an ongoing process to improve communications with Medicaid clients. Appropriates \$8,100 General Fund to the Department of Personnel in FY 2017-18 for Administrative Courts.

**S.B. 17-167 (SUPPLEMENTAL BILL):** Modifies FY 2016-17 appropriations to the Department.

**S.B. 17-175 (TRANSFERS BETWEEN STATE SELF-INSURANCE FUNDS):** If there is an insufficient cash balance in any state self-insurance cash fund, authorizes the Executive Director of the Department of Personnel to request the State Treasurer to transfer money from another self-insurance fund's reserve balance to the fund with the deficiency. State self-insurance cash funds consist of:

- the Risk Management Fund (liability insurance program);
- the Self-insured Property Fund (property insurance program); and
- the State Employee Workers' Compensation Account in the Risk Management Fund (workers' compensation insurance program).

The State Treasurer is required to make the requested transfer and in the next annual Long Bill the General Assembly is required to appropriate an amount to enable the return of the transfer amount to the fund from which the transfer was made. The Department is prohibited from using the transferred amounts for the cost of operating the risk management system.

**S.B. 17-254 (LONG BILL):** General appropriations act for FY 2017-18.

**S.B. 17-265 (STATE EMPLOYEE RESERVE FUND TRANSFER):** Transfers \$26.3 million from the State Employee Reserve Fund to the General Fund on July 1, 2017.

**H.B. 17-1265 (PERA JUDICIAL DIVISION TOTAL EMPLOYER CONTRIBUTION):** Makes the following adjustments to the Judicial Division's contribution rates to the Colorado Public Employees' Retirement Association's (PERA's) Amortization Equalization Disbursement (AED), currently set at 2.20 percent, and Supplemental Amortization Equalization Disbursement (SAED), currently set at 1.50 percent:

- CY 2019: AED and SAED to 3.4 percent;
- CY 2020: AED and SAED to 3.8 percent;
- CY 2021: AED and SAED to 4.2 percent;
- CY 2022: AED and SAED to 4.6 percent; and
- CY 2023: AED and SAED to 5.0 percent.

**H.B. 17-1296 (ASSIGNMENT OF STATE-OWNED VEHICLES):** Implements recommendations from the November 2017 Commuting Use of State-Owned Vehicles audit from the Office of the State Auditor. Clarifies the criteria and requirements for the assignment of state-owned vehicles to state agencies and employees. Specifies that an officer or employee of an agency must pay income tax on the value of the fringe benefit of an assigned vehicle. Appropriates \$196,235 from the Motor Fleet Management Fund and 1.8 FTE and reduces 2.0 FTE in Integrated Document Solutions in FY 2017-18.

**H.B. 17-1298 (ANNUAL COMPENSATION REPORT SUBMISSION DEADLINE):** Extends the date by which the annual compensation report is required to be submitted by the State Personnel Director, from August 1 to September 15, beginning in 2017.



# Details

## DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT

### FY 2016-17 AND FY 2017-18 APPROPRIATIONS BY DIVISION AND BILL

DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT						
	TOTAL FUNDS	GENERAL FUND <sup>1, 2</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2016-17 TOTAL APPROPRIATION:</b>	<b>\$566,968,574</b>	<b>\$47,629,976</b>	<b>\$189,303,546</b>	<b>\$41,342,484</b>	<b>\$288,692,568</b>	<b>1,311.3</b>
<b>BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION</b>						
Administration and Support	64,470,694	11,861,228	10,559,668	33,067,279	8,982,519	91.0
Center for Health and Environmental Data	13,019,680	1,989,749	5,694,226	5,887	5,329,818	92.9
Laboratory Services	13,541,203	1,120,077	8,504,141	470,728	3,446,257	77.0
Air Pollution Control Division	24,531,778	103,728	19,726,422	0	4,701,628	181.8
Water Quality Control Division	25,502,854	5,313,773	6,070,872	39,673	14,078,536	178.4
Hazardous Materials and Waste Management Division	35,595,515	0	27,390,717	288,044	7,916,754	116.0
Division of Environmental Health and Sustainability	10,508,667	1,632,096	7,325,168	110,094	1,441,309	45.3
Disease Control and Environmental Epidemiology Division	100,383,268	6,747,177	12,122,061	209,072	81,304,958	144.9
Prevention Services Division	231,593,722	15,429,398	73,979,537	1,300,746	140,884,041	193.3
Health Facilities and Emergency Medical Services Division	31,563,693	1,843,192	17,930,734	5,850,961	5,938,806	155.6
Office of Emergency Preparedness and Response	16,257,500	1,589,558	0	0	14,667,942	35.1
<b>BREAKDOWN OF TOTAL APPROPRIATION BY BILL</b>						
HB 16-1405	\$556,505,747	\$46,047,983	\$180,597,712	\$41,167,484	\$288,692,568	1,308.5
SB 16-069	73,986	73,986	0	0	0	1.0
HB 16-1034	24,985	0	24,985	0	0	0.3
HB 16-1141	199,456	0	199,456	0	0	0.8
HB 16-1280	21,836	0	21,836	0	0	0.2
HB 16-1386	300,000	300,000	0	0	0	0.0
HB 16-1408	5,109,621	0	5,109,621	0	0	0.0
HB 16-1413	1,208,007	1,208,007	0	0	0	0.0
HB 16-1424	30,298	0	30,298	0	0	0.5
SB 17-254	3,494,638	0	3,319,638	175,000	0	0.0
<b>FY 2017-18 TOTAL APPROPRIATION:</b>	<b>\$580,007,988</b>	<b>\$48,798,277</b>	<b>\$188,457,556</b>	<b>\$45,239,889</b>	<b>\$297,512,266</b>	<b>1,336.0</b>
<b>BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION</b>						
Administration and Support	71,713,748	12,685,608	11,866,456	36,155,091	11,006,593	91.1
Center for Health and Environmental Data	13,489,833	1,989,807	6,159,659	5,887	5,334,480	93.4
Laboratory Services	15,095,331	1,120,077	10,051,390	476,080	3,447,784	81.1
Air Pollution Control Division	25,509,360	0	20,803,402	0	4,705,958	181.8
Water Quality Control Division	26,353,142	4,538,808	7,696,125	39,673	14,078,536	179.7
Hazardous Materials and Waste Management Division	30,273,020	1,345,000	20,808,205	288,044	7,831,771	116.2
Division of Environmental Health and Sustainability	9,879,485	1,637,599	6,687,903	111,730	1,442,253	45.3
Disease Control and Environmental Epidemiology Division	101,051,894	6,756,910	12,576,433	402,330	81,316,221	144.9
Prevention Services Division	237,418,153	15,252,111	73,478,147	1,300,755	147,387,140	197.3

# DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT

	TOTAL FUNDS	GENERAL FUND <sup>1,2</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Health Facilities and Emergency Medical Services Division	32,963,758	1,880,035	18,329,836	6,460,299	6,293,588	170.1
Office of Emergency Preparedness and Response	16,260,264	1,592,322	0	0	14,667,942	35.1
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
SB 17-254	\$577,561,316	\$48,365,235	\$186,449,278	\$45,234,537	\$297,512,266	1,331.6
HB 17-1079	491,510	0	491,510	0	0	3.0
HB 17-1248	260,000	0	260,000	0	0	0.0
HB 17-1285	1,258,007	433,042	824,965	0	0	0.0
HB 17-1306	431,803	0	431,803	0	0	1.3
HB 17-1315	5,352	0	0	5,352	0	0.1
<b>INCREASE/(DECREASE)</b>	<b>\$13,039,414</b>	<b>\$1,168,301</b>	<b>(\$845,990)</b>	<b>\$3,897,405</b>	<b>\$8,819,698</b>	<b>24.7</b>
Percentage Change	2.3%	2.5%	(0.4%)	9.4%	3.1%	1.9%

<sup>1</sup> Includes General Fund Exempt.

<sup>2</sup> Includes \$432,590 in FY 2016-17 and \$440,340 in FY 2017-18 that is not subject to the statutory restriction on state General Fund appropriations imposed by Section 24-75-201.1, C.R.S.

**GENERAL FUND EXEMPT:** Amounts in the General Fund column include appropriations that are classified as General Fund Exempt. The General Fund Exempt amount for the Department of Public Health and Environment is from revenue received and appropriated pursuant to Amendment 35 to the State Constitution. Amendment 35, which was approved by voters in November 2004, imposed new cigarette and tobacco taxes through the addition of Section 21 in Article X of the State Constitution. The new tobacco tax revenues authorized by Amendment 35 are exempt from the TABOR state fiscal year spending limit, and General Fund appropriations from these revenues are also exempt from the statutory restriction on General Fund appropriations. Amendment 35 requires that a portion of the new tobacco tax revenues be appropriated to the General Fund and made available to this department for immunization services provided by local public health agencies. The table below reflects General Fund Exempt appropriations to the Department for FY 2016-17 and FY 2017-18. For additional information on General Fund Exempt appropriations, see Appendix D.

GENERAL FUND SUMMARY	TOTAL GENERAL FUND	GENERAL FUND	GENERAL FUND EXEMPT
FY 2016-17	\$47,629,976	\$47,197,386	\$432,590
FY 2017-18	\$48,798,277	\$48,357,937	\$440,340

**INFORMATIONAL FUNDS:** The FY 2017-18 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Public Health and Environment are annotated with the "(I)". For additional information, see Appendix E.

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2017-18 Appropriations containing an (I) notation	\$278,363,760	\$0	\$600,000	\$0	\$277,763,760

## DETAIL OF APPROPRIATION BY ADMINISTRATIVE SECTION

### ADMINISTRATION AND SUPPORT

This division is comprised of three subdivisions: Administration, Office of Health Equity, and Office of Planning and Partnerships.

#### (A) ADMINISTRATION

This subdivision provides department-wide administrative services including: accounting, budgeting, human resources, and purchasing. The appropriations for this subdivision include funds for expenses incurred through the provision of department-wide services, and centrally appropriated personnel line items like salary survey and health, life and dental. Funding for this subdivision is primarily from reappropriated funds from departmental indirect cost recoveries with a small amount from Medicaid reappropriated funds. This subdivision also receives appropriations from the General Fund, cash funds including the AIR subaccount of the Highway Users Tax Fund, and federal funds.

#### (B) OFFICE OF HEALTH EQUITY

This subdivision provides grants for health initiatives aimed at reducing and eliminating disparities currently existing in the provision of health services across the state. Funding for this subdivision is primarily Amendment 35 tobacco tax revenue that is transferred into the Health Disparities Grant Fund and a small amount of General Fund for the Necessary Document Assistance Program.

#### (C) OFFICE OF PLANNING AND PARTNERSHIPS

This subdivision oversees the distribution of state funds to local public health agencies. Funding for this subdivision is a combination of General Fund, Marijuana Tax Cash Fund, and federal funds.

ADMINISTRATION AND SUPPORT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$64,159,292	\$11,557,426	\$10,552,068	\$33,067,279	\$8,982,519	91.0
SB 16-069	3,802	3,802	0	0	0	0.0
HB 16-1034	3,800	0	3,800	0	0	0.0
HB 16-1280	3,800	0	3,800	0	0	0.0
HB 16-1386	300,000	300,000	0	0	0	0.0
HB 16-1408	0	0	0	0	0	0.0
<b>TOTAL</b>	<b>\$64,470,694</b>	<b>\$11,861,228</b>	<b>\$10,559,668</b>	<b>\$33,067,279</b>	<b>\$8,982,519</b>	<b>91.0</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$64,470,694	\$11,861,228	\$10,559,668	\$33,067,279	\$8,982,519	91.0
Centrally appropriated line items	6,937,284	758,255	1,129,392	2,999,738	2,049,899	0.0
Local public health agency partnerships	355,500	(355,500)	0	711,000	0	0.0
Long Bill adjustments	215,907	0	0	130,924	84,983	0.0
Cash fund balance adjustments	139,256	0	139,256	0	0	0.0
Community provider rate	128,270	93,525	24,778	9,967	0	0.0
Annualize prior year budget actions	(436,294)	(10,776)	(59,038)	(340,655)	(25,825)	0.0
Indirect cost assessment	(58,212)	338,876	75,250	(387,355)	(84,983)	0.0
Amendment 35 tobacco tax revenue adjustment	(35,807)	0	0	(35,807)	0	0.0
Annualize prior year legislation	(2,850)	0	(2,850)	0	0	0.1
<b>SB 17-254</b>	<b>\$71,713,748</b>	<b>\$12,685,608</b>	<b>\$11,866,456</b>	<b>\$36,155,091</b>	<b>\$11,006,593</b>	<b>91.1</b>
<b>TOTAL</b>	<b>\$71,713,748</b>	<b>\$12,685,608</b>	<b>\$11,866,456</b>	<b>\$36,155,091</b>	<b>\$11,006,593</b>	<b>91.1</b>

ADMINISTRATION AND SUPPORT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>INCREASE/(DECREASE)</b>	\$7,243,054	\$824,380	\$1,306,788	\$3,087,812	\$2,024,074	0.1
Percentage Change	11.2%	7.0%	12.4%	9.3%	22.5%	0.1%

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; shift differential; salary survey; merit pay; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; vehicle lease payments; Capitol complex leased space; payments to the Governor's Office of Information Technology (OIT); and CORE operations.

**LOCAL PUBLIC HEALTH AGENCY PARTNERSHIPS:** The appropriation includes a net increase of \$355,500 total funds to finance four partnerships between Local Public Health Agencies and the Accountable Care Collaborative so they can work collaboratively to address health outcomes for the Medicaid population they both serve. There is a corresponding adjustment in the Department of Health Care Policy and Financing for an increase in General Fund to offset the decrease in this department. The net effect of both adjustments is to increase federal financing for Local Public Health Agencies by \$355,500 with no change in statewide General Fund.

**LONG BILL ADJUSTMENTS:** The appropriation includes an increase of \$215,907 total funds to consolidate the appropriations for legal services into a single line item in the Administration and Support Division. The increase in this division is offset by a reduction in the Hazardous Material and Waste Management Division.

**CASH FUND BALANCE ADJUSTMENTS:** The appropriation includes an increase of \$139,256 cash funds to appropriate available uncommitted cash fund reserves in the Health Disparities Grant Cash Fund.

**COMMUNITY PROVIDER RATE:** The appropriation includes \$128,270 total funds, including \$93,525 General Fund, for an across-the-board increase for community providers of approximately 1.4 percent.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 16-17 Home settings rule	\$4,200	\$0	\$0	\$4,200	\$0	0.0
FY 16-17 Lab building maintenance	(338,507)	0	0	(338,507)	0	0.0
Prior year salary survey	(97,284)	(10,776)	(59,038)	(1,645)	(25,825)	0.0
FY 16-17 Compliance accountant	(4,703)	0	0	(4,703)	0	0.0
<b>TOTAL</b>	<b>(\$436,294)</b>	<b>(\$10,776)</b>	<b>(\$59,038)</b>	<b>(\$340,655)</b>	<b>(\$25,825)</b>	<b>0.0</b>

**INDIRECT COST ASSESSMENT:** The appropriation includes a net reduction in the division's indirect cost assessment.

**AMENDMENT 35 TOBACCO TAX REVENUE ADJUSTMENT:** The appropriation includes a decrease of cash funds based on the Legislative Council Amendment 35 revenue forecast for FY 2017-18.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes a reduction of \$2,850 cash funds for the second-year impact of H.B. 16-1280 Regulation of Air Ambulances.

## CENTER FOR HEALTH AND ENVIRONMENTAL DATA

This division is comprised of four subdivisions including: Administration, Health Statistics and Vital Records, Medical Marijuana Registry, and Health Data Programs and Information.

### (A) ADMINISTRATION

This subdivision provides division-wide services to the three programs within this division. Funding for this subdivision is from General Fund, cash funds from the Vital Statistics Records Cash Funds, and departmental indirect cost recoveries.

### (B) HEALTH STATISTICS AND VITAL RECORDS

This subdivision is responsible for the maintenance of Colorado birth, death, marriage, divorce, and other vital records-related certificates. In Colorado in 2016 there were 67,178 recorded births, 39,000 recorded marriages, and 38,151 recorded death. The subdivision administers the Voluntary Adoption Registry, which facilitates voluntary contact between Colorado-born adoptees 18 years of age and older and their birth parents. Staff provide training on vital records rules, regulations and statutes to individuals and local public health agencies. Data users include the Center for Disease Control, local public health agencies, and epidemiologists. This subdivision is primarily funded with cash funds from the Vital Statistic Records Cash Funds and federal funds.

### (C) MEDICAL MARIJUANA REGISTRY

This subdivision serves as the state database for all individuals who have satisfied the medical requirements to use medical marijuana and have paid the Medical Marijuana Registry fee. The Medical Marijuana Registry is entirely cash funded by the Medical Marijuana Program Cash Fund. As of April 2017 there are 88,548 registered medical marijuana card holders.

### (D) HEALTH DATA PROGRAMS AND INFORMATION

This subdivision houses a number of the Department's health data programs which gather health data and survey information, including the Cancer Registry, and the Birth Defects Monitoring Program. It also receives funding to connect a number of the health data systems with the statewide Health Information Exchange and funding for Local Public Health Agencies to build electronic health records which can communicate with the Health Information Exchange. Funding for this subdivision consists of General Fund, Vital Statistics Records Cash Fund, and federal funds.

CENTER FOR HEALTH AND ENVIRONMENTAL DATA						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$13,019,680	\$1,989,749	\$5,694,226	\$5,887	\$5,329,818	92.9
<b>TOTAL</b>	<b>\$13,019,680</b>	<b>\$1,989,749</b>	<b>\$5,694,226</b>	<b>\$5,887</b>	<b>\$5,329,818</b>	<b>92.9</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$13,019,680	\$1,989,749	\$5,694,226	\$5,887	\$5,329,818	92.9
Indirect cost assessment	406,000	0	406,000	0	0	0.0
Colorado End of Life Options Act	44,041	0	44,041	0	0	0.5
Annualize prior year budget actions	20,112	58	15,392	0	4,662	0.0
<b>SB 17-254</b>	<b>\$13,489,833</b>	<b>\$1,989,807</b>	<b>\$6,159,659</b>	<b>\$5,887</b>	<b>\$5,334,480</b>	<b>93.4</b>
<b>TOTAL</b>	<b>\$13,489,833</b>	<b>\$1,989,807</b>	<b>\$6,159,659</b>	<b>\$5,887</b>	<b>\$5,334,480</b>	<b>93.4</b>

## CENTER FOR HEALTH AND ENVIRONMENTAL DATA

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>INCREASE/(DECREASE)</b>	\$470,153	\$58	\$465,433	\$0	\$4,662	0.5
Percentage Change	3.6%	0.0%	8.2%	0.0%	0.1%	0.5%

### FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**INDIRECT COST ASSESSMENT:** The appropriation includes an increase in the division’s indirect cost assessment.

**COLORADO END OF LIFE OPTIONS ACT:** The appropriation includes an increase of \$44,041 cash funds from the Vital Statistics Cash Fund and 0.5 FTE for the Department’s costs associated with the 2016 voter approved Proposition 106 Colorado End of Life Options Act.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes an increase of \$20,112 total funds, of which \$58 is General Fund, for the second-year impact of the prior year salary survey.

## LABORATORY SERVICES

This division is comprised of the following three sections:

### THE DIRECTOR'S OFFICE

The Office provides managerial and administrative support for the Division. Funding for the Office is from the General Fund; cash funds including the Laboratory Cash Fund, Newborn Screening and Genetics Counseling Cash Funds, and the Law Enforcement Assistance Cash Fund; divisional reappropriated funds; and federal funds.

### THE CHEMISTRY AND MICROBIOLOGY SECTION

This section performs the following activities: analyzing blood and tissue specimens, testing for newborn genetic disorders, diagnostic testing for bacterial diseases, analysis for disease outbreaks, and water and environmental testing. Funding for this section is from the General Fund, cash funds from the Laboratory Cash Fund, the Newborn Screening and Genetics Counseling Cash Funds, and the Marijuana Tax Cash Fund; and federal funds. Prior to FY 2016-17 the reappropriated funds were from the Marijuana Tax Cash Fund via the Department of Revenue.

### THE CERTIFICATION SECTION

This section certifies private medical laboratories, environmental laboratories, including water testing laboratories, on-site dairy laboratories, and the state and local law enforcement breath-alcohol testing devices (intoxilyzers) throughout the state. This section is also responsible for surveying the marijuana testing facilities and making certification recommendations to the Department of Revenue. As of June 2017, there were 15 licensed medical marijuana testing facilities and 14 retail marijuana testing facilities. Starting in FY 2017-18 the Department will operate a marijuana reference library to supplement the certification work in the Department of Revenue of private marijuana labs. Funding for this section is from General Fund, cash funds, and reappropriated funds from the Water Quality Control Division, and federal funds. Cash funds include the Law Enforcement Assistance Cash Fund, the Laboratory Cash Fund, and the Marijuana Tax Cash Fund.

LABORATORY SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$13,541,203	\$1,120,077	\$8,504,141	\$470,728	\$3,446,257	77.0
<b>TOTAL</b>	<b>\$13,541,203</b>	<b>\$1,120,077</b>	<b>\$8,504,141</b>	<b>\$470,728</b>	<b>\$3,446,257</b>	<b>77.0</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$13,541,203	\$1,120,077	\$8,504,141	\$470,728	\$3,446,257	77.0
Marijuana reference library	1,001,402	0	1,001,402	0	0	4.0
Indirect cost assessment	536,000	0	536,000	0	0	0.0
Annualize prior year budget actions	11,374	0	9,847	0	1,527	0.0
<b>SB 17-254</b>	<b>\$15,089,979</b>	<b>\$1,120,077</b>	<b>\$10,051,390</b>	<b>\$470,728</b>	<b>\$3,447,784</b>	<b>81.0</b>
HB 17-1315	5,352	0	0	5,352	0	0.1
<b>TOTAL</b>	<b>\$15,095,331</b>	<b>\$1,120,077</b>	<b>\$10,051,390</b>	<b>\$476,080</b>	<b>\$3,447,784</b>	<b>81.1</b>
<b>INCREASE/(DECREASE)</b>	<b>\$1,554,128</b>	<b>\$0</b>	<b>\$1,547,249</b>	<b>\$5,352</b>	<b>\$1,527</b>	<b>4.1</b>
Percentage Change	11.5%	0.0%	18.2%	1.1%	0.0%	5.3%

### FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**MARIJUANA REFERENCE LIBRARY:** The appropriation includes an increase of \$1,001,402 cash funds from the Marijuana Tax Cash Fund and 4.0 FTE to enable the State Laboratory to purchase equipment and add staff for a marijuana reference library.

**INDIRECT COST ASSESSMENT:** The appropriation includes an increase in the division’s indirect cost assessment.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 16-17 POMPE adjustment	\$6,797	\$0	\$6,797	\$0	\$0	0.0
Prior year salary survey	4,577	0	3,050	0	1,527	0.0
<b>TOTAL</b>	<b>\$11,374</b>	<b>\$0</b>	<b>\$9,847</b>	<b>\$0</b>	<b>\$1,527</b>	<b>0.0</b>

**ADDITIONAL LEGISLATION:** For information on additional legislation, see the “Recent Legislation” section at the end of this department.

## AIR POLLUTION CONTROL DIVISION

This division is comprised of four subdivisions: Administration, Technical Services, Mobile Sources, and Stationary Sources.

### (A) ADMINISTRATION

This subdivision provides administrative support to the Air Quality Control Commission and manages the implementation of air programs by the other subdivisions. This division is funded by cash funds including the Stationary Sources Control Fund and federal funds.

## (B) TECHNICAL SERVICES

This subdivision is responsible for measuring Colorado's air quality, compliance with the National Ambient Air Quality Standards, and the issuance of air quality forecasts and advisories. The subdivision houses three distinct programs: Air Quality Monitoring; Modeling and Analysis; and Visibility and Risk Assessment. Funding for this subdivision is from cash funds including the Department's subaccount of the Highway Users Tax Cash Fund, the Stationary Sources Control Fund, and federal funds.

## (C) MOBILE SOURCES

This subdivision is comprised of the Research and Support Program which contains four subprograms: (1) the High Altitude Testing Program, (2) the Oxygenated Fuel Program, (3) the Clean Fuel Fleet Program, and (4) the Inspection and Maintenance Program. The Inspection and Maintenance Program works to reduce motor vehicle-related pollution through the inspection and emissions-related repair of motor vehicles. Emissions testing of gas and diesel powered vehicles are required when registering, renewing, or selling vehicles within the program areas along Colorado's Front Range. Funding for this subdivision is primarily from the Department's subaccount of the Highway Users Tax Fund, and a small amount is from federal funds.

## (D) STATIONARY SOURCES

This subdivision is responsible for controlling and reducing air pollutants from stationary sources (i.e., factories, power plants, wood stoves, etc.) through permits, monitoring, and inspections of stationary sources that emit air pollutants. The subdivision houses the following three programs: the Inventory and Support Services Program, the Permits and Compliance Assurance Program, and the Hazardous and Toxic Control Program. Division staff permit, monitor, and inspect stationary source air pollution emitters. The Department performed 3,213 air quality inspections of stationary source inspections in 2016. The majority of funding for this subdivision is from the Stationary Sources Control Cash Fund and a small amount of federal funds.

AIR POLLUTION CONTROL DIVISION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$24,531,778	\$103,728	\$19,726,422	\$0	\$4,701,628	181.8
<b>TOTAL</b>	<b>\$24,531,778</b>	<b>\$103,728</b>	<b>\$19,726,422</b>	<b>\$0</b>	<b>\$4,701,628</b>	<b>181.8</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$24,531,778	\$103,728	\$19,726,422	\$0	\$4,701,628	181.8
Indirect cost assessment	851,000	0	851,000	0	0	0.0
Annualize prior year budget actions	126,582	(103,728)	225,980	0	4,330	0.0
<b>SB 17-254</b>	<b>\$25,509,360</b>	<b>\$0</b>	<b>\$20,803,402</b>	<b>\$0</b>	<b>\$4,705,958</b>	<b>181.8</b>
<b>TOTAL</b>	<b>\$25,509,360</b>	<b>\$0</b>	<b>\$20,803,402</b>	<b>\$0</b>	<b>\$4,705,958</b>	<b>181.8</b>
<b>INCREASE/(DECREASE)</b>	<b>\$977,582</b>	<b>(\$103,728)</b>	<b>\$1,076,980</b>	<b>\$0</b>	<b>\$4,330</b>	<b>0.0</b>
Percentage Change	4.0%	(100.0%)	5.5%	n/a	0.1%	0.0%

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**INDIRECT COST ASSESSMENT:** The appropriation includes an increase in the division's indirect cost assessment.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions.



ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 16-17 Oil and gas health study	\$193,258	\$0	\$193,258	\$0	\$0	0.0
Prior year salary survey	37,052	0	32,722	0	4,330	0.0
FRAPPE data analysis	(103,728)	(103,728)	0	0	0	0.0
<b>TOTAL</b>	<b>\$126,582</b>	<b>(\$103,728)</b>	<b>\$225,980</b>	<b>\$0</b>	<b>\$4,330</b>	<b>0.0</b>

## WATER QUALITY CONTROL DIVISION

This division is comprised of three subdivisions: Administration, Clean Water Program, and Drinking Water Program.

### (A) ADMINISTRATION

This subdivision provides management and support staff for the Water Quality Control Commission, clerical support for other subdivisions, and maintains a centralized records system for the Division. This subdivision is responsible for training and certifying the operators of all water and wastewater treatment facilities in the state. Funding for this subdivision is from General Fund, various division cash funds including the Water Quality Control Fund and the Drinking Water Fund, and federal funds.

### (B) CLEAN WATER SECTORS

This subdivision is responsible for issuing discharge permits, monitoring compliance with permits, conducting inspections, providing technical assistance, and as necessary, pursuing enforcement actions permitting and compliance assurance program for the six industry sectors. The sectors are construction, commerce and industry, municipal separate storm sewer systems, pesticides, public and private utilities, and water quality certification. There were 2,171 clean water permits issued in 2016. Funding for the Sectors is from General Fund, cash funds from the sector specific cash funds, and federal funds. For FY 2017-18 only, a portion of the cash funds is from the Water Quality Improvement Fund.

### (C) Clean Water Program

This subdivision funds grants and contracts primarily to local governments for the Non-Point Source Program and the Water Quality Improvement Program. Funding for this subdivision is from the General Fund, the Water Quality Improvement Fund, reappropriated funds from the Department of Agriculture, and federal funds.

### (D) DRINKING WATER PROGRAM

This subdivision is established under the federal Safe Drinking Water Act and implements measures to ensure that public water systems throughout Colorado provide safe drinking water for Colorado citizens. Funding for this subdivision is from the General Fund, the Drinking Water Cash Fund, and federal funds.

WATER QUALITY CONTROL DIVISION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$24,294,847	\$4,105,766	\$6,070,872	\$39,673	\$14,078,536	178.4
HB 16-1413	1,208,007	1,208,007	0	0	0	0.0
<b>TOTAL</b>	<b>\$25,502,854</b>	<b>\$5,313,773</b>	<b>\$6,070,872</b>	<b>\$39,673</b>	<b>\$14,078,536</b>	<b>178.4</b>

### WATER QUALITY CONTROL DIVISION

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$25,502,854	\$5,313,773	\$6,070,872	\$39,673	\$14,078,536	178.4
Indirect cost assessment	132,000	0	132,000	0	0	0.0
Annualize prior year legislation	(1,231,522)	(1,208,007)	(23,515)	0	0	0.0
<b>SB 17-254</b>	<b>\$24,403,332</b>	<b>\$4,105,766</b>	<b>\$6,179,357</b>	<b>\$39,673</b>	<b>\$14,078,536</b>	<b>178.4</b>
HB 17-1248	260,000	0	260,000	0	0	0.0
HB 17-1285	1,258,007	433,042	824,965	0	0	0.0
HB 17-1306	431,803	0	431,803	0	0	1.3
<b>TOTAL</b>	<b>\$26,353,142</b>	<b>\$4,538,808</b>	<b>\$7,696,125</b>	<b>\$39,673</b>	<b>\$14,078,536</b>	<b>179.7</b>
<b>INCREASE/(DECREASE)</b>	<b>\$850,288</b>	<b>(\$774,965)</b>	<b>\$1,625,253</b>	<b>\$0</b>	<b>\$0</b>	<b>1.3</b>
Percentage Change	3.3%	(14.6%)	26.8%	0.0%	0.0%	0.7%

### FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**INDIRECT COST ASSESSMENT:** The appropriation includes an increase in the division’s indirect cost assessment.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments related to prior year legislation.

### ANNUALIZE PRIOR YEAR LEGISLATION

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 16-1413 Clean Water Sectors Funding	(\$1,208,007)	(\$1,208,007)	\$0	\$0	\$0	0.0
HB 15-1249 Recodify Water Pollution Control Fees	(23,515)	0	(23,515)	0	0	0.0
<b>TOTAL</b>	<b>(\$1,231,522)</b>	<b>(\$1,208,007)</b>	<b>(\$23,515)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**ADDITIONAL LEGISLATION:** For information on additional legislation, see the “Recent Legislation” section at the end of this department.

## HAZARDOUS MATERIALS AND WASTE MANAGEMENT DIVISION

This division is comprised of six subdivisions: Administration, Hazardous Waste Control Program, Solid Waste Control Program, Contaminated Site Cleanups and Remediation Programs, Radiation Management, and the Waste Tire Program.

### (A) ADMINISTRATION

This subdivision provides division-wide administrative and management support services. Funding for this subdivision is from divisional cash funds including the Hazardous Substance Response Fund, reappropriated funds from the Department of Local Affairs, and federal funds.

### (B) HAZARDOUS WASTE CONTROL PROGRAM

This subdivision has four primary responsibilities: permitting, compliance assurance, corrective action, and compliance assistance. This program monitors compliance and enforces hazardous waste regulations over 500 large-quantity hazardous waste generators, 3,000 small generators, hazardous waste transporters, and 50 hazardous waste treatment, storage and disposal facilities. Funding for this subdivision is from the Hazardous Waste Service Fee and Illegal Drug Laboratory Funds, and federal funds.

### (C) SOLID WASTE CONTROL PROGRAM

This subdivision is responsible for the regulation of all solid waste management facilities in Colorado, including landfills, composting facilities, recycling facilities, transfer facilities, certain types of waste surface impoundments, asbestos waste facilities, solid waste incinerators, and medical waste facilities. There are 63 landfills regulated by the Solid Waste Control Program. Funding for this subdivision is from cash funds, including the Solid Waste Management Fund and the Radiation Control Fund.

### (D) CONTAMINATED SITE CLEANUPS AND REMEDIATION PROGRAMS

This subdivision is comprised of the following programs and is funded primarily from the Hazardous Substance Response Fund and federal funds.

- The Superfund Program works with the Environmental Protection Agency as either the lead agency or support agency in the review and implementation of cleanup plans and oversight of the cleanup work at superfund sites. Funding for cleanup of the Rocky Mountain Arsenal superfund site is included in this program. There are 26 Superfund Sites in Colorado.
- The Contaminated Site Cleanups Program works to facilitate the cleanup of contaminated sites that have not been designated as superfund sites.
- The subdivision provides the Department of Law with technical support relating to the federal Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA).
- The Uranium Mill Tailings Remedial Action Program assists local governments in managing mill tailings that were not removed during the cleanup and are disturbed during road work or other renewal or building activities.
- The Rocky Flats Program is responsible for monitoring long-term operations and maintenance of continuing remedy components (i.e., ground water cleanups, and landfill caps), and closing out the administrative aspects of the regulatory process for site remediation.

### (E) RADIATION MANAGEMENT

This subdivision provides regulatory services for radioactive materials through the review of license applications and inspections of facilities; administration of contract services with local public health agencies for indoor radon testing, prevention, and education; and monitoring low-level radioactive waste producers by ensuring proper and economically sound disposal. Funding for this subdivision is primarily from the Radiation Control Fund and federal funds.

### (F) WASTE TIRE PROGRAM

This subdivision is responsible for regulating the reuse and disposal of waste tires including: regulation of waste tire haulers and facilities that generate, collect, store, process and/or use waste tires; awarding grants to local agencies for equipment, training and other activities related to prevention and response to waste tire fires; developing initiatives designed to encourage the disposal, recycling or reuse of illegally dumped tires and the recycling or reuse of waste tires; and payment of rebates to waste tire end users. Funding for this subdivision is from the three cash funds credited with revenue from the \$1.50 fee on waste tires. The waste tire rebate and the Market Development Program repeal on January 1, 2018.

HAZARDOUS MATERIALS AND WASTE MANAGEMENT DIVISION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$32,076,421	\$0	\$23,871,623	\$288,044	\$7,916,754	115.2
HB 16-1141	199,456	0	199,456	0	0	0.8
SB 17-254	3,319,638	0	3,319,638	0	0	0.0
<b>TOTAL</b>	<b>\$35,595,515</b>	<b>\$0</b>	<b>\$27,390,717</b>	<b>\$288,044</b>	<b>\$7,916,754</b>	<b>116.0</b>

## HAZARDOUS MATERIALS AND WASTE MANAGEMENT DIVISION

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$35,595,515	\$0	\$27,390,717	\$288,044	\$7,916,754	116.0
Rural landfill	1,595,000	1,345,000	250,000	0	0	0.0
Indirect cost assessment	1,278,000	0	1,278,000	0	0	0.0
Annualize prior year legislation	100,057	0	100,057	0	0	0.2
Transfer to Department of Law	85,613	0	85,613	0	0	0.0
Waste Tire Program repeal	(4,847,379)	0	(4,847,379)	0	0	0.0
Annualize prior year budget actions	(3,317,879)	0	(3,317,879)	0	0	0.0
Long Bill adjustments	(215,907)	0	(130,924)	0	(84,983)	0.0
<b>SB 17-254</b>	<b>\$30,273,020</b>	<b>\$1,345,000</b>	<b>\$20,808,205</b>	<b>\$288,044</b>	<b>\$7,831,771</b>	<b>116.2</b>
<b>TOTAL</b>	<b>\$30,273,020</b>	<b>\$1,345,000</b>	<b>\$20,808,205</b>	<b>\$288,044</b>	<b>\$7,831,771</b>	<b>116.2</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$5,322,495)</b>	<b>\$1,345,000</b>	<b>(\$6,582,512)</b>	<b>\$0</b>	<b>(\$84,983)</b>	<b>0.2</b>
Percentage Change	(15.0%)	n/a	(24.0%)	0.0%	(1.1%)	0.2%

### FY 2016-17 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 17-254 modifies FY 2016-17 appropriations to provide an additional \$3,319,638 cash funds for waste tire rebates.

### FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**RURAL LANDFILLS:** The appropriation includes an increase of \$1,595,000 total funds, of which \$1,345,000 is General Fund and \$250,000 is cash funds from the Solid Waste Management Fund, to assist local governments with the closure or upgrading of twenty-two small landfills that are out of compliance with regulations.

**INDIRECT COST ASSESSMENT:** The appropriation includes an increase in the division's indirect cost assessment.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes an increase of \$100,057 cash funds from the Hazardous Substance Response Fund for the second-year costs of H.B. 16-1141 Radon Program.

**TRANSFER TO DEPARTMENT OF LAW:** The appropriation includes an increase of \$85,613 cash funds to reflect adjustments in the Department of Law for expenses charged to the Hazardous Substance Response Fund. These funds are appropriated to the Department of Public Health and Environment first, then transferred to the Department of Law.

**WASTE TIRE PROGRAM REPEAL:** The appropriation includes a reduction of \$4,847,379 cash funds from the Waste Tire Market Development Fund and the End User Fund because these two programs are repealed on January 1, 2018, pursuant to Sections 30-20-1406 (5) and 30-20-1405 (5), C.R.S.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Prior year salary survey	\$1,759	\$0	\$1,759	\$0	\$0	0.0
Long Bill supplemental	(3,319,638)	0	(3,319,638)	0	0	0.0
<b>TOTAL</b>	<b>(\$3,317,879)</b>	<b>\$0</b>	<b>(\$3,317,879)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**LONG BILL ADJUSTMENTS:** The appropriation includes a reduction of \$215,907 total funds to consolidation of the appropriations for legal services into a single line item in the Administration and Support Division.

## DIVISION OF ENVIRONMENTAL HEALTH AND SUSTAINABILITY

This division is comprised of multiple programs aimed to protect and improve Colorado's environment and human health. These programs address food safety in restaurants, schools, child care facilities, and state correctional facilities, as well as the production and sale of safe food; protect land, water, and air quality resources affected by the agricultural animal feeding industry; and protect and improve Colorado's environment through programs that conserve and reuse resources, prevent pollution, and advance the principles of sustainable development. In 2016 there were 24,579 retail food inspections. Of those 583 were done by department inspectors, and the remaining were done by county inspectors. The Division programs include:

- The Dairy Program inspects dairy operations from the farm to the production plant in accordance with state and federal standards to ensure safe milk products and allow for interstate shipment of these products.
- The Retail Food Program ensures safe food in restaurants, mobile food trucks, grocery stores, and school cafeterias by utilizing federal standards to develop state regulations to inspect and provide compliance assistance to these operations.
- The Manufactured Food Program incorporates federal requirements into state regulations to inspect and ensure safe food products from food manufacturers, seafood and shellfish dealers, and food storage and warehouse facilities.
- The Environmental Institutions Program develops state requirements and inspects facilities to ensure safe environments in child care centers, summer camps, public and private schools, and correctional facilities.
- The Environmental Agriculture Program inspects concentrated animal feed operations and housed commercial swine feeding operations pursuant to state and federal requirements to ensure generated waste is managed to protect Colorado's water, air and land.
- Sustainability Programs implement the medication take back program, recycling grants, environmental leadership program, supplemental environmental projects, and pollution prevention initiatives.

This division is funded by General Fund, cash funds, reappropriated funds, and federal funds. The major sources of cash funds are from license fees for businesses, such as retail and wholesale food licenses. Reappropriated funds are from the Departments of Corrections and Human Services for the inspection of adult and youth correction facilities.

DIVISION OF ENVIRONMENTAL HEALTH AND SUSTAINABILITY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$10,508,667	\$1,632,096	\$7,325,168	\$110,094	\$1,441,309	45.3
<b>TOTAL</b>	<b>\$10,508,667</b>	<b>\$1,632,096</b>	<b>\$7,325,168</b>	<b>\$110,094</b>	<b>\$1,441,309</b>	<b>45.3</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$10,508,667	\$1,632,096	\$7,325,168	\$110,094	\$1,441,309	45.3
Indirect cost assessment	222,000	0	222,000	0	0	0.0
Cash fund balance adjustments	(800,000)	0	(800,000)	0	0	0.0
Wholesale food program repeal	(491,510)	0	(491,510)	0	0	(3.0)
Annualize prior year budget actions	(51,182)	5,503	(59,265)	1,636	944	0.0
<b>SB 17-254</b>	<b>\$9,387,975</b>	<b>\$1,637,599</b>	<b>\$6,196,393</b>	<b>\$111,730</b>	<b>\$1,442,253</b>	<b>42.3</b>
HB 17-1079	491,510	0	491,510	0	0	3.0
<b>TOTAL</b>	<b>\$9,879,485</b>	<b>\$1,637,599</b>	<b>\$6,687,903</b>	<b>\$111,730</b>	<b>\$1,442,253</b>	<b>45.3</b>

## DIVISION OF ENVIRONMENTAL HEALTH AND SUSTAINABILITY

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>INCREASE/(DECREASE)</b>	(\$629,182)	\$5,503	(\$637,265)	\$1,636	\$944	0.0
Percentage Change	(6.0%)	0.3%	(8.7%)	1.5%	0.1%	0.0%

### FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**INDIRECT COST ASSESSMENT:** The appropriation includes an increase in the division’s indirect cost assessment.

**CASH FUND BALANCE ADJUSTMENTS:** The appropriation includes a reduction of \$800,000 cash funds from the Recycling Resources Economic Opportunity Fund based on available uncommitted cash fund reserves.

**WHOLESALE FOOD PROGRAM REPEAL:** The appropriation includes a reduction of \$491,510 cash funds and 3.0 FTE because the Wholesale Food Manufacturing and Storage Program repeals on July 1, 2017, pursuant to Section 25-5-426 (6), C.R.S.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions.

### ANNUALIZE PRIOR YEAR BUDGET ACTIONS

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Prior year salary survey	\$8,317	\$5,503	\$234	\$1,636	\$944	0.0
FY 15-16 Wholesale foods program	(59,499)	0	(59,499)	0	0	0.0
<b>TOTAL</b>	<b>(\$51,182)</b>	<b>\$5,503</b>	<b>(\$59,265)</b>	<b>\$1,636</b>	<b>\$944</b>	<b>0.0</b>

**ADDITIONAL LEGISLATION:** For information on additional legislation, see the “Recent Legislation” section at the end of this department.

## DISEASE CONTROL AND ENVIRONMENTAL EPIDEMIOLOGY DIVISION

This division is comprised of three subdivisions: Administration, General Disease Control, and Surveillance; Special Purpose Disease Control Programs; and Environmental Epidemiology.

### (A) ADMINISTRATION, GENERAL DISEASE CONTROL AND SURVEILLANCE

This subdivision has three areas of responsibility: (1) provision of division-wide administration and support, (2) maintaining and monitoring the disease-monitoring network, and (3) operation of the Immunization Program. This subdivision is funded by General Fund, cash funds from the Tobacco Master Settlement Agreement, and federal funds. The Immunization Program consists of the following:

- The Immunization Outreach Program provides free immunization clinics around the state.
- The Colorado Immunization Information System houses immunization records, allowing health care providers to easily check a child's immunization status during a health care visit. This helps to ensure that a child is up-to-date on their immunizations and is not over-immunized. The system can also send reminders to parents of children who are not up-to-date on their immunizations.
- The Immunization Program also provides grants to local public health agencies for immunization clinics.

## (B) SPECIAL PURPOSE DISEASE CONTROL PROGRAMS

This subdivision is responsible for disease control programs which are designed to control and prevent certain communicable diseases including: sexually transmitted infections; HIV and AIDS; and tuberculosis. This subdivision is funded by General Fund, cash funds from the Tobacco Master Settlement Agreement, and federal funds.

## (C) ENVIRONMENTAL EPIDEMIOLOGY

This subdivision houses the Marijuana Health Effects Monitoring Program which is responsible for researching the health impacts of marijuana use. Additionally within this subdivision starting in FY 2016-17 is funding for retail marijuana health research grants and data analysis of data relating to oil and gas operations. Funding for this subdivision is from the Oil and Gas Conservation and Environmental Response Fund, the Marijuana Tax Cash Fund, and federal funds.

DISEASE CONTROL AND ENVIRONMENTAL EPIDEMIOLOGY DIVISION						
	TOTAL FUNDS	GENERAL FUND <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$96,575,119	\$6,747,177	\$8,313,912	\$209,072	\$81,304,958	144.9
HB 16-1408	3,808,149	0	3,808,149	0	0	0.0
<b>TOTAL</b>	<b>\$100,383,268</b>	<b>\$6,747,177</b>	<b>\$12,122,061</b>	<b>\$209,072</b>	<b>\$81,304,958</b>	<b>144.9</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$100,383,268	\$6,747,177	\$12,122,061	\$209,072	\$81,304,958	144.9
Cash fund balance adjustments	822,401	0	822,401	0	0	0.0
Annualize prior year budget actions	733,441	1,983	526,937	193,258	11,263	0.0
Indirect cost assessment	374,394	0	374,394	0	0	0.0
Amendment 35 tobacco tax revenue adjustment	15,500	7,750	7,750	0	0	0.0
Tobacco Master Settlement Agreement revenue adjustment	(1,277,110)	0	(1,277,110)	0	0	0.0
<b>SB 17-254</b>	<b>\$101,051,894</b>	<b>\$6,756,910</b>	<b>\$12,576,433</b>	<b>\$402,330</b>	<b>\$81,316,221</b>	<b>144.9</b>
<b>TOTAL</b>	<b>\$101,051,894</b>	<b>\$6,756,910</b>	<b>\$12,576,433</b>	<b>\$402,330</b>	<b>\$81,316,221</b>	<b>144.9</b>
<b>INCREASE/(DECREASE)</b>	<b>\$668,626</b>	<b>\$9,733</b>	<b>\$454,372</b>	<b>\$193,258</b>	<b>\$11,263</b>	<b>0.0</b>
Percentage Change	0.7%	0.1%	3.7%	92.4%	0.0%	0.0%

<sup>1</sup> Includes General Fund Exempt.

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**CASH FUND BALANCE ADJUSTMENTS:** The appropriation includes an increase of \$822,401 cash funds from the Drug Assistance Program Fund based on available uncommitted cash fund reserves.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 16-17 Marijuana research grants	\$522,500	\$0	\$522,500	\$0	\$0	0.0
FY 16-17 Oil and gas health study	193,258	0	0	193,258	0	0.0
Prior year salary survey	17,683	1,983	4,437	0	11,263	0.0
<b>TOTAL</b>	<b>\$733,441</b>	<b>\$1,983</b>	<b>\$526,937</b>	<b>\$193,258</b>	<b>\$11,263</b>	<b>0.0</b>

**INDIRECT COST ASSESSMENT:** The appropriation includes an increase in the division's indirect cost assessment.

**AMENDMENT 35 TOBACCO TAX REVENUE ADJUSTMENT:** The appropriation includes an increase of cash funds based on the Legislative Council Amendment 35 revenue forecast for FY 2017-18.

**TOBACCO MASTER SETTLEMENT AGREEMENT REVENUE ADJUSTMENT:** The appropriation includes adjustments related to the projected amount of Tobacco Master Settlement Agreement revenue allocated to Department programs for FY 2017-18.

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## PREVENTION SERVICES DIVISION

This division is comprised of the following five subdivisions: Administration, Chronic Disease Prevention Programs, Primary Care Office, Family and Community Health, and Nutrition Services.

### (A) ADMINISTRATION

This subdivision provides administrative services to the other division programs. Funding for this subdivision is from the General Fund, various division cash funds, and federal funds.

### (B) CHRONIC DISEASE PREVENTION PROGRAMS

This subdivision provides target prevention services for specific chronic diseases including: breast and cervical cancer, lung cancer, and cardiovascular and chronic pulmonary disease. This subdivision also includes oral health programs and tobacco cessation, education, and prevention programs. Funding for this subdivision includes the Prevention, Early Detection Treatment Fund and the Tobacco Education Programs Fund which receive revenue from the Amendment 35 tobacco tax; Medicaid reappropriated funds, and federal funds.

### (C) PRIMARY CARE OFFICE

This subdivision assesses the need for primary health care professionals in various parts of the state and directs incentives to qualified professionals and clinics willing to serve in areas that are short of providers. Funding for this subdivision includes General Fund, cash funds from the Tobacco Master Settlement Agreement, and federal funds.

### (D) FAMILY AND COMMUNITY HEALTH

This subdivision includes the following three program areas: (1) Women's Health Programs, (2) Children and Youth Programs, and (3) Injury, Suicide, and Violence Prevention Programs. Women's Health Programs include health and family planning services for low-income women, prenatal and postpartum services, and counseling and education to low-income pregnant women and their newborns. Children and Youth Programs include the children with special needs health care program, genetics counseling for children with possible genetic disorders, and school-based health centers. Injury, Suicide and Prevention Programs include suicide and injury prevention programs. Funding for this subdivision includes General Fund, cash funds from the Newborn Screening and Genetic Counseling Cash Funds and the Marijuana Tax Cash Fund, and federal funds.

### (E) NUTRITION SERVICES

This subdivision includes the Women, Infants and Children (WIC) Nutrition Program and the Child and Adult Food Care Program. WIC provides a monthly check to low-income (185.0 percent of federal poverty guidelines) women and children who are at-risk of poor nutritional outcomes. The Child and Adult Food Care Program provides reimbursement for nutritious foods to participating child care centers, Head Start programs, family day care homes, and adult day care centers. These programs are entirely federally funded.



PREVENTION SERVICES DIVISION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$230,292,250	\$15,429,398	\$72,678,065	\$1,300,746	\$140,884,041	193.3
HB 16-1408	1,301,472	0	1,301,472	0	0	0.0
<b>TOTAL</b>	<b>\$231,593,722</b>	<b>\$15,429,398</b>	<b>\$73,979,537</b>	<b>\$1,300,746</b>	<b>\$140,884,041</b>	<b>193.3</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$231,593,722	\$15,429,398	\$73,979,537	\$1,300,746	\$140,884,041	193.3
Informational funds adjustment	6,500,000	0	0	0	6,500,000	4.0
Indirect cost assessment	904,000	0	904,000	0	0	0.0
Amendment 35 tobacco tax revenue adjustment	867,608	0	867,608	0	0	0.0
Cash fund balance adjustments	(2,039,114)	0	(2,039,114)	0	0	0.0
Annualize prior year budget actions	(266,547)	(177,287)	(92,368)	9	3,099	0.0
Tobacco Master Settlement Agreement revenue adjustment	(141,516)	0	(141,516)	0	0	0.0
<b>SB 17-254</b>	<b>\$237,418,153</b>	<b>\$15,252,111</b>	<b>\$73,478,147</b>	<b>\$1,300,755</b>	<b>\$147,387,140</b>	<b>197.3</b>
<b>TOTAL</b>	<b>\$237,418,153</b>	<b>\$15,252,111</b>	<b>\$73,478,147</b>	<b>\$1,300,755</b>	<b>\$147,387,140</b>	<b>197.3</b>
<b>INCREASE/(DECREASE)</b>	<b>\$5,824,431</b>	<b>(\$177,287)</b>	<b>(\$501,390)</b>	<b>\$9</b>	<b>\$6,503,099</b>	<b>4.0</b>
Percentage Change	2.5%	(1.1%)	(0.7%)	0.0%	4.6%	2.1%

#### FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**INFORMATIONAL FUNDS ADJUSTMENT:** The appropriation includes an increase of \$6.5 million federal funds reflected for informational purposes only. Of the increase, \$3.0 million is for the Child and Adult Food Program, \$2.0 million is for the Injury Prevention Program, \$1.0 million is for Chronic Disease and Cancer Prevention Grants, and \$0.5 million is for the Primary Care Office.

**INDIRECT COST ASSESSMENT:** The appropriation includes an increase in the division's indirect cost assessment.

**AMENDMENT 35 TOBACCO TAX REVENUE ADJUSTMENT:** The appropriation includes an increase of cash funds based on the Legislative Council Amendment 35 revenue forecast for FY 2017-18.

**CASH FUND BALANCE ADJUSTMENTS:** The appropriation includes adjustments to various appropriations based on available uncommitted cash fund reserves.

CASH FUND BALANCE ADJUSTMENTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Tobacco Education Fund balance	\$530,913	\$0	\$530,913	\$0	\$0	0.0
Prevention, Early Detection, and Treatment Fund balance	(2,570,027)	0	(2,570,027)	0	0	0.0
<b>TOTAL</b>	<b>(\$2,039,114)</b>	<b>\$0</b>	<b>(\$2,039,114)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions.

### ANNUALIZE PRIOR YEAR BUDGET ACTIONS

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 16-17 Substance abuse grants	\$2,281,188	\$0	\$2,281,188	\$0	\$0	0.0
Prior year salary survey	5,020	468	1,444	9	3,099	0.0
FY 16-17 Trusted Adult Campaign	(2,375,000)	0	(2,375,000)	0	0	0.0
FY 16-17 Commission on Afford Health Care	(177,755)	(177,755)	0	0	0	0.0
<b>TOTAL</b>	<b>(\$266,547)</b>	<b>(\$177,287)</b>	<b>(\$92,368)</b>	<b>\$9</b>	<b>\$3,099</b>	<b>0.0</b>

**TOBACCO MASTER SETTLEMENT AGREEMENT REVENUE ADJUSTMENT:** The appropriation includes adjustments related to the projected amount of Tobacco Master Settlement Agreement revenue allocated to Department programs for FY 2017-18.

## HEALTH FACILITIES AND EMERGENCY MEDICAL SERVICES DIVISION

This division is comprised of three subdivisions.

### (A) OPERATIONS MANAGEMENT

This subdivision provides division-wide services to the Health Facilities Program. Funding for this subdivision is General Fund, divisional cash funds, and federal funds.

### (B) HEALTH FACILITIES PROGRAMS

This subdivision is responsible for the licensing and regulation of 3,269 medical facilities. Licensing activities conducted by the division include performing fitness reviews, conducting fire safety inspections, investigating complaints, and conducting enforcement activities. General Fund is required pursuant to Section 25-3-103, C.R.S., so that fees paid by non-government owned facilities do not subsidize the regulation of government-owned facilities. Funding for this subdivision is from the General Fund, cash funds including the Assisted Living Residences Cash Fund and the Health Facilities General Licensure Cash Fund, Medicaid reappropriated funds, and federal funds.

### (C) EMERGENCY MEDICAL SERVICES

This subdivision supports the emergency medical and trauma services system in Colorado which provides transportation and immediate care to the ill and injured 24 hours a day, 365 days a year. Emergency medical and trauma care services are defined as the immediate health care services needed as a result of an injury or sudden illness, particularly when there is a threat to life or long-term functional abilities. Funding through this subdivision is provided to the Rocky Mountain Poison Control Center for operation of the poison center and call line. Funding for this subdivision includes General Fund, cash funds including the Emergency Medical Services Account within the Highway Users Tax Fund, and federal funds.

### HEALTH FACILITIES AND EMERGENCY MEDICAL SERVICES DIVISION

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2016-17 APPROPRIATION:</b>						
HB 16-1405	\$31,248,990	\$1,773,008	\$17,861,215	\$5,675,961	\$5,938,806	153.6
SB 16-069	70,184	70,184	0	0	0	1.0
HB 16-1034	21,185	0	21,185	0	0	0.3
HB 16-1280	18,036	0	18,036	0	0	0.2
HB 16-1424	30,298	0	30,298	0	0	0.5
SB 17-254	175,000	0	0	175,000	0	0.0
<b>TOTAL</b>	<b>\$31,563,693</b>	<b>\$1,843,192</b>	<b>\$17,930,734</b>	<b>\$5,850,961</b>	<b>\$5,938,806</b>	<b>155.6</b>

## HEALTH FACILITIES AND EMERGENCY MEDICAL SERVICES DIVISION

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$31,563,693	\$1,843,192	\$17,930,734	\$5,850,961	\$5,938,806	155.6
Indirect cost assessment	671,000	0	346,000	325,000	0	0.0
Health facility surveyors	644,578	40,362	94,849	154,585	354,782	8.0
IDD facility surveyors	322,908	0	0	322,908	0	5.0
Annualize prior year legislation	18,017	(3,519)	21,536	0	0	1.5
Annualize prior year budget actions	(256,438)	0	(63,283)	(193,155)	0	0.0
<b>SB 17-254</b>	<b>\$32,963,758</b>	<b>\$1,880,035</b>	<b>\$18,329,836</b>	<b>\$6,460,299</b>	<b>\$6,293,588</b>	<b>170.1</b>
<b>TOTAL</b>	<b>\$32,963,758</b>	<b>\$1,880,035</b>	<b>\$18,329,836</b>	<b>\$6,460,299</b>	<b>\$6,293,588</b>	<b>170.1</b>
<b>INCREASE/(DECREASE)</b>	<b>\$1,400,065</b>	<b>\$36,843</b>	<b>\$399,102</b>	<b>\$609,338</b>	<b>\$354,782</b>	<b>14.5</b>
Percentage Change	4.4%	2.0%	2.2%	10.4%	6.0%	9.3%

### FY 2016-17 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 17-254 modifies FY 2016-17 appropriation to provide an additional \$175,000 reappropriated funds for indirect costs.

### FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**INDIRECT COST ASSESSMENT:** The appropriation includes an increase in the division’s indirect cost assessment.

**HEALTH FACILITY SURVEYORS:** The appropriation includes an increase of \$644,578 total funds, including \$40,362 General Fund, and 8.0 FTE to increase the number of health facility surveyors for nursing homes, hospitals, community clinics, and freestanding emergency rooms.

**IDD FACILITY SURVEYORS:** The appropriation includes an appropriation of \$322,908 reappropriated funds transferred from the Department of Health Care Policy and Financing and 5.0 FTE to increase the number of health facility surveyors (inspectors) for programs and providers that serve individuals with intellectual and developmental disabilities (IDD).

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments related to prior year legislation.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 16-1280 Air Ambulance	\$116,802	\$0	\$116,802	\$0	\$0	0.6
HB 16-1034 EMS Registration	32,934	0	32,934	0	0	0.6
HB 15-1015 EMS Compact	(128,200)	0	(128,200)	0	0	0.3
SB 16-069 Community Paramedicine	(3,519)	(3,519)	0	0	0	0.0
<b>TOTAL</b>	<b>\$18,017</b>	<b>(\$3,519)</b>	<b>\$21,536</b>	<b>\$0</b>	<b>\$0</b>	<b>1.5</b>

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions.

### ANNUALIZE PRIOR YEAR BUDGET ACTIONS

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Long Bill supplemental	(\$175,000)	\$0	\$0	(\$175,000)	\$0	0.0
FY 16-17 Poison control center	(63,283)	0	(63,283)	0	0	0.0
FY 16-17 Centers for Medicare and Medicaid Services settings rule	(18,155)	0	0	(18,155)	0	0.0
<b>TOTAL</b>	<b>(\$256,438)</b>	<b>\$0</b>	<b>(\$63,283)</b>	<b>(\$193,155)</b>	<b>\$0</b>	<b>0.0</b>

## OFFICE OF EMERGENCY PREPAREDNESS AND RESPONSE

The Office develops and implements emergency response plans to enable the Department to ensure the protection of health and the medical response for victims when an emergency occurs in Colorado. The Office works to ensure the Department, local public health, and medical agencies have plans for responding to emergency events and administering medication in mass quantities to all citizens in Colorado. Funding for this division includes General Fund and federal funds. Additional responsibilities of the Office include:

- Training of health and medical professionals on the latest and improved response protocols, including the National Incident Management System;
- Ensuring that public health and medical programs are integrated with law enforcement, the Division of Emergency Management and other state departments critical to the state's response;
- Providing emergency preparedness education and training to Department employees, as well as medical and public health partners;
- Ensuring the rapid receipt, storage and distribution of the Strategic National Stockpile (SNS) supplies and medication during an emergency;
- Activation of the Department Emergency Operations Center (DOC) during emergency situations;
- Coordinating and enhancing the capacity of the Emergency System for Advance Registration of Volunteer Health Professionals, which enables the Colorado Hospital Preparedness Program to expand and integrate the Colorado Medical Reserve Corps to enable the preparation of volunteers for an all-hazards response;
- Fulfilling responsibilities as the state lead agency for behavioral health during and after an emergency event to assist individuals and communities recovering from the challenging effects of natural and human-caused disasters through the provision of community-based outreach and psycho educational services.

The amount of federal dollars this Division receives is driven by formulas that are based in part on state population, and if the state accepts the federal funds the state must provide the required match amount.

### OFFICE OF EMERGENCY PREPAREDNESS AND RESPONSE

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$16,257,500	\$1,589,558	\$0	\$0	\$14,667,942	35.1
<b>TOTAL</b>	<b>\$16,257,500</b>	<b>\$1,589,558</b>	<b>\$0</b>	<b>\$0</b>	<b>\$14,667,942</b>	<b>35.1</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$16,257,500	\$1,589,558	\$0	\$0	\$14,667,942	35.1
Annualize prior year budget actions	2,764	2,764	0	0	0	0.0
<b>SB 17-254</b>	<b>\$16,260,264</b>	<b>\$1,592,322</b>	<b>\$0</b>	<b>\$0</b>	<b>\$14,667,942</b>	<b>35.1</b>
<b>TOTAL</b>	<b>\$16,260,264</b>	<b>\$1,592,322</b>	<b>\$0</b>	<b>\$0</b>	<b>\$14,667,942</b>	<b>35.1</b>
INCREASE/(DECREASE)						
	\$2,764	\$2,764	\$0	\$0	\$0	0.0
Percentage Change	0.0%	0.2%	n/a	n/a	0.0%	0.0%

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes an increase of \$2,764 General Fund for the second-year impact of FY 2016-17 salary survey increase.

### RECENT LEGISLATION

#### 2016 SESSION BILLS

**S.B. 16-069 (COMMUNITY PARAMEDICINE REGULATION):** Requires the Department of Public Health and Environment (DPHE) to establish rules governing the scope of practice of community integrated health care service, including the issuance of an endorsement in community integrated health care service to emergency medical service providers. Agencies managing and offering community integrated health care services must be licensed by DPHE beginning December 31, 2018. Sets minimum standards for community integrated health care service agencies that must be incorporated in rules promulgated by the State Board of Health. Creates the Community Integrated Health Care Service Cash Fund to receive fee payments from licensed agencies, including from government-owned entities. A person operating a community integrated health care service agency without a license commits a misdemeanor offense and is also subject to civil penalties. Creates the Community Assistance Referral and Education Services (CARES) Program in DPHE. Under the CARES Program, licensed ambulance services, local fire departments, fire protection districts, fire protection authorities, special district authorities, health care business entities, and community integrated health care service agencies may establish a program that provides community outreach on health issues and services, and health education to local residents. In addition, these agencies may provide referrals for low-cost medication programs and alternative resources to the 911 system. The community integrated health care service agencies licensure program repeals September 1, 2025, and is subject to a sunset review conducted by the Colorado Department of Regulatory Agencies. Appropriates \$73,986 General Fund and 1.0 FTE to the Department of Public Health and Environment for FY 2016-17. Reappropriates \$3,800 to the Department of Law for the provision of legal services.

**H.B. 16-1034 (EMERGENCY MEDICAL RESPONDER REGISTRATION):** Renames "first responders" as "emergency medical responders" and requires the Department of Public Health and Environment (DPHE) to begin a voluntary registration program on July 1, 2017. DPHE will create and administer the registration program, including promulgating rules for training programs and continued competency requirements, and will be responsible for investigating complaints and taking disciplinary action if necessary. This registration program replaces the Department of Public Safety certification program. Adds the registration program to the programs that can be funded from the Emergency Medical Services Account in the Highway Users Tax Fund (HUTF). Emergency medical responders must be registered in order to provide care unless acting as a Good Samaritan. To be registered as an emergency medical responder, at a minimum, a person must be certified through a nationally recognized emergency responder certification organization, and submit to a fingerprint-based criminal history record check. Provides for the provisional registration of applicants whose fingerprint-based criminal history record check has not been completed. DPHE will develop additional registration requirements and may set fees as part of its rulemaking process. Appropriates \$24,985 cash funds from the Emergency Medical Services Account within the Highway Users Tax Fund and 0.3 FTE to the Department of Public Health and Environment for FY 2016-17. Reappropriates \$3,800 to the Department of Law for the provision of legal services.

**H.B. 16-1141 (RADON EXPOSURE IN BUILDINGS):** Requires the Department of Public Health and Environment (DPHE) to establish a radon education and awareness program to provide information and education statewide to citizens, businesses, and others in need of information. By January 1, 2017, DPHE is required to establish a radon mitigation assistance program to provide financial assistance to low-income individuals for radon mitigation services. The State Board of Health will set the program requirements, including eligibility requirements. Extends

the Uranium Mill Tailings Remedial Action Program Fund until 2027, and eliminates the Uranium Mill Tailings Remedial Action Oversight Committee. Appropriates \$199,456 cash funds from the Hazardous Substance Response Fund and 0.8 FTE to the Department of Public Health and Environment for FY 2016-17.

**H.B. 16-1280 (UPDATE AIR AMBULANCE REGULATION):** Provides the Department of Public Health and Environment (DPHE) with additional authority to establish state-level licensing of air ambulances that allows for air ambulance operators to receive a license either by gaining accreditation through an approved organization or by meeting licensing standards established by DPHE and the State Board of Health. Requires the DPHE to establish rules by December 31, 2017, for the licensing program including recognition of licenses from other states and fees. DPHE has the authority to suspend or revoke licenses, impose civil penalties, and issue cease-and-desist orders. Any air ambulance operator that violates licensing rules or operates without a valid license may be subject to civil penalties of up to \$5,000 per violation or for each day of a continuing violation. Penalty revenue is deposited into the General Fund. Appropriates \$21,836 cash funds from the Fixed-wing and Rotary-wing Ambulances Cash Fund and 0.2 FTE to the Department of Public Health and Environment for FY 2016-17. Reappropriates \$3,800 to the Department of Law for the purchase of legal services.

**H.B. 16-1386 (NECESSARY DOCUMENT PROGRAM):** Creates the Necessary Document program in the Office of Health Equity in the Department of Public Health and Environment (DPHE). The purpose of the program is to help Colorado residents who are victims of domestic violence, impacted by a natural disaster, low-income, disabled, homeless, or elderly pay the fees to acquire a necessary document. Necessary documents are defined as social security cards, driver's licenses, identification cards, or a vital statistics report (such as a birth, death, or marriage certificate). Requires an annual appropriation of up to \$300,000 General Fund for the program. The Office of Health Equity is required to annually make at least one grant or contract with a nonprofit organization to implement the program. The Office of Health Equity may expend up to \$15,000 for the office's direct and indirect costs in administering the program. The program repeals on September 1, 2021. Appropriates \$300,000 General Fund to the Department of Public Health and Environment for FY 2016-17.

**H.B. 16-1405 (LONG BILL):** General appropriations act for FY 2016-17. Includes provisions modifying appropriations to the Department of Public Health and Environment for FY 2015-16.

**H.B. 16-1408 (CASH FUND ALLOCATIONS FOR HEALTH-RELATED PROGRAMS):** Establishes a new formula for the allocation of the annual payment received by the state as part of the Tobacco Master Settlement Agreement (Tobacco MSA). The new formula allocates all Tobacco MSA revenue by percentage shares, rather than the hybrid scheme of fixed dollar amounts and capped percentage shares in multiple tiers. The formula increases annual allocations to most programs receiving funding under the current distribution, while eliminating dedicated funding for the following six purposes:

- Early Literacy Fund in the Department of Education;
- Public Health Services Support Fund in the Department of Public Health and Environment;
- Offender Mental Health Services Program in the Department of Human Services;
- Alcohol and Drug Abuse Prevention Program in the Department of Human Services;
- Children's' Mental Health Treatment Program in the Department of Human Services; and
- The annual audit of Tobacco MSA-funded programs by the Office of the State Auditor.

For all of these purposes listed above except the audit, the bill makes FY 2016-17 appropriations from the Marijuana Tax Cash Fund in the amounts that the programs are expected to receive under the current law allocation formula. Repeals the Public Health Services Support Fund and the Tobacco Litigation Settlement Trust Fund, requires the State Treasurer to transfer any remaining balance in the Public Health Services Support Fund and the

Offender Mental Health Services Fund to the Tobacco Litigation Settlement Cash Fund at the end of FY 2015-16. The following table summarizes the distribution changes.

SUMMARY OF DISTRIBUTION CHANGES		
	CURRENT DISTRIBUTION TIERS	NEW DISTRIBUTION NO TIERS
<b>Tier 1 Programs</b>		
Children's Basic Health Plan Trust	25.0%	18.00%
Nurse Home Visitor	19.0%	26.70%
Fitzsimons Trust Fund	8.0%	8.00%
Early Literacy	5.0%	Marijuana Funds
Tony Gramscas Youth Services	4.0%	7.50%
Drug Assistance Program (Ryan White)	3.5%	5.00%
AIDS and HIV Prevention Grants	2.0%	3.50%
Tobacco Litigation Settlement Cash Fund	2.0%	2.50%
State Veterans	1.0%	1.00%
Dental Loan Repayment	\$200,000	1.00%
Child Mental Health Treatment Act	\$300,000	Marijuana Funds
Cancer Program	0	2.00%
Autism Treatment	\$1,000,000	2.00%
	% of Remainder After Tier 1 programs	
<b>Tier 2 Programs</b>		
CU Health Sciences	49.00%	15.50%
Children's Basic Health Plan Trust	14.50%	Eliminated
Offender Mental Health Services	12.00%	Marijuana Funds
Alcohol & Drug Abuse	3.00%	Marijuana Funds
Local Public Health Agencies	7.00%	Marijuana Funds
Supplemental State Contribution	4.50%	2.30%
CO Immunization Fund	4.00%	2.50%
Health Services Corps (Loan Repayment)	\$250,000	1.00%
State Auditor's Office	\$89,000	Eliminated
Unallocated amount		1.50%

Creates a new Primary Care Provider Sustainability Fund in the Department of Health Care Policy and Financing to fund increased access to primary care office visits, immunization administration, health screening services, and newborn care, including neonatal critical care. On July 1, 2016, \$20.0 million is transferred from the Children's Basic Health Plan Trust to this new fund. Modifies statute concerning higher education fee-for-service contracts paid to the University of Colorado for specialty education services, specifying that these contracts include care provided by faculty of the University of Colorado Health Sciences Center and are eligible for payment under the state's Medicaid provider reimbursement. Makes the following appropriation changes related to funds from the Tobacco Master Settlement revenues and Marijuana Tax Cash Fund dollars.

SUMMARY OF TOBACCO MASTER SETTLEMENT AGREEMENT DISTRIBUTION FORMULA APPROPRIATION CHANGES				
SECTION	PROGRAM	GENERAL FUND	TOBACCO MASTER SETTLEMENT CASH FUNDS	MARIJUANA TAX CASH FUND
27	Early Literacy	\$0	(\$4,378,678)	\$4,378,678
28	Mental Health Services for Juvenile and Adult Offenders	0	(3,025,192)	3,025,192
28	Mental Health Services for Youth (H.B. 99-1116)	0	(300,000)	300,000
28	Community Prevention Treatment - Alcohol and Drug Abuse	0	(756,298)	756,298
29	Local Public Health Agencies	0	(1,767,584)	1,767,584
30	Tony Gramscas Youth Services	0	(2,626,328)	2,626,328
31	Autism Treatment Fund	(6,451,471)	6,451,471	0
32a	Higher Education - Cancer Program	0	1,751,471	0

**SUMMARY OF TOBACCO MASTER SETTLEMENT AGREEMENT DISTRIBUTION FORMULA APPROPRIATION CHANGES**

SECTION	PROGRAM	GENERAL FUND	TOBACCO MASTER SETTLEMENT CASH FUNDS	MARIJUANA TAX CASH FUND
32b	Higher Education - Health Sciences Center Programs	0	1,221,033	0
33	Nurse Home Visitor Program	0	6,743,164	0
34	Supplemental State Contribution Fund	0	879,745	0
35	Drug Assistance Program	0	1,313,603	0
36	AIDS and HIV Prevention Grants	0	1,313,604	0
37	Immunization Program	0	1,180,942	0
38	Oral Health Programs	0	675,736	0
39	Health Service Corps within the Primary Care Office	0	625,736	0

Appropriates \$55,694,236 total funds, of which \$20,000,000 is cash funds from the Primary Care Provider Sustainability Fund, \$556,859 is cash funds from the Hospital Provider Fee Cash Fund, and \$35,137,377 is federal funds to the Department of Health Care Policy and Financing for FY 2016-17 rate enhancements.

**H.B. 16-1413 (REFINANCE WATER POLLUTION CONTROL PROGRAM):** Repeals the Water Quality Control Fund and creates a separate cash fund for each of the six clean water sectors. Each cash fund will receive the fees specific to its sector. The new cash funds are:

- Commerce and Industry Cash Fund;
- Construction Cash Fund;
- Pesticides Cash Fund;
- Municipal Separate Storm Sewer System Cash Fund;
- Public and Private Utilities Cash Fund; and
- Water Quality Certifications Cash Fund.

DPHE is required to conduct a stakeholder process regarding the appropriate and necessary fees that each subcategory of each sector should pay to enable each sector to be adequately funded, and must submit a legislative proposal to the Joint Budget Committee by November 1, 2016, concerning its conclusions regarding the fees. For FY 2016-17 and FY 2017-18, if the revenue from a specific sector is inadequate to cover the direct and indirect costs of that sector, the General Assembly may appropriate money from another sector cash fund to pay for the costs. Transfers \$1,208,007 from the excess uncommitted reserve of the Water Quality Improvement Fund to the General Fund to provide a one-time General Fund subsidy to the Commerce and Industry, Public and Private Utilities, and Municipal Separate Storm Sewer System sectors. Appropriates \$362,402 General Fund to the Commerce and Industry Cash Fund, \$60,400 General Fund to the Municipal Separate Storm Sewer System Cash Fund, and \$785,205 General Fund to the Public and Private Utilities Cash Fund.

**H.B. 16-1424 (QUALIFIED MEDICATION ADMINISTRATION PERSONNEL):** Removes the requirement that the exam required to be deemed qualified to administer medications administer be taken every four years, replaces it with the one-time completion of a competency evaluation. The Department of Public Health and Environment (DPHE) must set minimum requirements for course content, competency, and evaluations; approve entities that provide training on the administration of medication; and determine rules for and compliance by facilities overseen by DPHE. The Department of Human Services (DHS), Department of Health Care Policy and Financing (HCPF), and the Department of Corrections (DOC) must each develop and conduct a medication administration program and may set their own minimum standards for course content and competency evaluations for unlicensed persons who administer medication in the facilities run by those departments. DHS, HCPF, DOC, and DPHE must each maintain a list of those who have completed the competency evaluation. To be included on DPHE's list, people must pay a required fee once they have passed the competency evaluation. DPHE must also maintain a list of



approved training entities. Appropriates \$30,298 cash funds from the Medication Administration Cash Fund and 0.5 FTE to the Department of Public Health and Environment for FY 2016-17.

## 2017 SESSION BILLS

**S.B. 17-254 (LONG BILL):** General appropriations act for FY 2017-18. Includes provisions modifying FY 2016-17 appropriations to the Department.

**H.B. 17-1079 (CONTINUE FEES WHOLESALE FOOD MANUFACTURE AND STORAGE):** Continues the Wholesale Food Manufacturing and Storage Protection Program (Program) with the Department that is currently set to expire on July 1, 2017, and restructures the Program's fees. Creates a \$100 annual application fee to be paid by all wholesale food manufacturing and storage businesses, and an additional registration fee associated with a specific business type. Nonprofit food storage facilities are exempt from all fees. Appropriates \$491,510 cash funds from the Wholesale Food Manufacturing and Storage Cash Fund to the Department for FY 2017-18 and states that the appropriation is based on the assumption the Department will require 3.0 FTE to implement the act.

**H.B. 17-1248 (COLORADO WATER CONSERVATION BOARD CONSTRUCTION FUND PROJECT):** Appropriates \$260,000 cash funds from the Public and Private Utilities Sector Cash Fund to the Department for an update to regulations concerning nonpotable reuse of water and graywater use. For additional information, see the "Recent Legislation" section at the end of Part III of the Department of Natural Resources.

**H.B. 17-1285 (REFINANCE WATER POLLUTION CONTROL PROGRAM):** Beginning July 1, 2018, increases the fee portion of funding for the Clean Water Sectors. Requires the Department to engage in a stakeholder process to determine the adequate and appropriate fee levels and the total funding required for the state's discharge permit system prior to future fee increases. Establishes goals for the ratio of fee revenue to General Fund revenue for each sector of the program. Transfers a total of \$809,107 from the Water Quality Improvement Fund to various cash funds dedicated to three clean water sectors.

TRANSFERS FROM WATER QUALITY IMPROVEMENT FUND	
CASH FUND	TRANSFER AMOUNT
Commerce and Industry	\$152,772
Municipal Separate Storm Sewer System	23,046
Public and Private Utilities	633,289
<b>TOTAL</b>	<b>\$809,107</b>

Appropriates \$1,258,007 total funds, of which \$433,042 is General Fund and \$824,965 is cash funds from the various Clean Water Sectors cash funds, to the Department for FY 2017-18.

SUMMARY OF APPROPRIATIONS IN H.B. 17-1285			
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS
Administration	\$0	(\$62,569)	\$62,569
Commerce and Industry	325,793	182,228	143,565
Construction	(95,752)	(74,878)	(20,874)
Municipal Separate Storm Sewer System	63,038	40,558	22,480
Pesticides	83,759	95,543	(11,784)
Public and Private Utilities	841,978	243,120	598,858
Water Quality Certification	(10,809)	9,040	(19,849)
Water Quality Improvement	50,000	0	50,000
<b>TOTAL</b>	<b>\$1,258,007</b>	<b>\$433,042</b>	<b>\$824,965</b>

**H.B. 17-1306 (TEST LEAD IN PUBLIC SCHOOLS' DRINKING WATER):** Authorizes the Department to establish a grant program to test for lead in drinking water in public schools that receive drinking water from public water systems. Priority is given to the oldest elementary schools, and the Department must provide an annual report to the committees of reference. A public school that receives a grant is required to either enter into a contract that requires compliance with the Department's testing protocols when having the testing conducted or to follow the Department's testing protocols and provide the test samples to the state laboratory or a laboratory certified by the Department. The public school is required to provide the test results to its local public health agency, its water supplier, its school board, and the Department. Appropriates \$431,803 cash funds from the Water Quality Improvement Fund to the Department for FY 2017-18 and states the assumption the Department will require 1.3 FTE to implement the act.

**H.B. 17-1315 (REQUIRE DIVISION OF CRIMINAL JUSTICE TO REPORT DUI DATA):** Requires the Division of Criminal Justice (DCJ) within the Department of Public Safety (DPS) to submit an annual report to the General Assembly containing information about substance-affected driving violations. Lists the specific types of information that DCJ must collect from the Judicial Branch, forensic toxicology labs, the Department of Public Health and Environment, and the Division of Probation Services. Requires anyone convicted of DUI, DUI per se, DWAI, vehicular assault, or vehicular homicide to pay a \$2 data-analysis surcharge, and creates a Substance-Affected Driving Data-Analysis Cash Fund in DPS. The money in the fund must be used to reimburse and provide advance payments to state, municipal, and private agencies and labs that apply to DCJ for payment of costs they incur in complying with the law. Appropriates \$5,352 reappropriated funds to the Department of Public Health and Environment for FY 2017-18 and states the assumption the Department will require 0.1 FTE to implement the act. The reappropriated funds are transferred from the Department of Public Safety.

# Details

## DEPARTMENT OF PUBLIC SAFETY

### FY 2016-17 AND FY 2017-18 APPROPRIATIONS BY DIVISION AND BILL

DEPARTMENT OF PUBLIC SAFETY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2016-17 TOTAL APPROPRIATION:</b>	<b>\$413,647,542</b>	<b>\$122,680,880</b>	<b>\$190,524,914</b>	<b>\$38,933,169</b>	<b>\$61,508,579</b>	<b>1,783.4</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
Executive Director's Office	64,610,632	16,006,296	32,735,553	14,168,222	1,700,561	121.2
Colorado State Patrol	147,025,083	6,049,608	126,126,761	9,644,741	5,203,973	1,106.8
Division of Fire Prevention and Control	27,095,168	11,080,481	10,864,564	4,807,704	342,419	107.9
Division of Criminal Justice	105,275,843	68,564,574	3,412,931	5,649,661	27,648,677	72.4
Colorado Bureau of Investigation	36,953,397	18,722,142	13,369,350	3,962,451	899,454	288.3
Division of Homeland Security and Emergency Management	32,687,419	2,257,779	4,015,755	700,390	25,713,495	86.8
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
HB 16-1405	\$412,926,609	\$122,983,130	\$190,112,734	\$38,322,166	\$61,508,579	1,778.2
SB 16-040	15,296	0	0	15,296	0	0.0
SB 16-191	79,992	0	79,992	0	0	1.0
SB 16-197	2,135	0	2,135	0	0	0.0
HB 16-1040	60,238	60,238	0	0	0	0.0
HB 16-1047	31,600	0	0	31,600	0	0.3
HB 16-1097	2,636	0	2,636	0	0	0.0
HB 16-1160	114,188	0	114,188	0	0	0.6
HB 16-1404	527	0	527	0	0	0.0
HB 16-1453	67,980	67,980	0	0	0	1.0
SB 17-168	346,341	(430,468)	212,702	564,107	0	2.3
<b>FY 2017-18 TOTAL APPROPRIATION:</b>	<b>\$421,394,273</b>	<b>\$123,448,065</b>	<b>\$200,251,200</b>	<b>\$40,958,581</b>	<b>\$56,736,427</b>	<b>1,802.0</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
Executive Director's Office	67,329,686	15,125,870	34,625,228	15,747,441	1,831,147	121.7
Colorado State Patrol	156,240,216	6,343,233	134,272,382	9,988,930	5,635,671	1,120.3
Division of Fire Prevention and Control	25,564,940	11,080,481	9,331,121	4,803,763	349,575	106.4
Division of Criminal Justice	100,805,696	69,444,567	3,389,998	5,722,524	22,248,607	72.7
Colorado Bureau of Investigation	37,532,186	18,831,173	13,801,882	3,995,533	903,598	293.7
Division of Homeland Security and Emergency Management	33,921,549	2,622,741	4,830,589	700,390	25,767,829	87.2
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
SB 17-254	\$420,382,651	\$123,435,771	\$199,253,031	\$40,957,422	\$56,736,427	1,800.5
SB 17-096	814,834	0	814,834	0	0	0.3
SB 17-187	1,159	0	0	1,159	0	0.0
SB 17-240	162,983	0	162,983	0	0	0.8
HB 17-1204	12,294	12,294	0	0	0	0.4
HB 17-1315	20,352	0	20,352	0	0	0.0

## DEPARTMENT OF PUBLIC SAFETY

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>INCREASE/(DECREASE)</b>	\$7,746,731	\$767,185	\$9,726,286	\$2,025,412	(\$4,772,152)	18.6
Percentage Change	1.9%	0.6%	5.1%	5.2%	(7.8%)	1.0%

**INFORMATIONAL FUNDS:** The FY 2017-18 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Public Safety are annotated with the "(I)". For additional information, see Appendix J.

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2017-18 Appropriations containing an (I) notation	\$67,082,165	\$0	\$6,364,163	\$3,981,575	\$56,736,427

## DETAIL OF APPROPRIATION BY ADMINISTRATIVE SECTION

### EXECUTIVE DIRECTOR'S OFFICE

This office manages the administrative and fiscal affairs of the Department, oversees the Witness Protection Program, and houses the Colorado Integrated Criminal Justice Information System. The primary cash funds and reappropriated funds sources include the Highway Users Tax Fund and indirect cost recoveries.

EXECUTIVE DIRECTOR'S OFFICE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2016-17 APPROPRIATION:</b>						
HB 16-1405	\$64,154,083	\$16,116,064	\$32,743,070	\$13,600,039	\$1,694,910	117.2
SB 17-168	456,549	(109,768)	(7,517)	568,183	5,651	4.0
<b>TOTAL</b>	<b>\$64,610,632</b>	<b>\$16,006,296</b>	<b>\$32,735,553</b>	<b>\$14,168,222</b>	<b>\$1,700,561</b>	<b>121.2</b>
<b>FY 2017-18 APPROPRIATION:</b>						
FY 2016-17 Appropriation	\$64,610,632	\$16,006,296	\$32,735,553	\$14,168,222	\$1,700,561	121.2
Centrally appropriated line items	9,056,887	3,254,121	7,035,289	(1,533,422)	300,899	0.0
Additional troopers and support staff	28,949	0	0	28,949	0	0.5
Annualize prior year budget actions	(5,303,894)	(234,289)	(4,435,322)	(502,904)	(131,379)	0.0
Indirect cost assessment	(1,062,888)	(3,900,258)	(710,292)	3,586,596	(38,934)	0.0
<b>SB 17-254</b>	<b>\$67,329,686</b>	<b>\$15,125,870</b>	<b>\$34,625,228</b>	<b>\$15,747,441</b>	<b>\$1,831,147</b>	<b>121.7</b>
<b>TOTAL</b>	<b>\$67,329,686</b>	<b>\$15,125,870</b>	<b>\$34,625,228</b>	<b>\$15,747,441</b>	<b>\$1,831,147</b>	<b>121.7</b>
<b>INCREASE/(DECREASE)</b>	\$2,719,054	(\$880,426)	\$1,889,675	\$1,579,219	\$130,586	0.5
Percentage Change	4.2%	(5.5%)	5.8%	11.1%	7.7%	0.4%

### FY 2016-17 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 17-168 adds \$456,549 total funds to the Executive Director's Office, including a reduction of \$109,768 General Fund for adjustments to fleet vehicle expenses and technical adjustments to the FY 2016-17 consolidation of financial and logistical services staff in the Executive Director's Office.

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; salary survey; merit pay; shift differential; workers' compensation; legal services; payment to risk management and property funds; vehicle lease payments; leased space; Capitol complex leased space; payments to the Governor's Office of Information Technology (OIT); and CORE operations.

**ADDITIONAL TROOPERS AND SUPPORT STAFF:** The appropriation includes \$28,949 reappropriated funds for an additional 0.5 FTE support staff in FY 2017-18.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 16-17 Additional E-470 Troopers	\$797	\$0	\$797	\$0	\$0	0.0
FY 16-17 Salary survey	(5,007,176)	(234,289)	(4,436,119)	(205,389)	(131,379)	0.0
FY 16-17 Realignment of EDO	(297,515)	0	0	(297,515)	0	0.0
<b>TOTAL</b>	<b>(\$5,303,894)</b>	<b>(\$234,289)</b>	<b>(\$4,435,322)</b>	<b>(\$502,904)</b>	<b>(\$131,379)</b>	<b>0.0</b>

**INDIRECT COST ASSESSMENT:** The appropriation includes a net decrease in the division's indirect cost assessment.

## COLORADO STATE PATROL

This division is responsible for the safe and efficient movement of motor vehicle traffic on federal, state, and county roads in Colorado. The State Patrol enforces motor vehicle laws, assists motorists in need, conducts automotive and motor carrier safety checks, investigates traffic accidents, and oversees the transportation of hazardous materials. The primary cash fund and reappropriated fund sources include: the Highway Users Tax Fund, limited gaming funds transferred from the Department of Revenue, funds transferred from the Department of Transportation, the Vehicle Identification Number Inspection Fund, the Auto Theft Prevention Fund, and user fees from state and non-state agencies.

COLORADO STATE PATROL						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2016-17 APPROPRIATION:</b>						
HB 16-1405	\$147,003,911	\$6,049,608	\$126,105,589	\$9,644,741	\$5,203,973	1,107.8
SB 17-168	21,172	0	21,172	0	0	(1.0)
<b>TOTAL</b>	<b>\$147,025,083</b>	<b>\$6,049,608</b>	<b>\$126,126,761</b>	<b>\$9,644,741</b>	<b>\$5,203,973</b>	<b>1,106.8</b>
<b>FY 2017-18 APPROPRIATION:</b>						
FY 2016-17 Appropriation	\$147,025,083	\$6,049,608	\$126,126,761	\$9,644,741	\$5,203,973	1,106.8
Annualize prior year budget actions	4,924,941	224,222	4,364,523	204,817	131,379	0.0
Indirect cost assessment	1,645,387	0	1,238,766	119,549	287,072	0.0
Additional troopers and support staff	1,495,389	0	1,495,389	0	0	11.5
Vehicular Crimes Unit GPS total mapping stations	952,000	0	952,000	0	0	0.0
Patrol of managed lanes	177,962	0	177,962	0	0	2.0

COLORADO STATE PATROL						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Capitol Complex surveillance camera maintenance	81,200	81,200	0	0	0	0.0
Technical changes	0	0	(10,174)	11,404	(1,230)	0.0
Centrally appropriated line items	(61,746)	(11,797)	(72,845)	8,419	14,477	0.0
<b>SB 17-254</b>	<b>\$156,240,216</b>	<b>\$6,343,233</b>	<b>\$134,272,382</b>	<b>\$9,988,930</b>	<b>\$5,635,671</b>	<b>1,120.3</b>
<b>TOTAL</b>	<b>\$156,240,216</b>	<b>\$6,343,233</b>	<b>\$134,272,382</b>	<b>\$9,988,930</b>	<b>\$5,635,671</b>	<b>1,120.3</b>
<b>INCREASE/(DECREASE)</b>	\$9,215,133	\$293,625	\$8,145,621	\$344,189	\$431,698	13.5
Percentage Change	6.3%	4.9%	6.5%	3.6%	8.3%	1.2%

## FY 2016-17 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 17-168 adds \$21,172 cash funds to the Colorado State Patrol for technical adjustments to the FY 2016-17 consolidation of financial and logistical services staff in the Executive Director's Office.

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 16-17 Salary survey	\$4,975,397	\$224,222	\$4,414,979	\$204,817	\$131,379	0.0
FY 16-17 Additional E-470 Troopers	(50,456)	0	(50,456)	0	0	0.0
<b>TOTAL</b>	<b>\$4,924,941</b>	<b>\$224,222</b>	<b>\$4,364,523</b>	<b>\$204,817</b>	<b>\$131,379</b>	<b>0.0</b>

**INDIRECT COST ASSESSMENT:** The appropriation includes a net increase in the division's indirect cost assessment.

**ADDITIONAL TROOPERS AND SUPPORT STAFF:** The appropriation includes \$1,495,389 cash funds from the Highway Users Tax Fund for an additional 11.5 FTE in FY 2017-18, including 11.0 FTE troopers and 0.5 FTE support staff. The troopers will be allocated along the I-25 and I-70 corridors.

**VEHICULAR CRIMES UNIT GPS TOTAL MAPPING STATIONS:** The appropriation includes \$952,000 cash funds from Off-the-Top Highway Users Tax Fund to purchase 28 Global Positioning System (GPS) Total Mapping Stations for the Colorado State Patrol to more accurately and efficiently document crash and crime scenes.

**PATROL OF MANAGED LANES:** The appropriation includes \$177,962 cash funds and 2.0 FTE to increase highway patrols for the Highway 36 managed lanes.

**CAPITOL COMPLEX SURVEILLANCE CAMERA MAINTENANCE:** The appropriation includes \$81,200 General Fund for the ongoing maintenance of the recently installed video surveillance systems for the Capitol Complex area.

**TECHNICAL CHANGES:** The appropriation includes a net zero adjustment to align dispatch billing within the Colorado State Patrol.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to vehicle lease payments for the division.

## DIVISION OF FIRE PREVENTION AND CONTROL

The Division of Fire Prevention and Control is tasked with fire code enforcement, training, certification, and wildfire preparedness, response, suppression, coordination, and management. The primary sources of cash funds for this division include: proceeds of insurance premium taxes into the Wildfire Preparedness Fund; the Public School Construction and Inspection Cash Fund; the Emergency Fire Fund; the Wildland Fire Equipment Repair Cash Fund; the Firefighter, First Responder, and Hazardous Materials Responder Certification Fund; the Fire Suppression Cash Fund; and the Wildfire Emergency Response Fund.

DIVISION OF FIRE PREVENTION AND CONTROL						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$27,047,734	\$11,080,481	\$10,811,586	\$4,813,248	\$342,419	110.9
SB 17-168	47,434	0	52,978	(5,544)	0	(3.0)
<b>TOTAL</b>	<b>\$27,095,168</b>	<b>\$11,080,481</b>	<b>\$10,864,564</b>	<b>\$4,807,704</b>	<b>\$342,419</b>	<b>107.9</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$27,095,168	\$11,080,481	\$10,864,564	\$4,807,704	\$342,419	107.9
Annualize prior year budget actions	(1,350,000)	0	(1,350,000)	0	0	(1.5)
Indirect cost assessment	(180,228)	0	(183,443)	(3,941)	7,156	0.0
<b>SB 17-254</b>	<b>\$25,564,940</b>	<b>\$11,080,481</b>	<b>\$9,331,121</b>	<b>\$4,803,763</b>	<b>\$349,575</b>	<b>106.4</b>
<b>TOTAL</b>	<b>\$25,564,940</b>	<b>\$11,080,481</b>	<b>\$9,331,121</b>	<b>\$4,803,763</b>	<b>\$349,575</b>	<b>106.4</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$1,530,228)</b>	<b>\$0</b>	<b>(\$1,533,443)</b>	<b>(\$3,941)</b>	<b>\$7,156</b>	<b>(1.5)</b>
Percentage Change	(5.6%)	0.0%	(14.1%)	(0.1%)	2.1%	(1.4%)

## FY 2016-17 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 17-168 adds \$47,434 total funds to the Division of Fire Prevention and Control for technical adjustments to the FY 2016-17 consolidation of financial and logistical services staff in the Executive Director's Office.

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Local Firefighter Safety Grant adjustment	(\$1,350,000)	\$0	(\$1,350,000)	\$0	\$0	(1.5)
<b>TOTAL</b>	<b>(\$1,350,000)</b>	<b>\$0</b>	<b>(\$1,350,000)</b>	<b>\$0</b>	<b>\$0</b>	<b>(1.5)</b>

**INDIRECT COST ASSESSMENT:** The appropriation includes a net decrease in the division's indirect cost assessment.

## DIVISION OF CRIMINAL JUSTICE

This division:

- Provides funding for the State's community corrections programs and for local oversight boards;
- Administers state and federally funded grant programs targeting juvenile delinquency and federally funded grant programs that help local and state law enforcement agencies improve the services they deliver;
- Administers state and federally funded grant programs that help state and local agencies assist crime victims, operates the Victim's Rights Act Compliance Program, and provides assistance in implementing Colorado's Victim's Rights Amendment;
- Assists the Domestic Violence Offender Management Board and the Sex Offender Management Board in developing and implementing standards and policies for the evaluation, treatment, monitoring, and management of adults convicted of domestic violence and sex offenses;
- Analyzes and distributes criminal justice data and information, evaluates criminal justice programs, provides research support to the Colorado Commission on Criminal and Juvenile Justice; and
- Helps strengthen the performance and professionalism of Colorado law enforcement agencies through training, education, and technical assistance programs.

The primary sources of cash funds are the Victims Assistance and Law Enforcement Fund (the State VALE Fund), the Child Abuse Investigation Surcharge Fund, and the Sex Offender Surcharge Fund. The primary sources of reappropriated funds are transfers of money appropriated to the Correctional Treatment Cash Fund in the Judicial Department and departmental indirect cost recoveries. Sources of federal funds include Federal Victims Assistance and Compensation Grants and State and Local Crime Control and System Improvement Grants.

DIVISION OF CRIMINAL JUSTICE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$105,201,395	\$68,570,118	\$3,332,939	\$5,649,661	\$27,648,677	71.4
SB 16-191	79,992	0	79,992	0	0	1.0
SB 17-168	(5,544)	(5,544)	0	0	0	0.0
<b>TOTAL</b>	<b>\$105,275,843</b>	<b>\$68,564,574</b>	<b>\$3,412,931</b>	<b>\$5,649,661</b>	<b>\$27,648,677</b>	<b>72.4</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$105,275,843	\$68,564,574	\$3,412,931	\$5,649,661	\$27,648,677	72.4
Community provider rate	933,685	860,822	0	72,863	0	0.0
Annualize prior year budget actions	376,634	376,214	420	0	0	0.3
Informational funds adjustment	(5,400,000)	0	0	0	(5,400,000)	0.0
Payments to community corrections facilities	(357,043)	(357,043)	0	0	0	0.0
Indirect cost assessment	(43,775)	0	(43,705)	0	(70)	0.0
<b>SB 17-254</b>	<b>\$100,785,344</b>	<b>\$69,444,567</b>	<b>\$3,369,646</b>	<b>\$5,722,524</b>	<b>\$22,248,607</b>	<b>72.7</b>
HB 17-1315	20,352	0	20,352	0	0	0.0
<b>TOTAL</b>	<b>\$100,805,696</b>	<b>\$69,444,567</b>	<b>\$3,389,998</b>	<b>\$5,722,524</b>	<b>\$22,248,607</b>	<b>72.7</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$4,470,147)</b>	<b>\$879,993</b>	<b>(\$22,933)</b>	<b>\$72,863</b>	<b>(\$5,400,070)</b>	<b>0.3</b>
Percentage Change	(4.2%)	1.3%	(0.7%)	1.3%	(19.5%)	0.4%

### FY 2016-17 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 17-168 modifies FY 2016-17 appropriations to reduce the Division's Administrative Services appropriation by \$5,544 General Fund as part of a realignment of the Executive Director's Office.



## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**COMMUNITY PROVIDER RATE:** The appropriation includes an increase of \$933,685 total funds and \$860,822 General Fund for the 1.4 percent community provider rate increase.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation annualizes the FY 2016-17 cognitive behavioral treatment pilot budget action.

**INFORMATIONAL FUNDS ADJUSTMENT:** The appropriation includes a decrease of \$5,400,000 federal funds that are reflected in the Long Bill for informational purposes only.

**PAYMENTS TO COMMUNITY CORRECTIONS FACILITIES:** The appropriation reduces appropriations for payments to community corrections facilities by \$357,043 General Fund, which is the net effect of decreased placements in those facilities and increased facility payments.

**INDIRECT COST ASSESSMENT:** The appropriation includes a net decrease in the division's indirect cost assessment.

**ADDITIONAL LEGISLATION:** For information on additional legislation, see the "Recent Legislation" section at the end of this department.

## COLORADO BUREAU OF INVESTIGATION

The Colorado Bureau of Investigation (CBI) provides information technology, laboratory, and investigative services to local, state, and federal law enforcement agencies upon request. The Colorado Crime Information Center (CCIC) provides information around the clock to law enforcement agencies on warrants, case status, stolen property, vehicle registration, known offenders, and drivers' licenses. The CBI also operates the State's instacheck criminal background check program for firearms. The laboratory analyzes DNA, fingerprint, firearms and tool marks, physiological fluids, toxicology, chemical, document, and digital evidence, as well as trace evidence and shoe and tire track evidence. Major cash fund sources include the CBI Identification Unit Fund, the Instant Criminal Background Check Cash Fund, the Offender Identification Fund, the State Toxicology Laboratory Fund, and the Colorado Identity Theft and Financial Fraud Cash Fund.

COLORADO BUREAU OF INVESTIGATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$36,590,634	\$18,673,298	\$13,103,795	\$3,914,087	\$899,454	285.1
SB 16-040	15,296	0	0	15,296	0	0.0
SB 16-197	2,135	0	2,135	0	0	0.0
HB 16-1047	31,600	0	0	31,600	0	0.3
HB 16-1097	2,636	0	2,636	0	0	0.0
HB 16-1160	114,188	0	114,188	0	0	0.6
HB 16-1404	527	0	527	0	0	0.0
SB 17-168	196,381	48,844	146,069	1,468	0	2.3
<b>TOTAL</b>	<b>\$36,953,397</b>	<b>\$18,722,142</b>	<b>\$13,369,350</b>	<b>\$3,962,451</b>	<b>\$899,454</b>	<b>288.3</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$36,953,397	\$18,722,142	\$13,369,350	\$3,962,451	\$899,454	288.3
Funding for expedited process to seal criminal records	346,153	0	346,153	0	0	4.7
Overtime budget for crime scene call-outs	125,000	125,000	0	0	0	0.0
Annualize prior year budget actions	21,292	0	20,720	572	0	0.0

### COLORADO BUREAU OF INVESTIGATION

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Indirect cost assessment	7,378	0	(22,866)	26,100	4,144	0.0
Technical changes	0	0	0	0	0	(0.1)
Annualize prior year legislation	(73,932)	0	(73,932)	0	0	(0.4)
Centrally appropriated line items	(23,538)	(28,263)	(526)	5,251	0	0.0
<b>SB 17-254</b>	<b>\$37,355,750</b>	<b>\$18,818,879</b>	<b>\$13,638,899</b>	<b>\$3,994,374</b>	<b>\$903,598</b>	<b>292.5</b>
SB 17-187	1,159	0	0	1,159	0	0.0
SB 17-240	162,983	0	162,983	0	0	0.8
HB 17-1204	12,294	12,294	0	0	0	0.4
<b>TOTAL</b>	<b>\$37,532,186</b>	<b>\$18,831,173</b>	<b>\$13,801,882</b>	<b>\$3,995,533</b>	<b>\$903,598</b>	<b>293.7</b>
<b>INCREASE/(DECREASE)</b>	<b>\$578,789</b>	<b>\$109,031</b>	<b>\$432,532</b>	<b>\$33,082</b>	<b>\$4,144</b>	<b>5.4</b>
Percentage Change	1.6%	0.6%	3.2%	0.8%	0.5%	1.9%

### FY 2016-17 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 17-168 modifies the FY 2016-17 appropriation to:

- Add \$48,844 General Fund for adjustments to fleet vehicle expenses;
- Add \$146,069 cash funds for adjustments to fleet vehicle expenses, increased personnel costs for the State Toxicology Laboratory, and adjustments to the appropriation and FTE for S.B. 16-116 (Simplified Process for the Sealing of Criminal Justice Records); and,
- Add \$1,468 reappropriated funds for adjustments to fleet vehicle expenses and technical adjustments to the FY 2016-17 consolidation of financial and logistical services staff in the Executive Director's Office.

### FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**FUNDING FOR EXPEDITED PROCESS TO SEAL CRIMINAL RECORDS:** The appropriation includes \$346,153 cash funds and 4.7 FTE to accommodate an increase in requests for the sealing of criminal justice records following the passage of S.B. 16-116 (Simplified Process for the Sealing of Criminal Justice Records).

**OVERTIME BUDGET FOR CRIME SCENE CALL-OUTS:** The appropriation includes \$125,000 General Fund to pay overtime costs for crime scene and investigative call-outs and rush laboratory services.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 16-17 Salary survey	\$21,292	\$0	\$20,720	\$572	\$0	0.0
<b>TOTAL</b>	<b>\$21,292</b>	<b>\$0</b>	<b>\$20,720</b>	<b>\$572</b>	<b>\$0</b>	<b>0.0</b>

**INDIRECT COST ASSESSMENT:** The appropriation includes a net increase in the division's indirect cost assessment.

**TECHNICAL CHANGES:** The appropriation includes a technical adjustment to the FTE in the division.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments for the second-year impact of prior year legislation.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
S.B. 16-040 Marijuana Owner Changes	\$14,614	\$0	\$14,614	\$0	\$0	0.1
S.B. 16-197 Liquor-licensed Drugstore Locations	5,325	0	5,325	0	0	0.0
H.B. 16-1160 Sunset Surgical Assistants and Technicians	(93,871)	0	(93,871)	0	0	(0.5)
<b>TOTAL</b>	<b>(\$73,932)</b>	<b>\$0</b>	<b>(\$73,932)</b>	<b>\$0</b>	<b>\$0</b>	<b>(0.4)</b>

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to vehicle lease payments for the division.

**ADDITIONAL LEGISLATION:** For information on additional legislation, see the "Recent Legislation" section at the end of this department.

## DIVISION OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT

The Division of Homeland Security and Emergency Management consists of three offices: the Office of Emergency Management, the Office of Prevention and Security, and the Office of Preparedness. The Division is tasked with consolidating and restructuring the State's homeland security and disaster preparedness and response functions by better coordination of emergency management, homeland security, and public health entities in the state. This division is primarily federally funded. The primary cash fund source is the Disaster Emergency Fund.

DIVISION OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2016-17 APPROPRIATION:</b>						
HB 16-1405	\$32,928,852	\$2,493,561	\$4,015,755	\$700,390	\$25,719,146	85.8
HB 16-1040	60,238	60,238	0	0	0	0.0
HB 16-1453	67,980	67,980	0	0	0	1.0
SB 17-168	(369,651)	(364,000)	0	0	(5,651)	0.0
<b>TOTAL</b>	<b>\$32,687,419</b>	<b>\$2,257,779</b>	<b>\$4,015,755</b>	<b>\$700,390</b>	<b>\$25,713,495</b>	<b>86.8</b>
<b>FY 2017-18 APPROPRIATION:</b>						
FY 2016-17 Appropriation	\$32,687,419	\$2,257,779	\$4,015,755	\$700,390	\$25,713,495	86.8
Incident Management Team sustainability	364,000	364,000	0	0	0	0.0
Indirect cost assessment	54,334	0	0	0	54,334	0.0
Annualize prior year legislation	962	962	0	0	0	0.1
<b>SB 17-254</b>	<b>\$33,106,715</b>	<b>\$2,622,741</b>	<b>\$4,015,755</b>	<b>\$700,390</b>	<b>\$25,767,829</b>	<b>86.9</b>
SB 17-096	814,834	0	814,834	0	0	0.3
<b>TOTAL</b>	<b>\$33,921,549</b>	<b>\$2,622,741</b>	<b>\$4,830,589</b>	<b>\$700,390</b>	<b>\$25,767,829</b>	<b>87.2</b>
<b>INCREASE/(DECREASE)</b>	<b>\$1,234,130</b>	<b>\$364,962</b>	<b>\$814,834</b>	<b>\$0</b>	<b>\$54,334</b>	<b>0.4</b>
Percentage Change	3.8%	16.2%	20.3%	0.0%	0.2%	0.5%

## FY 2016-17 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 17-168 reduces \$369,651 total funds, including \$364,000 General Fund, to the Division of Homeland Security and Emergency Management for adjustments to the statewide alert notification system and technical adjustments to the FY 2016-17 consolidation of financial and logistical services staff in the Executive Director's Office.

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**INCIDENT MANAGEMENT TEAM SUSTAINABILITY:** The appropriation includes \$364,000 General Fund to fund Incident Management Teams within the Division of Homeland Security and Emergency Management.

**INDIRECT COST ASSESSMENT:** The appropriation includes a net increase in the division's indirect cost assessment.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes an increase of \$962 General Fund for the second year impact of H.B. 16-1453 (Colorado Cybersecurity).

**ADDITIONAL LEGISLATION:** For information on additional legislation, see the "Recent Legislation" section at the end of this department.

## RECENT LEGISLATION

### 2016 SESSION BILLS

**S.B. 16-040 (MARIJUANA OWNER CHANGES):** Replaces the current statutory definition for owner of a licensed medical or retail marijuana business with two new ownership categories: direct beneficial interest owners and indirect beneficial interest owners. Appropriates \$15,296 cash funds to the Department of Public Safety for background checks in FY 2016-17. For more information, see the corresponding bill description in the "Recent Legislation" section of the Department of Revenue.

**S.B. 16-191 (MARIJUANA RESEARCH):** Extends the Division of Criminal Justice's study of law enforcement's activity and costs related to the implementation of legalized retail marijuana and requires a report from the Division every two years. Appropriates \$79,992 cash funds from the Marijuana Tax Cash Fund to the Department of Public Safety for the continued study of marijuana implementation. The appropriation is based on the assumption that the Department will require 1.0 FTE. For more information, see the corresponding bill description in the "Recent Legislation" section of the Department of Higher Education.

**S.B. 16-197 (LIQUOR-LICENSED DRUGSTORES MULTIPLE LOCATIONS):** Allows a liquor-licensed drugstore to obtain additional liquor-licensed drugstore licenses, under which drugstores are permitted to sell malt, vinous, and spirituous liquors in sealed containers for consumption off the licensed premises. Removes restrictions on the sale of nonalcohol products by a retail liquor store but caps the annual gross revenue from sale of nonalcohol products at 20.0 percent of the retail liquor store's total annual gross revenue. Permits a retail liquor store owner who is a Colorado resident and who obtained a retail liquor store license on or before January 1, 2016 to have an interest in additional retail liquor store licenses, if certain requirements are met. Appropriates \$2,135 cash funds from the Colorado Bureau of Investigation Identification Unit Fund to the Department of Public Safety for background checks for FY 2016-17. For more information, see the expanded bill description in the "Recent Legislation" section of the Department of Revenue.

**H.B. 16-1040 (AUXILIARY EMERGENCY COMMUNICATIONS):** Creates the Auxiliary Emergency Communications Unit in the Office of Emergency Management within the Division of Homeland Security and Emergency Management to establish programs for training and credentialing of auxiliary emergency or disaster systems, assumes the duties of the Radio Amateur Civil Emergency Service, and credential unit volunteers. Increases from 23 to 24 the number of members serving on the Public Safety Communications Subcommittee of the Homeland Security and All-Hazards Senior Advisory Committee. Appropriates \$60,238 General Fund to the Department of Public Safety for FY 2016-17.

**H.B. 16-1047 (INTERSTATE MEDICAL LICENSURE COMPACT):** Enacts the Interstate Medical Licensure Compact (Compact) and authorizes the Governor to enter into the compact on behalf of Colorado. Under the Compact, physicians licensed in a member state may obtain an expedited license in other member states, allowing them to practice in Colorado or in another member state. The Compact is governed by the Interstate Medical Licensure Commission (Interstate Commission). The Compact allows member states to investigate and discipline physicians, including as part of joint investigations with other member states. The Interstate Commission is required to maintain a database of all licensed physicians in member states. Member states are required to report certain disciplinary actions and complaints against licensed physicians to the Interstate Commission. In addition, member states are required to share information about disciplinary actions and complaints at the request of another member state. Appropriates \$31,600 reappropriated funds and 0.3 FTE to the Department of Public Safety for FY 2016-17 for the provision of background checks.

**H.B. 16-1097 (PUC PERMIT FOR MEDICAID TRANSPORTATION PROVIDERS):** Allows providers of non-emergency transportation services for Medicaid clients to operate under a limited regulation permit from the Public Utilities Commission, rather than a certificate of public convenience and necessity, and establishes parameters for the limited regulation permits. Appropriates \$2,636 cash funds from the Colorado Bureau of Investigation Identification Unit Fund to the Department of Public Safety for FY 2016-17. For more information, see the expanded bill description in the "Recent Legislation" section of the Department of Regulatory Agencies.

**H.B. 16-1160 (SUNSET SURGICAL ASSISTANTS SURGICAL TECHNICIANS):** Continues the regulation of surgical assistants and surgical technologists until September 1, 2021, by the Division of Professions and Occupations in the Department of Regulatory Affairs (DORA). Requires that surgical assistants and technologists have a fingerprint-based background check prior to being registered. Employers of surgical assistants and technicians must report positive drug tests involving these employees to DORA. Appropriates \$114,188 cash funds from the Colorado Bureau of Investigation Identification Unit Fund and 0.6 FTE to the Colorado Bureau of Investigation's Identification Unit in the Department of Public Safety for FY 2016-17.

**H.B. 16-1345 (SUNSET TREATMENT PROGRAM FOR SEX OFFENDERS):** Continues the Sex Offender Management Board (SOMB) in the Division of Criminal Justice until September 2020. Requires the SOMB to revise its standards and guidelines to be consistent with the recommendations provided in a 2014 independent evaluation recommended by the Joint Budget Committee and funded by the General Assembly. Allows sex offenders a choice of two treatment providers in most cases. Once selected, providers cannot be changed by the offender without approval. Directs the SOMB to develop a data collection plan and requires evaluators, treatment providers, and polygraph examiners to collect data in accord with the plan. Requires the SOMB to investigate all complaints and gives it the authority to take disciplinary action against providers that do not comply with SOMB standards.

**H.B. 16-1404 (REGULATE FANTASY CONTESTS):** Establishes the registration of small fantasy contest operators and the licensure of all other large fantasy contest operators by the Division of Professions and Occupations in the Department of Regulatory Agencies. Defines a fantasy contest operator as an entity that offers a fantasy contest with an entry fee and cash prize to the public. Appropriates \$527 cash funds from the Colorado Bureau of Investigation Identification Unit Fund to the Department of Public Safety for FY 2016-17. For more information, see the expanded bill description in the "Recent Legislation" section of the Department of Regulatory Agencies.

**H.B. 16-1405 (LONG BILL):** General appropriations act for FY 2016-17.

**H.B. 16-1453 (COLORADO CYBERSECURITY INITIATIVE):** Creates the Colorado Cybersecurity Council (Council) in the Department of Public Safety (DPS). The Council operates as a steering group to develop cybersecurity policy guidance for the Governor, establish related goals and initiatives, and coordinate with the General Assembly and the judicial branch regarding cybersecurity. Specifies that the University of Colorado at Colorado Springs (UCCS), in partnership with a nonprofit organization, may establish and expand higher education programs in cybersecurity

and establish needed cyber education and training laboratories in specified subject areas. UCCS and the nonprofit organization also may establish a secure environment for research and development, initial operational testing and evaluation, and expedited contracting for production for industrial cyber products and techniques. Creates the Cybersecurity Cash Fund (Fund) in the state treasury. Transfers \$7,932,020 from the General Fund to the Fund, creates in the Fund a Cybersecurity Gifts, Grants, and Donations Account in the Fund, and appropriates \$67,980 General Fund to the Department of Public Safety in FY 2016-17.

## 2017 SESSION BILLS

**S.B. 17-096 (RESERVE PEACE OFFICER ACADEMY GRANT PROGRAM):** Creates the reserve academy grant program and reserve peace officer training academy in the Division of Homeland Security and Emergency Management. Appropriates \$814,834 cash funds from the Marijuana Tax Cash Fund and 0.3 FTE to train and certify a reserve peace officer auxiliary group.

**S.B. 17-168 (SUPPLEMENTAL BILL):** Modifies FY 2016-17 appropriations to the Department.

**S.B. 17-187 (RESIDENCY EXEMPTION FOR MARIJUANA EDUCATION-BASED OCCUPATION):** Authorizes the Marijuana Enforcement Division (MED) in the Department of Revenue to exempt from the medical or retail marijuana occupational license residency requirement for someone participating in a marijuana-based education program designed to train individuals to work in the legal marijuana industry for up to two years. Requires applicants to provide an affirmation under penalty of perjury that they are enrolled in a marijuana-based workforce development or training program in Colorado that will require access or employment within a licensed medical or retail marijuana business. In FY 2017-18, appropriates \$1,159 from the Marijuana Cash Fund to the MED and reappropriates \$1,159 from the Department of Revenue to the Department of Public Safety to perform the required background checks.

**S.B. 17-240 (SUNSET MOTOR VEHICLE DEALERS SALES):** Continues the Motor Vehicle Dealer Board and the regulation of power sports vehicle sales through September 1, 2027. Implements some of the recommendations from the Department of Regulatory Agencies' (DORA) sunset report, including:

- requiring a fingerprint-based criminal history background check for all licensees;
- requiring an additional license for any new ownership interest in a licensed entity;
- subjecting a principle dealer license to discipline when he or she violates the laws governing salespeople by acting as a salesperson;
- requiring people who have had licenses revoked to wait one year before applying for a new license; and
- codifying the Auto Industry Division (AID) as a Type 2 transfer under the Department of Revenue (DOR) and making administrative updates.

For FY 2017-18, appropriates \$175,551 cash funds to the Departments of Public Safety and Revenue. Of this amount, \$162,983 is from the Colorado Bureau of Investigation Identification Unit Fund and appropriated to the Department of Public Safety, and \$12,568 is from the Auto Dealers License Fund and appropriated to the Department of Revenue.

**S.B. 17-254 (LONG BILL):** General appropriations act for FY 2017-18.

**S.B. 17-261 (2013 FLOOD RECOVERY TRANSFER):** Creates the 2013 Flood Recovery Account in the Disaster Emergency Fund in the Department of Public Safety. Transfers \$12.5 million General Fund to the account on July 1, 2017 for use by the Department for costs associated with the ongoing response and recovery from the 2013 floods.

**H.B. 17-1204 (JUVENILE DELINQUENCY RECORD EXPUNGEMENT):** Makes a number of changes relating to access to juvenile delinquency records and the eligibility and process for expunging these records. Appropriates \$12,294 General Fund to the Biometric Identification and Records Unit in the Colorado Bureau of Investigation for the sealing of records. For additional information, see the “Recent Legislation” section at the end of the Department of Human Services.

**H.B. 17-1315 (DIVISION OF CRIMINAL JUSTICE TO REPORT DUI DATA):** Requires the Division of Criminal Justice (DCJ) to submit an annual report to the General Assembly containing information about substance-affected driving violations based on information collected from the Judicial Branch, the Department of Public Health and Environment (DPHE), and forensic toxicology labs. Requires anyone convicted of driving under the influence, driving while ability impaired, vehicular assault, or vehicular homicide to pay a \$2 data-analysis surcharge that is deposited in the Substance-Affected Driving Data-Analysis Cash Fund. Appropriates \$20,352 from this cash fund to the DCJ for FY 2017-18 and appropriates \$5,352 to the DPHE from reappropriated funds, which is based on the assumption that the DPHE will require 0.1 FTE. For more information, see the corresponding bill description in the "Recent Legislation" section at the end of Part III of the DPHE.

# Details

## DEPARTMENT OF REGULATORY AGENCIES

### FY 2016-17 AND FY 2017-18 APPROPRIATIONS BY DIVISION AND BILL

DEPARTMENT OF REGULATORY AGENCIES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2016-17 TOTAL APPROPRIATION:</b>	<b>\$86,142,731</b>	<b>\$1,769,297</b>	<b>\$78,137,343</b>	<b>\$4,852,173</b>	<b>\$1,383,918</b>	<b>588.2</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
Executive Director's Office and Administrative Services	27,003,248	595,233	22,531,335	3,586,668	290,012	29.5
Division of Banking	4,628,661	0	4,628,661	0	0	40.0
Civil Rights Division	2,102,529	1,174,064	0	432,054	496,411	27.2
Office of Consumer Counsel	959,122	0	959,122	0	0	7.0
Division of Financial Services	1,664,612	0	1,664,612	0	0	15.6
Division of Insurance	7,982,598	0	7,385,103	0	597,495	85.2
Public Utilities Commission	14,868,529	0	14,628,529	240,000	0	97.3
Division of Real Estate	5,114,194	0	5,114,194	0	0	55.9
Division of Professions and Occupations	18,288,974	0	17,695,523	593,451	0	206.5
Division of Securities	3,530,264	0	3,530,264	0	0	24.0
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
HB 16-1405	\$84,787,420	\$1,769,297	\$77,022,032	\$4,612,173	\$1,383,918	585.5
SB 16-087	480,000	0	240,000	240,000	0	0.0
SB 16-161	25,134	0	25,134	0	0	0.3
HB 16-1047	331,019	0	331,019	0	0	0.3
HB 16-1160	32,342	0	32,342	0	0	0.3
HB 16-1186	150,000	0	150,000	0	0	0.0
HB 16-1197	73,551	0	73,551	0	0	0.9
HB 16-1324	12,941	0	12,941	0	0	0.0
HB 16-1404	77,546	0	77,546	0	0	0.9
HB 16-1414	172,778	0	172,778	0	0	0.0
<b>FY 2017-18 TOTAL APPROPRIATION:</b>	<b>\$99,198,237</b>	<b>\$1,844,627</b>	<b>\$91,024,582</b>	<b>\$5,060,383</b>	<b>\$1,268,645</b>	<b>573.1</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
Executive Director's Office and Administrative Services	30,943,791	790,088	26,000,178	3,915,353	238,172	29.5
Division of Banking	4,622,068	0	4,622,068	0	0	40.0
Civil Rights Division	2,098,799	1,054,539	0	551,579	492,681	27.2
Office of Consumer Counsel	968,499	0	968,499	0	0	7.0
Division of Financial Services	1,681,541	0	1,681,541	0	0	15.6
Division of Insurance	7,988,206	0	7,450,414	0	537,792	85.7
Public Utilities Commission	23,698,402	0	23,698,402	0	0	91.3
Division of Real Estate	4,921,309	0	4,921,309	0	0	52.9
Division of Professions and Occupations	18,694,712	0	18,101,261	593,451	0	199.9
Division of Securities	3,580,910	0	3,580,910	0	0	24.0



DEPARTMENT OF REGULATORY AGENCIES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
SB 17-254	\$99,104,340	\$1,844,627	\$90,930,685	\$5,060,383	\$1,268,645	572.5
SB 17-088	42,006	0	42,006	0	0	0.5
SB 17-148	10,000	0	10,000	0	0	0.0
SB 17-198	9,505	0	9,505	0	0	0.0
HB 17-1057	12,386	0	12,386	0	0	0.1
HB 17-1165	20,000	0	20,000	0	0	0.0
<b>INCREASE/(DECREASE)</b>	<b>\$13,055,506</b>	<b>\$75,330</b>	<b>\$12,887,239</b>	<b>\$208,210</b>	<b>(\$115,273)</b>	<b>(15.1)</b>
Percentage Change	15.2%	4.3%	16.5%	4.3%	(8.3%)	(2.6%)

**INFORMATIONAL FUNDS:** The FY 2017-18 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Regulatory Agencies are annotated with the "(I)". For additional information, see Appendix E.

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2017-18 Appropriations containing an (I) notation	\$12,203,187	\$0	\$10,934,542	\$0	\$1,268,645

## DETAIL OF APPROPRIATION BY ADMINISTRATIVE SECTION

### EXECUTIVE DIRECTOR'S OFFICE

The Executive Director's Office performs department-wide administrative functions including: accounting, budgeting, data processing, purchasing, facilities planning, and management reporting. The Office of Policy, Research and Regulatory Reform is located within the Executive Director's Office and is responsible for conducting sunrise and sunset reviews of state divisions and programs. The majority of cash funds in this division are from various department cash funds for centrally appropriated line items. The reappropriated funds are primarily from indirect cost recoveries paid by the divisions for central services.

EXECUTIVE DIRECTOR'S OFFICE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	26,795,318	595,233	22,323,405	3,586,668	290,012	29.5
SB 16-161	10,071	0	10,071	0	0	0.0
HB 16-1047	160,805	0	160,805	0	0	0.0
HB 16-1160	15,202	0	15,202	0	0	0.0
HB 16-1197	2,850	0	2,850	0	0	0.0
HB 16-1324	9,501	0	9,501	0	0	0.0
HB 16-1404	9,501	0	9,501	0	0	0.0
<b>TOTAL</b>	<b>\$27,003,248</b>	<b>\$595,233</b>	<b>\$22,531,335</b>	<b>\$3,586,668</b>	<b>\$290,012</b>	<b>29.5</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$27,003,248	\$595,233	\$22,531,335	\$3,586,668	\$290,012	29.5
Centrally appropriated line items	5,372,075	304,409	4,723,081	373,064	(28,479)	0.0
Medical marijuana grey market enforcement	200,000	0	200,000	0	0	0.0
Annualize prior year legislation	56,635	0	56,635	0	0	0.0
Fund source adjustment	0	12,146	21,335	(33,522)	41	0.0

EXECUTIVE DIRECTOR'S OFFICE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Technical changes	(1,204,437)	(23,387)	(1,148,840)	(10,857)	(21,353)	0.0
Leased space reduction	(459,714)	(98,313)	(361,401)	0	0	0.0
Annualize prior year budget actions	(53,521)	0	(51,472)	0	(2,049)	0.0
<b>SB 17-254</b>	<b>\$30,914,286</b>	<b>\$790,088</b>	<b>\$25,970,673</b>	<b>\$3,915,353</b>	<b>\$238,172</b>	<b>29.5</b>
SB 17-198	9,505	0	9,505	0	0	0.0
HB 17-1165	20,000	0	20,000	0	0	0.0
<b>TOTAL</b>	<b>\$30,943,791</b>	<b>\$790,088</b>	<b>\$26,000,178</b>	<b>\$3,915,353</b>	<b>\$238,172</b>	<b>29.5</b>
<b>INCREASE/(DECREASE)</b>	<b>\$3,940,543</b>	<b>\$194,855</b>	<b>\$3,468,843</b>	<b>\$328,685</b>	<b>(\$51,840)</b>	<b>0.0</b>
Percentage Change	14.6%	32.7%	15.4%	9.2%	(17.9%)	0.0%

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; salary survey; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; vehicle lease payments; payments to the Governor's Office of Information Technology (OIT); and CORE operations.

**MEDICAL MARIJUANA GREY MARKET ENFORCEMENT:** The appropriation includes an increase of \$200,000 cash funds from the Marijuana Tax Cash Fund to improve enforcement of the medical marijuana grey market.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments for the second year impact of prior year's legislation, including the following acts:

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 14-1328 (Connect Colorado Broadband Act)	\$95,828	\$0	\$95,828	\$0	\$0	0.0
HB 16-1404 (Regulate Fantasy Contests)	57,006	0	57,006	0	0	0.0
HB 16-1324 (Veterinary Access Compounded Pharmaceutical Drugs)	20,902	0	20,902	0	0	0.0
HB 16-1047 (Interstate Medical Licensure Compact)	(113,300)	0	(113,300)	0	0	0.0
HB 16-1160 (Sunset Surgical Assistants Surgical Technicians)	(3,801)	0	(3,801)	0	0	0.0
<b>TOTAL</b>	<b>\$56,635</b>	<b>\$0</b>	<b>\$56,635</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**FUND SOURCE ADJUSTMENT:** The appropriation includes a net zero change for adjusting funding splits in the department.

**TECHNICAL CHANGES:** The appropriation includes a decrease of \$1,204,437 total funds for various technical changes.

**LEASED SPACE REDUCTION:** The appropriation includes a decrease of \$459,714 total funds, of which \$98,313 is General Fund. This decrease is the result of rent credits that were taken in FY 2017-18.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes a decrease of \$53,521 total funds to reflect the FY 2017-18 annualized prior year salary survey.

**ADDITIONAL LEGISLATION:** For information on additional legislation, see the “Recent Legislation” section at the end of this department.

## DIVISION OF BANKING

The Division of Banking regulates state-chartered commercial and industrial banks, trust companies, debt adjusters, and money order companies. Division staff conduct examinations of banking institutions and ensure compliance with the Public Deposit Protection Act. This Division is entirely cash funded from the Division of Banking Cash Fund pursuant to Section 11-102-403, C.R.S.

DIVISION OF BANKING						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	4,628,661	0	4,628,661	0	0	40.0
<b>TOTAL</b>	<b>\$4,628,661</b>	<b>\$0</b>	<b>\$4,628,661</b>	<b>\$0</b>	<b>\$0</b>	<b>40.0</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$4,628,661	\$0	\$4,628,661	\$0	\$0	40.0
Indirect cost assessment	43,407	0	43,407	0	0	0.0
Division streamlining savings	(50,000)	0	(50,000)	0	0	0.0
<b>SB 17-254</b>	<b>\$4,622,068</b>	<b>\$0</b>	<b>\$4,622,068</b>	<b>\$0</b>	<b>\$0</b>	<b>40.0</b>
<b>TOTAL</b>	<b>\$4,622,068</b>	<b>\$0</b>	<b>\$4,622,068</b>	<b>\$0</b>	<b>\$0</b>	<b>40.0</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$6,593)</b>	<b>0</b>	<b>(\$6,593)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	(0.1%)	n/a	(0.1%)	n/a	n/a	0.0%

### FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**INDIRECT COST ASSESSMENT:** The appropriation includes a net increase in the department’s indirect cost assessment.

**DIVISION STREAMLINING SAVINGS:** The appropriation includes a decrease of \$50,000 cash funds due to the streamlining of functions in the Division of Banking and the Division of Insurance.

## CIVIL RIGHTS DIVISION

The Civil Rights Division is the enforcement arm of the Colorado Civil Rights Commission and is responsible for the enforcement of state laws that prohibit discrimination in employment, housing, and public accommodations on the basis of race, gender, national origin, ancestry, a physical or mental disability, religion, color, marital status, or sexual orientation. The Division is primarily funded with General Fund and federal funds from the Equal Employment Opportunity Commission and the U.S. Department of Housing and Urban Development.

CIVIL RIGHTS DIVISION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	2,102,529	1,174,064	0	432,054	496,411	27.2
<b>TOTAL</b>	<b>\$2,102,529</b>	<b>\$1,174,064</b>	<b>\$0</b>	<b>\$432,054</b>	<b>\$496,411</b>	<b>27.2</b>

CIVIL RIGHTS DIVISION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$2,102,529	\$1,174,064	\$0	\$432,054	\$496,411	27.2
Annualize prior year budget actions	2,049	0	0	0	2,049	0.0
Indirect cost assessment adjustment	(5,779)	(119,525)	0	119,525	(5,779)	0.0
<b>SB 17-254</b>	<b>\$2,098,799</b>	<b>\$1,054,539</b>	<b>\$0</b>	<b>\$551,579</b>	<b>\$492,681</b>	<b>27.2</b>
<b>TOTAL</b>	<b>\$2,098,799</b>	<b>\$1,054,539</b>	<b>\$0</b>	<b>\$551,579</b>	<b>\$492,681</b>	<b>27.2</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$3,730)</b>	<b>(\$119,525)</b>	<b>\$0</b>	<b>\$119,525</b>	<b>(\$3,730)</b>	<b>(0.0)</b>
Percentage Change	(0.2%)	(10.2%)	n/a	27.7%	(0.8%)	(0.0%)

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes an increase of \$2,049 federal funds to reflect the FY 2017-18 annualized prior year salary survey.

**INDIRECT COST ASSESSMENT:** The appropriation includes a net decrease in the department's indirect cost assessment.

## OFFICE OF CONSUMER COUNSEL

The Office of Consumer Counsel represents the interests of residential, agricultural, and small business consumers at electric, gas, and telephone rate and service proceedings before the Public Utilities Commission, federal agencies, and the courts. This Division is entirely cash funded from the Public Utilities Commission Fixed Utility Fund pursuant to Section 40-2-114, C.R.S.

OFFICE OF CONSUMER COUNSEL						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	959,122	0	959,122	0	0	7.0
<b>TOTAL</b>	<b>\$959,122</b>	<b>\$0</b>	<b>\$959,122</b>	<b>\$0</b>	<b>\$0</b>	<b>7.0</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$959,122	\$0	\$959,122	\$0	\$0	7.0
Indirect cost assessment	7,596	0	7,596	0	0	0.0
Annualize prior year budget actions	1,781	0	1,781	0	0	0.0
<b>SB 17-254</b>	<b>\$968,499</b>	<b>\$0</b>	<b>\$968,499</b>	<b>\$0</b>	<b>\$0</b>	<b>7.0</b>
<b>TOTAL</b>	<b>\$968,499</b>	<b>\$0</b>	<b>\$968,499</b>	<b>\$0</b>	<b>\$0</b>	<b>7.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$9,377</b>	<b>0</b>	<b>\$9,377</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	1.0%	n/a	1.0%	n/a	n/a	0.0%

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**INDIRECT COST ASSESSMENT:** The appropriation includes a net increase in the department's indirect cost assessment.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes an increase of \$1,781 cash funds to reflect the FY 2017-18 annualized prior year salary survey.

## DIVISION OF FINANCIAL SERVICES

This Division regulates state-chartered credit unions, life care institutions, and savings and loan associations. Division staff conduct examinations of financial service institutions to ensure compliance with regulatory standards. This Division is entirely cash funded from the Division of Financial Services Cash Fund pursuant to Section 11-40-106 (2), C.R.S.

DIVISION OF FINANCIAL SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	1,664,612	0	1,664,612	0	0	15.6
<b>TOTAL</b>	<b>\$1,664,612</b>	<b>\$0</b>	<b>\$1,664,612</b>	<b>\$0</b>	<b>\$0</b>	<b>15.6</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$1,664,612	\$0	\$1,664,612	\$0	\$0	15.6
Indirect cost assessment	16,929	0	16,929	0	0	0.0
<b>SB 17-254</b>	<b>\$1,681,541</b>	<b>\$0</b>	<b>\$1,681,541</b>	<b>\$0</b>	<b>\$0</b>	<b>15.6</b>
<b>TOTAL</b>	<b>\$1,681,541</b>	<b>\$0</b>	<b>\$1,681,541</b>	<b>\$0</b>	<b>\$0</b>	<b>15.6</b>
<b>INCREASE/(DECREASE)</b>	\$16,929	0	\$16,929	\$0	\$0	0.0
Percentage Change	1.0%	n/a	1.0%	n/a	n/a	0.0%

### FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**INDIRECT COST ASSESSMENT:** The appropriation includes a net increase in the department's indirect cost assessment.

## DIVISION OF INSURANCE

This Division is responsible for the licensing of insurance agents and adjusters and regulation of insurance companies, non-profit hospitals, prepaid dental plans, health maintenance organizations, workers' compensation self-insurance pools, bail bondsmen, and pre-need funeral contracts. The Division of Insurance Cash Fund, created in Section 10-1-103 (3), C.R.S., is the primary source of cash funds.

DIVISION OF INSURANCE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	7,982,598	0	7,385,103	0	597,495	85.2
<b>TOTAL</b>	<b>\$7,982,598</b>	<b>\$0</b>	<b>\$7,385,103</b>	<b>\$0</b>	<b>\$597,495</b>	<b>85.2</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$7,982,598	\$0	\$7,385,103	\$0	\$597,495	85.2
Indirect cost assessment	30,585	0	90,288	0	(59,703)	0.0
Annualize prior year budget actions	13,017	0	13,017	0	0	0.0
Technical changes	(50,000)	0	(50,000)	0	0	0.0
Division streamlining savings	(30,000)	0	(30,000)	0	0	0.0
<b>SB 17-254</b>	<b>\$7,946,200</b>	<b>\$0</b>	<b>\$7,408,408</b>		<b>\$537,792</b>	<b>85.2</b>
SB 17-088	42,006	0	42,006	0	0	0.5
<b>TOTAL</b>	<b>\$7,988,206</b>	<b>\$0</b>	<b>\$7,450,414</b>	<b>\$0</b>	<b>\$537,792</b>	<b>85.7</b>

DIVISION OF INSURANCE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>INCREASE/(DECREASE)</b>	\$5,608	0	\$65,311	\$0	(\$59,703)	0.5
Percentage Change	0.1%	n/a	0.9%	n/a	(10.0%)	0.6%

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**INDIRECT COST ASSESSMENT:** The appropriation includes a net increase in the department’s indirect cost assessment.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes an increase of \$13,017 cash funds to reflect the FY 2017-18 annualized prior year salary survey.

**TECHNICAL CHANGES:** The appropriation includes a decrease of \$50,000 cash funds for a reduction in cash fund spending authority.

**DIVISION STREAMLINING SAVINGS:** The appropriation includes a decrease of \$30,000 cash funds due to the streamlining of functions in the Division of Banking and the Division of Insurance.

**ADDITIONAL LEGISLATION:** For information on additional legislation, see the “Recent Legislation” section at the end of this department.

## PUBLIC UTILITIES COMMISSION

The Public Utilities Commission regulates the rates and services of fixed utilities and transportation utilities located in the state and administers the Colorado Telecommunications High Cost Program, the Highway Crossing Protection Program, and the Colorado Telephone Users with Disabilities Program. This Division is entirely cash funded, primarily from the Public Utilities Commission Fixed Utility Fund, the Colorado Telephone Users With Disabilities Fund, and the Public Utilities Commission Motor Carrier Fund.

PUBLIC UTILITIES COMMISSION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2016-17 APPROPRIATION:</b>						
HB 16-1405	14,065,751	0	14,065,751	0	0	97.3
SB 16-087	480,000	0	240,000	240,000	0	0.0
HB 16-1186	150,000	0	150,000	0	0	0.0
HB 16-1414	172,778	0	172,778	0	0	0.0
<b>TOTAL</b>	<b>\$14,868,529</b>	<b>\$0</b>	<b>\$14,628,529</b>	<b>\$240,000</b>	<b>\$0</b>	<b>97.3</b>
<b>FY 2017-18 APPROPRIATION:</b>						
FY 2016-17 Appropriation	\$14,868,529	\$0	\$14,628,529	\$240,000	\$0	97.3
Rural broadband	9,450,000	0	9,450,000	0	0	0.0
Indirect cost assessment adjustment	105,589	0	105,589	0	0	0.0
Annualize prior year budget actions	2,491	0	2,491	0	0	0.0
Technical changes	(597,248)	0	(352,448)	(244,800)	0	(6.0)
Annualize prior year legislation	(130,959)	0	(135,759)	4,800	0	0.0
<b>SB 17-254</b>	<b>\$23,698,402</b>	<b>\$0</b>	<b>\$23,698,402</b>	<b>\$0</b>	<b>\$0</b>	<b>91.3</b>
<b>TOTAL</b>	<b>\$23,698,402</b>	<b>\$0</b>	<b>\$23,698,402</b>	<b>\$0</b>	<b>\$0</b>	<b>91.3</b>

PUBLIC UTILITIES COMMISSION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>INCREASE/(DECREASE)</b>	\$8,829,873	0	\$9,069,873	(\$240,000)	\$0	(6.0)
Percentage Change	59.4%	n/a	62.0%	(100.0%)	n/a	(6.2%)

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**RURAL BROADBAND:** The appropriation includes an increase of \$9,450,000 cash funds for rural broadband, which is shown for informational purposes only.

**INDIRECT COST ASSESSMENT:** The appropriation includes a net increase in the department's indirect cost assessment.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes an increase of \$2,491 cash funds to reflect the FY 2017-18 annualized prior year salary survey.

**TECHNICAL CHANGES:** The appropriation includes a decrease of \$597,248 total funds for various technical changes, including the following:

TECHNICAL CHANGES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Miscellaneous technical changes	\$7,552	\$0	\$7,552	\$0	\$0	0.0
Changes for PUC FTE	0	0	0	0	0	(6.0)
Changes for PUC TUDF	(600,000)	0	(600,000)	0	0	0.0
Removal of annualization for SB 16-087	(4,800)	0	240,000	(244,800)	0	0.0
<b>TOTAL</b>	<b>(\$597,248)</b>	<b>\$0</b>	<b>(\$352,448)</b>	<b>(\$244,800)</b>	<b>\$0</b>	<b>(6.0)</b>

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes a decrease of \$130,959 total funds to reflect the FY 2017-18 impact of legislation that passed in previous legislative sessions, including the following acts:

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 16-1414 (Funding Base For Telecom Relay Services)	\$99,441	\$0	\$99,441	\$0	\$0	0.0
SB 16-087 (Highway-rail Crossing Signalization Fund Funding)	(230,400)	0	(235,200)	4,800	0	0.0
<b>TOTAL</b>	<b>(\$130,959)</b>	<b>\$0</b>	<b>(\$135,759)</b>	<b>\$4,800</b>	<b>\$0</b>	<b>0.0</b>

## DIVISION OF REAL ESTATE

The Division of Real Estate licenses real estate brokers and appraisal professionals, analyzes subdivision offerings on undeveloped land, and administers an enforcement program that responds to the needs of the industry and the consumer. Additional protection is offered to the public through the Real Estate Recovery Fund and errors and omissions insurance for all real estate licensees. The Division is entirely cash funded primarily from the Division of Real Estate Cash Fund.

DIVISION OF REAL ESTATE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	5,114,194	0	5,114,194	0	0	55.9
<b>TOTAL</b>	<b>\$5,114,194</b>	<b>\$0</b>	<b>\$5,114,194</b>	<b>\$0</b>	<b>\$0</b>	<b>55.9</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$5,114,194	\$0	\$5,114,194	\$0	\$0	55.9
Indirect cost assessment adjustment	35,088	0	35,088	0	0	0.0
Annualize prior year budget actions	2,598	0	2,598	0	0	0.0
Technical changes	(230,571)	0	(230,571)	0	0	(3.0)
<b>SB 17-254</b>	<b>\$4,921,309</b>	<b>\$0</b>	<b>\$4,921,309</b>	<b>\$0</b>	<b>\$0</b>	<b>52.9</b>
<b>TOTAL</b>	<b>\$4,921,309</b>	<b>\$0</b>	<b>\$4,921,309</b>	<b>\$0</b>	<b>\$0</b>	<b>52.9</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$192,885)</b>	<b>0</b>	<b>(\$192,885)</b>	<b>\$0</b>	<b>\$0</b>	<b>(3.0)</b>
Percentage Change	(3.8%)	n/a	(3.8%)	n/a	n/a	(5.4%)

### FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**INDIRECT COST ASSESSMENT:** The appropriation includes a net increase in the department’s indirect cost assessment.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes an increase of \$2,598 total funds to reflect the FY 2017-18 annualized prior year salary survey.

**TECHNICAL CHANGES:** The appropriation includes a decrease of \$230,571 cash funds for a reduction in cash fund spending authority and an adjustment for legal services.

## DIVISION OF PROFESSIONS AND OCCUPATIONS

This Division regulates over 443,000 licensees in over fifty professions and occupations. Boards and commissions establish regulatory standards to ensure a minimum level of licensee competency and adopts rules to ensure a safe environment for professionals and customers. The Division is primarily funded with cash funds from the Division of Professions and Occupations Cash Fund. Reappropriated funds are primarily from Departmental indirect cost recoveries.

DIVISION OF PROFESSIONS AND OCCUPATIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	17,944,371	0	17,350,920	593,451	0	203.8
SB 16-161	15,063	0	15,063	0	0	0.3
HB 16-1047	170,214	0	170,214	0	0	0.3
HB 16-1160	17,140	0	17,140	0	0	0.3
HB 16-1197	70,701	0	70,701	0	0	0.9
HB 16-1324	3,440	0	3,440	0	0	0.0
HB 16-1404	68,045	0	68,045	0	0	0.9
<b>TOTAL</b>	<b>\$18,288,974</b>	<b>\$0</b>	<b>\$17,695,523</b>	<b>\$593,451</b>	<b>\$0</b>	<b>206.5</b>



DIVISION OF PROFESSIONS AND OCCUPATIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$18,288,974	\$0	\$17,695,523	\$593,451	\$0	206.5
Indirect cost assessment	187,063	0	187,063	0	0	0.0
Medical marijuana grey market enforcement	104,225	0	104,225	0	0	1.0
Annualize prior year legislation	60,559	0	60,559	0	0	1.3
Annualize prior year budget actions	31,505	0	31,505	0	0	0.0
Technical changes	0	0	0	0	0	(9.0)
<b>SB 17-254</b>	<b>\$18,672,326</b>	<b>\$0</b>	<b>\$18,078,875</b>	<b>\$593,451</b>	<b>\$0</b>	<b>199.8</b>
SB 17-148	10,000	0	10,000	0	0	0.0
HB 17-1057	12,386	0	12,386	0	0	0.1
<b>TOTAL</b>	<b>\$18,694,712</b>	<b>\$0</b>	<b>\$18,101,261</b>	<b>\$593,451</b>	<b>\$0</b>	<b>199.9</b>
<b>INCREASE/(DECREASE)</b>	<b>\$405,738</b>	<b>0</b>	<b>\$405,738</b>	<b>\$0</b>	<b>\$0</b>	<b>(6.6)</b>
Percentage Change	2.2%	n/a	2.3%	0.0%	n/a	(3.2%)

FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**INDIRECT COST ASSESSMENT:** The appropriation includes a net increase in the department’s indirect cost assessment.

**MEDICAL MARIJUANA GREY MARKET ENFORCEMENT:** The appropriation includes an increase of \$104,225 cash funds from the Marijuana Tax Cash Fund to improve enforcement of the medical marijuana grey market.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments for the second year impact of prior year’s budget actions and legislation, including the following acts:

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 16-1404 (Regulate Fantasy Contests)	\$72,926	\$0	\$72,926	\$0	\$0	1.2
HB 16-1197 (Military Veteran Occupational Credentials)	(4,703)	0	(4,703)	0	0	0.0
HB 16-1160 (Sunset Surgical Assistants Surgical Technicians)	(4,674)	0	(4,674)	0	0	(0.1)
HB 16-1324 (Veterinary Access Compounded Pharmaceutical Drugs)	(2,240)	0	(2,240)	0	0	0.0
HB 16-1047 (Interstate Medical Licensure Compact)	(750)	0	(750)	0	0	0.2
<b>TOTAL</b>	<b>\$60,559</b>	<b>\$0</b>	<b>\$60,559</b>	<b>\$0</b>	<b>\$0</b>	<b>1.3</b>

**ANNUALIZE PRIOR YEAR BUDGET ACTION:** The appropriation includes an increase of \$31,505 cash funds to reflect the FY 2017-18 annualized prior year salary survey.

**TECHNICAL CHANGES:** The appropriation includes a decrease of 9.0 FTE.

**ADDITIONAL LEGISLATION:** For information on additional legislation, see the “Recent Legislation” section at the end of this department.

## DIVISION OF SECURITIES

This Division monitors the conduct of state-licensed securities broker-dealers and sales representatives, and investigates complaints and other indications of securities fraud. Division staff perform examinations of dealer offices and investment advisory firms to ensure compliance with regulatory laws. The Division is entirely cash funded from the Division of Securities Cash Fund created in Section 11-51-707 (2), C.R.S.

DIVISION OF SECURITIES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	3,530,264	0	3,530,264	0	0	24.0
<b>TOTAL</b>	<b>\$3,530,264</b>	<b>\$0</b>	<b>\$3,530,264</b>	<b>\$0</b>	<b>\$0</b>	<b>24.0</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$3,530,264	\$0	\$3,530,264	\$0	\$0	24.0
Indirect cost assessment	26,044	0	26,044	0	0	0.0
Technical changes	24,522	0	24,522	0	0	0.0
Annualize prior year budget actions	80	0	80	0	0	0.0
<b>SB 17-254</b>	<b>\$3,580,910</b>	<b>\$0</b>	<b>\$3,580,910</b>	<b>\$0</b>	<b>\$0</b>	<b>24.0</b>
<b>TOTAL</b>	<b>\$3,580,910</b>	<b>\$0</b>	<b>\$3,580,910</b>	<b>\$0</b>	<b>\$0</b>	<b>24.0</b>
<b>INCREASE/(DECREASE)</b>	\$50,646	0	\$50,646	\$0	\$0	0.0
Percentage Change	1.4%	n/a	1.4%	n/a	n/a	0.0%

### FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**INDIRECT COST ASSESSMENT:** The appropriation includes a net increase in the department's indirect cost assessment.

**TECHNICAL CHANGES:** The appropriation includes an increase of \$24,522 cash funds for an adjustment to legal services.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes an increase of \$80 cash funds to reflect the FY 2017-18 annualized prior year salary survey.

## RECENT LEGISLATION

### 2016 SESSION BILLS

**S.B. 16-087 (HIGHWAY-RAIL CROSSING SIGNALIZATION FUND FUNDING):** Requires all or a portion of 3.0 percent of the fees collected from public utilities by the Department of Revenue to be credited to the Highway-rail Crossing Signalization Fund. For the 2016-17 fiscal year, \$240,000 cash funds from the Highway User Tax Fund are appropriated to the Highway-rail Crossing Signalization Fund and \$240,000 reappropriated funds are appropriated to the Public Utilities Commissions. For the 2017-18 fiscal year and for each fiscal year thereafter, the lesser of all of the fees or an amount of the fees equal to \$240,000 plus a cumulative inflation adjustment of 2 percent for each fiscal year beginning with the 2017-18 fiscal year must be credited to the Highway-rail Crossing Signalization Fund and any remaining fees shall be credited to the General Fund.

**S.B. 16-161 (REGULATE ATHLETIC TRAINERS):** Requires athletic trainers to be registered with the Division of Professions and Occupations (DPO) and reinstates, with some modifications, the Athletic Trainer Practice Act as it existed prior to its 2015 repeal. The modifications include:

- Title protection for the abbreviation “A.T.C.” to be used only by registered athletic trainers;
- Requires evidence of current national certification at registration, and, if required by the DPO director, at renewal; and
- Adds as grounds for discipline the failure of an athletic trainer to practice pursuant to the direction of a Colorado-licensed or otherwise lawfully practicing health care professional and the failure to practice in a manner that meets generally accepted standards of athletic training practice.

Appropriates \$25,134 cash funds from the Division of Professions and Occupations Cash Fund to the Department for FY 2016-17, which is based on the assumption that the Department will require an additional 0.3 FTE. The bill also provides \$10,071 reappropriated funds to the Department of Law for the provision of legal services, which is based on the assumption that the Department will require an additional 0.1 FTE.

**H.B. 16-1047 (INTERSTATE MEDICAL LICENSURE COMPACT):** Enacts the Interstate Medical Licensure Compact (compact) and authorizes the Governor to enter into the compact on behalf of Colorado. Under the compact, physicians licensed in a member state may obtain an expedited license in other member states, allowing them to practice in Colorado or in another member state. The compact is governed by the Interstate Medical Licensure Commission (interstate commission). The compact allows member states to investigate and discipline physicians, including as part of joint investigations with other member states. The interstate commission is required to maintain a database of all licensed physicians in member states. Member states are required to report certain disciplinary actions and complaints against licensed physicians to the interstate commission. In addition, member states are required to share information about disciplinary actions and complaints at the request of another member state. The bill appropriates \$331,019 cash funds to the Department from the Division of Professions and Occupations Cash Fund and 0.3 FTE. Additionally, the amendment provides:

- \$113,300 reappropriated funds to the Office of the Governor for use by the Office of Information Technology;
- \$47,505 reappropriated funds and 0.1 FTE to the Department of Law for the provision of legal services; and
- \$31,600 reappropriated funds and 0.3 FTE to the Department of Public Safety for the provision of background checks.

**H.B. 16-1160 (SUNSET SURGICAL ASSISTANTS SURGICAL TECHNICIANS):** Continues the regulation of surgical assistants and surgical technologists until September 1, 2021. These health professions are regulated by the Division of Professions and Occupations. The bill also requires that surgical assistants and technologists have a fingerprint-based background check prior to being registered. Employers of surgical assistants and technicians must report positive drug tests involving these employees to DORA. Appropriates:

- \$114,188 cash funds and 0.6 FTE to the Colorado Bureau of Investigation’s Identification Unit in the Department of Public Safety for background checks;
- \$32,342 cash funds and 0.3 FTE to the Division of Professions and Occupations for personal services and the purchase of legal services; and
- \$15,202 reappropriated funds and 0.1 FTE to the Department of Law for the provision of legal services.

**H.B. 16-1186 (MAP-21 RAIL FIXED GUIDEWAY SAFETY FUND GRANT MATCH):** Requires a portion of 3.0 percent of the fees collected from public utilities by the Department of Revenue to be credited to the Public Utilities Fixed Utility Fund (FUF). Up to \$150,000 of the fees will be diverted to the FUF with any remainder being

credited to the General Fund. This diversion will occur in FY 2016-17 and any fiscal year thereafter in which a grant match is required for the receipt of federal money under the federal Moving Ahead for Progress in the 21<sup>st</sup> (MAP-21) Century Act. The bill appropriates \$150,000 cash funds from the FUF to the Department for FY 2016-17.

**H.B. 16-1197 (MILITARY VETERAN OCCUPATIONAL CREDENTIALS):** Requires each state agency that regulates a profession or occupation to evaluate and provide appropriate credit toward licensing and certification for military experience. Each state agency may consult with any military official, state agency, or post-secondary educational institution, and each post-secondary educational institution is obligated to cooperate. Appropriates \$73,551 cash funds and 0.9 FTE to the Department. Provides \$2,850 reappropriated funds to the Department of Law for the provision of legal services.

**H.B. 16-1249 (SUPPLEMENTAL BILL):** Supplemental appropriation to the Department to modify FY 2015-16 appropriations included in the FY 2015-16 Long Bill (S.B. 15-234).

**H.B. 16-1324 (VETERINARY ACCESS COMPOUNDED PHARMACEUTICAL DRUGS):** Authorizes a compounding pharmacy that possesses a valid manufacturing registration from the federal Drug Enforcement Administration to compound and distribute a drug to a veterinarian for office use or office stock. Additionally, the bill allows a veterinarian to administer to an animal patient a compounded drug maintained for office use and to dispense to a human client for later administration to an animal patient a compound drug. The Colorado Board of Pharmacy (board) may authorize and license a pharmacy outlet located outside of Colorado to provide compounded veterinary drugs for office use or office stock. Nonresident pharmacy licensees must provide the board with a copy of the most recent state inspection report and information about their state's inspection procedure and criteria for board approval as satisfactorily demonstrating proof of compliance with Colorado regulations. In addition, the nonresident pharmacy must pay for a third-party inspection of its facilities to be submitted to the board. The board may promulgate rules concerning its review of these reports, and as necessary concerning compounded veterinary pharmaceuticals. The bill appropriates \$12,941 cash funds to the Division of Professions and Occupations.

**H.B. 16-1404 (REGULATE FANTASY CONTESTS):** Establishes the registration of small fantasy contest operators and the licensure of all other large fantasy contest operators by the Division of Professions and Occupations. The bill defines a fantasy contest operator as an entity that offers a fantasy contest with an entry fee and cash prize to the public. The bill appropriates \$77,546 cash funds and 0.9 FTE to the Division of Professions and Occupations, \$9,501 reappropriated funds to the Department of Law for the provision of legal services, and \$527 to the Department of Public Safety for background checks.

**H.B. 16-1405 (LONG BILL):** General appropriations act for FY 2016-17.

**H.B. 16-1414 (FUNDING BASE FOR TELECOM RELAY SERVICES):** Directs the Public Utilities Commission (PUC) to promulgate rules to apply a monthly surcharge on all mobile wireless and Voice-over-Internet Protocol (VoIP) subscribers in Colorado. The surcharge currently applies only to landlines and will be deposited into the renamed Colorado Telephone Users with Disabilities Fund. The fund currently provides two-way communication for individuals with hearing or speech disabilities. The additional surcharge revenue will be used to cover annual appropriations to the Reading Services for the Blind Cash Fund in the Colorado Department of Education (CDE) and the Colorado Commission for the Deaf and Hard of Hearing Cash Fund in the Department of Human Services (DHS). In addition, this bill removes the 3.0 percent statutory cap on the PUC's administrative costs associated with developing, implementing, and administering telecommunications relay services. The bill appropriates \$172,778 cash funds for FY 2016-17 from the Colorado Telephone Users with Disabilities Fund to the Colorado Commission for the Deaf and Hard of Hearing Cash Fund, which is within the Department of Regulatory Agencies. The bill also provides 2.0 FTE and \$172,778 from reappropriated funds in the Colorado Commission for the Deaf and Hard of Hearing Cash Fund to the Department of Human Services for FY 2016-17 for use by the Colorado Commission for the Deaf and Hard of Hearing.

## 2017 SESSION BILLS

**SB 17-088 (PARTICIPATING PROVIDER NETWORK SELECTION CRITERIA):** Requires a tiered network health insurer to develop and use standards for selecting and tiering participating providers. The insurer is required to make the standards available to the Commissioner of Insurance, participating healthcare providers, and the public. The bill appropriates \$42,006 cash funds to the Division of Insurance.

**SB 17-148 (SUNSET CONTINUE OFFICE OF BOXING):** Continues the Office of Boxing and the Colorado State Boxing Commission through September 1, 2026, and renames these agencies the Office of Combative Sports and the Colorado Combative Sports Commission respectively. The bill appropriates \$10,000 cash funds to the Division of Professions and Occupations.

**SB 17-198 (PUBLIC PARTICIPATE REVIEW ACQUIRE CONTROL INSURER):** Expands the public notice for the acquisition of either a domestic or foreign insurer that offers health plans in the state by requiring the Commissioner of Insurance to make the entire pre-acquisition notification available for public inspection promptly after filing. The bill appropriates \$9,505 cash funds to the Executive Director's Office, which is reappropriated to the Department of Law for legal services.

**S.B. 17-254 (LONG BILL):** General appropriations act for FY 2017-18.

**HB 17-1057 (INTERSTATE PHYSICAL THERAPY LICENSURE COMPACT):** Enacts the Interstate Physical Therapy Licensure Compact Act and requires the Governor to enter into the compact on behalf of Colorado. Under the compact, physical therapists and physical therapy assistants licensed or certified in a compact member state may obtain an expedited license or certificate allowing them to practice in another compact member state. The bill appropriates \$12,386 cash funds to the Division of Professions and Occupations.

**HB 17-1165 (DORA BOARDS DISCIPLINARY ACTION RESOLUTION PROCESS):** Modifies the disciplinary procedures for six health care boards for health care professionals with prescriptive authority (Colorado Podiatry Board, Colorado Dental Board, Colorado Medical Board, State Board of Nursing, State Board of Optometry, and State Board of Veterinary Medicine) within the Department of Regulatory Agencies. The bill appropriates \$20,000 cash funds to the Executive Director's Office,

# Details

## DEPARTMENT OF REVENUE

### FY 2016-17 AND FY 2017-18 APPROPRIATIONS BY DIVISION AND BILL

DEPARTMENT OF REVENUE						
	TOTAL FUNDS	GENERAL FUND <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2016-17 TOTAL APPROPRIATION:</b>	<b>\$342,023,592</b>	<b>\$100,886,490</b>	<b>\$233,790,126</b>	<b>\$6,522,588</b>	<b>\$824,388</b>	<b>1,430.4</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
Executive Director's Office	62,388,546	28,934,677	27,672,145	5,781,724	0	124.1
Information Technology Division	4,701,277	957,265	3,744,012	0	0	0.0
Taxation Business Group	70,780,687	66,246,793	3,438,038	271,468	824,388	404.2
Division of Motor Vehicles	46,983,735	4,385,815	42,423,896	174,024	0	490.5
Enforcement Business Group	58,857,109	361,940	58,199,797	295,372	0	294.5
State Lottery Division	98,312,238	0	98,312,238	0	0	117.1
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
HB 16-1405	\$336,697,926	\$103,760,809	\$225,641,524	\$6,471,205	\$824,388	1,414.7
SB 16-030	12,566	12,566	0	0	0	0.0
SB 16-036	100,000	100,000	0	0	0	0.0
SB 16-040	995,738	0	995,738	0	0	9.8
SB 16-197	398,682	0	398,682	0	0	2.4
HB 16-1056	21,929	0	21,929	0	0	0.4
HB 16-1211	76,284	0	76,284	0	0	1.1
HB 16-1261	132,251	0	132,251	0	0	2.0
HB 16-1332	37,038	37,038	0	0	0	0.0
HB 16-1415	0	(3,200,000)	3,200,000	0	0	0.0
SB 17-169	1,111,856	(30,000)	1,090,473	51,383	0	0.0
SB 17-176	2,435,572	202,327	2,233,245	0	0	0.0
SB 17-267	3,750	3,750	0	0	0	0.0
<b>FY 2017-18 TOTAL APPROPRIATION:</b>	<b>\$356,374,947</b>	<b>\$107,595,006</b>	<b>\$241,710,307</b>	<b>\$6,245,246</b>	<b>\$824,388</b>	<b>1,437.2</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
Executive Director's Office	72,764,454	34,179,294	33,089,264	5,495,896	0	153.7
Information Technology Division	5,392,943	1,209,976	4,182,967	0	0	0.0
Taxation Business Group	72,227,601	67,597,541	3,488,304	317,368	824,388	402.5
Division of Motor Vehicles	51,024,345	4,426,890	46,421,516	175,939	0	490.9
Enforcement Business Group	56,645,136	181,305	56,207,788	256,043	0	273.0
State Lottery Division	98,320,468	0	98,320,468	0	0	117.1
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
SB 17-254	\$355,833,948	\$107,585,406	\$241,178,908	\$6,245,246	\$824,388	1,435.3
SB 17-187	1,159	0	1,159	0	0	0.0
SB 17-192	69,058	9,600	59,458	0	0	0.3
SB 17-240	70,011	0	70,011	0	0	1.1
HB 17-1027	33,750	0	33,750	0	0	0.0
HB 17-1120	22,150	0	22,150	0	0	0.0
HB 17-1162	108,000	0	108,000	0	0	0.0
HB 17-1249	8,000	0	8,000	0	0	0.0

DEPARTMENT OF REVENUE						
	TOTAL FUNDS	GENERAL FUND <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 17-1250	2,200	0	2,200	0	0	0.0
HB 17-1367	226,671	0	226,671	0	0	0.5
<b>INCREASE/(DECREASE)</b>	<b>\$14,351,355</b>	<b>\$6,708,516</b>	<b>\$7,920,181</b>	<b>(\$277,342)</b>	<b>\$0</b>	<b>6.8</b>
Percentage Change	4.2%	6.6%	3.4%	(4.3%)	0.0%	0.5%

<sup>1</sup> Includes \$29,000,000 in FY 2016-17 and \$28,600,000 in FY 2017-18 that is not subject to the statutory restriction on state General Fund appropriations imposed by Section 24-75-201.1, C.R.S.

**INFORMATIONAL FUNDS:** The FY 2017-18 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Revenue are annotated with the "(I)". For additional information, see Appendix E.

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2017-18 Appropriations containing an (I) notation	\$66,408,362	\$28,600,000	\$36,983,974	\$0	\$824,388

## DETAIL OF APPROPRIATION BY ADMINISTRATIVE SECTION

### EXECUTIVE DIRECTOR'S OFFICE

The Executive Director's Office includes a citizens' advocate, a public information officer, and the following units: Central Budget Office, Accounting and Financial Services, Internal Audit, Office of Human Resources, and Office of Research and Analysis. The Executive Director's Office section of the Long Bill includes centrally appropriated direct and indirect costs. Cash funds sources include various other division cash funds. The sources of reappropriated funds are primarily from indirect costs.

EXECUTIVE DIRECTOR'S OFFICE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2016-17 APPROPRIATION:</b>						
HB 16-1405	\$61,949,221	\$28,822,111	\$27,345,386	\$5,781,724	\$0	124.1
SB 16-030	12,566	12,566	0	0	0	0.0
SB 16-036	100,000	100,000	0	0	0	0.0
SB 16-040	79,733	0	79,733	0	0	0.0
SB 16-197	228,024	0	228,024	0	0	0.0
HB 16-1211	9,501	0	9,501	0	0	0.0
HB 16-1261	9,501	0	9,501	0	0	0.0
<b>TOTAL</b>	<b>\$62,388,546</b>	<b>\$28,934,677</b>	<b>\$27,672,145</b>	<b>\$5,781,724</b>	<b>\$0</b>	<b>124.1</b>
<b>FY 2017-18 APPROPRIATION:</b>						
FY 2016-17 Appropriation	\$62,388,546	\$28,934,677	\$27,672,145	\$5,781,724	\$0	124.1
Centrally appropriated line items	4,801,291	2,000,207	2,791,313	9,771	0	0.0
GenTax maintenance, support, and hosting	2,834,549	2,834,549	0	0	0	0.0
Annualize prior year budget action	2,336,812	94,481	2,244,246	(1,915)	0	29.6
Division of Motor Vehicles (DMV) leased space	179,106	0	179,106	0	0	0.0
Telephone system replacement	135,000	34,262	100,738	0	0	0.0
Auto Industry Division staff increase	26,710	0	26,710	0	0	0.0
Indirect cost assessment	0	293,684	0	(293,684)	0	0.0
Annualize prior year legislation	(32,610)	(12,566)	(20,044)	0	0	0.0
<b>SB 17-254</b>	<b>\$72,669,404</b>	<b>\$34,179,294</b>	<b>\$32,994,214</b>	<b>\$5,495,896</b>	<b>\$0</b>	<b>153.7</b>

EXECUTIVE DIRECTOR'S OFFICE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 17-1367	95,050	0	95,050	0	0	0.0
<b>TOTAL</b>	<b>\$72,764,454</b>	<b>\$34,179,294</b>	<b>\$33,089,264</b>	<b>\$5,495,896</b>	<b>\$0</b>	<b>153.7</b>
<b>INCREASE/(DECREASE)</b>	\$10,375,908	\$5,244,617	\$5,417,119	(\$285,828)	\$0	29.6
Percentage Change	16.6%	18.1%	19.6%	(4.9%)	n/a	23.9%

#### FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; shift differential; salary survey; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; vehicle lease payments; Capitol complex leased space; payments to the Governor's Office of Information Technology (OIT); and CORE operations.

**GEN TAX MAINTENANCE, SUPPORT, AND HOSTING:** The appropriation includes an increase of \$2,834,549 General Fund to refresh the mainframe infrastructure hosting the GenTax computing environment managed by the Governor's Office of Information Technology.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the out-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	Federal Funds	FTE
FY16-17 Hearings Reorganization	\$2,644,197	\$181,425	\$2,462,772	\$0	\$0	29.6
FY16-17 Income Tax Refund Fraud	3,848	3,848	0	0	0	0.0
FY16-17 Salary survey	(311,233)	(90,792)	(218,526)	(1,915)	0	0.0
<b>TOTAL</b>	<b>\$2,336,812</b>	<b>\$94,481</b>	<b>\$2,244,246</b>	<b>(\$1,915)</b>	<b>\$0</b>	<b>29.6</b>

**DIVISION OF MOTOR VEHICLES (DMV) LEASED SPACE:** The appropriation includes an increase of \$179,106 cash funds to expand and/or relocate the following DMV offices: Northglenn, Colorado Springs, and Fort Morgan. The Department identified these locations as those most in need to address current workload indicators.

**TELEPHONE SYSTEM REPLACEMENT:** The appropriation includes an increase of \$135,000, including \$34,262 General Fund and \$100,738 cash funds for the Governor's Office of Information Technology in FY 2017-18 to replace the legacy telecommunications system at six of the Department's locations.

**AUTO INDUSTRY DIVISION STAFF INCREASE:** The appropriation includes an increase of \$26,710 cash funds to support an additional 4.0 FTE in the Auto Industry Division to increase regulatory activities previously reduced during the economic downturn.

**INDIRECT COST ASSESSMENT:** The appropriation includes an increase in the Department's General Fund appropriation offset by a decrease in its indirect cost assessment.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments for the second- [and third-] year impact of prior year legislation.



ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 16-1211 (Marijuana Transporter License)	\$9,501	\$0	\$9,501	\$0	\$0	0.0
SB 16-040 (Marijuana Owner Changes)	4,950	0	4,950	0	0	0.0
SB 16-197 (Liquor-licensed Drug Stores)	(34,495)	0	(34,495)	0	0	0.0
SB 16-030 (Vehicle Weight Violation Surcharges)	(12,566)	(12,566)	0	0	0	0.0
<b>TOTAL</b>	<b>(\$32,610)</b>	<b>(\$12,566)</b>	<b>(\$20,044)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**ADDITIONAL LEGISLATION:** For information on additional legislation, see the "Recent Legislation" section at the end of this department.

## INFORMATION TECHNOLOGY DIVISION

The appropriations in this Division provide funding for contract services and maintenance for information technology systems not maintained by the Governor's Office of Information Technology and the Driver License, Record, Identification, and Vehicle Enterprise Solution (DRIVES) System, formerly known as the Colorado State Titling and Registration System (CSTARS). All FTE in the Division were transferred to OIT as part of the Statewide consolidation in FY 2010-11. The services of those personnel are included in the Executive Director's Office centrally appropriated line items.

Major sources of cash funds include the Racing Cash Fund, the Liquor Enforcement Division and State Licensing Authority Cash Fund, the Auto Dealers License Fund, the Aviation Fund, the Highway Users Tax Fund, the Colorado State Titling and Registration Account, the Limited Gaming Fund, the Driver's License Administrative Revocation Account, the AIR Account, and the Outstanding Judgments and Warrants Account. Sources of reappropriated funds are the State Lottery Fund and the Limited Gaming Fund.

INFORMATION TECHNOLOGY DIVISION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$4,701,277	\$957,265	\$3,744,012	\$0	\$0	0.0
<b>TOTAL</b>	<b>\$4,701,277</b>	<b>\$957,265</b>	<b>\$3,744,012</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$4,701,277	\$957,265	\$3,744,012	\$0	\$0	0.0
Telephone system replacement	656,172	325,217	330,955	0	0	0.0
Appropriation true-ups	(72,506)	(72,506)	0	0	0	0.0
<b>SB 17-254</b>	<b>\$5,284,943</b>	<b>\$1,209,976</b>	<b>\$4,074,967</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
HB 17-1162	108,000	0	108,000	0	0	0.0
<b>TOTAL</b>	<b>\$5,392,943</b>	<b>\$1,209,976</b>	<b>\$4,182,967</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$691,666</b>	<b>\$252,711</b>	<b>\$438,955</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	14.7%	26.4%	11.7%	n/a	n/a	n/a

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**TELEPHONE SYSTEM REPLACEMENT:** The appropriation includes an increase of \$656,172 total funds, including \$325,217 General Fund and \$330,955 cash funds, for FY 2017-18 to replace the legacy telecommunications system at six of the Department's locations.

**APPROPRIATION TRUE-UPS:** The appropriation includes minimal adjustments to more accurately reflect the Department's recent operating trends.

**ADDITIONAL LEGISLATION:** For information on additional legislation, see the "Recent Legislation" section at the end of this department.

## TAXATION BUSINESS GROUP

The Taxation Business Group administers, collects, and enforces business taxes, income taxes, severance taxes, estate and transfer taxes, special taxes, including gasoline, special fuel, aviation fuel, cigarette, tobacco, and liquor excise taxes, public utility assessments, and food service licensing fees. Sources of cash funds include the Private Letter Ruling Fund, the Aviation Fund, the Tobacco Tax Cash Fund, the Alternative Fuels Rebate Fund, the Highway Users Tax Fund (for the Fuel Tracking System), the Mineral Audit Program, and the State Board of Land Commissioners. Sources of reappropriated funds include the Mineral Audit Program (federal funds), the State Board of Land Commissioners, and the Oil and Gas Conservation Commission.

The Mineral Audit Division audits oil, gas, and mineral rents and royalties; the mill levy from oil and gas production; and severance taxes from federal, state, and private lands. It receives funding from the U.S. Department of the Interior's Minerals Management Service under a cooperative agreement for delegated authority to audit federal minerals production in Colorado.

The Taxation Business Group manages the State's subsystem of the International Fuel Tracking System, which licenses fuel distributors, suppliers, importers, exporters and transporters, and collects fuel taxes for the Highway Users Tax Fund. This group also administers the old age heat and fuel and property tax assistance grants, the cigarette tax rebate to local governments, and the Amendment 35 tobacco tax distribution to local governments of proceeds from the tobacco tax fund.

TAXATION BUSINESS GROUP						
	TOTAL FUNDS	GENERAL FUND <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$70,696,278	\$66,236,005	\$3,415,800	\$220,085	\$824,388	404.2
HB 16-1211	8,000	0	8,000	0	0	0.0
HB 16-1261	14,238	0	14,238	0	0	0.0
HB 16-1332	37,038	37,038	0	0	0	0.0
SB 17-169	21,383	(30,000)	0	51,383	0	0.0
SB 17-267	3,750	3,750	0	0	0	0.0
<b>TOTAL</b>	<b>\$70,780,687</b>	<b>\$66,246,793</b>	<b>\$3,438,038</b>	<b>\$271,468</b>	<b>\$824,388</b>	<b>404.2</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$70,780,687	\$66,246,793	\$3,438,038	\$271,468	\$824,388	404.2
GenTax maintenance, support, and hosting	1,708,767	1,708,767	0	0	0	0.0
Annualize prior year budget action	109,741	62,384	1,457	45,900	0	0.0
Indirect cost assessment	92	1,414	(1,322)	0	0	0.0
Adjustment for forecast	(376,750)	(400,000)	23,250	0	0	0.0
Annualize prior year legislation	(68,486)	(31,417)	(37,069)	0	0	(1.7)
<b>SB 17-254</b>	<b>\$72,154,051</b>	<b>\$67,587,941</b>	<b>\$3,424,354</b>	<b>\$317,368</b>	<b>\$824,388</b>	<b>402.5</b>
SB 17-192	9,600	9,600	0	0	0	0.0
SB 17-240	10,000	0	10,000	0	0	0.0
HB 17-1027	33,750	0	33,750	0	0	0.0
HB 17-1249	8,000	0	8,000	0	0	0.0
HB 17-1250	2,200	0	2,200	0	0	0.0

TAXATION BUSINESS GROUP						
	TOTAL FUNDS	GENERAL FUND <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 17-1367	10,000	0	10,000	0	0	0.0
<b>TOTAL</b>	<b>\$72,227,601</b>	<b>\$67,597,541</b>	<b>\$3,488,304</b>	<b>\$317,368</b>	<b>\$824,388</b>	<b>402.5</b>
<b>INCREASE/(DECREASE)</b>	<b>\$1,446,914</b>	<b>\$1,350,748</b>	<b>\$50,266</b>	<b>\$45,900</b>	<b>\$0</b>	<b>(1.7)</b>
Percentage Change	2.0%	2.0%	1.5%	16.9%	0.0%	(0.4%)

<sup>1</sup> Includes \$29,000,000 in FY 2016-17 and \$28,600,000 in FY 2017-18 that is exempt from the statutory limit on state General Fund appropriations pursuant to Section 24-75-201.1, C.R.S.

## FY 2016-17 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 17-169 (Supplemental Bill) modifies the FY 2016-17 appropriation to add \$21,383 total funds, including a decrease of \$30,000 General Fund and an increase of \$51,383 reappropriated funds, for FY 2016-17 to administer the Historic Preservation Tax Credit. The reappropriated funds are transferred from the Office of Economic Development and International Trade originates as fees paid by applicants for application processing and tax credit issuance.

Senate Bill 17-267 (Sustainability of Rural Colorado) adds \$3,750 General Fund to the Department's FY 2016-17 appropriation to reprogram changes included in the bill to the state's tax administration software, GenTax.

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**GEN TAX MAINTENANCE, SUPPORT, AND HOSTING:** The appropriation includes an increase of \$1,708,767 General Fund to refresh the mainframe infrastructure hosting the GenTax computing environment managed by the Governor's Office of Information Technology. The increase also include the addition of four staff persons provided by the software vendor as well as software licensing costs.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the out-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY13-14 GenTax annual maintenance and support	\$116,021	\$116,021	\$0	\$0	\$0	0.0
FY16-17 Salary survey	57,105	55,648	1,457	0	0	0.0
FY16-17 Income tax refund fraud	(42,002)	(42,002)	0	0	0	0.0
FY16-17 Historic preservation tax credit spending authority	(21,383)	(67,283)	0	45,900	0	0.0
<b>TOTAL</b>	<b>\$109,741</b>	<b>\$62,384</b>	<b>\$1,457</b>	<b>\$45,900</b>	<b>\$0</b>	<b>0.0</b>

**INDIRECT COST ASSESSMENT:** The appropriation includes a net decrease in the Department's indirect cost assessment.

**ADJUSTMENT FOR FORECAST:** The appropriation includes a net decrease of \$376,750, including a decrease of \$400,000 General Fund, to reflect the March Revenue Forecast adjustments to funds distributed to local governments by the Department of Revenue through direct distribution of marijuana and tobacco tax revenue.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments for the second- [and third-] year impact of prior year legislation.

### ANNUALIZE PRIOR YEAR LEGISLATION

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 16-1467 (First-time Home Buyer Savings Acct.)	\$120,672	\$120,672	\$0	\$0	\$0	0.0
HB 16-1142 (Rural Health Care Preceptor Tax Credit)	45,038	45,038	0	0	0	0.0
HB 16-1194 (Tax Deduction for Leasing Out Ag Asset)	33,077	33,077	0	0	0	0.0
HB 14-1072 (Income Tax Credit for Child Care)	(100,587)	(100,587)	0	0	0	(2.4)
SB 15-282 (Jump-start Eco Devo in Distressed Areas)	(42,030)	(42,030)	0	0	0	0.0
HB 16-1332 (Alt. Fuel Vehicles Tax Credit)	(37,038)	(37,038)	0	0	0	0.0
HB 15-1181 (CO Honor our Military Tax Exemption)	(26,385)	(26,385)	0	0	0	0.0
HB 14-1311 (Jobs and Main Street Revitalization)	(20,414)	(20,414)	0	0	0	0.7
HB 16-1261 (Retail Marijuana Sunset)	(14,238)	0	(14,238)	0	0	0.0
SB 15-260 (Medical Marijuana Product Testing)	(8,480)	0	(8,480)	0	0	0.0
HB 16-1211 (Marijuana Transporter License)	(8,000)	0	(8,000)	0	0	0.0
HB 15-1367 (Retail Marijuana Taxes)	(6,351)	0	(6,351)	0	0	0.0
SB 17-267 (Sustainability of Rural Colorado)	(3,750)	(3,750)	0	0	0	0.0
<b>TOTAL</b>	<b>(\$68,486)</b>	<b>(\$31,417)</b>	<b>(\$37,069)</b>	<b>\$0</b>	<b>\$0</b>	<b>(1.7)</b>

**ADDITIONAL LEGISLATION:** For information on additional legislation, see the "Recent Legislation" section at the end of this department.

## DIVISION OF MOTOR VEHICLES

This division is responsible for licensing drivers and issuing driver's licenses and state identification cards; maintaining driver records and administering driver sanctions; titling and registering motor vehicles; regulating commercial driving schools; enforcing the state's emissions program; administering the Motorist Insurance Identification Database Program; and assisting first time drunk driving offenders obtain ignition interlock devices required for those offenders to drive motor vehicles.

Major sources of cash funds are the Licensing Services Cash Fund and the License Plate Cash Fund. Other cash funds sources include the Highway Users Tax Fund, and subaccounts of the Highway Users Tax Fund including: the Colorado State Titling and Registration System Account, the Automotive Inspections and Readjustment (AIR) Account, and the Driver's License Administrative Revocation Account.

### DIVISION OF MOTOR VEHICLES

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2016-17 APPROPRIATION:</b>						
HB 16-1405	\$43,435,761	\$7,383,488	\$35,878,249	\$174,024	\$0	490.1
HB 16-1056	21,929	0	21,929	0	0	0.4
HB 16-1415	0	(3,200,000)	3,200,000	0	0	0.0
SB 17-169	1,090,473	0	1,090,473	0	0	0.0
SB 17-176	2,435,572	202,327	2,233,245	0	0	0.0
<b>TOTAL</b>	<b>\$46,983,735</b>	<b>\$4,385,815</b>	<b>\$42,423,896</b>	<b>\$174,024</b>	<b>\$0</b>	<b>490.5</b>
<b>FY 2017-18 APPROPRIATION:</b>						
FY 2016-17 Appropriation	\$46,983,735	\$4,385,815	\$42,423,896	\$174,024	\$0	490.5
License plate and year tab ordering	4,056,720	209,642	3,847,078	0	0	0.0
Driver license documents	1,207,840	0	1,207,840	0	0	0.0
Colorado Road and Community Safety Act increase	955,113	0	955,113	0	0	0.0
Division of Motor Vehicles (DMV) leased space	893,400	0	893,400	0	0	0.0
DMV Waitless system maintenance	183,042	0	183,042	0	0	0.0
Indirect cost assessment	29,464	(72)	29,536	0	0	0.0

DIVISION OF MOTOR VEHICLES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Annualize prior year legislation	(2,402,221)	2,997,673	(5,399,894)	0	0	0.4
Annualize prior year budget action	(882,748)	(3,166,168)	2,281,505	1,915	0	0.0
<b>SB 17-254</b>	<b>\$51,024,345</b>	<b>\$4,426,890</b>	<b>\$46,421,516</b>	<b>\$175,939</b>	<b>\$0</b>	<b>490.9</b>
<b>TOTAL</b>	<b>\$51,024,345</b>	<b>\$4,426,890</b>	<b>\$46,421,516</b>	<b>\$175,939</b>	<b>\$0</b>	<b>490.9</b>
<b>INCREASE/(DECREASE)</b>	\$4,040,610	\$41,075	\$3,997,620	\$1,915	\$0	0.4
Percentage Change	8.6%	0.9%	9.4%	1.1%	n/a	0.1%

## FY 2016-17 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 17-169 (Supplemental Bill) modifies the FY 2016-17 appropriation to add \$1,090,473 cash fund spending authority in FY 2016-17 from the Licensing Services Cash Fund to allow the Division of Motor Vehicles to address the increased issuances of identity documents it projects to occur in FY 2016-17.

Senate Bill 17-176 (Motor Vehicle License Plate Appropriation) adds \$2,435,572 total funds to the Department's FY 2016-17 appropriation, including \$202,327 General Fund, for the Division of Motor Vehicles to purchase additional license plates from the Colorado Correctional Industries. The bill also authorizes the Colorado State Titling and Registration Account as a source available for appropriation for the purchase of license plates.

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**LICENSE PLATE AND YEAR-TAB ORDERING:** The appropriation includes a total increase of \$4,056,720 including \$209,642 General Fund and \$3,847,078 cash funds spending authority to meet increased demand for license plates and address the revenue deficiency created by the General Assembly exempting fees for certain items paid by this line item. The sources of cash funds is the License Plate Cash Fund and the CSTAR Account of the Highway Users Tax Fund.

**DRIVER LICENSE DOCUMENTS:** The appropriation includes an increase of \$1,207,840 cash funds from the Licensing Services Cash Fund to address increased issuance of driver's licenses in the state of Colorado.

**COLORADO ROAD AND COMMUNITY SAFETY ACT INCREASE:** The appropriation includes an increase of \$955,113 cash fund spending authority for the Colorado Road and Community Safety Act in the Division of Motor Vehicles for driver's licenses and identification documents funded by fees imposed on individuals in Colorado unable to prove a lawful presence.

**DIVISION OF MOTOR VEHICLES (DMV) LEASED SPACE:** The appropriation includes an increase of \$893,400 cash funds to expand and/or relocate the following DMV offices: Northglenn, Colorado Springs, and Fort Morgan. The Department identified these locations as those most in need to address current capacity.

**DMV WAITLESS SYSTEM MAINTENANCE:** The appropriation includes an increase of \$183,042 cash funds to fund ongoing maintenance and operating costs, including materials and licensing fees, to operate the Waitless queuing system.

**INDIRECT COST ASSESSMENT:** The appropriation includes a net increase to the Division's indirect cost assessment.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments for the second- [and third-] year impact of prior year legislation.

### ANNUALIZE PRIOR YEAR LEGISLATION

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 16-090 (Marijuana Health Effects Data)	\$21,336	\$0	\$21,336	\$0	\$0	0.0
HB 16-1056 (Tow Op. Abandoned Vehicles Title)	12,525	0	12,525	0	0	0.4
HB 16-1415 (Driver & Motor Vehicle Services)	0	3,200,000	(3,200,000)	0	0	0.0
SB 17-176 (Vehicle License Plates)	(2,435,572)	(202,327)	(2,233,245)	0	0	0.0
HB 16-1136 (Crew Members Req. for Freight Trains)	(510)	0	(510)	0	0	0.0
<b>TOTAL</b>	<b>(\$2,402,221)</b>	<b>\$2,997,673</b>	<b>(\$5,399,894)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.4</b>

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the out-year impact of prior year budget actions.

### ANNUALIZE PRIOR YEAR BUDGET ACTION

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY16-17 Salary survey	\$207,725	\$33,832	\$171,978	\$1,915	\$0	0.0
FY16-17 DMV funding deficit	0	(3,200,000)	3,200,000	0	0	0.0
FY16-17 Drivers license documents	(1,090,473)	0	(1,090,473)	0	0	0.0
<b>TOTAL</b>	<b>(\$882,748)</b>	<b>(\$3,166,168)</b>	<b>\$2,281,505</b>	<b>\$1,915</b>	<b>\$0</b>	<b>0.0</b>

**ADDITIONAL LEGISLATION:** For information on additional legislation, see the "Recent Legislation" section at the end of this department.

## ENFORCEMENT BUSINESS GROUP

This Division regulates the limited gaming industry; regulates horse and dog racing events; enforces the State's liquor, tobacco, and marijuana regulations; licenses liquor retailers, wholesalers, and manufacturers, and medical marijuana retailers and manufacturing and cultivation facilities; regulates the motor vehicles sales industry; and manages adjudication hearings related to drivers' licenses, certain racing licenses, and some tax disputes. Major sources of cash funds include the Limited Gaming Fund, the Auto Dealers License Fund, the Liquor Enforcement Division and State Licensing Authority Cash Fund, the Medical Marijuana License Cash Fund, the Racing Cash Fund, the Horse Breeders' and Owners' Awards and Supplemental Purse Fund, the Driver's License Administrative Revocation Account, and the Tobacco Education Programs Fund. The source of reappropriated funds is the Limited Gaming Fund.

### ENFORCEMENT BUSINESS GROUP

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2016-17 APPROPRIATION:</b>						
HB 16-1405	\$57,603,151	\$361,940	\$56,945,839	\$295,372	\$0	279.2
SB 16-040	916,005	0	916,005	0	0	9.8
SB 16-197	170,658	0	170,658	0	0	2.4
HB 16-1211	58,783	0	58,783	0	0	1.1
HB 16-1261	108,512	0	108,512	0	0	2.0
<b>TOTAL</b>	<b>\$58,857,109</b>	<b>\$361,940</b>	<b>\$58,199,797</b>	<b>\$295,372</b>	<b>\$0</b>	<b>294.5</b>
<b>FY 2017-18 APPROPRIATION:</b>						
FY 2016-17 Appropriation	\$58,857,109	\$361,940	\$58,199,797	\$295,372	\$0	294.5
Annualize prior year legislation	285,636	0	285,636	0	0	2.2
Auto Industry Division staff increase	281,172	0	281,172	0	0	4.0
Annualize prior year budget action	(2,712,326)	(180,113)	(2,532,213)	0	0	(29.6)
Indirect cost assessment	(330,854)	(522)	(291,003)	(39,329)	0	0.0
<b>SB 17-254</b>	<b>\$56,380,737</b>	<b>\$181,305</b>	<b>\$55,943,389</b>	<b>\$256,043</b>	<b>\$0</b>	<b>271.1</b>

ENFORCEMENT BUSINESS GROUP						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 17-187	1,159	0	1,159	0	0	0.0
SB 17-192	59,458	0	59,458	0	0	0.3
SB 17-240	60,011	0	60,011	0	0	1.1
HB 17-1120	22,150	0	22,150	0	0	0.0
HB 17-1367	121,621	0	121,621	0	0	0.5
<b>TOTAL</b>	<b>\$56,645,136</b>	<b>\$181,305</b>	<b>\$56,207,788</b>	<b>\$256,043</b>	<b>\$0</b>	<b>273.0</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$2,211,973)</b>	<b>(\$180,635)</b>	<b>(\$1,992,009)</b>	<b>(\$39,329)</b>	<b>\$0</b>	<b>(21.5)</b>
Percentage Change	(3.8%)	(49.9%)	(3.4%)	(13.3%)	n/a	(7.3%)

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments for the second- [and third-] year impact of prior year legislation.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 16-040 (Marijuana Owner Changes)	\$316,249	\$0	\$316,249	\$0	\$0	2.2
SB 16-197 (Liquor-licensed Drug Stores)	42,279	0	42,279	0	0	1.1
HB 16-1211 (Marijuana Transporter License)	6,064	0	6,064	0	0	0.2
HB 16-1261 (Retail Marijuana Sunset)	(74,253)	0	(74,253)	0	0	(1.3)
SB 15-260 (Medical Marijuana Product Testing)	(4,703)	0	(4,703)	0	0	0.0
<b>TOTAL</b>	<b>\$285,636</b>	<b>0</b>	<b>\$285,636</b>	<b>0</b>	<b>0</b>	<b>2.2</b>

**AUTO INDUSTRY DIVISION STAFF INCREASE:** The appropriation includes an increase of \$281,172 cash funds and 4.0 FTE to increase oversight of the automobile and powersports dealers in Colorado due to increased activity and a recovery of the industry.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions.

ANNUALIZE PRIOR YEAR BUDGET ACTION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY16-17 Salary survey	\$45,787	\$1,312	\$44,475	\$0	\$0	0.0
FY16-17 LB Alignment	(2,644,197)	(181,425)	(2,462,772)	0	0	(29.6)
FY16-17 MED FTE	(113,916)	0	(113,916)	0	0	0.0
<b>TOTAL</b>	<b>(\$2,712,326)</b>	<b>(180,113)</b>	<b>(\$2,532,213)</b>	<b>\$0</b>	<b>\$0</b>	<b>(29.6)</b>

**INDIRECT COST ASSESSMENT:** The appropriation includes a net decrease to the Department's indirect cost assessment.

**ADDITIONAL LEGISLATION:** For information on additional legislation, see the "Recent Legislation" section at the end of this department.

## STATE LOTTERY DIVISION

The State Lottery Division regulates and administers the State Lottery. It is an enterprise under the provisions of Article X, Section 20, of the Colorado Constitution (the Taxpayer's Bill of Rights). Expenditures are paid from the State Lottery Fund and appropriated as cash funds. The Lottery's direct costs for centrally appropriated items are shown in consolidated budget lines within the Executive Director's Office. Proceeds from the Lottery are distributed to: the Conservation Trust Fund for parks, recreation, and open space purposes; the Division of Parks and Wildlife in the Department of Natural Resources for the acquisition, development and improvement of new and existing state parks, recreation areas and recreational trails; Great Outdoors Colorado; and public school capital improvements.

STATE LOTTERY DIVISION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$98,312,238	\$0	\$98,312,238	\$0	\$0	117.1
<b>TOTAL</b>	<b>\$98,312,238</b>	<b>\$0</b>	<b>\$98,312,238</b>	<b>\$0</b>	<b>\$0</b>	<b>117.1</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$98,312,238	\$0	\$98,312,238	\$0	\$0	117.1
Indirect cost assessment	7,614	0	7,614	0	0	0.0
Annualize prior year budget action	616	0	616	0	0	0.0
<b>SB 17-254</b>	<b>\$98,320,468</b>	<b>\$0</b>	<b>\$98,320,468</b>	<b>\$0</b>	<b>\$0</b>	<b>117.1</b>
<b>TOTAL</b>	<b>\$98,320,468</b>	<b>\$0</b>	<b>\$98,320,468</b>	<b>\$0</b>	<b>\$0</b>	<b>117.1</b>
<b>INCREASE/(DECREASE)</b>	<b>\$8,230</b>	<b>\$0</b>	<b>\$8,230</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	0.0%	n/a	0.0%	n/a	n/a	0.0%

### FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**INDIRECT COST ASSESSMENT:** The appropriation includes a net decrease to the Department's indirect cost assessment.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions for salary survey.

## RECENT LEGISLATION

### 2016 SESSION BILLS

**S.B. 16-030 (MOTOR VEHICLE WEIGHT VIOLATION SURCHARGES):** Changes the variable surcharge rate for overweight vehicle violations to a flat 16 percent of the penalty for all violations. Previously, individuals convicted of violating motor vehicle weight limits or the terms of overweight permits paid a variable penalty and a surcharge, depending on the level of excess weight. In FY 2016-17, appropriates \$12,566 General Fund to the Department of Revenue.

**S.B. 16-036 (SURETY REQUIREMENT FOR APPEALING TAX BILLS CLAIMED):** Changes the circumstances under which a taxpayer is required to set aside money when he or she files a notice of appeal of a tax decision with a court. The bill repeals the requirement that a taxpayer set aside money for all appeals to a district court, except in cases of a frivolous tax claim submission as determined by the Department of Revenue (DOR). Rather than setting aside money before a tax case is heard by the district court, a taxpayer does not have to set aside money unless he or she



appeals a district court decision to an appellate court or to the Colorado Supreme Court. In FY 2016-17, appropriates \$100,000 General Fund to the Department of Revenue.

**S.B. 16-040 (MARIJUANA OWNER CHANGES):** Replaces the current statutory definition for owner of a licensed medical or retail marijuana business (marijuana business) with two new ownership categories: direct beneficial interest owners (direct owners) and indirect beneficial interest owners (indirect owners).

A direct owner is a person or closely held business entity that owns a share or shares of stock in a licensed marijuana business, including the officers, directors, managing members, or partners of the licensed marijuana business or closely held business entity, or a qualified limited passive investor. A licensed marijuana business can be comprised of an unlimited number of direct owners if all owners are Colorado residents, but is limited to 15 direct owners if the business has any out-of-state owners. The Marijuana Enforcement Division (MED) in the Department of Revenue (DOR) may increase the number of direct owners based on developments in state and federal financial regulations, market conditions, and the licensee's ability to access legitimate sources of capital.

A direct owner who is a natural person must be a resident of Colorado for at least one year or a U.S. citizen prior to applying for a license. A person who intends to apply as a direct owner who has not been a Colorado resident for at least one year must submit a request for a finding of suitability from the MED and receive a finding of suitability prior to applying for a license. A direct owner that is a closely held business entity must consist entirely of natural persons who are U.S. citizens including all parent and subsidiary entities, prior to applying for a license.

A qualified limited passive investor is a natural person, a U.S. citizen and a passive investor who owns less than a 5 percent share or shares of stock in a marijuana business. A qualified limited passive investor is a direct owner but is subject to a limited background investigation. If the initial background check provides reasonable cause for additional investigation, the MED may require a full background check. The MED may promulgate rules on the parameters and qualifications of a qualified limited passive investor.

The category of indirect owner includes permitted economic interest holders (PEIs), royalty recipients, licensed employees who receive profit sharing, and qualified institutional investors. The bill allows qualified institutional investors to own up to 30 percent of a marijuana business. Institutional investors includes banks, insurance companies, investment companies, investment advisers, collective trust funds, employee benefit plans, pension funds, and a group comprised of these. The MED may promulgate rules on the parameters and qualifications of indirect owners and expand the list of persons or entities through rule.

In FY 2016-17, appropriates \$995,738 cash funds from the Marijuana Cash Fund and 9.8 FTE to the Department of Revenue.

**S.B. 16-197 (LIQUOR-LICENSED DRUGSTORES MULTIPLE LOCATIONS):** Allows a liquor-licensed drugstore to obtain additional liquor-licensed drugstore licenses, under which drugstores are permitted to sell malt, vinous, and spirituous liquors in sealed containers for consumption off the licensed premises, if the liquor-licensed drugstore licensee:

- Applies to the state and local licensing authorities, as part of a single application, to transfer ownership of at least two retail liquor stores that were licensed or for which a license application was pending as of the May 1, 2016, change the location of one of the retail liquor stores, and merge and convert the two retail liquor store licenses into a single liquor-licensed drugstore license;
- Applies to transfer retail liquor stores located within the same local licensing jurisdiction as the drugstore premises for which a license is sought, or if there are no retail liquor stores or only one retail liquor store within the same jurisdiction, applies to transfer ownership of one or two retail liquor store licenses, as necessary, that

are located in the local licensing jurisdiction nearest to the jurisdiction in which the drugstore premises is located; and

- If any retail liquor stores are located within 1,500 feet of the drugstore premises for which a license is sought or, in municipalities with a population of 10,000 or fewer, within 3,000 feet of the drugstore premises, the applicant transfers ownership of all retail liquor stores within that radius.

In making its determination on the application, the local licensing authority is required to consider the reasonable requirements of the neighborhood. Additionally, new liquor-licensed drugstores must be open to the public and must demonstrate that at least 20 percent of their total annual gross revenues are derived from the sale of food items.

A liquor-licensed drugstore may obtain additional liquor-licensed drugstore licenses as follows:

- On or after January 1, 2017, and before January 1, 2022, 4 additional liquor-licensed drugstore licenses for a maximum of 5 total liquor-licensed drugstore licenses;
- On or after January 1, 2022, and before January 1, 2027, 7 additional liquor-licensed drugstore licenses for a maximum of 8 total liquor-licensed drugstore licenses;
- On or after January 1, 2027, and before January 1, 2032, 12 additional liquor-licensed drugstore licenses for a maximum of 13 total liquor-licensed drugstore licenses;
- On or after January 1, 2032, and before January 1, 2037, 19 additional liquor-licensed drugstore licenses for a maximum of 20 total liquor-licensed drugstore licenses; and
- On or after January 1, 2037, an unlimited number of additional liquor-licensed drugstore licenses.

A liquor-licensed drugstore shall:

- Not sell alcohol beverages at a price that is lower than the drugstore's cost to purchase the products;
- Ensure that an employee completes alcohol beverage transactions with customers directly rather than through a self-checkout register;
- Maintain certification as a responsible alcohol beverage vendor;
- Not sell clothing or accessories imprinted with advertising, logos, or slogans related to alcohol beverages;
- Not store alcohol products off the licensed premises; and
- Designate a manager who has been permitted by the state licensing authority to conduct the store's alcohol beverage purchases with licensed wholesalers.

Additionally, a drugstore that obtains a liquor license on or after January 1, 2017, must effect payment upon delivery and cannot purchase alcohol beverages on credit.

The state licensing authority may issue a manager's permit to a liquor-licensed drugstore manager who controls the drugstore's alcohol beverage operations if the permit applicant satisfies specified criteria.

A liquor-licensed drugstore must pay an application fee to both the state licensing authority and the local licensing authority and, if the application is granted, is subject to applicable annual liquor-licensed drugstore licensing fees.

Effective January 1, 2019, the bill removes the maximum alcohol content of fermented malt beverages, thereby allowing licensed fermented malt beverage retailers to sell beer with an alcohol content in excess of 3.2% by weight or 4% by volume. The state licensing authority is to convene a working group of industry and state and local government representatives to develop an implementation process for transitioning to the sale of malt liquor by fermented malt beverage retailers.

The bill removes restrictions on the sale of nonalcohol products by a retail liquor store but caps the annual gross revenue from sale of nonalcohol products as 20 percent of the retail liquor store's total annual gross revenue.

The bill permits a retail liquor store owner who is a Colorado resident and who obtained a retail liquor store license on or before January 1, 2016 to have an interest in additional retail liquor store licenses as follows, if the premises for which the additional license is sought satisfies the radius requirements:

- On or after January 1, 2017, and before January 1, 2022, one additional retail liquor store license, for a maximum of 2 total retail liquor store licenses;
- On or after January 1, 2022, and before January 1, 2027, 2 additional retail liquor store licenses, for a maximum of 3 total retail liquor store licenses; and
- On or after January 1, 2027, 3 additional retail liquor store licenses, for a maximum of 4 total retail liquor store licenses.

All licensed retailers will have to verify that each customer attempting to purchase alcohol beverages is at least 21 years of age by requiring the customer to present a valid, government-issued document that includes the customer's photograph and date of birth.

Additionally, liquor-licensed drugstores and retail liquor store licensees are prohibited from allowing an employee under 21 years of age to sell, deliver, or otherwise have contact with malt, vinous, or spirituous liquors offered for sale on, or sold and removed from, the licensed premises.

Finally, for FY 2016-17, appropriates \$398,682 to the Department of Revenue from the Liquor Enforcement Division and State Licensing Authority Cash Fund.

**H.B. 16-1056 (TOW OPERATOR ABANDONED VEHICLE TITLE SEARCH):** Broadens the records search employed by the Department of Revenue (DOR) to locate owners and lienholders of abandoned motor vehicles. Previously, only Colorado records were searched in order to locate the owner or lienholder of an abandoned vehicle. The act requires the DOR to perform a national records search using a qualified entity that has a national database and that can retrieve records based both on the vehicle's VIN (vehicle identification number) and registration number (license plate). The qualified entity must also be able to provide appropriate owner and lienholder contact information. The DOR may charge tow operators a fee for the national search not to exceed the lesser of \$5 or its direct and indirect costs.

The act also increases the notification deadline, from three to five days, in which tow operators must determine whether there is an owner or lienholder registered with the DOR and send notice to those parties, and clarifies that the time spent by the DOR conducting the national records search does not count against the tow operator's 10-day deadline to contact the motor vehicle's owner or lienholder. In FY 2016-17, appropriates \$21,929 cash funds to the Department of Revenue.

**H.B. 16-1211 (MARIJUANA TRANSPORTER LICENSE):** Creates state medical and retail marijuana transporter (marijuana transporter) licenses to be issued by the Marijuana Enforcement Division (MED) in the Department of Revenue (DOR), and allows for the issuance of a local medical marijuana transporter license. A marijuana transporter provides logistics, distribution, and storage of medical and retail marijuana and marijuana-infused products, but is not authorized to sell marijuana under any circumstances. All marijuana transporters must be licensed by July 1, 2017, with the exception of a marijuana transporter for a medical marijuana business or retail marijuana establishment that provides its own distribution. In FY 2016-17, appropriates \$76,284 to the Department of Revenue.

**H.B. 16-1261 (RETAIL MARIJUANA SUNSET):** Continues the Colorado Retail Marijuana Code until September 1, 2019, and makes changes regarding licensing, rulemaking, industry operations, county-initiated ballot measures, and criminal provisions, as outlined below.

*LICENSING:*

- Creates licenses for retail marijuana transporters and retail marijuana establishment operators; and
- repeals the requirement that a license application be denied based on a previous denial at the same location.

*RULEMAKING:*

- Clarifies that standards pertaining to packaging and labeling of retail marijuana is a matter of statewide concern and regulated by the Marijuana Enforcement Division (MED) in the Department of Revenue (DOR);
- repeals the requirement that marijuana-themed magazines only be sold in retail marijuana stores or behind the counter in stores where people under 21 are present; and
- repeals the DOR's authority to promulgate rules prohibiting misrepresentation and unfair practices.

*INDUSTRY OPERATIONS:*

- Harmonizes the mandatory testing provisions for retail marijuana with those in the Colorado Medical Marijuana Code;
- allows a licensee the opportunity to remediate a product that has tested positive for a microbial;
- allows for performance-based incentives for employees of cultivation facilities and products manufacturers;
- exempts non-edible, non-psychoactive retail marijuana products from the one ounce per transaction limit;
- repeals the one-quarter ounce limitation on the amount of retail marijuana that can be sold to a non-resident;
- requires that a display case containing marijuana concentrate include the potency of the concentrate next to the name of the product; and
- allows trade craftspeople to be reasonably monitored rather than accompanied on a full-time basis while working in a limited access area.

*COUNTY-INITIATED BALLOT MEASURES:*

- Requires that not less than 15 percent of the registered electors in a county sign a petition for a county-initiated measure related to retail marijuana in order for it to be placed on the ballot.

*CRIMINAL PROVISIONS:*

- Creates a new level 1 drug misdemeanor for the transfer of marijuana or marijuana concentrate at no cost if the transfer is related to remuneration for any other service or product.

*APPROPRIATION:*

- Appropriates \$132,251 cash funds to the Department of Revenue for FY 2016-17.

**H.B. 16-1332 (ALTERNATIVE FUEL MOTOR VEHICLE INCOME TAX CREDITS):** Changes the computation of the income tax credit from being based on the vehicle's cost and battery capacity to fixed credit amounts for each category and truck weight class beginning tax year 2017. Beginning in tax year 2017, repeals the credit previously available for purchase, lease, or conversion of Category 2 and Category 3 vehicles, which are diesel-electric hybrid vehicles with a fuel economy of at least 70 miles per gallon. Authorizes the taxpayer to transfer the entire tax credit allowed to a financing entity when a purchase or lease is finalized. In FY 2016-17, appropriates \$37,038 General Fund to the Department of Revenue.

**H.B. 16-1405 (LONG BILL):** General appropriations act for FY 2016-17.

**H.B. 16-1415 (DRIVER AND MOTOR VEHICLES SERVICES):** Provides a process to eventually cash fund the Division of Motor Vehicles (DMV) with fees. Specifically, this bill makes the following changes:

- Exempts the Licensing Services Cash Fund, which receives the fee revenue from DMV activities, from the statutory limit on cash fund reserves to allow the Department to build a cash fund balance in years where issuance cycles are high so the DMV can fund activities for fiscal years when issuance cycles are low;
- Clarifies that the surcharge on retaking either the written driving test or the practical drive test applies regardless of whether an applicant retakes the examination with the DMV or an approved third-party vendor;
- Eliminates the end of year sweep of money in the Licensing Services Cash Fund to the Highway Users Tax Fund to allow the Department to plan for issuance cycles it forecasts and manage the fund in a manner to fully cash fund the DMV;
- Makes changes to a number of the DMV fees to more closely approximate the actual cost of providing the service. The fee for driver's licenses includes increases over three years to \$26 in FY 2016-17, \$27 in FY 2017-18, and \$28 in FY 2018-19; and
- Allows counties issuing driver's licenses to retain an increased amount of the fee charged for driver's licenses based on the size of the issuing county.

In FY 2016-17, reduces the Long Bill appropriation to the DMV by \$3.2 million General Fund and increases the cash fund appropriation to the DMV by \$3.2 million consisting of \$2.0 million from the Highway Users Tax Fund and \$1.2 million from the Licensing Services Cash Fund.

## 2017 SESSION BILLS

**S.B. 17-169 (SUPPLEMENTAL BILL):** Modifies FY 2016-17 appropriations to the Department.

**S.B. 17-187 (RESIDENCY EXEMPTION FOR MARIJUANA EDUCATION-BASED OCCUPATION):** Authorizes the Marijuana Enforcement Division (MED) to exempt from the medical or retail marijuana occupational license residency requirement for up to two years someone who is participating in a marijuana-based education program that is designed to train individuals to work in the legal marijuana industry. Includes penalties for individuals who participate in the program but commit perjury by attesting they work in the field when they do not. In FY 2017-18, appropriates \$1,159 from the Marijuana Cash Fund to the MED and reappropriates \$1,159 from the Department of Revenue to the Department of Public Safety to perform the required background checks.

**S.B. 17-192 (MARIJUANA BUSINESS EFFICIENCY MEASURES):** Allows for a single-instance transfer of retail marijuana and retail marijuana products from a retail marijuana licensee to a medical marijuana licensee, changes the provisions for calculating the average market rate, and creates a contract price to use when calculating excise taxes between unaffiliated retail marijuana businesses. Also clarifies that the Marijuana Enforcement Division in the Department of Revenue can take action against a licensee upon a violation of law whether the license active, expired, or surrendered. For FY 2017-18, appropriates \$69,058 total funds, including \$9,600 General Fund, to the Department of Revenue.

**S.B. 17-240 (SUNSET MOTOR VEHICLE DEALERS SALES):** Continues the Motor Vehicle Dealer Board and the regulation of powersports vehicle sales through September 1, 2027. Implements some of the recommendations from the Department of Regulatory Agencies' sunset report, including:

- Requiring a fingerprint-based criminal history background check for all licensees;
- Requiring an additional license for any new ownership interest in a licensed entity;

- Subjecting a principle dealer license to discipline when he or she violates the laws governing salespeople by acting as a salesperson;
- Requiring people who have had licenses revoked to wait one year before applying for a new license; and
- Codifying the Auto Industry Division (AID) as a Type 2 transfer under the Department of Revenue (DOR) and making administrative updates.

For FY 2017-18, appropriates \$175,551 cash funds to the Departments of Public Safety and Revenue. Of this amount, \$162,983 is from the Colorado Bureau of Investigation Identification Unit Fund and appropriated to the Department of Public Safety, and \$12,568 is from the Auto Dealers License Fund and appropriated to the Department of Revenue.

**S.B. 17-254 (LONG BILL):** General appropriations act for FY 2017-18.

**S.B. 17-267 (SUSTAINABILITY OF RURAL COLORADO):** This summary applies specifically to the Department of Revenue. See Part III of the Department of Health Care Policy and Financing and Appendix J for more detailed information on this bill. The bill:

- Specifies that reimbursements to local governments from the state for property tax exemptions for qualifying seniors and disabled veterans are a TABOR refund mechanism in years when a refund is required;
- Increases the rate of retail marijuana sales tax (currently 10 percent and scheduled to decrease under current law to 8 percent) to 15 percent effective July 1, 2017;
  - Offsets a portion of the state retail marijuana sales tax rate increase by exempting retail sales of marijuana upon which the state retail marijuana sales tax is imposed from the 2.9 percent general state sales tax, but provides that local governments can continue to impose their local general sales taxes on retail sales of marijuana;
  - Holds local governments that currently receive an allocation of 15 percent of state retail marijuana sales tax revenue based on the current tax rate of 10 percent harmless by specifying that on and after July 1, 2017, they receive an allocation of 10 percent of state retail marijuana sales tax revenue based on the new rate of 15 percent;
  - Of the 90 percent of the state retail marijuana sales tax revenue that the state retains for FY 2017-18:
    - 28.15 percent less \$30 million stays in the general fund
    - 71.85 percent is credited to the marijuana tax cash fund
    - \$30 million is credited to the state public school fund and distributed to rural school districts
  - Of the 90 percent of the state retail marijuana sales tax revenue that the state retains for FY 2018-19:
    - 15.56 percent stays in the general fund
    - 71.85 percent is credited to the marijuana tax cash fund
    - 12.59 percent is credited to the state public school fund for the state share of total program
- Requires state departments, other than the departments of Education and Transportation, to submit budget requests to the Office of State Planning and Budgeting (OSPB) that are at least 2.0 percent lower than the FY 2017-18 budget, and requires OSPB to seek to ensure that the budget submitted to the legislature for FY 2018-19 is at least 2.0 percent lower than FY 2017-18
- Replaces an existing temporary income tax credit for business personal property taxes with a more generous permanent income tax credit for business personal property taxes paid on up to \$18,000 of the total actual value of a taxpayer's business personal property

For FY 2016-17, appropriates \$3,750 General Fund to the Department of Revenue for implementation of the tax policy changes.

**H.B. 17-1002 (CHILD CARE EXPENSES INCOME TAX CREDIT EXTENSION):** Extends an expiring refundable tax credit for child care expenses for an additional three years. However, for the tax year beginning January 1, 2017, the tax credit is only available if the revenue forecast developed by Legislative Council Staff in June 2017 projects a General Fund surplus exceeding \$2.9 million. The following table shows the effect of the tax credit on General Fund revenue and its TABOR impact.

FISCAL IMPACT OF H.B. 17-1002 (CHILD CARE EXPENSES INCOME TAX CREDIT EXTENSION)				
	FY 2016-17 <sup>1</sup>	FY 2017-18	FY 2018-19	FY 2019-20
General Fund Revenue	(\$2.9 million)	(\$6.1 million)	(\$6.4 million)	(\$3.4 million)

<sup>1</sup> FY 2016-17 impact occurs only if the June Revenue Forecast prepared by Legislative Council Staff forecasts General Fund revenue will have a surplus exceeding \$2.9 million at the end of the Fiscal Year.

The tax credit is available to taxpayers with federal adjusted gross income totaling \$25,000 or less. The tax credit is equal to 25 percent of eligible child care expenses incurred by the taxpayer up to \$500, for those with one dependent, and \$1,000 for those with two or more. This tax credit is similar but distinct from the nonrefundable child care tax credit available for individuals with federal adjusted gross income exceeding \$25,000, but not exceeding \$60,000.

**H.B. 17-1027 (REMOVE FUND REPEAL & CLARIFY ORGAN DONOR PROCESS):** Removes the July 1, 2018, repeal date for the Emily Maureen Ellen Keyes Organ and Tissue Donation Awareness Fund (the Fund), continuing it indefinitely, and renames the fund the Emily Keyes - John W. Buckner Organ and Tissue Donation Awareness Fund. The bill clarifies that an applicant's self-designation as an organ and tissue donor on a driver license, identification card, or instruction permit remains in effect until revoked by the applicant, codifying that organ donation is an advance directive and a lifetime designation. Under the bill, computer reprogramming costs for the Division of Motor Vehicles (DMV) may be paid from the fund. Finally, the bill requires the Donor Alliance, Inc., to submit an annual report to the Department of Revenue (DOR) detailing the amounts and specific uses of all funds it receives by October 1 of each year, which the DOR must include as part of its SMART Government Act hearing. In FY 2017-18, appropriates \$33,750 cash funds from the Fund.

**H.B. 17-1120 (ALCOHOLIC BEVERAGE LICENSE HIGHER EDUCATION CAMPUS):** Creates a classification of liquor license for campus liquor complexes. An institution of higher education, or a person who contracts with an institution to provide food services, that holds a hotel-restaurant license to serve alcohol beverages for on-premises consumption (licensee) may be designated as a campus liquor complex at the time of initial licensure or license renewal. The licensee must designate a principal licensed premises and additional related facilities. Defines a related facility as an area approved by licensing authorities that is on the campus of a licensed institution of higher education and owned or controlled by the institution. In FY 2017-18, appropriates \$22,150 cash funds from the Liquor Enforcement Division and State Licensing Authority Cash Fund to the Department of Revenue.

**H.B. 17-1162 (OUTSTANDING JUDGEMENTS & DRIVER'S LICENSES):** Changes the penalty for driving with a license that is restricted by an outstanding judgment from an unclassified misdemeanor, with a maximum penalty of six months of imprisonment and a fine of \$500, to a class A traffic infraction, punishable by an assessment of three points to a violator's driver license. Municipal courts are able to enforce violations for driving with an outstanding judgment, but cannot waive the three-point penalty assessment against a driver license. Appropriates \$108,000 cash funds to the Department for FY 2017-18.

**H.B. 17-1249 (PENALTIES FOR UNLICENSED MOTOR VEHICLE SALES):** Creates a new factual basis for unlicensed motor vehicle sales; increases penalties for the existing class 3 misdemeanor offense; credits fine revenue to local law enforcement and the Department of Revenue (DOR); and allows fine revenue to be used for enforcement of unlicensed motor vehicle sales laws. Under the bill, a person or corporation must both willfully violate the law and do so while acting in an official capacity to be charged with the unlicensed sale of a motor

vehicle. For unlicensed motor vehicle sales by new and used motor vehicle dealers, wholesalers, buyers agents, wholesale motor vehicle auction dealers, and motor vehicle salespersons, the penalty is still a class 3 misdemeanor. In FY 2017-18, appropriates \$8,000 cash funds from the Auto Dealers License Fund to the Department of Revenue.

**H.B. 17-1250 (RENEW AND EXPAND TAX CHECK-OFF BENEFIT FOR WILDLIFE):** Extends and modifies the Nongame Wildlife voluntary contribution (income tax checkoff) program. Renames the checkoff program as the Colorado Nongame Conservation and Wildlife Restoration voluntary contribution and establishes the Colorado Nongame Conservation and Wildlife Restoration Cash Fund Authority that is overseen by a board of directors. The bill also creates the Nongame Conservation and Wildlife Restoration Cash Fund. Money in the fund is used by the Colorado Division of Parks and Wildlife to support a variety of activities that aid nongame and endangered species work. In addition, a percentage of the checkoff revenue must be given in the form of grants for wildlife rehabilitation in Colorado. In FY 2017-18, appropriates \$2,200 cash funds from the Nongame Conservation and Wildlife Restoration Cash Fund to the Department of Revenue.

**H.B. 17-1367 (AUTHORIZE MARIJUANA CLINICAL RESEARCH):** Creates two research licenses in the Medical Marijuana Code to be issued by the Marijuana Enforcement Division and local licensing authorities. The marijuana research and development cultivation license allows a person to grow, cultivate, possess, and transfer marijuana by sale or donation, for limited research purposes. A marijuana research and development license allows a person to possess marijuana for limited research purposes. If the research will be conducted with a public institution or with public money, the Scientific Advisory Council in the Colorado Department of Public Health and Environment is required to assess the project based on criteria outlined in the bill. If the council finds the project does not meet the criteria, the application will be denied. If the research will not be conducted with a public institution or with public money, the Marijuana Enforcement Division will assess the project. In FY 2017-18, appropriates \$226,671 cash funds from the Marijuana Cash Fund to the Department of Revenue, of which \$95,050 is reappropriated to the Department of Law.



# Details

## DEPARTMENT OF STATE

### FY 2016-17 AND FY 2017-18 APPROPRIATIONS BY DIVISION AND BILL

DEPARTMENT OF STATE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2016-17 TOTAL APPROPRIATION:</b>	<b>\$22,288,655</b>	<b>\$0</b>	<b>\$22,288,655</b>	<b>\$0</b>	<b>\$0</b>	<b>137.4</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
Administration	5,859,135	0	5,859,135	0	0	19.1
Information Technology	7,502,170	0	7,502,170	0	0	36.0
Elections Division	5,452,557	0	5,452,557	0	0	34.2
Business and Licensing Division	3,474,793	0	3,474,793	0	0	48.1
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
HB 16-1405	\$22,041,223	\$0	\$22,041,223	\$0	\$0	137.3
SB 16-115	5,289	0	5,289	0	0	0.1
SB 16-186	20,130	0	20,130	0	0	0.0
HB 16-1070	15,450	0	15,450	0	0	0.0
HB 16-1282	5,047	0	5,047	0	0	0.0
SB 17-170	201,516	0	201,516	0	0	0.0
<b>FY 2017-18 TOTAL APPROPRIATION:</b>	<b>\$22,903,775</b>	<b>\$0</b>	<b>\$22,903,775</b>	<b>\$0</b>	<b>\$0</b>	<b>137.4</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
Administration	6,271,005	0	6,271,005	0	0	21.1
Information Technology	7,925,504	0	7,925,504	0	0	42.0
Elections Division	5,531,014	0	5,531,014	0	0	34.2
Business and Licensing Division	3,176,252	0	3,176,252	0	0	40.1
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
SB 17-254	\$22,711,371	\$0	\$22,711,371	\$0	\$0	137.4
SB 17-152	4,120	0	4,120	0	0	0.0
SB 17-305	157,796	0	157,796	0	0	0.0
HB 17-1200	30,488	0	30,488	0	0	0.0
<b>INCREASE/(DECREASE)</b>	<b>\$615,120</b>	<b>\$0</b>	<b>\$615,120</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	2.8%	n/a	2.8%	n/a	n/a	0.0%

**INFORMATIONAL FUNDS:** The FY 2017-18 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of State are annotated with the "(I)". For additional information, see Appendix E.

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2017-18 Appropriations containing an (I) notation	\$10,000	\$0	\$10,000	\$0	\$0

## DETAIL OF APPROPRIATION BY ADMINISTRATIVE SECTION

### ADMINISTRATION

The Administration Division provides general oversight and administrative support services for all divisions in the Department, including budgeting, human resources services, and public outreach. This division is entirely supported by the Department of State Cash Fund, which primarily consists of revenue from fees collected with filings submitted by businesses and other non-profits. The Department of State has been cash funded for more than 30 years and does not receive any General Fund appropriations.

ADMINISTRATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$5,852,330	\$0	\$5,852,330	\$0	\$0	19.0
SB 16-115	5,289	0	5,289	0	0	0.1
SB 17-170	1,516	0	1,516	0	0	0.0
<b>TOTAL</b>	<b>\$5,859,135</b>	<b>\$0</b>	<b>\$5,859,135</b>	<b>\$0</b>	<b>\$0</b>	<b>19.1</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$5,859,135	\$0	\$5,859,135	\$0	\$0	19.1
Rebalancing personal services	200,225	0	200,225	0	0	2.0
Centrally appropriated line items	188,161	0	188,161	0	0	0.0
Outside legal counsel	25,000	0	25,000	0	0	0.0
Annualize prior year budget actions	(1,516)	0	(1,516)	0	0	0.0
<b>SB 17-254</b>	<b>\$6,271,005</b>	<b>\$0</b>	<b>\$6,271,005</b>	<b>\$0</b>	<b>\$0</b>	<b>21.1</b>
<b>TOTAL</b>	<b>\$6,271,005</b>	<b>\$0</b>	<b>\$6,271,005</b>	<b>\$0</b>	<b>\$0</b>	<b>21.1</b>
<b>INCREASE/(DECREASE)</b>	<b>\$411,870</b>	<b>\$0</b>	<b>\$411,870</b>	<b>\$0</b>	<b>\$0</b>	<b>2.0</b>
Percentage Change	7.0%	n/a	7.0%	n/a	n/a	10.5%

### FY 2016-17 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 17-170 (Supplemental Bill) modifies the FY 2016-17 appropriations to add \$1,516 cash funds, from the Department of State Cash Fund, for the Department's share of statewide fleet costs.

### FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**REBALANCING PERSONAL SERVICES:** The appropriation includes a Department-neutral shifting of funding and FTE between divisions to account for changes in behavior by those accessing services provided by the Department, e.g., fewer persons are requiring in person service at the Secretary of State's office and are utilizing more online services.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; salary survey; merit pay; workers' compensation; legal services; administrative law judges; payment to risk management and property funds; vehicle lease payments; payments to the Governor's Office of Information Technology (OIT); and CORE operations.

**OUTSIDE LEGAL COUNSEL:** The appropriation includes an increase of \$25,000 cash funds to purchase legal advice from outside legal counsel when the Department of Law's provision of advice presents a conflict of interest. Previously, this appropriation was included in the Legal Services line item and does not represent a new appropriation, however, due to changes in how the Department of Law bills for the provision of legal services, the reduction is not grouped with this issue description.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions for the Department's share of statewide fleet costs.

## INFORMATION TECHNOLOGY SERVICES

Information Technology Services (ITS) provides technical and project management services, systems development, and support for information technology systems in the Department, including: (1) web-based search and filing services used by the Business and Licensing Division to processes over 2,500 web-based transactions daily; and (2) the statewide voter registration and election management system (SCORE). The ITS division is also responsible for ensuring the Department's compliance with the Colorado Information Security Act. Funding for this division is provided entirely by the Department of State Cash Fund.

INFORMATION TECHNOLOGY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$7,461,543	\$0	\$7,461,543	\$0	\$0	36.0
SB 16-186	20,130	0	20,130	0	0	0.0
HB 16-1070	15,450	0	15,450	0	0	0.0
HB 16-1282	5,047	0	5,047	0	0	0.0
<b>TOTAL</b>	<b>\$7,502,170</b>	<b>\$0</b>	<b>\$7,502,170</b>	<b>\$0</b>	<b>\$0</b>	<b>36.0</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$7,502,170	\$0	\$7,502,170	\$0	\$0	36.0
Water cooling loop project	210,000	0	210,000	0	0	0.0
Rebalancing personal services	20,930	0	20,930	0	0	6.0
<b>SB 17-254</b>	<b>\$7,733,100</b>	<b>\$0</b>	<b>\$7,733,100</b>	<b>\$0</b>	<b>\$0</b>	<b>42.0</b>
SB 17-152	4,120	0	4,120	0	0	0.0
SB 17-305	157,796	0	157,796	0	0	0.0
HB 17-1200	30,488	0	30,488	0	0	0.0
<b>TOTAL</b>	<b>\$7,925,504</b>	<b>\$0</b>	<b>\$7,925,504</b>	<b>\$0</b>	<b>\$0</b>	<b>42.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$423,334</b>	<b>\$0</b>	<b>\$423,334</b>	<b>\$0</b>	<b>\$0</b>	<b>6.0</b>
Percentage Change	5.6%	n/a	5.6%	n/a	n/a	16.7%

### FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**WATER COOLING LOOP PROJECT:** The appropriation adds \$210,000 cash funds, from the Department of State Cash Fund, to purchase a water cooling loop for Department-maintained servers to ensure redundancy for multiple computer systems, including the Statewide Colorado Registration and Elections (SCORE) System.

**REBALANCING PERSONAL SERVICES:** The appropriation includes a Department-neutral shifting of funding and FTE between divisions to account for changes in behavior by those accessing services provided by the Department, e.g., fewer persons are requiring in person service at the Secretary of State's office and are utilizing more online services.

## ELECTIONS DIVISION

The Elections Division administers statewide statutory and constitutional provisions that relate to elections, including the administration of the initiative and referendum process. This includes supervising primary, general, and congressional vacancy elections; maintaining the statewide voter registration database; authorizing official recounts for federal, state, and district elections; and administering the Fair Campaign Practices Act. The Elections Division also helps the Secretary of State supervise the 64 county clerks in the execution of their statutory responsibilities relating to voter registration and elections. This division is funded by the Department of State Cash Fund and the continuously-appropriated Federal Elections Assistance Fund, which was established to receive federal Help America Vote Act (HAVA) funding.

ELECTIONS DIVISION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$5,252,557	\$0	\$5,252,557	\$0	\$0	34.2
SB 17-170	200,000	0	200,000	0	0	0.0
<b>TOTAL</b>	<b>\$5,452,557</b>	<b>\$0</b>	<b>\$5,452,557</b>	<b>\$0</b>	<b>\$0</b>	<b>34.2</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$5,452,557	\$0	\$5,452,557	\$0	\$0	34.2
Local election reimbursement increase	200,000	0	200,000	0	0	0.0
Rebalancing personal services	78,311	0	78,311	0	0	0.0
Annualize prior year budget actions	(199,854)	0	(199,854)	0	0	0.0
<b>SB 17-254</b>	<b>\$5,531,014</b>	<b>\$0</b>	<b>\$5,531,014</b>	<b>\$0</b>	<b>\$0</b>	<b>34.2</b>
<b>TOTAL</b>	<b>\$5,531,014</b>	<b>\$0</b>	<b>\$5,531,014</b>	<b>\$0</b>	<b>\$0</b>	<b>34.2</b>
<b>INCREASE/(DECREASE)</b>	<b>\$78,457</b>	<b>\$0</b>	<b>\$78,457</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	1.4%	n/a	1.4%	n/a	n/a	0.0%

### FY 2016-17 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 17-170 (Supplemental Bill) modifies the FY 2016-17 appropriation to add \$200,000 cash funds, from the Department of State Cash Fund, for reimbursements to counties following the November 2016 election, pursuant to Section 1-5-505.5, C.R.S.

### FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**LOCAL ELECTION REIMBURSEMENT INCREASE:** The appropriation adds \$200,000 cash funds to the Local Election Reimbursement line item to account for growth in the number of active registered voters that drive the repayment formula the Department utilizes when reimbursing counties for local election costs of statewide ballot issues, as required by Section 1-5-505.5, C.R.S.

**REBALANCING PERSONAL SERVICES:** The appropriation includes a Department-neutral shifting of funding and FTE between divisions to account for changes in behavior by those accessing services provided by the Department, e.g., fewer persons are requiring in person service at the Secretary of State's office and are utilizing more online services.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions for the local election reimbursement and salary survey.

## BUSINESS AND LICENSING DIVISION

The Business and Licensing Division is responsible for processing filings from businesses and non-profits and collecting the associated fees, as well as: overseeing the Business Intelligence Center and the Go Code Colorado statewide app challenge event; administering the lobbyist program; licensing entities involved in charitable gaming; registering charitable organizations; licensing and regulating notaries public; and publishing the Code of Colorado Regulations.

BUSINESS AND LICENSING DIVISION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$3,474,793	\$0	\$3,474,793	\$0	\$0	48.1
<b>TOTAL</b>	<b>\$3,474,793</b>	<b>\$0</b>	<b>\$3,474,793</b>	<b>\$0</b>	<b>\$0</b>	<b>48.1</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$3,474,793	\$0	\$3,474,793	\$0	\$0	48.1
Annualize prior year budget actions	925	0	925	0	0	0.0
Rebalancing personal services	(299,466)	0	(299,466)	0	0	(8.0)
<b>SB 17-254</b>	<b>\$3,176,252</b>	<b>\$0</b>	<b>\$3,176,252</b>	<b>\$0</b>	<b>\$0</b>	<b>40.1</b>
<b>TOTAL</b>	<b>\$3,176,252</b>	<b>\$0</b>	<b>\$3,176,252</b>	<b>\$0</b>	<b>\$0</b>	<b>40.1</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$298,541)</b>	<b>\$0</b>	<b>(\$298,541)</b>	<b>\$0</b>	<b>\$0</b>	<b>(8.0)</b>
Percentage Change	(8.6%)	n/a	(8.6%)	n/a	n/a	(16.6%)

### FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second-year impact of prior year budget actions.

**REBALANCING PERSONAL SERVICES:** The appropriation includes a Department-neutral shifting of funding and FTE between divisions to account for changes in behavior by those accessing services provided by the Department, e.g., fewer persons are requiring in person service at the Secretary of State's office and are utilizing more online services.

## RECENT LEGISLATION

### 2016 SESSION BILLS

**S.B. 16-089 (DEPT OF STATE CASH FUND ALTERNATIVE MAX RESERVE):** Establishes an alternative maximum reserve for the Department of State Cash Fund of 16.5 percent of total expenditures plus an amount equal to any unexpended money from the annual appropriation for local election reimbursements made to counties. The alternative maximum reserve is effective for FY 2015-16 and subsequent fiscal years. No appropriation was required to implement this bill.

**S.B. 16-115 (ELECTRONIC RECORDING TECHNOLOGY BOARD):** Creates the Electronic Recording Technology (ERT) Board as an enterprise within the Department of State to assume responsibility for ensuring uniformity in electronic filing systems throughout the state. Authorizes the ERT Board to assess \$2 surcharge on electronic filing documents to cover its expenses and provide grants to counties to establish, maintain, improve, or replace their electronic filing systems. Requires the ERT Board to issue annual reports on grants made during the prior fiscal

year, as well as a five-year progress report on the success of the grant program. Appropriates \$5,289 cash funds from the Department of State Cash Fund in FY 2016-17 to provide 0.1 FTE of administrative assistance for the grant program established in the bill.

**S.B. 16-186 (SMALL-SCALE ISSUE COMMITTEES):** Defines small-scale issue committees as an issue committee that has accepted or made contributions or expenditures in an amount that does not exceed \$5,000 during an applicable election cycle for the purpose of supporting or opposing any ballot issue or question. Establishes alternative disclosure, reporting, and registration requirements for these committees under the Fair Campaign Practices Act. Appropriates \$20,130 cash funds from the Department of State Cash Fund in FY 2016-17 for programming costs associated with required updates to allow the online campaign finance system to accept small-scale issue committee registrations and reports.

**H.B. 16-1014 (SOS BUSINESS INTELLIGENCE CENTER):** Formally establishes the Business Intelligence Center (BIC) program and the BIC Advisory Board in statute for the purpose of streamlining access to public data and providing resources to make the data more useful. Authorizes the Department to accept gifts, grants, and donations to help offset program costs. The appropriation for BIC has been included in the Department's Long Bill since FY 2013-14 and no additional appropriation was required to implement this bill.

**H.B. 16-1070 (SIGNATURE VERIFICATION IN MUNICIPAL MAIL BALLOT ELECTION):** Requires an election judge to compare the signature on each ballot return envelope with the signature of the eligible elector stored in the statewide voter registration system (SCORE) for every municipal mail ballot election. Includes specifications for how signatures should be compared and the process for handling a signature discrepancy. Requires that municipal clerks be given access to the digitized signatures in SCORE and appropriates \$15,450 cash funds from the Department of State Cash Fund in FY 2016-17 for programming costs associated the system updates required by this provision.

**H.B. 16-1282 (ALIGN REGULAR BIENNIAL SCHOOL ELECTIONS & FCPA):** Applies disclosure requirements in the Fair Campaign Practices Act to regular biennial school board elections. Appropriates \$5,046 cash funds from the Department of State Cash Fund in FY 2016-17 for programming costs associated with required updates to the online campaign finance system to accommodate increased reporting requirements.

**H.B. 16-1405 (LONG BILL):** General appropriations act for FY 2016-17.

## 2017 SESSION BILLS

**S.B. 17-152 (IMPLEMENT AMENDMENT 71 CHANGES):** Updates Colorado statutes to reflect the changes to the Colorado Constitution under Amendment 71, which was approved by the voters during the 2016 General Election. Changes include:

- The Title Board must determine if a proposed constitutional amendment repeals all or part of a provision in the Constitution. Proponents may appeal to the Title Board for a rehearing on such decisions.
- The signature requirements for citizen-initiated constitutional amendments reflect the new requirement that signatures must be gathered in each state senate district and for district-level verification of all signatures if a minimal statistical threshold is met.
- The Department of State is required to notify the proponents of the current number of state senate districts, boundaries, and the number or registered voters in each at the time a constitutional initiative petition is approved for signature collection.

- The Department of State is required to issue a statement indicating whether the required number of signatures overall from each senate district and a sufficient number of signatures have been submitted when certifying the issue petition for the ballot.
- At least 55.0 percent of votes must be cast to pass an amendment to the state constitution

**S.B. 17-170 (SUPPLEMENTAL BILL):** Modifies FY 2016-17 appropriations to the Department.

**S.B. 17-254 (LONG BILL):** General appropriations act for FY 2017-18.

**S.B. 17-305 (PRIMARY ELECTION CLEAN-UP):** Makes statutory modifications concerning the implementation of Propositions 107 and 108 which were approved by voters at the 2016 general election. Proposition 107 restored the presidential primary and authorized unaffiliated voter participation and Proposition 108 created a semi-open primary that allows unaffiliated voters to participate in non-presidential primaries.

**H.B. 17-1200 (UPDATE PUBLIC BENEFIT CORPORATION REQUIREMENTS):** Makes changes to state law related to public benefit corporations. Currently, a domestic cooperative may operate as a public benefit corporation as long as certain criteria are met. The bill allows limited cooperative associations to also operate as public benefit corporations. The bill requires that a public benefit corporation obtain approval from two-thirds of their shareholders for transactions to opt out, through various means, of their status as a public benefit corporation, and clarifies the requirements for the annual report by a public benefit corporation. Finally, the bill loosens requirements that public benefit corporations include the phrase “public benefit corporation” in its name and restricts the use of the same phrase only to actual public benefit corporations.

# Details

## DEPARTMENT OF TRANSPORTATION

### FY 2016-17 AND FY 2017-18 APPROPRIATIONS BY DIVISION AND BILL

DEPARTMENT OF TRANSPORTATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2016-17 TOTAL APPROPRIATION:</b>	<b>\$1,404,724,871</b>	<b>\$0</b>	<b>\$747,975,934</b>	<b>\$5,866,138</b>	<b>\$650,882,799</b>	<b>3,326.8</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
Administration	31,748,583	0	29,863,386	1,885,197	0	183.5
Construction, Maintenance, and Operations	1,236,114,586	0	598,339,646	1,892,141	635,882,799	3,137.3
High Performance Transportation Enterprise	7,716,702	0	5,627,902	2,088,800	0	4.0
First Time Drunk Driving Offenders Account	2,000,000	0	2,000,000	0	0	0.0
Statewide Bridge Enterprise	126,600,000	0	111,600,000	0	15,000,000	2.0
Marijuana Impaired Driving Program	450,000	0	450,000	0	0	0.0
SW Chief Rail Commission	95,000	0	95,000	0	0	0.0
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
HB 16-1405	\$1,404,629,871	\$0	\$747,880,934	\$5,866,138	\$650,882,799	3,326.8
SB 17-171	95,000	0	95,000	0	0	0.0
<b>FY 2017-18 TOTAL APPROPRIATION:</b>	<b>\$1,578,506,823</b>	<b>\$0</b>	<b>\$851,844,882</b>	<b>\$8,552,189</b>	<b>\$718,109,752</b>	<b>3,326.8</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
Administration	33,057,657	0	31,194,630	1,863,027	0	183.5
Construction, Maintenance, and Operations	1,419,531,001	0	699,506,587	1,914,662	718,109,752	3,136.3
High Performance Transportation Enterprise	11,162,500	0	6,388,000	4,774,500	0	5.0
First Time Drunk Driving Offenders Account	1,500,000	0	1,500,000	0	0	0.0
Statewide Bridge Enterprise	112,241,665	0	112,241,665	0	0	2.0
Marijuana Impaired Driving Program	950,000	0	950,000	0	0	0.0
SW Chief Rail Commission	64,000	0	64,000	0	0	0.0
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
SB 17-254	\$1,578,506,823	\$0	\$851,844,882	\$8,552,189	\$718,109,752	3,326.8
<b>INCREASE/(DECREASE)</b>	<b>\$173,781,952</b>	<b>\$0</b>	<b>\$103,868,948</b>	<b>\$2,686,051</b>	<b>\$67,226,953</b>	<b>0.0</b>
Percentage Change	12.4%	n/a	13.9%	45.8%	10.3%	0.0%

**INFORMATIONAL FUNDS:** The FY 2017-18 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of Transportation are annotated with the "(I)". For additional information, see Appendix J.



	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2017-18 Appropriations containing an (I) notation	\$1,542,935,166	\$0	\$818,136,252	\$6,689,162	\$718,109,752

## DETAIL OF APPROPRIATION BY ADMINISTRATIVE SECTION

### ADMINISTRATION

The Administration section consists of the following offices and divisions:

- Transportation Commission;
- Office of the Executive Director;
- Office of Government Relations;
- Office of Public Relations;
- Office of Information Technology;
- Office of Financial Management and Budget;
- Accounting Branch;
- Office of the Chief Engineer and Regional Transportation Directors;
- Motor Pool Operations for State Fleet Vehicles;
- Division of Human Resources and Administration; and
- Division of Audit.

The General Assembly appropriates funds to this division in a lump sum as required by Section 43-1-113 (3)(a), C.R.S. The funding for the Administration division includes the salaries and expenses for the numerous offices and programs within the Administration section. Section 43-1-113 (6)(a), C.R.S., limits the Administration appropriation to no more than 5.0 percent of the total Department of Transportation Long Bill appropriation. Cash funds from the State Highway Fund provide the primary source of funding, with a portion of administrative costs funded by reappropriated funds paid to the print shop and for the maintenance of other state agencies' vehicles.

ADMINISTRATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$31,748,583	\$0	\$29,863,386	\$1,885,197	\$0	183.5
<b>TOTAL</b>	<b>\$31,748,583</b>	<b>\$0</b>	<b>\$29,863,386</b>	<b>\$1,885,197</b>	<b>\$0</b>	<b>183.5</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$31,748,583	\$0	\$29,863,386	\$1,885,197	\$0	183.5
Centrally appropriated line items	1,303,513	0	1,323,711	(20,198)	0	0.0
Indirect cost assessment	5,561	0	7,533	(1,972)	0	0.0
<b>SB 17-254</b>	<b>\$33,057,657</b>	<b>\$0</b>	<b>\$31,194,630</b>	<b>\$1,863,027</b>	<b>\$0</b>	<b>183.5</b>
<b>TOTAL</b>	<b>\$33,057,657</b>	<b>\$0</b>	<b>\$31,194,630</b>	<b>\$1,863,027</b>	<b>\$0</b>	<b>183.5</b>
<b>INCREASE/(DECREASE)</b>	<b>\$1,309,074</b>	<b>\$0</b>	<b>\$1,331,244</b>	<b>(\$22,170)</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	4.1%	n/a	4.5%	(1.2%)	n/a	0.0%

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; salary survey; merit pay; shift differential; workers' compensation; legal services; payment to risk management and property funds; CORE operations; and payments to the Governor's Office of Information Technology (OIT).

**INDIRECT COST ASSESSMENT:** The appropriation includes an increase to the division's indirect cost assessment.

## CONSTRUCTION, MAINTENANCE, AND OPERATIONS

The Construction, Maintenance, and Operations Division is responsible for transportation planning, inter-modal transportation programs, and all phases of highway operation including engineering, construction, and maintenance. The Transportation Commission allocates the budgets for these programs and amounts are included in the Long Bill for informational purposes only. This division represents the majority of the Department's total budget. Funding for this division is intended to improve the condition of the state transportation system.

This division reflects revenues that are continuously appropriated to the Department for the construction, maintenance, and operations of state highways and transportation systems. Cash funds include the State Highway Fund, miscellaneous permit fees, interest earnings, and local matching funds made available for federal dollars.

CONSTRUCTION, MAINTENANCE, AND OPERATIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$1,236,114,586	\$0	\$598,339,646	\$1,892,141	\$635,882,799	3,137.3
<b>TOTAL</b>	<b>\$1,236,114,586</b>	<b>\$0</b>	<b>\$598,339,646</b>	<b>\$1,892,141</b>	<b>\$635,882,799</b>	<b>3,137.3</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$1,236,114,586	\$0	\$598,339,646	\$1,892,141	\$635,882,799	3,137.3
Updated revenue projections	184,725,270	0	102,498,317	0	82,226,953	(1.0)
Centrally appropriated line items	(1,303,294)	0	(1,323,843)	20,549	0	0.0
Indirect cost assessment	(5,561)	0	(7,533)	1,972	0	0.0
<b>SB 17-254</b>	<b>\$1,419,531,001</b>	<b>\$0</b>	<b>\$699,506,587</b>	<b>\$1,914,662</b>	<b>\$718,109,752</b>	<b>3,136.3</b>
<b>TOTAL</b>	<b>\$1,419,531,001</b>	<b>\$0</b>	<b>\$699,506,587</b>	<b>\$1,914,662</b>	<b>\$718,109,752</b>	<b>3,136.3</b>
<b>INCREASE/(DECREASE)</b>						
	\$183,416,415	\$0	\$101,166,941	\$22,521	\$82,226,953	(1.0)
Percentage Change	14.8%	n/a	16.9%	1.2%	12.9%	(0.0%)

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**UPDATED REVENUE PROJECTIONS:** The appropriation includes updates to the Department's revenue projections, which are provided for informational purposes only. The appropriation reflects adjustments to the Department's estimated S.B. 09-228 transfer, an increase in expected HUTF revenue and federal funds, and minor adjustments to various other state revenues.

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; salary survey; merit pay; shift differential; workers' compensation; legal services; payment to risk management and property funds; CORE

operations; and payments to the Governor's Office of Information Technology (OIT). Increases made in the Administration line item result in an associated decrease in the available revenue in the Construction, Maintenance, and Operations line item.

**INDIRECT COST ASSESSMENT:** The appropriation includes a decrease to the division's indirect cost assessment.

## HIGH PERFORMANCE TRANSPORTATION ENTERPRISE

This section, created by S.B. 09-108 (Transportation System Planning and Funding), replaced the Statewide Tolling Enterprise. In addition to assuming the responsibilities of the Statewide Tolling Enterprise, the High Performance Transportation Enterprise was established to pursue public-private partnerships and other means of completing surface transportation projects, including collecting tolls on existing roadways if such projects are approved by local transportation entities. This section is granted enterprise status as long as it retains the authority to issue revenue bonds and receives less than 10.0 percent of its total revenues from grants from state and local governments. The amounts shown are revenue estimates from the existing toll lanes and are included in the Long Bill for informational purposes only.

HIGH PERFORMANCE TRANSPORTATION ENTERPRISE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$7,716,702	\$0	\$5,627,902	\$2,088,800	\$0	4.0
<b>TOTAL</b>	<b>\$7,716,702</b>	<b>\$0</b>	<b>\$5,627,902</b>	<b>\$2,088,800</b>	<b>\$0</b>	<b>4.0</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$7,716,702	\$0	\$5,627,902	\$2,088,800	\$0	4.0
Updated revenue projections	3,445,798	0	760,098	2,685,700	0	1.0
<b>SB 17-254</b>	<b>\$11,162,500</b>	<b>\$0</b>	<b>\$6,388,000</b>	<b>\$4,774,500</b>	<b>\$0</b>	<b>5.0</b>
<b>TOTAL</b>	<b>\$11,162,500</b>	<b>\$0</b>	<b>\$6,388,000</b>	<b>\$4,774,500</b>	<b>\$0</b>	<b>5.0</b>
<b>INCREASE/(DECREASE)</b>	\$3,445,798	\$0	\$760,098	\$2,685,700	\$0	1.0
Percentage Change	44.7%	n/a	13.5%	128.6%	n/a	25.0%

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**UPDATED REVENUE PROJECTIONS:** The appropriation includes updates to the Department's revenue projections, which are provided for informational purposes only. The appropriation reflects an expected increase in revenue from tolls and fees for services.

## FIRST TIME DRUNK DRIVING OFFENDERS ACCOUNT

This section provides funding for increased high visibility drunk driving law enforcement actions pursuant to Section 42-2-132 (4)(b)(II)(A), C.R.S. The General Assembly controls the appropriation for this division. Cash funds are from driver's license reinstatement fees connected with alcohol-related driving offenses.

FIRST TIME DRUNK DRIVING OFFENDERS ACCOUNT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$2,000,000	\$0	\$2,000,000	\$0	\$0	0.0
<b>TOTAL</b>	<b>\$2,000,000</b>	<b>\$0</b>	<b>\$2,000,000</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$2,000,000	\$0	\$2,000,000	\$0	\$0	0.0
Marijuana impaired driving campaign	(500,000)	0	(500,000)	0	0	0.0
<b>SB 17-254</b>	<b>\$1,500,000</b>	<b>\$0</b>	<b>\$1,500,000</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>TOTAL</b>	<b>\$1,500,000</b>	<b>\$0</b>	<b>\$1,500,000</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$500,000)</b>	<b>\$0</b>	<b>(\$500,000)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	(25.0%)	n/a	(25.0%)	n/a	n/a	n/a

#### FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**MARIJUANA IMPAIRED DRIVING CAMPAIGN:** The appropriation includes a net zero transfer of \$500,000 Marijuana Tax Cash Fund from the First Time Drunk Driving Offenders Account line item to the Marijuana Impaired Driving Program line item, to fund a statewide marijuana impaired driving public education campaign.

#### STATEWIDE BRIDGE ENTERPRISE

Created in Section 43-4-805 (2)(a)(I), C.R.S., this section is funded through a bridge safety surcharge on vehicle registrations. The Enterprise's purpose is to facilitate the repair or replacement of bridges rated as in poor condition and as structurally deficient or functionally obsolete. The Enterprise has the authority to issue revenue bonds and to borrow funds from the Transportation Commission to be repaid from bridge safety surcharge revenues. The section can maintain enterprise status as long as it retains the authority to issue revenue bonds and receives less than 10.0 percent of its total revenues from grants from state and local governments. The amounts shown are revenue estimates and are included in the Long Bill for informational purposes only.

STATEWIDE BRIDGE ENTERPRISE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$126,600,000	\$0	\$111,600,000	\$0	\$15,000,000	2.0
<b>TOTAL</b>	<b>\$126,600,000</b>	<b>\$0</b>	<b>\$111,600,000</b>	<b>\$0</b>	<b>\$15,000,000</b>	<b>2.0</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$126,600,000	\$0	\$111,600,000	\$0	\$15,000,000	2.0
Updated revenue projections	(14,358,335)	0	641,665	0	(15,000,000)	0.0
<b>SB 17-254</b>	<b>\$112,241,665</b>	<b>\$0</b>	<b>\$112,241,665</b>	<b>\$0</b>	<b>\$0</b>	<b>2.0</b>
<b>TOTAL</b>	<b>\$112,241,665</b>	<b>\$0</b>	<b>\$112,241,665</b>	<b>\$0</b>	<b>\$0</b>	<b>2.0</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$14,358,335)</b>	<b>\$0</b>	<b>\$641,665</b>	<b>\$0</b>	<b>(\$15,000,000)</b>	<b>0.0</b>
Percentage Change	(11.3%)	n/a	0.6%	n/a	(100.0%)	0.0%

#### FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**UPDATED REVENUE PROJECTIONS:** The appropriation includes updates to the Department's revenue projections, which are provided for informational purposes only. The appropriation reflects the elimination of the Department's allocation of federal funds and an expected increase in surcharge revenue due to population increase.

## MARIJUANA IMPAIRED DRIVING PROGRAM

This division, created in the FY 2015-16 Long Bill, provides funding for the Department to develop and administer a public awareness program directed at marijuana impaired driving. Goals of the campaign include reductions in serious injuries and fatalities on Colorado roads, as well as declines in marijuana impaired driving behavior and citations. This program is funded by the Marijuana Tax Cash Fund.

MARIJUANA IMPAIRED DRIVING PROGRAM						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$450,000	\$0	\$450,000	\$0	\$0	0.0
<b>TOTAL</b>	<b>\$450,000</b>	<b>\$0</b>	<b>\$450,000</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$450,000	\$0	\$450,000	\$0	\$0	0.0
Marijuana impaired driving campaign	500,000	0	500,000	0	0	0.0
<b>SB 17-254</b>	<b>\$950,000</b>	<b>\$0</b>	<b>\$950,000</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>TOTAL</b>	<b>\$950,000</b>	<b>\$0</b>	<b>\$950,000</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	\$500,000	\$0	\$500,000	\$0	\$0	0.0
Percentage Change	111.1%	n/a	111.1%	n/a	n/a	n/a

### FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**MARIJUANA IMPAIRED DRIVING CAMPAIGN:** The appropriation includes a net zero transfer of \$500,000 Marijuana Tax Cash Fund from the First Time Drunk Driving Offenders Account line item to the Marijuana Impaired Driving Program line item, to fund a statewide marijuana impaired driving public education campaign.

## SOUTHWEST CHIEF RAIL COMMISSION

House Bill 14-1161 created the Southwest Chief Rail Line Economic Development, Rural Tourism, and Infrastructure Repair and Maintenance Fund in an effort to encourage Amtrak to continue the existing Southwest Chief rail line service and expand service to include a stop in Pueblo and potentially Walsenberg. Pursuant to Section 43-4-1002, C.R.S., money from the fund may be expended to further the goal of continuing Southwest Chief rail line service in Colorado and is subject to annual appropriation by the General Assembly.

SOUTHWEST CHIEF RAIL COMMISSION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$0	\$0	\$0	\$0	\$0	0.0
SB 17-171	95,000	0	95,000	0	0	0.0
<b>TOTAL</b>	<b>\$95,000</b>	<b>\$0</b>	<b>\$95,000</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$95,000	\$0	\$95,000	\$0	\$0	0.0
Southwest Chief adjustment	(31,000)	0	(31,000)	0	0	0.0
<b>SB 17-254</b>	<b>\$64,000</b>	<b>\$0</b>	<b>\$64,000</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>TOTAL</b>	<b>\$64,000</b>	<b>\$0</b>	<b>\$64,000</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	(\$31,000)	\$0	(\$31,000)	\$0	\$0	0.0
Percentage Change	(32.6%)	n/a	(32.6%)	n/a	n/a	n/a

FY 2016-17 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 17-171 adds \$95,000 cash funds from the Southwest Chief Rail Line Economic Development, Rural Tourism, and Infrastructure Repair and Maintenance Fund (Southwest Chief Rail Fund) to the Department's FY 2016-17 appropriation to develop a study of revenue and ridership data, and to hire a consultant who will work with the Burlington Northern Railroad and Amtrak to ensure their planned Southwest Chief rail improvements align with the mission of the Southwest Chief Commission.

FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**SOUTHWEST CHIEF ADJUSTMENT:** The appropriation reflects a decrease of \$31,000 cash funds for the Southwest Chief Rail Commission. The remaining appropriation of \$64,000 will allow the Department to continue to expend funds for Southwest Chief improvements in FY 2017-18.

RECENT LEGISLATION

2016 SESSION BILLS

**H.B. 16-1405 (LONG BILL):** General appropriations act for FY 2016-17.

**H.B. 16-1416 (STATE INFRASTRUCTURE GENERAL FUND TRANSFERS):** Replaces the transfer formula required by S.B. 09-228 with set amounts to be transferred to the Highway Users Tax Fund and to the Capital Construction Fund for FY 2015-16 and FY 2016-17. The bill does not change the formula for the last three years of S.B. 09-228 transfers (FY 2017-18 through FY 2019-20). Requires the State Treasurer to transfer from the General Fund to the:

- Capital Construction Fund, \$49.8 million on June 30, 2016, and \$52.7 million on June 30, 2017; and
- Highway Users Tax Fund, \$199.2 million on June 30, 2016, and \$158.0 million on June 30, 2017.

2017 SESSION BILLS

**S.B. 17-171 (SUPPLEMENTAL BILL):** Modifies FY 2016-17 appropriations to the Department.

**S.B. 17-254 (LONG BILL):** General appropriations act for FY 2017-18.

**S.B. 17-262 (HUTF AND CAPITAL CONSTRUCTION FUND TRANSFERS):** Replaces the S.B. 09-228 and H.B. 16-1416 transfers to the Highway Users Tax Fund (HUTF) and the Capital Construction Fund from FY 2016-17 through FY 2019-20. Specifically, makes the following changes:

- In FY 2016-17, reduces the transfer to the HUTF from \$158.0 million to \$79.0 million.
- In the remaining three years, replaces the current formula with specific dollar amounts, to be transferred on June 30 of the fiscal year, as follows:

MODIFIED TRANSFERS				
	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
HUTF	\$79,000,000	\$79,000,000	\$160,000,000	\$160,000,000
Capital Construction	No change	0	60,000,000	60,000,000

- The bill does not change the transfer amount for Capital Construction in FY 2016-17. Additionally, the bill eliminates the transfer for FY 2017-18, which will be replaced by transfers made in the Capital Construction transfer bill (S.B. 17-263).
- Repeals provisions that relate to the conditional transfer.

**S.B. 17-267 (SUSTAINABILITY OF RURAL COLORADO):** Among other provisions, the bill requires the state to execute lease-purchase agreements for state buildings in increments of up to \$500 million per year in FYs 2018-19 through 2021-22 (up to \$2 billion in total) to generate funding for transportation and capital construction projects.

- The first \$120 million in proceeds must be used for controlled maintenance and capital construction projects and the remaining proceeds for tier 1 transportation projects.
- Of the transportation money, 25 percent must be expended for projects in rural counties and 10 percent must be expended for transit.
- The maximum term of the lease-purchase agreements is 20 years and the maximum total annual payment is \$150 million.
- Of the annual payment the first \$9 million is from the General Fund (or other legal sources designated by the General Assembly), the next \$50 million is from funds under the control of the Transportation Commission, and the remaining \$91 million is from the General Fund (or other legal sources designated by the General Assembly).
- Eliminates current law transfers from the General Fund to the Highway Users Tax Fund of \$160 million that are scheduled to occur on June 30, 2019 and June 30, 2020.

For more information, see the corresponding bill description in the "Recent Legislation" section at the end of Part III of the Department of Health Care Policy and Financing.

# Details

## DEPARTMENT OF THE TREASURY

### FY 2016-17 AND FY 2017-18 APPROPRIATIONS BY DIVISION AND BILL

DEPARTMENT OF THE TREASURY						
	TOTAL FUNDS	GENERAL FUND <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	Federal Funds	FTE
<b>FY 2016-17 TOTAL APPROPRIATION:</b>	<b>\$511,351,107</b>	<b>\$139,308,257</b>	<b>\$354,267,675</b>	<b>\$17,775,175</b>	<b>\$0</b>	<b>32.9</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
Administration	2,360,974	1,086,429	1,274,545	0	0	17.4
Unclaimed Property Program	2,262,606	0	2,262,606	0	0	15.5
Special Purpose	506,727,527	138,221,828	350,730,524	17,775,175	0	0.0
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
HB 16-1405	\$518,036,107	\$146,008,257	\$354,252,675	\$17,775,175	\$0	32.9
SB 17-254	(6,685,000)	(6,700,000)	15,000	0	0	0.0
<b>FY 2017-18 TOTAL APPROPRIATION:</b>	<b>\$524,067,755</b>	<b>\$151,447,545</b>	<b>\$354,847,185</b>	<b>\$17,773,025</b>	<b>\$0</b>	<b>32.9</b>
BREAKDOWN OF TOTAL APPROPRIATION BY ADMINISTRATIVE SECTION						
Administration	2,581,747	1,225,717	1,356,030	0	0	17.4
Unclaimed Property Program	2,260,631	0	2,260,631	0	0	15.5
Special Purpose	519,225,377	150,221,828	351,230,524	17,773,025	0	0.0
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
SB 17-254	\$524,067,755	\$151,447,545	\$354,847,185	\$17,773,025	\$0	32.9
<b>INCREASE/(DECREASE)</b>	<b>\$12,716,648</b>	<b>\$12,139,288</b>	<b>\$579,510</b>	<b>(\$2,150)</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	2.5%	8.7%	0.2%	0.0%	n/a	0.0%

<sup>1</sup> Includes \$136,000,000 in FY 2016-17 and \$148,000,000 in FY 2017-18 that is not subject to the statutory restriction on state General Fund appropriations imposed by Section 24-75-201.1, C.R.S.

**INFORMATIONAL FUNDS:** The FY 2017-18 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the Department of the Treasury are annotated with the "(I)". For additional information, see Appendix E.

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2017-18 Appropriations containing an (I) notation	\$517,808,549	\$148,000,000	\$352,035,524	\$17,773,025	\$0



## DETAIL OF APPROPRIATION BY ADMINISTRATIVE SECTION

### ADMINISTRATION

This division is responsible for the operation and oversight of the Department and provides accounting, cash management, and investment services for the State. The Division's cash funds derive from the Treasury transaction fee imposed pursuant to Section 24-36-120 (1), C.R.S., and from the Unclaimed Property Trust Fund.

ADMINISTRATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$2,345,974	\$1,086,429	\$1,259,545	\$0	\$0	17.4
SB 17-254	15,000	0	15,000	0	0	0.0
<b>TOTAL</b>	<b>\$2,360,974</b>	<b>\$1,086,429</b>	<b>\$1,274,545</b>	<b>\$0</b>	<b>\$0</b>	<b>17.4</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$2,360,974	\$1,086,429	\$1,274,545	\$0	\$0	17.4
Centrally appropriated line items	217,736	121,251	96,485	0	0	0.0
Investment tools	18,037	18,037	0	0	0	0.0
Annualize prior year budget actions	(15,000)	0	(15,000)	0	0	0.0
<b>SB 17-254</b>	<b>\$2,581,747</b>	<b>\$1,225,717</b>	<b>\$1,356,030</b>	<b>\$0</b>	<b>\$0</b>	<b>17.4</b>
<b>TOTAL</b>	<b>\$2,581,747</b>	<b>\$1,225,717</b>	<b>\$1,356,030</b>	<b>\$0</b>	<b>\$0</b>	<b>17.4</b>
<b>INCREASE/(DECREASE)</b>	<b>\$220,773</b>	<b>\$139,288</b>	<b>\$81,485</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	9.4%	12.8%	6.4%	n/a	n/a	0.0%

### FY 2016-17 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 17-254 modifies FY 2016-17 appropriations to add \$15,000 cash funds for legal services associated with S.B. 16-025 (The Public School Fund).

### FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; merit pay; salary survey; short-term disability; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; workers' compensation; legal services; payment to risk management and property funds; Capitol complex leased space; payments to the Governor's Office of Information Technology (OIT); and CORE operations.

**INVESTMENT TOOLS:** The appropriation includes an increase of \$18,037 General Fund for costs associated with the Bloomberg and S&P investment tools used by the Department's investment officers.

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS:** The appropriation includes adjustments for the second year impact of prior year budget actions, including the Long Bill supplemental.

## UNCLAIMED PROPERTY PROGRAM

Pursuant to the Unclaimed Property Act, the State takes possession of dormant properties held by a wide range of institutions and attempts to return the properties to their rightful owners. The Department deposits recovered money in the Unclaimed Property Trust Fund (UPTF), using the principal and interest to pay claims as well as the costs of operating the program. The remaining principal and interest earnings in the fund support the Medicaid Adult Dental Program and provide a reserve against future unclaimed property claims. The Department holds recovered securities for at least a year and then sells those that have not been returned, depositing sales proceeds in the Unclaimed Property Tourism Promotion Trust Fund (UPTPTF). The State uses the interest earned on the UPTPTF fund to promote economic development, agri-tourism, and the State Fair. The cash funds source for appropriations in this division is the Unclaimed Property Trust Fund.

UNCLAIMED PROPERTY PROGRAM						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$2,262,606	\$0	\$2,262,606	\$0	\$0	15.5
<b>TOTAL</b>	<b>\$2,262,606</b>	<b>\$0</b>	<b>\$2,262,606</b>	<b>\$0</b>	<b>\$0</b>	<b>15.5</b>
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$2,262,606	\$0	\$2,262,606	\$0	\$0	15.5
Centrally appropriated line items	(1,975)	0	(1,975)	0	0	0.0
<b>SB 17-254</b>	<b>\$2,260,631</b>	<b>\$0</b>	<b>\$2,260,631</b>	<b>\$0</b>	<b>\$0</b>	<b>15.5</b>
<b>TOTAL</b>	<b>\$2,260,631</b>	<b>\$0</b>	<b>\$2,260,631</b>	<b>\$0</b>	<b>\$0</b>	<b>15.5</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$1,975)</b>	<b>\$0</b>	<b>(\$1,975)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	(0.1%)	n/a	(0.1%)	n/a	n/a	0.0%

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**CENTRALLY APPROPRIATED LINE ITEMS:** The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for leased space.

## SPECIAL PURPOSE

This section of the Long Bill reflects various disbursements and transfers the Treasurer is required to make, including the following: (1) reimbursements to local governments for property tax revenues foregone due to the senior citizen and disabled veteran property tax exemption; (2) allocations of Highway Users Tax Fund (HUTF) revenues to local governments; and (3) property tax reimbursements for real or business property listed on a single schedule that was destroyed by a natural cause, pursuant to H.B. 14-1001. The General Fund appropriation for the senior citizen property tax exemption is not subject to the statutory restrictions on General Fund appropriations. The source of cash funds is the Highway Users Tax Fund.

SPECIAL PURPOSE						
	TOTAL FUNDS	GENERAL FUND <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION:						
HB 16-1405	\$513,427,527	\$144,921,828	\$350,730,524	\$17,775,175	\$0	0.0
SB 17-254	(6,700,000)	(6,700,000)	0	0	0	0.0
<b>TOTAL</b>	<b>\$506,727,527</b>	<b>\$138,221,828</b>	<b>\$350,730,524</b>	<b>\$17,775,175</b>	<b>\$0</b>	<b>0.0</b>

SPECIAL PURPOSE						
	TOTAL FUNDS	GENERAL FUND <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
FY 2016-17 Appropriation	\$506,727,527	\$138,221,828	\$350,730,524	\$17,775,175	\$0	0.0
Senior Citizen and Disabled Veteran Property Tax Exemption	12,000,000	12,000,000	0	0	0	0.0
Annualize prior year legislation	500,000	0	500,000	0	0	0.0
Federal mineral lease adjustment	(2,150)	0	0	(2,150)	0	0.0
<b>SB 17-254</b>	<b>\$519,225,377</b>	<b>\$150,221,828</b>	<b>\$351,230,524</b>	<b>\$17,773,025</b>	<b>\$0</b>	<b>0.0</b>
<b>TOTAL</b>	<b>\$519,225,377</b>	<b>\$150,221,828</b>	<b>\$351,230,524</b>	<b>\$17,773,025</b>	<b>\$0</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$12,497,850</b>	<b>\$12,000,000</b>	<b>\$500,000</b>	<b>(\$2,150)</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	2.5%	8.7%	0.1%	0.0%	n/a	n/a

<sup>1</sup> Includes \$136,000,000 in FY 2016-17 and \$148,000,000 in FY 2017-18 that is exempt from the statutory limit on state General Fund appropriations pursuant to Section 24-75-201.1 (1) (a) (III) (A), C.R.S.

## FY 2016-17 APPROPRIATION - MID-YEAR ADJUSTMENTS

Senate Bill 17-254 modifies the FY 2016-17 appropriations to decrease the projected amount for reimbursements to counties for lost property taxes as a result of the Senior Citizen and Disabled Veterans Property Tax Exemption by \$6,700,000 million General Fund. The amount identified in the Long Bill is subject to an (I) note and is for informational purposes only.

## FY 2017-18 APPROPRIATION – S.B. 17-254 (LONG BILL) ISSUE DESCRIPTIONS

**SENIOR CITIZEN AND DISABLED VETERAN PROPERTY TAX EXEMPTION:** The appropriation includes, for informational purposes, a \$12,000,000 General Fund increase for reimbursements to local governments for lost property tax revenues resulting from the exemption.

**ANNUALIZE PRIOR YEAR LEGISLATION:** The appropriation includes adjustments related to prior year legislation, including S.B. 16-035 (The Public School Fund).

**FEDERAL MINERAL LEASE ADJUSTMENT:** The appropriation includes a decrease of \$2,150 reappropriated funds for the refinance of funding for certificates of participation for academic facilities.

## RECENT LEGISLATION

### 2016 SESSION BILLS

**H.B. 16-1161 (ALLOCATE SENIOR PROPERTY TAX EXEMPTION MONEY):** Allocates the amount by which the value indicated in the Senior Citizen and Disabled Veteran Property Tax Exemption line item of the Long Bill exceeds the total amount of all warrants issued by the state treasurer to reimburse local governmental entities for property tax revenues lost as a result of the application of the exemption as follows: 95.0 percent to the Senior Services Account within the Older Coloradans Cash Fund, and 5.0 percent to the Veterans Assistance Grant Program Cash Fund.

**H.B. 16-1175 (PROPERTY TAX EXEMPTION ADMINISTRATION):** Makes various administrative changes to help identify applicants who do not meet the legal requirements for the Senior Citizen and Disabled Veteran Property Tax Exemption. Please see Recent Legislation in the Department of Local Affairs for additional information.

**H.B. 16-1405 (LONG BILL):** General appropriations act for FY 2016-17.

**H.B. 16-1444 (DEFINITION QUALIFYING DISABLED VETERAN PROPERTY TAX):** Aligns the statutory definition of "qualifying disabled veteran," as it relates to a property tax exemption for qualifying seniors and disabled veterans, with the language established in section 3.5 of article X of the Colorado Constitution.

## 2017 SESSION BILLS

**S.B. 17-254 (LONG BILL):** General appropriations act for FY 2017-18. Includes provisions modifying FY 2016-17 appropriations to the Department.

**S.B. 17-267 (SUSTAINABILITY OF RURAL COLORADO):** Identifies the amount of reimbursement made by the State to local governments for exempted property taxes pursuant to Section 3.5 of Article X of the State Constitution (Senior Citizen and Disabled Veterans Property Tax Exemption) as a reasonable method to make required refunds of excess state revenues pursuant to Section 20 of Article X of the State Constitution (TABOR). For any state fiscal year commencing on or after July 1, 2017, for which state revenues, as defined in section 24-77-103.6 (6)(c), exceed the excess state revenues cap as defined in Section 24-77-103.6 (6)(b)(I)(C) or (6)(b)(I)(D), C.R.S., and are required to be refunded in accordance with Section 20 of Article X of the State Constitution, the lesser of all reimbursement paid by the state treasurer to each county treasurer as required by Section 39-3-207 (4), C.R.S. for the property tax year that commenced during the state fiscal year, or an amount of such reimbursement equal to the amount of excess state revenues for the state fiscal year that are required to be refunded, is a refund of such excess state revenues. For more information, see the corresponding bill description in the "Recent Legislation" section at the end of Part III of the Department of Health Care Policy and Financing.

# Details

## CAPITAL CONSTRUCTION

### FY 2016-17 AND FY 2017-18 APPROPRIATIONS BY DEPARTMENT AND BILL

CAPITAL CONSTRUCTION						
	TOTAL FUNDS	CAPITAL CONSTRUCTION FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2016-17 TOTAL APPROPRIATION:</b>	<b>\$247,743,578</b>	<b>\$117,886,557</b>	<b>\$109,922,398</b>	<b>\$766,231</b>	<b>\$19,168,392</b>	<b>0.0</b>
BREAKDOWN OF TOTAL APPROPRIATION BY DEPARTMENT						
Agriculture	285,000	0	285,000	0	0	0.0
Corrections	4,956,434	4,296,434	660,000	0	0	0.0
Education	7,600,185	7,600,185	0	0	0	0.0
Governor	11,388,707	11,388,707	0	0	0	0.0
Higher Education	105,313,346	65,631,467	39,681,879	0	0	0.0
Human Services	35,119,997	16,776,787	979,884	0	17,363,326	0.0
Labor and Employment	25,263,480	0	25,263,480	0	0	0.0
Military and Veterans Affairs	1,334,260	667,130	0	0	667,130	0.0
Natural Resources	40,391,672	0	39,990,036	0	401,636	0.0
Personnel	13,517,078	11,025,847	1,725,000	766,231	0	0.0
Public Health and Environment	928,419	0	192,119	0	736,300	0.0
Public Safety	1,145,000	0	1,145,000	0	0	0.0
Transportation	500,000	500,000	0	0	0	0.0
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
HB 16-1405	\$239,086,768	\$115,569,901	\$108,931,647	\$0	\$14,585,220	0.0
SB 17-172	8,656,810	2,316,656	990,751	766,231	4,583,172	0.0
<b>FY 2017-18 TOTAL APPROPRIATION:</b>	<b>\$183,391,498</b>	<b>\$91,912,328</b>	<b>\$69,179,429</b>	<b>\$10,000,000</b>	<b>\$12,299,741</b>	<b>0.0</b>
BREAKDOWN OF TOTAL APPROPRIATION BY DEPARTMENT						
Agriculture	16,709,078	0	6,709,078	10,000,000	0	0.0
Corrections	21,324,089	20,664,089	660,000	0	0	0.0
Education	1,322,910	1,322,910	0	0	0	0.0
Governor	10,316,372	10,316,372	0	0	0	0.0
Higher Education	24,295,847	21,538,889	2,756,958	0	0	0.0
Human Services	33,313,514	20,576,113	1,002,925	0	11,734,476	0.0
Labor and Employment	26,213,480	0	26,213,480	0	0	0.0
Military and Veterans Affairs	4,440,180	3,974,915	0	0	465,265	0.0
Natural Resources	30,940,400	0	30,940,400	0	0	0.0
Personnel	11,484,010	11,484,010	0	0	0	0.0
Public Health and Environment	996,588	0	896,588	0	100,000	0.0
Public Safety	1,535,030	1,535,030	0	0	0	0.0
Transportation	500,000	500,000	0	0	0	0.0
BREAKDOWN OF TOTAL APPROPRIATION BY BILL						
SB 17-254	\$183,391,498	\$91,912,328	\$69,179,429	\$10,000,000	\$12,299,741	0.0
<b>INCREASE/(DECREASE)</b>	<b>(\$64,352,080)</b>	<b>(\$25,974,229)</b>	<b>(\$40,742,969)</b>	<b>\$9,233,769</b>	<b>(\$6,868,651)</b>	<b>0.0</b>
Percentage Change	(26.0%)	(22.0%)	(37.1%)	1,205.1%	(35.8%)	n/a

**INFORMATIONAL FUNDS:** The FY 2017-18 Long Bill and other legislation indicates when an amount is shown solely for informational purposes through an "(I)" notation. The following amounts in the capital construction section are annotated with the "(I)". For additional information, see Appendix E.

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2017-18 Appropriations containing an (I) notation	\$21,312,856	\$0	\$9,013,115	\$0	\$12,299,741

## APPROPRIATIONS AND TRANSFERS TO THE CAPITAL CONSTRUCTION FUND

The following table summarizes appropriations, adjustments, and transfers to or from the Capital Construction Fund that increase or decrease the balance available for projects.

FY 2017-18 CAPITAL CONSTRUCTION FUND BALANCE	
<b>1. CCF Preliminary Beginning Balance Total - FY 2016-17</b>	<b>\$7,286,094</b>
Additional Adjustments	
CCF Reversions - FY 2015-16 (as of 11/1/16)	955,734
Additional CCF Interest - FY 2015-16	180,089
<b>CCF Beginning Balance - FY 2016-17</b>	<b>\$8,421,917</b>
<b>2. H.B. 16-1416 FY 2015-16 Net Transfers Available for FY 2016-17</b>	
FY15-16 H.B. 16-1416 Transfer	49,800,000
FY15-16 S.B. 09-228 Transfers assumed for L.B. Appropriations	(26,500,000)
FY15-16 Supplemental Appropriation	(1,547,348)
<b>Net H.B. 16-1416 FY 2015-16 Transfers available for FY 2016-17</b>	<b>\$21,752,652</b>
<b>3. Transfers for FY 2016-17</b>	
H.B. 16-1416 Transfer for FY 2016-17	52,700,000
H.B. 16-1417 Transfers (Capital-related Transfers)	33,783,807
<b>Subtotal - Transfers in FY 2016-17</b>	<b>\$86,483,807</b>
<b>4. CCF Appropriations - FY 2016-17</b>	
FY 2016-17 CCF Appropriations in Long Bill	(115,569,901)
FY 2016-17 CCF Supplemental Appropriations	(2,672,108)
<b>Total CCF Appropriations for FY 2016-17</b>	<b>(\$118,242,009)</b>
<b>5. Additional Adjustments and Ending Balance</b>	
Projected FY 2016-17 CCF Interest Earnings	2,300,000
<b>FY 2016-17 CCF Ending Balance</b>	<b>\$716,367</b>
<b>6. FY 2017-18 CCF Recommended Appropriations</b>	
Building Capital Appropriations	72,056,813
Information Technology Appropriations	19,855,515
FY 2014-15 CCF Reversions Available in FY 2017-18	(1,000,000)
<b>Total - CCF appropriations for FY 2017-18</b>	<b>\$90,912,328</b>
<b>7. FY 2017-18 Recommended Transfers to CCF</b>	
GF for Controlled Maintenance and Capital Construction	68,840,446
GF for Information Technology Capital Account projects	19,855,515
GFE for Transportation	500,000
State Historical Fund for State Capitol cm project	1,000,000
<b>Total - Recommended Transfer to CCF for FY 2017-18</b>	<b>\$90,195,961</b>
GF to Controlled Maintenance Trust Fund (CMTF)	20,000,000
<b>Total - GF Transfers to CCF and CMTF</b>	<b>\$109,195,961</b>

## GENERAL FUND EXEMPT

Referendum C, passed by Colorado voters in November 2005, allows the State to retain and spend all revenue that is collected in excess of the TABOR limit for FY 2005-06 through FY 2009-10. For FY 2010-11 and subsequent fiscal years, Referendum C allows the State to retain all revenues that are in excess of the TABOR limit, but less than the excess state revenues cap, for that fiscal year. This revenue must be placed in the General Fund Exempt Account. The following table shows the amount of General Fund Exempt that is appropriated for FY 2016-17 and FY 2017-18 from the General Fund Exempt Account for strategic transportation projects pursuant to Section 24-77-103.6 (2)(d), C.R.S.

GENERAL FUND SUMMARY	TOTAL GENERAL FUND	GENERAL FUND	GENERAL FUND EXEMPT
FY 2016-17	\$117,886,557	\$117,386,557	\$500,000
FY 2017-18	\$91,912,328	\$91,412,328	\$500,000

## RECENT LEGISLATION

### 2016 SESSION BILLS

**S.B. 16-020 (CLARIFY CALCULATION ISSUES OF AUTOMATIC CAPITAL FUNDING):** Clarifies the timing of depreciation equivalent payments that will be made pursuant to Senate Bill 15-211. Also clarifies the role of the Department of Higher Education in coordinating the reporting of depreciation equivalent payment calculations from institutions of higher education.

**H.B. 16-1252 (SUPPLEMENTAL BILL):** Supplemental appropriations bill for capital construction.

**H.B. 16-1405 (LONG BILL):** General appropriations act for FY 2016-17.

**H.B. 16-1416 (STATE INFRASTRUCTURE GENERAL FUND TRANSFERS):** Replaces the transfer formula required by S.B. 09-228 with set amounts to be transferred to the Highway Users Tax Fund and to the Capital Construction Fund for FY 2015-16 and FY 2016-17. The bill does not change the formula for the remaining three years of S.B. 09-228 transfers. Requires the State Treasurer to transfer from the General Fund to the:

- Capital Construction Fund, \$49.8 million on June 30, 2016, and \$52.7 million on June 30, 2017; and
- Highway Users Tax Fund, \$199.2 million on June 30, 2016, and \$158.0 million on June 30, 2017.

**H.B. 16-1417 (CAPITAL-RELATED TRANSFERS OF MONEYS):** Makes transfers to the Capital Construction Fund to pay for Capital Construction appropriations included in the FY 2016-17 Long Bill. For FY 2016-17, the bill transfers to the Capital Construction Fund:

- \$20,586,398 from the General Fund for capital construction and controlled maintenance projects;
- \$10,697,409 from the General Fund to the Information Technology Capital Account of the Capital Construction Fund for information technology capital projects;
- \$500,000 from the General Fund Exempt Account of the General Fund for capital construction transportation projects;
- \$1,000,000 of interest earned on the principal of the Controlled Maintenance Trust Fund for controlled maintenance projects; and

- \$1,000,000 from the Preservation Grant Program Account of the State Historical Fund for renovation of the House and Senate chambers.

**H.B. 16-1459 (SUBMISSION THRESHOLD FOR HIGHER ED CASH PROJECTS):** Increases the threshold for projects reviewed through two-year cash lists from \$2 million to \$10 million for everything but acquisitions, new construction, and projects financed using the State's credit rating.

**H.B. 16-1460 (DOA AUTHORITY TO SELL & BUY PROPERTY FOR CONSOLIDATION):** Gives the Department of Agriculture, in consultation with the Office of the State Architect within the Department of Personnel, the authority to sell and acquire real property specified in the bill. The bill directs the proceeds from the sale of the real property to be deposited in the Agriculture Management Fund and allows the proceeds to be spent for expenses related to the Department's ongoing office consolidation.

## 2017 SESSION BILLS

**S.B. 17-172 (SUPPLEMENTAL BILL):** Modifies FY 2016-17 appropriations for capital construction.

**S.B. 17-254 (LONG BILL):** General appropriations act for FY 2017-18. Includes provisions modifying FY 2011-12, FY 2014-15, and FY 2016-17 appropriations for capital construction.

**S.B. 17-262 (HUTF AND CAPITAL CONSTRUCTION FUND TRANSFERS):** Replaces the S.B. 09-228 and H.B. 16-1416 transfers to the Highway Users Tax Fund (HUTF) and the Capital Construction Fund from FY 2016-17 through FY 2019-20. Specifically, makes the following changes:

- In FY 2016-17, reduces the transfer to the HUTF from \$158.0 million to \$79.0 million.
- In the remaining three years, replaces the current formula with specific dollar amounts, to be transferred on June 30 of the fiscal year, as follows:

MODIFIED TRANSFERS				
	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
HUTF	\$79,000,000	\$79,000,000	\$160,000,000	\$160,000,000
Capital Construction	No change	0	60,000,000	60,000,000

- The bill does not change the transfer amount for Capital Construction in FY 2016-17. Additionally, the bill eliminates the transfer for FY 2017-18, which will be replaced by transfers made in the Capital Construction transfer bill (S.B. 17-263).
- Repeals provisions that relate to the conditional transfer.

**S.B. 17-263 (CAPITAL-RELATED TRANSFERS OF MONEY):** Makes a number of FY 2017-18 transfers to the Capital Construction Fund (CCF) and the Controlled Maintenance Trust Fund (CMTF).

Transfers include:

- \$88,695,961 from the General Fund;
- \$500,000 from the General Fund Exempt account; and
- \$1,000,000 from the State Historical Fund.

Of the \$88,695,961 transferred from the General Fund, \$19,855,515 million is transferred to the IT Capital Account in the CCF to pay costs associated with capital IT projects.



Also transfers \$20,000,000 from the General Fund to the CMTF to replace funds transferred out in FY 2016-17 for executive orders.

**S.B. 17-267 (SUSTAINABILITY OF RURAL COLORADO):** Among other provisions, the bill requires the state to execute lease-purchase agreements for state buildings in increments of up to \$500 million per year in FYs 2018-19 through 2021-22 (up to \$2 billion in total) to generate funding for transportation and capital construction projects.

- The first \$120 million in proceeds must be used for controlled maintenance and capital construction projects and the remaining proceeds for tier 1 transportation projects.
- Of the \$120 million for capital construction-related projects, \$113.3 million is specified as funding for FY 2017-18 level 1 out-year project costs and levels 2 and 3 controlled maintenance complete project costs.
- The maximum term of the lease-purchase agreements is 20 years and the maximum total annual payment is \$150 million.
- Of the annual payment the first \$9 million is from the General Fund (or other legal sources designated by the General Assembly), the next \$50 million is from funds under the control of the Transportation Commission, and the remaining \$91 million is from the General Fund (or other legal sources designated by the General Assembly).

The bill also eliminates state-provided controlled maintenance funding for institution of higher education academic buildings which are solely funded by cash funds (any non-state funds).

For more information, see the corresponding bill description in the "Recent Legislation" section at the end of Part III of the Department of Health Care Policy and Financing.

# APPENDICES

# A. GLOSSARY OF TERMS

## **APPROPRIATION**

An appropriation is legal authority for a department to expend a specified sum of money for a specified purpose. A state department may only expend money from the State treasury if the agency has a legislative appropriation for such purpose or if the expenditure is otherwise authorized by law. Most appropriations for government operations are for a single state fiscal year. However, appropriations related to capital construction projects and certain major information technology projects generally remain available until completion of the project or for a period of three years, whichever comes first.

## **CAPITAL CONSTRUCTION FUND**

The Capital Construction Fund is a fund that receives transfers from the General Fund for capital construction purposes. Money in this fund is appropriated to: construct, repair, and renovate state facilities; purchase major equipment; and acquire land. Appropriations from this fund are exempt from the fiscal year spending limit imposed by Article X, Section 20 of the State Constitution (also known as the Taxpayer's Bill of Rights or TABOR), because they authorize expenditures from a reserve.

## **CASH FUNDS**

Specific funds created to receive earmarked revenues, such as fees and fines. These funds typically pay for the programs for which the revenues are collected. Examples are the Wildlife Cash Fund and the Colorado Telephone Users with Disabilities Fund.

## **COMMON POLICIES**

Policies adopted by the General Assembly that are applicable to all departments, unless specifically exempted. Examples of common policies are the rates paid by agencies to the Department of Personnel for vehicle leases and Capitol Complex leased space, and to the Governor's Office of Information Technology for information technology-related services.

## **C.R.S.**

Colorado Revised Statutes, the compilation of Colorado laws.

## **FEDERAL FUNDS**

Funds from the federal government. Some federal funds are grants for limited purposes, while other federal funds support ongoing state-federal programs and may require matching state funds. Examples of programs requiring a state match are Medicaid and highway construction. Federal funds are exempt from the fiscal year spending limit imposed by TABOR.

## **FTE**

Full-time equivalent (FTE) means the budgetary equivalent of one permanent position continuously filled full-time for an entire fiscal year by elected officials or by state employees who are paid for at least 2,080 hours. For example, two employees in two different positions whose combined hours equal 2,080 for a fiscal year equal one FTE.

## **GENERAL FUND**

A fund that consists of general tax revenues, such as state sales and income tax revenues, as well as any other revenues and money not legally required to be credited to a special fund. The General Fund is used to pay for a variety of state programs and services. General Fund revenue and expenditures are restricted by TABOR and Section 24-75-201.1, C.R.S., which restricts annual state General Fund appropriations to an amount equal to 5.0 percent of Colorado personal income.

## **GENERAL FUND EXEMPT**

TABOR places restrictions on the amount of General Fund and cash fund revenues that can be collected and spent by the State. Certain General Fund revenues are exempt from these provisions: (1) tobacco tax revenues received pursuant to Amendment 35, which contained a voter-approved tax increase that specified that some of the resulting tax revenue be deposited in the General Fund; and (2) General Fund revenues that exceed the TABOR limit but are less than the revenue cap established by Referendum C. The latter source of funds must be deposited in the General Fund Exempt Account and can be appropriated only for health care, education, retirement plans for firefighters and police officers, and strategic transportation projects.

## **GENERAL FUND APPROPRIATIONS EXEMPT FROM THE STATUTORY RESTRICTION ON GENERAL FUND APPROPRIATIONS**

The total annual State General Fund appropriation is statutorily restricted to an amount equal to 5.0 percent of Colorado personal income. There are three specific exemptions to the statutory restriction on General Fund appropriations:

- appropriations due to federal law requiring a new program or service or an increase in the level of service for an existing program;
- appropriations due to a state or federal court order requiring a new program or service or an increase in the level of service for an existing program; and
- appropriations funded from an increase in taxes or fees approved by voters.

For more information, see Appendix D.

## **INFORMATIONAL FUNDS**

The Long Bill and other legislation indicate when an amount is shown for informational purposes. As defined in the Long Bill headnotes, these amounts do not reflect appropriations made by the General Assembly, or an expenditure limit, of such money. For more information see Appendix E.

## **INDIRECT COSTS**

Indirect costs are the overhead costs associated with the operation of general State government functions and departmental administrative duties. Indirect cost recoveries are intended to offset the costs of providing central services for cash-funded and federally-funded programs that otherwise would be supported by the General Fund.

## **LONG BILL**

Colorado's annual general appropriations bill, which provides most of the appropriations for the expenses of the State's executive, legislative, and judicial departments is called the Long Bill. Appropriations in the annual Long Bill are organized into two sections. The first section includes appropriations that provide for the payment of agencies' ordinary, ongoing operating expenses; the second section includes appropriations related to capital construction projects and certain major information technology projects.

## **OPERATING BUDGET**

This term refers to the sum of appropriations in the Long Bill and other bills that support the ordinary, ongoing operating expenses of executive, legislative, and judicial departments. The operating budget excludes appropriations related to capital construction projects and certain major information technology projects.

## **REAPPROPRIATED FUNDS**

Reappropriated funds are amounts of General Fund, cash funds, or federal funds that are appropriated more than one time in the same fiscal year. For example, General Fund is appropriated to the Department of Education for the purchase of legal services, and the same amount is appropriated to the Department of Law to provide such services. The appropriation to the Department of Law is identified as reappropriated funds with an associated letternote indicating the origin of the funds.

## **REFERENDUM C**

Colorado voters adopted a measure, popularly known as Referendum C, in the general election of 2005. This measure allowed the State to retain all General Fund revenues in excess of the fiscal year spending limit imposed by TABOR from July 1, 2005 through June 30, 2010. For FY 2010-11 and subsequent fiscal years, Referendum C allows the State to retain all revenues that are in excess of the TABOR fiscal year spending limit, but less than the “excess state revenues cap.” The excess state revenues cap is equal to the highest total state revenues for a fiscal year from FY 2005-06 through FY 2009-10, adjusted for each subsequent fiscal year for inflation, the percentage change in state population, enterprises, and debt service changes. These revenues must be deposited in the General Fund Exempt Account and appropriated by the General Assembly for the following purposes: (a) health care; (b) education, including capital construction projects related thereto; (c) retirement plans for firefighters and police officers, if the General Assembly determines funding is needed; and (d) strategic transportation projects.

## **SUPPLEMENTAL APPROPRIATION**

Legislation authorizing changes in appropriations for the current fiscal year or a previous fiscal year.

## **TAXPAYER'S BILL OF RIGHTS (TABOR)**

Colorado voters adopted a citizen-initiated amendment to the State Constitution known as the Taxpayer's Bill of Rights or TABOR (Article X, Section 20) in 1992. The amendment restricts State and local governments' abilities to collect and spend revenues without voter approval. Under TABOR, a vote of the people is required for State or local governments to: (a) increase tax rates; (b) increase retained revenues by more than the sum of inflation and the percentage population growth; (c) incur multi-year debt; or (d) weaken other limits on revenue. The amendment requires that collected revenue in excess of the inflation plus population growth limit be refunded in the following fiscal year. In November 2005 voters passed Referendum C, which allows the State to retain certain revenues in excess of the TABOR fiscal year spending limit.

## B. COMMON POLICIES

A number of line item appropriations are determined by general policies (called common policies) that are applied consistently to all departments. For many line items affected by a common policy, amounts are initially appropriated in individual departments and then transferred to another department such as the Department of Personnel, the Governor's Office of Information Technology, or the Department of Law, where they appear a second time as reappropriated funds. A brief explanation for each common policy and the associated line items is provided below.

### **ADMINISTRATIVE LAW JUDGE SERVICES**

Funds for Administrative Law Judge (ALJ) services are appropriated to the 13 departments that use these services and then transferred to the Department of Personnel. Department allocations are calculated by identifying the prior fiscal year actual costs, then distributing the costs for the upcoming fiscal year according to the prior percentage use. For FY 2017-18, statewide spending authority for ALJ services totals approximately \$5.7 million compared to \$5.3 million for FY 2016-17.

### **CAPITOL COMPLEX LEASED SPACE**

This line item is for departments that occupy space in the Capitol Complex, the North Campus facility, the Pierce Street Building, the Grand Junction State Office Building, and Camp George West. This line item appears in each department's Executive Director's Office, with some exceptions, and is transferred to the Department of Personnel. The funding amount per square foot varies according to each building's location and intended use. For FY 2017-18, statewide agency allocations total approximately \$17.0 million compared to \$15.0 million for FY 2016-17.

### **COMMUNITY PROVIDER RATES**

Community provider rate adjustments are applied to programs and services which, if not provided by contracted provider organizations or county staff, would need to be provided by state staff. For FY 2017-18, the common policy is to increase rates by about 1.4 percent at a cost of approximately \$64.0 million, including \$26.5 million General Fund. Excluded from the calculation are certain primary care, home care, and transportation service rates that will receive targeted rate increases.

### **HEALTH, LIFE, AND DENTAL**

This line item pays the State's share of the cost of health, life, and dental insurance for state employees and appears in each department's Executive Director's Office, with some exceptions. The state contribution is set at 80.0 percent of state employee cost for FY 2017-18, consistent with the state contribution rate for FY 2016-17. Statewide health, life, and dental appropriations total \$237.8 million (including \$138.0 million General Fund) in FY 2017-18, compared to \$217.6 million (including \$126.1 million General Fund) in FY 2016-17.

### **INDIRECT COSTS**

Indirect costs are the overhead costs associated with the operation of general statewide government functions and departmental administrative duties. Indirect cost recoveries are intended to offset the costs of providing central services for cash-funded and federally-funded programs that otherwise would be supported by the General Fund. For FY 2017-18, the statewide indirect cost recovery plan is estimated to recover \$17.1 million compared to \$14.0 million for FY 2016-17.

Departmental indirect cost recoveries are specific to the general administrative functions of each department, typically including the functions of the Executive Director's Office. Generally, indirect cost assessments are appropriated as cash funds, reappropriated funds, or federal funds in the division in which they are earned, and those indirect cost recoveries are reappropriated to the Executive Director's Office, reducing the need for General Fund.

## **LEGAL SERVICES**

This line item appears in the Executive Director's Office of most departments. The appropriations allow departments to purchase legal services from the Department of Law, similar to how legal services are purchased from a private-sector law firm. For FY 2017-18, agencies will pay a blended legal rate of \$106.56 per hour for legal services, which are provided by both attorneys and legal assistants. This compares to a rate of \$95.05 per hour for FY 2016-17. The payments that client agencies make to the Department of Law are sufficient to pay the Department of Law's direct and indirect costs of supplying the services. The Department of Law expects to provide 402,949 hours of legal services to client agencies in FY 2017-18.

## **PAYMENTS TO OIT**

This line item appears in each department's Executive Director's Office, with some exceptions, and represents each department's share of the information technology services provided by the Governor's Office of Information Technology (OIT). For FY 2017-18, the appropriation includes recoverable costs totaling \$151.6 million, including \$68.6 million General Fund. This represents a total funds increase of 13.5 percent and a General Fund increase of 22.5 percent compared to FY 2016-17.

## **PAYMENT TO RISK MANAGEMENT AND PROPERTY FUNDS**

This line item appears in each department's Executive Director's Office. Appropriations represent each department's share of the statewide cost of property and liability insurance coverage, based on a three-year average loss history as verified by an independent actuarial firm. The Department of Personnel has continuous spending authority for the property and liability programs claims, premiums, and legal expenses, but not for administrative costs. For FY 2017-18, the appropriation for the Risk Management and Property programs is \$24.7 million, comprised of \$12.0 million for property and \$12.7 million for liability. This compares to \$20.6 million for FY 2016-17, comprised of \$8.1 million for property and \$12.5 million for liability. The increase in property insurance is mostly attributable to an additional \$3.4 million in extraordinary claims experienced in FY 2016-17 from increased extreme weather-related claims and a \$1.0 million deductible from floods experienced in FY 2014-15. These amounts are included in state agency premiums in FY 2017-18 pursuant to S.B. 17-175 (Transfers Between State Self-insurance Funds).

## **PERSONAL SERVICES**

For most agencies, FY 2017-18 appropriations fund personal services at a continuation level plus base adjustments that include salary survey increases awarded in FY 2016-17.

## **S.B. 04-257 AMORTIZATION EQUALIZATION DISBURSEMENT (AED)**

Pursuant to S.B. 04-257 (Amortization Equalization Disbursement), the State contributes additional funds to assist in the amortization of the Public Employees' Retirement Association's (PERA's) unfunded liability. The appropriation amount is based on employees' base salaries, including shift differential pay. The contribution amount increased by 0.4 percent each calendar year until reaching the maximum contribution rate of 5.0 percent in calendar year 2017. Appropriations for FY 2017-18 total \$84.6 million (including \$46.5 million General Fund) compared to \$78.2 million (including \$42.9 million General Fund) in FY 2016-17.

## **S.B. 06-235 SUPPLEMENTAL AMORTIZATION EQUALIZATION DISBURSEMENT (SAED)**

In addition to the AED contribution amounts, S.B. 06-235 (Supplemental Amortization Equalization Disbursement) provides a supplemental PERA contribution. The intended fund source is money that would otherwise be available for, but has not yet been awarded as employee salary increases. The appropriation amount is based on employees' base salaries including shift differential pay. SAED increased by 0.5 percent each calendar year until reaching its maximum contribution rate of 5.0 percent in calendar year 2017. Appropriations for FY 2017-18

total \$84.2 million (including \$46.1 million General Fund) compared to \$77.0 million (including \$42.0 million General Fund) in FY 2016-17.

**SALARY SURVEY AND MERIT PAY AWARDS**

Salary survey line item appropriations total \$34.9 million statewide (including \$18.3 million General Fund) for a 1.75 percent across-the-board increase in FY 2017-18. This compares to \$8.6 million (including \$2.6 million General Fund) for a 2.0 percent range adjustment for all state employee occupational classifications and no across-the-board increase in FY 2016-17.

Merit pay appropriations total \$13.9 million statewide (including \$8.0 million General Fund). There was no merit pay appropriation for FY 2016-17. Merit pay appropriations provide a 0.75 percent weighted average increase in FY 2017-18.

The merit pay weighted average increase provides raises according to a formula that rewards performance, but also gives greater percentage increases to employees at the lower end of a pay range. The salary survey across-the-board award increases all employees' pay at the same rate to achieve a cost-of-living or market comparison adjustment increase. The salary survey increase typically includes an equivalent salary range adjustment for all occupational groups (2.2 percent in FY 2017-18). The merit pay increase is the only statewide increase that can move employees up the pay range from within the classification, reflecting and rewarding occupational experience and mastery.

Pursuant to Section 24-50-104 (1)(c)(I.5)(A), C.R.S., the State Personnel Director has authority to set the merit pay matrix. The Director established the following matrix for FY 2017-18:

STATE PERSONNEL DIRECTOR MERIT PAY MATRIX - FY 2017-18					
PERFORMANCE	QUARTILE OF CLASS RANGE				
RATING	Q1	Q2	Q3	Q4	>Q4
3	1.15%	1.05%	0.95%	0.85%	0.85%
2	0.75%	0.65%	0.55%	0.35%	0.35%
1	0.00%	0.00%	0.00%	0.00%	0.00%

Quartile 1 (Q1) employees are paid at amounts between range minimum up to 25 percent of the salary range and represent 55.1 percent of all classified employees. Quartile 2 employees are paid at amounts between 25 percent of the salary range and the midpoint of the salary range and represent 21.2 percent of all classified employees. Q3 and Q4 similarly represent employees at midpoint to 75 percent and 75 percent to maximum of the salary range, respectively. The greater than Q4 designation represents employees who are paid above the range maximum.

**SHIFT DIFFERENTIAL**

Shift differential payments provide higher wages for evening and night shifts. The FY 2017-18 appropriations are calculated based on actual shift differential expenditures for FY 2015-16. The FY 2017-18 appropriations total \$14.6 million (including \$11.9 million General Fund) primarily for the Departments of Corrections and Human Services, compared to \$14.9 million (including \$12.0 million General Fund) appropriated for FY 2016-17.

**SHORT-TERM DISABILITY**

All state employees are eligible for employer-paid, short-term disability insurance. The appropriations are calculated based on 0.19 percent of employees' base salaries, including shift differential pay, for FY 2017-18; no change from FY 2016-17. Statewide short-term disability appropriations for FY 2017-18 total approximately \$3.1 million (including \$1.7 million General Fund) which compares to \$3.0 million (including \$1.6 million General Fund) in FY 2016-17.



**VEHICLE LEASE PAYMENTS**

This line item appears in each department's Executive Director's Office, with some exceptions. Pursuant to Section 24-30-1117, C.R.S., state agency motor vehicles may only be purchased through the Fleet Management Program in the Department of Personnel. The appropriations are based on the amount necessary for each department's vehicle lease payments, which vary according to vehicle model and type. For FY 2017-18, the appropriation includes funding to replace 715 vehicles (including no compressed natural gas vehicles) compared to the FY 2016-17 appropriation which funded the replacement of 573 vehicles (including no compressed natural gas vehicles). Appropriations for department Vehicle Lease Payments line items for FY 2017-18 total \$21.7 million in comparison to \$22.2 million for FY 2016-17. The appropriation for the Department of Personnel's Fleet Management Vehicle Replacement Lease/Purchase line item for FY 2017-18 is \$19.9 million compared to \$19.3 million for FY 2016-17.

**WORKERS' COMPENSATION**

This line item appears in each department's Executive Director's Office, with some exceptions. The appropriation represents each department's share of the statewide cost of workers' compensation coverage, based on a three-year average loss history as verified by an independent actuarial firm. This self-insured program covers employees in all departments (except the University of Colorado and Colorado State University, which operate separate, self-insured programs). For FY 2017-18, the appropriations for the workers' compensation program total \$34.8 million in comparison to \$36.3 million for FY 2016-17.

# C. 2017 SUPPLEMENTAL ADJUSTMENTS TO APPROPRIATIONS FOR FY 2015-16 AND PRIOR FISCAL YEARS

2017 SESSION SUPPLEMENTAL ADJUSTMENTS TO FY 2015-16 AND PRIOR FISCAL YEAR APPROPRIATIONS					
DEPARTMENT/DIVISION	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
<u>CHANGES TO FY 2015-16 OPERATING BUDGET</u>					
Department of Education					
<i>Senate Bill 17-254</i>					
State Share of Districts' Total Program Funding	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<i>Subtotal - Education</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>
Department of Health Care Policy and Financing					
<i>Senate Bill 17-162</i>					
Medical Services Premiums	\$11,542,129	\$405,525	\$11,067,930	\$68,674	\$0
<i>Senate Bill 17-254</i>					
Medical Services Premiums	0	0	0	0	0
<i>Subtotal - Health Care Policy and Financing</i>	<i>\$11,542,129</i>	<i>\$405,525</i>	<i>\$11,067,930</i>	<i>\$68,674</i>	<i>\$0</i>
Department of Higher Education					
<i>Senate Bill 17-254</i>					
Stipends	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<i>Subtotal - Higher Education</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>
Department of Personnel					
<i>Senate Bill 17-254</i>					
Statewide Planning Services	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<i>Subtotal - Personnel</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>
Department of Public Health and Environment					
<i>Senate Bill 17-254</i>					
Indirect Cost Assessment	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$125,559</u>	<u>\$0</u>
<i>Subtotal - Public Health and Environment</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$125,559</i>	<i>\$0</i>
<b>Total Changes to FY 2015-16 Operating Budget</b>	<b>\$11,542,129</b>	<b>\$405,525</b>	<b>\$11,067,930</b>	<b>\$194,233</b>	<b>\$0</b>
2017 SESSION SUPPLEMENTAL ADJUSTMENTS TO FY 2011-12 AND FY 2014-15 CAPITAL APPROPRIATIONS					
DEPARTMENT/DIVISION	TOTAL	CAPITAL CONSTRUCTION FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
<u>CHANGES TO FY 2011-12 CAPITAL CONSTRUCTION BUDGET</u>					
Department of Public Health and Environment					
<i>Senate Bill 17-254</i>					
Superfund Sites Cleanup	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>Total Changes to FY 2011-12 Capital Construction Budget</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<u>CHANGES TO FY 2014-15 CAPITAL CONSTRUCTION BUDGET</u>					
Department of Higher Education					
<i>Senate Bill 17-254</i>					
Quigley Hall Renovation	<u>(\$1,000,000)</u>	<u>\$0</u>	<u>(\$1,000,000)</u>	<u>\$0</u>	<u>\$0</u>
<b>Total Changes to FY 2014-15 Capital Construction Budget</b>	<b>(\$1,000,000)</b>	<b>\$0</b>	<b>(\$1,000,000)</b>	<b>\$0</b>	<b>\$0</b>

# D. GENERAL FUND APPROPRIATIONS EXEMPT FROM STATUTORY AND CONSTITUTIONAL RESTRICTIONS

This appendix provides information concerning General Fund amounts that are described or categorized as "exempt" in this document.

## 1. APPROPRIATIONS EXEMPT FROM THE CONSTITUTIONAL RESTRICTION

The annual General Appropriation Act includes two categories of General Fund appropriations: General Fund and General Fund Exempt. Items that appear in the "General Fund Exempt" column are exempt from the state fiscal year spending limit in Section 20 of Article X of the State Constitution (the Taxpayer's Bill of Rights or TABOR). There are currently two types of appropriations that are categorized as General Fund Exempt:

- **Appropriations from the General Fund Exempt Account:** Referendum C, which was referred to and passed by voters in November 2005, authorizes the State to retain and spend state revenues in excess of the TABOR state fiscal year spending limit, but less than the excess state revenues cap. This measure also established the General Fund Exempt Account, which consists of the amount of state revenues in excess of the TABOR state fiscal year spending limit that would have been refunded had Referendum C not passed. Money in the General Fund Exempt Account may only be appropriated or transferred for four purposes: health care; education; retirement plans for firefighters and police officers; and strategic transportation projects. For more information about Referendum C, see the section concerning Statutory and Constitutional Restrictions in Part I-A.
- **Appropriations from Tobacco Tax Revenues:** Amendment 35, which was approved by voters in November 2004, imposed new cigarette and tobacco taxes through the addition of Section 21 in Article X of the State Constitution. The new tobacco tax revenues authorized by Amendment 35 are exempt from the TABOR state fiscal year spending limit, and General Fund appropriations from these revenues are also exempt from the statutory restriction on General Fund appropriations (this exemption is discussed later in this section). Amendment 35 requires that a portion of the new tobacco tax revenues be appropriated to the General Fund and made available to the Department of Public Health and Environment for immunization services and to the Department of Health Care Policy and Financing for the Children's Basic Health Plan. For more information about Amendment 35, see Appendix I.

The following table details General Fund Exempt appropriations for FY 2016-17 and FY 2017-18.

GENERAL FUND APPROPRIATIONS EXEMPT FROM CONSTITUTIONAL RESTRICTIONS			
DEPARTMENT	FY 2016-17	FY 2017-18	EXPLANATION
APPROPRIATIONS FROM THE GENERAL FUND EXEMPT ACCOUNT (REFERENDUM C):			
Education	\$830,201,667	\$923,068,333	Appropriations for preschool through twelfth grade education pursuant to Sections 24-77-103.6 (2)(b) and 24-77-104.5 (3), C.R.S.
Health Care Policy and Financing	830,201,667	923,068,333	Appropriations for health care funding for Colorado's elderly, low-income, and disabled populations pursuant to Sections 24-77-103.6 (2)(a) and 24-77-104.5 (2), C.R.S.

GENERAL FUND APPROPRIATIONS EXEMPT FROM CONSTITUTIONAL RESTRICTIONS			
DEPARTMENT	FY 2016-17	FY 2017-18	EXPLANATION
Higher Education	770,066,667	862,933,333	Appropriations for higher education pursuant to Sections 24-77-103.6 (2)(b) and 24-77-104.5 (4), C.R.S.
Local Affairs	4,230,000	4,230,000	Appropriations for volunteer firefighter retirement plans and death and disability insurance, pursuant to Section 24-77-103.6 (2)(c), C.R.S.
Transportation	500,000	500,000	General Fund transfer to the Capital Construction Fund for strategic transportation projects pursuant to Section 24-77-103.6 (2)(d), C.R.S.
<b>SUBTOTAL</b>	<b>\$2,435,200,001</b>	<b>\$2,713,799,999</b>	
APPROPRIATIONS FROM TOBACCO TAX REVENUES (AMENDMENT 35):			
Health Care Policy and Financing	\$432,590	\$440,340	Appropriations for the Children's Basic Health Plan pursuant to Section 24-22-117 (1)(c)(I)(B.5), C.R.S.
Public Health and Environment	432,590	440,340	Appropriations for immunizations performed by county or district public health agencies pursuant to Section 24-22-117 (1)(c)(I)(B.5), C.R.S.
<b>SUBTOTAL</b>	<b>\$865,180</b>	<b>\$880,680</b>	
<b>TOTAL</b>	<b>\$2,436,065,181</b>	<b>\$2,714,680,679</b>	

## 2. APPROPRIATIONS EXEMPT FROM THE STATUTORY RESTRICTION

From FY 1991-92 through FY 2008-09, Section 24-75-201.1, C.R.S., restricted annual state General Fund appropriations to the lesser of: (1) an amount equal to 5.0 percent of Colorado personal income, or (2) 6.0 percent over the total General Fund appropriations for the previous fiscal year. During this time period, the lesser amount was 6.0 percent over the previous year's General Fund appropriations, so this restriction was commonly called the "6.0 percent limit". Senate Bill 09-228 amended Section 24-75-201.1, C.R.S., to simply restrict annual state General Fund appropriations to an amount equal to 5.0 percent of Colorado personal income. Therefore, beginning in FY 2009-10, the 6.0 percent limit is no longer applicable.

Section 24-75-201.1 (1)(a)(III), C.R.S., specifies that the statutory restriction on General Fund appropriations shall not apply to:

- A. Any General Fund appropriation which, as a result of any requirement of *federal law*, is made for any new program or service or for any increase in the level of service for an existing program beyond the existing level of service;
- B. Any General Fund appropriation which, as a result of any requirement of a final state or federal *court order*, is made for any new program or service or for any increase in the level of service for an existing program beyond the existing level of service; or
- C. Any General Fund appropriation of any revenue derived from any increase in the rate or amount of any *tax or fee* which is approved by a majority of the registered electors of the state voting at any general election.

In addition, some other General Fund transfers and appropriations are not subject to the statutory restriction for reasons other than the exceptions listed above. For example, pursuant to Section 24-75-302 (2), C.R.S., General Fund transfers to the Capital Construction Fund are not subject to the statutory restriction; and the General Fund appropriation related to the senior citizen and disabled veteran property tax exemption is not subject to the statutory restriction because the enactment of Section 3.5 (3) of Article X of the Colorado Constitution constitutes voter approval of a weakening of the restriction. These other exceptions are noted in the relevant department sections of this report.

The following table lists the General Fund appropriations that are exempt from or are not subject to the statutory restriction on General Fund appropriations for FY 2016-17 and FY 2017-18. These amounts are organized into three sections, which are described following the table.

GENERAL FUND APPROPRIATIONS DEEMED EXEMPT FROM STATUTORY RESTRICTIONS			
	DEPARTMENT	AMOUNT	REASON
FY 2016-17			
SECTION 1 - REBATES AND EXPENDITURES			
Children's Basic Health Plan (Amendment 35) <sup>1</sup>	Health Care Policy and Financing	\$432,590	Voter Approved
Volunteer Firefighter Benefit Plans <sup>1</sup>	Local Affairs	4,230,000	Other
Immunizations (Amendment 35) <sup>1</sup>	Public Health and Environment	432,590	Voter Approved
Cigarette Tax Rebate <sup>1</sup>	Revenue	10,900,000	Other
Old Age Heat and Fuel and Property Tax Assistance Grant <sup>1</sup>	Revenue	6,900,000	Other
Retail Marijuana Sales Tax Distribution <sup>1</sup>	Revenue	11,200,000	Other
SUBTOTAL: REBATES AND EXPENDITURES		\$34,095,180	
SECTION 2 - HOMESTEAD EXEMPTION			
Senior Citizen and Disabled Veteran Property Tax Exemption <sup>2</sup>	Treasury	\$136,000,000	Voter Approved
SECTION 3 - AMOUNTS DEEMED EXEMPT			
Total Amounts Deemed Exempt		\$0	
<b>FY 2016-17 TOTAL</b>		<b>\$170,095,180</b>	
FY 2017-18			
SECTION 1 - REBATES AND EXPENDITURES			
Children's Basic Health Plan (Amendment 35) <sup>2</sup>	Health Care Policy and Financing	\$440,340	Voter Approved
Volunteer Firefighter Benefit Plans <sup>2</sup>	Local Affairs	4,230,000	Other
Immunizations (Amendment 35) <sup>2</sup>	Public Health and Environment	440,340	Voter Approved
Cigarette Tax Rebate <sup>2</sup>	Revenue	10,800,000	Other
Old Age Heat and Fuel and Property Tax Assistance Grant <sup>2</sup>	Revenue	5,300,000	Other
Retail Marijuana Sales Tax Distribution <sup>2</sup>	Revenue	12,500,000	Other
SUBTOTAL: REBATES AND EXPENDITURES		\$33,710,680	
SECTION 2 - HOMESTEAD EXEMPTION			
Senior Citizen and Disabled Veteran Property Tax Exemption <sup>2</sup>	Treasury	\$148,000,000	Voter Approved

GENERAL FUND APPROPRIATIONS DEEMED EXEMPT FROM STATUTORY RESTRICTIONS			
	DEPARTMENT	AMOUNT	REASON
SECTION 3 - AMOUNTS DEEMED EXEMPT			
Total Amounts Deemed Exempt		\$0	
<b>FY 2017-18 TOTAL</b>		<b>\$181,710,680</b>	

<sup>1</sup> These amounts are included in H.B. 16-1405 (the 2016 General Appropriation Act).

<sup>2</sup> These amounts are included in S.B. 17-254 (the 2017 General Appropriation Act).

## SECTION 1 – REBATES AND EXPENDITURES

The quarterly revenue forecasts prepared by the Legislative Council Staff and the Office of State Planning and Budgeting include dollar amounts referred to as "rebates and expenditures". These amounts reflect various expenditures or diversions of funds from the General Fund, which are exempt from or are not subject to the statutory restriction on General Fund appropriations pursuant to statutory or constitutional provisions. These statutory and constitutional obligations are listed below. Please note that some of these items are not reflected in General Fund appropriations, and the amounts that are reflected in General Fund appropriations are not routinely adjusted to reflect changes in the quarterly revenue forecasts. For purposes of developing and adjusting the overall General Fund budget, the most recent projected amounts are utilized rather than the appropriated amounts. The above table reflects the actual appropriations for rebates and expenditures.

*Items that are included in annual General Fund appropriations include:*

- fire and police pension payments for local governments [Section 31-30-1112 (2), C.R.S.];
- cigarette tax rebates to local governments [Section 39-22-623 (1)(a)(II)(A), C.R.S.];
- retail marijuana sales tax distributions to local governments [Section 39-28.8-203 (1)(a), C.R.S.];
- Old Age Heat and Fuel and Property Tax Assistance Grants [Section 39-31-102 (1), C.R.S.]; and
- General Fund appropriations related to certain tobacco tax revenues [Section 21 of Article X of the State Constitution, often referred to as "Amendment 35"].

*Items that are not included in annual General Fund appropriations include:*

- sales and use taxes that are credited to the Old Age Pension Fund [Article XXIV of the State Constitution and Section 39-26-123 (3), C.R.S.];
- sales and use taxes that are credited to the Older Coloradans Cash Fund [Section 39-26-123 (3), C.R.S.]; and
- earnings related to cash flow loans to school districts [Sections 22-54-110 and 29-15-112, C.R.S.].

## SECTION 2 – SENIOR AND DISABLED VETERAN PROPERTY TAX HOMESTEAD EXEMPTION

In the 2000 general election, Colorado voters approved a constitutional amendment (Section 3.5 of Article X) that reduces property taxes for qualifying senior citizens and disabled veterans. The property tax reduction, or "homestead exemption", is available to senior citizens 65 years of age or older who have owned and lived in their homes for at least ten years. In the 2006 general election, Colorado voters approved a constitutional amendment extending the homestead exemption to honorably discharged veterans who are 100 percent disabled as a result of a service-connected disability. The cost of the exemption is borne by the State rather than by local governments or other property owners.

### SECTION 3 – AMOUNTS DEEMED EXEMPT

These amounts are appropriated for purposes that are exempt from the statutory restriction on General Fund appropriations as reflected in Section 24-75-201.1, C.R.S.

# E. INFORMATIONAL "(I)" NOTATIONS

The Long Bill and other legislation indicate when an amount is shown for informational purposes through an "(I)" notation. As defined in the Long Bill headnotes:

Where the letter "(I)" appears directly to the right of a figure or in a letternote referencing a figure, that amount is not an appropriation, nor does it limit the expenditure of such money. The figure is included for informational purposes only. It provides a record of funds anticipated to be expended and, in some instances, may indicate assumptions used relative to those funds in developing appropriated amounts.

The amounts that are annotated with an (I) in the FY 2017-18 Long Bill and other legislation are described below, followed by a table detailing these amounts by department and fund source.

**GENERAL FUND:** The (I) notation applies to a General Fund or General Fund Exempt amount when the amount is continuously appropriated to a state agency, or the agency is otherwise authorized by law to spend the money. This includes General Fund amounts annotated with the (I) in three departments:

- Local Affairs: Payments for Volunteer Firefighter Retirement Plans;
- Revenue: Old Age Heat and Fuel and Property Tax Assistance, and Cigarette Tax Rebate and Retail Marijuana Sales Tax Distributions to Local Governments; and
- Treasury: Senior Citizen and Disabled Veteran Property Tax Exemption.

**CASH FUNDS:** The (I) notation applies to a cash funds amount when the amount is continuously appropriated to a state agency, or the agency is otherwise authorized by law to spend the money. The most significant amounts that are annotated with the (I) include:

- Fees collected by state institutions of the higher education;
- Cash funds overseen by the State Transportation Commission;
- Local Government Mineral and Energy Impact Grants and Disbursements in the Department of Local Affairs; and
- Old Age Pension allocations and the local share of funding for various social services programs in the Department of Human Services.

**REAPPROPRIATED FUNDS:** The (I) notation applies to a reappropriated funds amount when it is continuously appropriated to a state agency, the agency is otherwise authorized by law to spend the money, or when the underlying federal funds source is informational. The largest amount that is annotated with the (I) is for workers compensation claims in the Department of Personnel.

**FEDERAL FUNDS:** Most federal funds in the Long Bill are annotated with an (I). However, some federal grants that are administered by the Departments of Human Services and Public Health and Environment are appropriated by the General Assembly pursuant to federal law. In addition, there are federal funds that require state matching funds (e.g., the Medicaid program), and the associated General Fund or cash funds amounts are annotated with an “(M)” or “(H)” in the Long Bill. These annotations require the associated state funding to be reduced if the amount of available federal funding changes. Thus, these federal amounts are not considered informational.

The table below summarizes, by department and bill, those appropriations annotated with the (I).



**FY 2017-18 INFORMATIONAL "(I)" NOTATIONS BY DEPARTMENT**

	BILL	TOTAL FUNDS	GENERAL FUND <sup>1</sup>	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS <sup>2</sup>	% OF TOTAL OPERATING BUDGET (I) NOTATIONS
<b>FY 2017-18 OPERATING BUDGET (I) NOTATIONS</b>							
Agriculture	S.B. 17-254	\$5,912,392	\$0	\$1,951,433	\$0	\$3,960,959	0.1%
Corrections	S.B. 17-254	19,199,812	0	15,032,522	0	4,167,290	0.4%
Education	S.B. 17-254	672,261,380	0	3,927,869	20,100,000	648,233,511	13.0%
Governor	S.B. 17-254	27,296,486	0	20,840,766	0	6,455,720	0.5%
Health Care Policy	S.B. 17-254	255,993,133	0	5,859,623	0	250,133,510	4.9%
Higher Education	S.B. 17-254	460,915,512	0	438,223,430	50,592	22,641,490	8.9%
Human Services	S.B. 17-254	517,917,121	0	262,798,849	1,340,200	253,778,072	10.0%
Judicial	S.B. 17-254	45,666,891	0	41,183,887	58,004	4,425,000	0.9%
Labor and Employment <sup>3</sup>	S.B. 17-254	120,326,566	0	8,236,667	4,939,313	107,150,586	2.3%
Law	S.B. 17-254	3,811,976	0	1,700,584	282,921	1,828,471	0.1%
Legislature	S.B. 17-254	0	0	0	0	0	0.0%
Local Affairs	S.B. 17-254	239,835,121	4,230,000	154,900,000	0	80,705,121	4.6%
Military and Veterans Affairs	S.B. 17-254	215,302,549	0	0	0	215,302,549	4.2%
Natural Resources	S.B. 17-254	51,349,002	0	24,649,534	0	26,699,468	1.0%
Personnel	S.B. 17-254	57,035,072	0	1,848,701	55,186,371	0	1.1%
Public Health	S.B. 17-254	278,363,760	0	600,000	0	277,763,760	5.4%
Public Safety	S.B. 17-254	67,082,165	0	6,364,163	3,981,575	56,736,427	1.3%
Regulatory Agencies	S.B. 17-254	12,203,187	0	10,934,542	0	1,268,645	0.2%
Revenue	S.B. 17-254	66,408,362	28,600,000	36,983,974	0	824,388	1.3%
State	S.B. 17-254	10,000	0	10,000	0	0	0.0%
Transportation	S.B. 17-254	1,542,935,166	0	818,136,252	6,689,162	718,109,752	29.8%
Treasury	S.B. 17-254	517,808,549	148,000,000	352,035,524	17,773,025	0	10.0%
<b>OPERATING BUDGET TOTAL<sup>3</sup></b>		<b>\$5,177,634,202</b>	<b>\$180,830,000</b>	<b>\$2,206,218,320</b>	<b>\$110,401,163</b>	<b>\$2,680,184,719</b>	<b>100.0%</b>
<b>FY 2017-18 CAPITAL CONSTRUCTION BUDGET (I) NOTATIONS</b>							
<b>CAPITAL TOTAL</b>	<b>S.B. 17-254</b>	<b>\$21,312,856</b>	<b>\$0</b>	<b>\$9,013,115</b>	<b>0</b>	<b>\$12,299,741</b>	
<b>GRAND TOTAL (I) NOTATIONS: OPERATING AND CAPITAL CONSTRUCTION BUDGETS</b>							
<b>GRAND TOTAL</b>		<b>\$5,198,947,058</b>	<b>\$180,830,000</b>	<b>\$2,215,231,435</b>	<b>\$110,401,163</b>	<b>\$2,692,484,460</b>	

<sup>1</sup> Includes General Fund Exempt.

<sup>2</sup> Includes correct summation of line item detail.

<sup>3</sup> The figures in this table reflect accurate totals of amounts containing (I) notations in S.B. 17-254. Notations included on the reappropriated funds total for the Department of Labor and Employment and for cash funds, reappropriated funds, and federal funds on the grand totals for the Operating Budget for S.B. 17-254 are inaccurate.

The table below reflects operating budget appropriations with (I) notations as a percentage of the total state operating budget for FY 2017-18. For FY 2017-18, informational funds represent 18.0 percent of all operating appropriations, consisting primarily of cash funds and federal funds.

<b>FY 2017-18 OPERATING BUDGET APPROPRIATIONS AND INFORMATIONAL "(I)" NOTATIONS</b>			
	OPERATING BUDGET APPROPRIATIONS	(I) NOTATION OPERATING BUDGET TOTALS	(I) NOTATION AMOUNTS AS PERCENT OF OPERATING APPROPRIATIONS
General Fund and General Fund Exempt	\$10,619,849,620	\$180,830,000	1.7%
Cash Funds	7,837,470,077	2,206,218,320	28.1%
Reappropriated Funds	1,727,595,107	110,401,163	6.4%
Federal Funds	8,650,151,031	2,680,184,719	31.0%
<b>TOTAL</b>	<b>\$28,835,065,835</b>	<b>\$5,177,634,202</b>	<b>18.0%</b>

# F. STATE EDUCATION FUND APPROPRIATIONS

This appendix describes appropriations from the State Education Fund.

## STATE EDUCATION FUND REVENUES AND APPROPRIATIONS

In November 2000, Colorado voters approved Amendment 23, which added Section 17 to Article IX of the Colorado Constitution. This provision links funding for kindergarten through twelfth grade education to the rate of inflation. This provision also creates the State Education Fund (SEF), consisting of all state revenues collected from a tax equal to one-third of 1.0 percent on federal taxable income of every individual, estate, trust, and corporation<sup>1</sup>, as well as any interest earned on the fund balance. Revenues to the SEF are not subject to the constitutional Taxpayer's Bill of Rights (TABOR) limitation on fiscal year spending, and SEF appropriations are not subject to the statutory limitation on state General Fund appropriations. The General Assembly may annually appropriate money from the SEF for the following education-related purposes:

- Compliance with the requirement to annually increase base per pupil funding for public school finance;
- Compliance with the requirement to annually increase funding for categorical programs;
- Accountable education reform;
- Class size reduction;
- Expanding technology education;
- Improving student safety;
- Expanding the availability of preschool and kindergarten programs;
- Performance incentives for teachers;
- Accountability reporting; or
- Public school building capital construction.

Table 1, on the next page, summarizes appropriations and transfers from the SEF for FY 2001-02 through FY 2014-15 and details appropriations from the SEF for FY 2015-16 through FY 2017-18. To date, over \$6.2 billion has been appropriated from the SEF specifically for the state share of districts' total program funding (which is distributed based on the school finance formula), representing 72.0 percent of all SEF appropriations. To date, appropriations for categorical programs (\$1.3 billion) comprise another 15.2 percent of SEF appropriations.

Appropriations and transfers from the SEF increased from \$740.4 million in FY 2013-14 to \$966.2 million in FY 2014-15 and \$943.7 million in FY 2015-16, largely as a result of \$1.1 billion in one-time funding transferred from the General Fund to the SEF pursuant to H.B. 12-1338. However, the one-time funds will be depleted by the end of FY 2016-17, allowing for total appropriations and transfers from the SEF of \$540.7 million in FY 2017-18 while maintaining a projected year-end balance approximately \$181.2 million. Barring additional transfers to the SEF, appropriations and transfers from the SEF will largely reflect annual revenues to the fund in FY 2017-18 and beyond.

<sup>1</sup> Given the current state income tax rate of 4.63 percent, this equates to 7.13 percent of state income tax revenues (0.0033/0.0463). However, due to certain state tax credits that reduce income tax revenue, deposits to the State Education Fund actually represent a slightly higher percentage of state income tax revenues (e.g., 7.28 percent in FY 2015-16).

TABLE 1: HISTORY OF APPROPRIATIONS FROM THE STATE EDUCATION FUND

DESCRIPTION	CUMULATIVE FY 2001-02 THRU FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
<b>PUBLIC SCHOOL FINANCE</b>				
Funding for the State Share of Districts' Total Program Funding (including Colorado Preschool Program and full-day kindergarten funding)	\$4,911,421,792	\$630,328,949	\$467,218,161	\$228,639,156
Facility school funding (HB 08-1388)	115,826,359	16,794,666	16,604,845	14,508,589
Hold-harmless full-day kindergarten funding (HB 08-1388)	50,757,107	7,806,468	7,926,436	8,183,726
District per pupil reimbursements for juveniles held in jail (SB 10-054)	150,000	25,000	10,000	10,000
Public school finance administration	125,208	81,760	83,329	83,329
Small rural districts additional funding	0	10,000,000	0	0
Declining enrollment study (H.B. 08-1388)	200,000	0	0	0
Mid-year appropriation adjustments	12,919,562	0	0	0
<b>SUBTOTAL: SCHOOL FINANCE</b>	<b>\$5,091,400,028</b>	<b>\$665,036,843</b>	<b>\$491,842,771</b>	<b>\$251,424,800</b>
<i>Percent of Total Appropriations</i>	<i>79.1%</i>	<i>70.5%</i>	<i>63.6%</i>	<i>46.5%</i>
<b>CATEGORICAL PROGRAMS</b>				
	<b>\$869,000,718</b>	<b>\$144,317,335</b>	<b>\$147,750,329</b>	<b>\$155,856,771</b>
<i>Percent of Total Appropriations</i>	<i>13.5%</i>	<i>15.3%</i>	<i>19.1%</i>	<i>28.8%</i>
<b>SCHOOL CAPITAL CONSTRUCTION</b>				
Charter school capital construction	\$88,719,995	\$20,000,000	\$20,000,000	\$20,000,000
School capital construction expenditures reserve	25,471,112	0	0	0
School construction and renovation fund	7,500,000	0	0	0
Charter school debt reserve fund	7,500,000	0	0	0
<b>SUBTOTAL: CAPITAL CONSTRUCTION</b>	<b>\$129,191,107</b>	<b>\$20,000,000</b>	<b>\$20,000,000</b>	<b>\$20,000,000</b>
<i>Percent of Total Appropriations</i>	<i>2.0%</i>	<i>2.1%</i>	<i>2.6%</i>	<i>3.7%</i>
<b>PROFESSIONAL DEVELOPMENT AND INSTRUCTIONAL SUPPORT</b>				
ELL professional development and student support (HB 14-1298)	\$27,000,000	\$27,000,000	\$27,000,000	\$27,000,000
Quality teacher recruitment program (SB 13-260)	6,000,000	3,000,000	3,000,000	3,000,000
School turnaround leaders development (SB 14-124)	2,000,000	2,000,000	2,000,991	2,000,991
Stipends for nationally board certified teachers (HB 08-1384)	3,803,200	1,580,800	1,384,000	1,384,000
Content specialists	3,087,129	460,698	469,900	810,740
English language proficiency excellence award program (HB 14-1298)	500,000	500,000	500,000	500,000
A.P. Incentives pilot program (HB 14-1118)	261,561	260,519	260,931	260,931
English language learners technical assistance (HB 14-1298)	53,228	50,876	51,797	51,797
Teaching and learning conditions survey (HB 08-1384)	85,000	0	0	0
Closing the achievement gap	5,301,000	0	0	0
Teacher pay incentive program	12,630,000	0	0	0
Science and technology education center grant program	1,400,000	0	0	0
Civic education	602,305	0	0	0
National credential fee assistance	493,000	0	0	0
Financial literacy	201,757	0	0	0
School leadership academy program (HB 08-1386)	162,983	0	0	0
Colorado history day	60,000	0	0	0
<b>SUBTOTAL: PROFESSIONAL DEVELOPMENT AND INSTRUCTIONAL SUPPORT</b>	<b>\$63,641,163</b>	<b>\$34,852,893</b>	<b>\$34,667,619</b>	<b>\$35,008,459</b>
<i>Percent of Total Appropriations</i>	<i>1.0%</i>	<i>3.7%</i>	<i>4.5%</i>	<i>6.5%</i>
<b>OTHER GRANTS, DISTRIBUTIONS, AND ASSISTANCE</b>				
Transfer to Early Literacy Fund (SB 13-260)	\$50,000,000	\$34,000,000	\$34,000,000	\$34,000,000
School counselor corps grant program (HB 08-1370)	37,999,370	10,000,000	10,000,000	10,000,000
Assistance to BOCES (HB 12-1345)	5,902,785	3,306,260	3,308,255	3,308,255
Child nutrition school lunch protection program (SB 08-123)	5,950,000	850,000	850,000	850,000
Colorado student leaders institute pilot program	0	218,825	218,825	218,825
Transfer to Colorado Teacher of the Year Fund (HB 14-1298)	24,800	24,800	24,800	24,800
Interstate compact on educational opportunities for military children (HB 08-1317)	185,680	22,826	20,619	20,619
Funding for new textbooks	14,144,066	0	0	0

TABLE 1: HISTORY OF APPROPRIATIONS FROM THE STATE EDUCATION FUND

DESCRIPTION	CUMULATIVE FY 2001-02 THRU FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Summer school grant program	2,988,563	0	0	0
Regional service cooperatives (SB 08-038)	1,224,877	0	0	0
Facility summer school grant program	1,000,000	0	0	0
Aid for declining enrollment districts with new charter schools	1,000,000	0	0	0
Hold-harmless facility school student funding (HB 08-1388)	587,504	0	0	0
Family literacy education grant program	400,000	0	0	0
First responder school mapping (HB 08-1267)	150,000	0	0	0
<b>SUBTOTAL: OTHER GRANTS, DISTRIBUTIONS, AND ASSISTANCE</b>	<b>\$121,557,645</b>	<b>\$48,422,711</b>	<b>\$48,422,499</b>	<b>\$48,422,499</b>
<i>Percent of Total Appropriations</i>	<i>1.9%</i>	<i>5.1%</i>	<i>6.3%</i>	<i>9.0%</i>
<b>ACCOUNTABILITY/REFORM</b>				
Colorado student assessment program	\$132,988,317	\$26,882,161	\$26,268,932	\$25,586,546
Early literacy assessment tool (HB 12-1345)	5,679,484	2,795,767	2,987,226	2,997,072
Preschool to postsecondary alignment (SB 08-212)	4,392,343	586,509	594,753	594,753
Division of on-line learning (SB 07-215)	1,821,354	352,273	359,549	359,549
Basic skills placement or assessment tests (HB 12-1345)	1,641,834	50,000	50,000	50,000
Longitudinal assessment data analyses	686,000	298,000	298,000	298,000
Educator effectiveness unit administration (HB 13-1257)	235,483	125,962	129,253	129,253
Transfer to Financial Reporting Fund (HB 14-1292)	3,000,000	0	0	0
Transfer to Great Teachers and Leaders Fund (SB 13-260)	200,000	0	0	0
Educator effectiveness implementation (SB 10-191)	6,426,830	0	0	0
School improvement grant program	5,350,000	0	0	0
Facility schools unit and facility schools board (HB 08-1204)	523,568	0	0	0
Review and update of non-English assessments	411,953	0	0	0
Modifications to accountability reports	75,000	0	0	0
Study non-English assessments	50,000	0	0	0
Study administration of ACT	50,000	0	0	0
<b>SUBTOTAL: ACCOUNTABILITY/REFORM</b>	<b>\$163,532,166</b>	<b>\$31,090,672</b>	<b>\$30,687,713</b>	<b>\$30,015,173</b>
<i>Percent of Total Appropriations</i>	<i>2.5%</i>	<i>3.3%</i>	<i>4.0%</i>	<i>5.6%</i>
<b>TOTAL</b>	<b>\$6,438,322,827</b>	<b>\$943,720,454</b>	<b>\$773,370,931</b>	<b>\$540,727,702</b>
<i>Annual Dollar Change</i>		<i>(\$22,507,865)</i>	<i>(\$170,349,523)</i>	<i>(\$232,643,229)</i>
<i>Percent Annual Change</i>		<i>(2.3%)</i>	<i>(18.1%)</i>	<i>(30.1%)</i>

Table 2 summarizes SEF revenues and expenditures/appropriations for FY 2015-16 through FY 2017-18, including the ending fund balances for each year.

TABLE 2: COMPARISON OF STATE EDUCATION FUND REVENUES AND EXPENDITURES/APPROPRIATIONS (\$ MILLIONS)

DESCRIPTION	FY 2015-16	FY 2016-17	FY 2017-18
Beginning fund balance	\$684.0	\$302.3	\$108.4
Actual/projected revenues <sup>1</sup>	529.1	554.2	588.2
Appropriations/transfers to the SEF <sup>2</sup>	25.3	25.3	25.3
Actual expenditures/appropriation /transfers to other cash funds <sup>3</sup>	(936.1)	(773.4)	(540.7)
<b>Ending Fund Balance<sup>4</sup></b>	<b>\$302.3</b>	<b>\$108.4</b>	<b>\$181.2</b>

<sup>1</sup> Projected State Education Fund revenues for FY 2016-17 and FY 2017-18 are based on the amount of General Fund revenues anticipated to be directed or transferred to the Fund pursuant to the *March 2017* Legislative Council Staff Revenue Forecast, as well as projections of interest earnings based on the State Education Fund model utilized by Legislative Council and Joint Budget Committee staff.

<sup>2</sup> Transfers from the General Fund to the State Education Fund for are based on S.B. 13-234.

<sup>3</sup> Actual expenditures are reflected for FY 2015-16; appropriations are reflected for FY 2016-17 and FY 2017-18. Amounts include the following transfers to other cash funds: \$34.0 million per year to the Early Literacy Fund pursuant to H.B. 14-1292; and \$24,800 per year to the Colorado Teacher of the Year Fund pursuant to H.B. 14-1298.

<sup>4</sup> Totals may not sum due to rounding.

## G. HIGHWAY USERS TAX FUND OFF-THE-TOP APPROPRIATION

The Highway Users Tax Fund (HUTF) includes revenues from gas and special-fuel taxes, fines, license plate fees, driver's license fees, motor vehicle title and registration fees, and passenger-mile taxes. Section 18 of Article X of the Colorado Constitution limits expenditures from gas taxes and license and registration fees exclusively to the construction, maintenance, and supervision of state highways. HUTF "off-the-top" refers to the portion of the HUTF that is appropriated for highway supervision by the Colorado State Patrol. This amount is taken before the formulaic allocation of HUTF to the State Highway Fund, counties, and cities.

Section 43-4-201 (3)(a)(I)(C), C.R.S., limits the annual growth of HUTF off-the-top appropriations to no more than 6.0 percent of the off-the-top appropriation from the previous fiscal year, regardless of any increase or decrease in overall highway-related revenues. The following table shows the HUTF off-the-top appropriations subject to the limit for FY 2017-18 compared to FY 2016-17 appropriations, and the limit for FY 2017-18.

HUTF OFF-THE-TOP APPROPRIATIONS COMPARISON		
	APPROPRIATIONS COMPARISON	PERCENT CHANGE
FY 2016-17 HUTF Off-the-Top Appropriations Base	\$140,842,639	
Plus 6.0 Percent Allowable Growth	8,450,558	n/a
FY 2017-18 HUTF Off-the-Top Appropriations Limit	\$149,293,197	6.0%
FY 2017-18 HUTF Off-the-Top Appropriation	\$147,739,957	4.9%
Over / (Under) FY 2017-18 Off-the-Top Appropriations Limit	(\$1,553,240)	n/a

# H. SEVERANCE TAX TRUST FUND

## OPERATIONAL FUND OVERVIEW

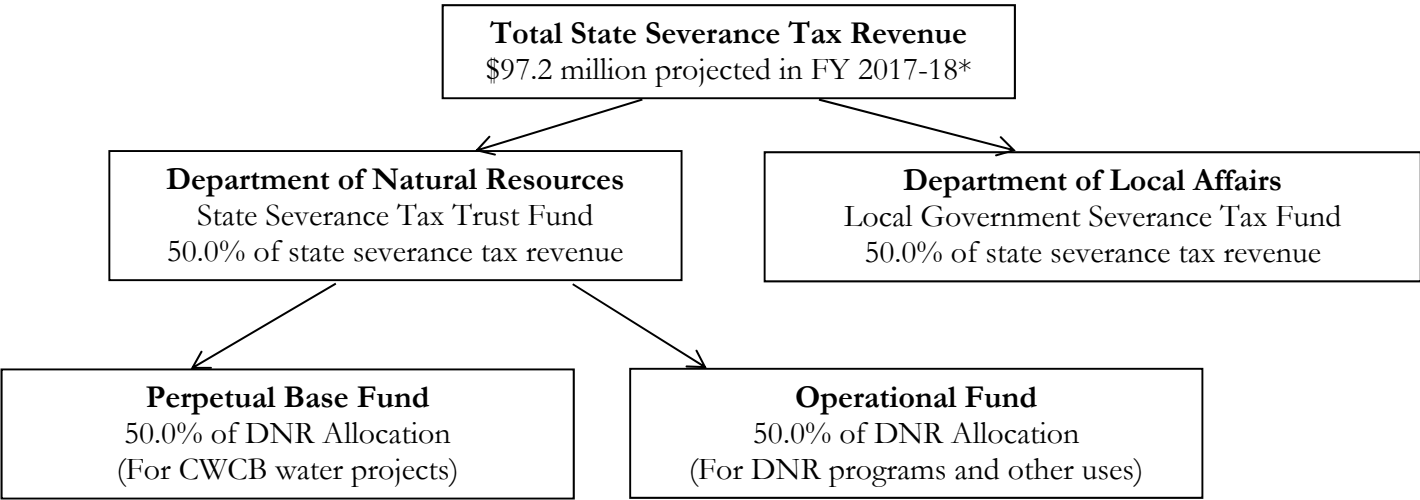
This appendix describes the allocation of state severance tax revenues and anticipated expenditures from the Severance Tax Operational Fund.

### SEVERANCE TAX REVENUE ALLOCATION

Pursuant to Section 39-29-108 (2), C.R.S., 50.0 percent of severance tax revenue is credited to the State Severance Tax Trust Fund, primarily for programs in the Department of Natural Resources (DNR), and the remaining 50.0 percent is credited to the Local Government Severance Tax Fund to be used by the Department of Local Affairs (DOLA) for grants and distributions to local governments affected by mining activities. Revenue in the State Severance Tax Trust Fund is further distributed as follows:

- Section 39-29-109 (2)(a)(II), C.R.S., provides that 50.0 percent of revenue deposited into the State Severance Tax Trust Fund (or 25.0 percent of total severance tax revenue) shall be allocated to the Severance Tax Perpetual Base Fund and used by the Colorado Water Conservation Board (CWCB) for water construction projects.
- Section 39-29-109 (2)(b), C.R.S., provides that the remaining 50.0 percent of State Severance Tax Trust Fund revenue (or 25.0 percent of total severance tax revenue) shall be allocated to the Severance Tax Operational Fund (Operational Fund) for programs that "promote and encourage sound natural resource planning, management, and development related to minerals, energy, geology, and water" and "programs to reduce the burden of increasing home energy costs on low-income households" (see also Section 39-29-109 (1), C.R.S.).

The following figure illustrates the statutory distribution of severance tax revenue:



\* Based on the March 2017 Legislative Council Staff revenue forecast. Does not include interest earnings on individual funds but does include transfers totaling \$45.7 million to the General Fund pursuant to S.B. 17-260 (Severance Tax Cash Fund Transfers to the General Fund).

## SUMMARY OF THE SEVERANCE TAX OPERATIONAL FUND

The Operational Fund expenditures are divided into two tiers of programs. Tier 1 expenditures support the day-to-day operations of divisions within the DNR, including salaries and benefits for employees. Tier 2 programs support grants, loans, research, and construction. The required reserve for Tier 1 programs is equal to the total annual appropriation for Tier 1 programs, while the required reserve for Tier 2 programs is equal to 15.0 percent of the annual authorized expenditures for those programs. Senate Bill 16-167 (Severance Tax Operational Fund Reserve Reduction) made a one-time exclusion of \$2.98 million from the Tier I reserve requirement for FY 2016-17.

The distribution of funding for all Tier 2 programs is staggered with 40.0 percent released on July 1, 30.0 percent released on January 1, and the remaining 30.0 percent released on April 1 each year. Tier 2 programs are subject to proportional reductions if revenue projections indicate there will be insufficient revenue to support appropriations and authorized expenditures within a given fiscal year. In FY 2016-17, funding for Tier 2 programs was eliminated due to severe reductions in revenue. Based on the March 2017 Legislative Council Revenue Forecast, Tier 2 program funding is forecast to absorb an estimated 75.0 percent through proportional reductions. Some programs received special transfers to ensure continued viability.

The following table provides an overview of projected revenues and expenditures from the Operational Fund based on the March 2017 Legislative Council Revenue Forecast:

SEVERANCE TAX OPERATIONAL FUND							
	STATUTORY CITE (C.R.S.)	FY 2015-16 ACTUAL		FY 2016-17 ESTIMATED		FY 2017-18 ESTIMATED	
Beginning balance		\$52,759,696		\$16,352,419		\$7,873,654	
S.B. 16-218 Related Funds				(10,000,000)		10,000,000	
Revenue <sup>1</sup>		16,972,369		20,414,242		24,502,407	
<b>TOTAL Available for Expenditure</b>		<b>\$69,732,065</b>	100.0%	<b>\$26,766,661</b>	100.0%	<b>\$42,376,061</b>	100.0%
<b>ROLL-FORWARDS</b>		0		788,559		0	
<b>OFF-THE-TOP EXPENDITURES</b>							
Colorado Energy Office <sup>2</sup>	39-29-108 (2)	375,000		375,000		0	
<b>SUBTOTAL</b>							
<b>TIER 1 APPROPRIATIONS</b>	39-29-109.3 (1)						
Oil and Gas Conservation Commission	(a)	4,576,745	6.6%	7,376,784	27.6%	6,148,067	14.5%
Colorado Geological Survey	(b)	1,408,265	2.0%	1,379,672	5.2%	1,512,812	3.6%
Avalanche Information Center	(b.5)	502,142	0.7%	550,899	2.1%	584,593	1.4%
Div. of Reclamation, Mining, and Safety	(c)	4,346,743	6.2%	4,540,625	17.0%	4,650,548	11.0%
Colorado Water Conservation Board	(d)	1,286,676	1.8%	1,319,250	4.9%	1,319,250	3.1%
Division of Parks and Wildlife	(e) & (f)	2,577,926	3.7%	2,562,218	9.6%	2,426,476	5.7%
<b>TIER 1 SUBTOTAL</b>		<b>\$14,698,497</b>	21.1%	<b>\$17,729,448</b>	66.2%	<b>\$16,641,746</b>	39.3%
<b>Tier 2 Distributions<sup>3</sup></b>	39-29-109.3 (2)						
Water Infrastructure Development	(a)	9,103,590		0		2,499,464	
Soil Conservation Districts Matching Grants	(b)	409,662		0		112,476	
Water Efficiency Grants	(c)	500,697		0		137,471	
Species Conservation Trust Fund	(e)	4,551,795		0		1,249,732	
Low-income Energy Assistance (LEAP)	(f)	11,834,667		0		3,249,304	
Renewable Energy - Agriculture <sup>4</sup>	(h)	455,179		0		0	
Interbasin Water Compacts	(i)	678,278		0		186,227	
Forest Restoration Grants	(k) and (n)	2,275,897		0		624,866	
Aquatic Nuisance Species Fund	(m)	3,646,903		0		1,001,287	
Forfeited Mine Site Reclamation <sup>5</sup>	(o)	115,616		0		31,743	
Wildfire Risk Reduction Grants <sup>6</sup>	(p)	910,359		0		0	

SEVERANCE TAX OPERATIONAL FUND				
	STATUTORY CITE (C.R.S.)	FY 2015-16 ACTUAL	FY 2016-17 ESTIMATED	FY 2017-18 ESTIMATED
Watershed Restoration <sup>6</sup>	(q)	910,359	0	0
Dam Spillway Analysis <sup>6</sup>	(r)	1,092,431	0	0
Phreatophyte Control Grants <sup>7</sup>	(s)	1,820,718	0	0
<b>TIER 2 SUBTOTAL</b>		<b>\$38,306,151</b>	<b>0</b>	<b>\$9,092,570</b>
<b>TOTAL EXPENDITURES</b>		<b>\$53,379,648</b>	<b>\$18,893,007</b>	<b>\$25,734,315</b>
<b>ENDING BALANCE</b>		<b>\$16,352,417</b>	<b>\$7,873,654</b>	<b>\$16,641,746</b>
Tier 1 Reserve (100% of T1 Appropriations) <sup>8</sup>	39-29-109.3 (3)	14,698,497	14,749,448	16,641,746
Tier 2 Reserve (15% of Authorized T2 \$)	39-29-109.3 (3)	6,311,711	5,531,711	5,456,711
<b>TOTAL Reserve Requirement</b>		<b>\$21,010,208</b>	<b>\$20,281,159</b>	<b>22,098,457</b>
<b>UNOBLIGATED BALANCE/(UNDER FUNDED RESERVE)</b>		<b>(\$4,657,788)</b>	<b>(\$12,407,505)</b>	<b>(\$5,456,711)</b>

<sup>1</sup> Revenue for FY 2016-17 and FY 2017-18 is estimated based on the March 2017 Legislative Council Staff revenue forecast and includes projected interest and statutory transfers approved by the General Assembly.

<sup>2</sup> Transfers to the Colorado Energy Office are scheduled to terminate in FY 2016-17.

<sup>3</sup> Tier 2 programs established in paragraphs (d), (g), (j) and (l) of Section 39-29-109.3 (2), C.R.S., have been repealed and no longer receive transfers from the Operational Fund.

<sup>4</sup> Transfers to the Agriculture Renewable Energy program terminated July 1, 2016.

<sup>5</sup> Funding for reclamation projects at forfeited mine sites was moved from Tier 1 to Tier 2 by H.B. 15-1150. The authorized distribution to the program is ongoing.

<sup>6</sup> These transfers were authorized for one year only by the following legislation: S.B. 15-022 for Wildfire Risk Reduction Grants and S.B. 15-253 for Watershed Restoration Projects and Dam Spillway Analysis (2015 CWCB Projects Bill).

<sup>7</sup> Tier 2 transfers for the Phreatophyte Control Program were authorized for two years by H.B. 15-1006, starting in FY 2015-16. However, the bill included a provision to eliminate the second year transfer in FY 2016-17 if any proportional reductions were required.

<sup>8</sup> Senate Bill 16-167 (Severance Tax Operational Fund Reserve Reduction) excluded \$2.98 million from the Tier 1 reserve requirement for FY 2016-17. The Tier I reserve requirement is normally 100.0 percent of Tier 1 appropriations, pursuant to Section 39-29-109.3 (3)(a), C.R.S.

## *BP AMERICA V. COLORADO DEPARTMENT OF REVENUE AND S.B. 16-218*

On April 25, 2016, the Colorado Supreme Court issued a decision in *BP America v. Colorado Department of Revenue*, in which BP America sought to deduct the cost of capital from revenue in valuing oil and gas resources for state tax purposes. The Court held that the plain language of Colorado severance tax statute authorizes a deduction for any transportation, manufacturing, and processing costs, including the cost of capital. While the case dealt specifically with "Return on Investment (ROI)" deductions for things like the cost of capital, the Court's broad interpretation of the language in Section 39-29-102 (3)(a), C.R.S., implies that other deductions may be authorized as well. These other deductions could potentially cover a wide range of transportation, manufacturing, and processing expenses that the Department of Revenue has not previously allowed oil and gas companies to deduct. As a result, the decision requires the State to make refunds to oil and gas companies for tax deductions that should have been allowed during the period covered by the three-year statute of limitations, as well as re-evaluate and possibly expand allowable deductions in the future. Throughout the 2015-16 fiscal year, the Department of Revenue worked with stakeholders to come to a consensus regarding new guidelines for severance tax credits after the BP America decision. It implemented emergency rules encapsulating the consensus in January 2017 and anticipates the final rule will be approved in November 2017.

In the 2016 legislative session, in response to the *BP America* decision, the General Assembly passed S.B. 16-218 (State Severance Tax Refunds) to specify the mechanism by which refunds for past deductions are made. In FY 2015-16, refunds will be made from severance tax collected during June 2016. If the amount of required refunds exceeds severance tax collections, the remainder will be made from the General Fund reserve. For FY 2016-17, refunds will be made from severance tax collections up to a cap of 15.0 percent of gross monthly severance tax revenues. If the amount required for refunds exceeds 15.0 percent of gross severance tax revenues in a month, the



additional amount will be refunded from income tax revenue diverted from the General Fund. A summary of those diversions is provided in the table on the following page through the reporting periods available at the time this report is produced. To date, the General Fund has paid \$110.1 million in Severance Tax refunds between FY 2015-16 and FY 2016-17.

Senate Bill 16-218 also included provisions restricting a total of \$72.9 million within the three cash funds that receive severance tax revenue, as follows:

- \$10.0 million from the Severance Tax Operational Fund (DNR)
- \$19.1 million from the Severance Tax Perpetual Base Fund (DNR)
- \$43.8 million from the Local Government Severance Tax Fund (Department of Local Affairs), specifically funds from the portion of revenue allocated for grants.

These funds are restricted from being expended for any purpose unless released in whole or in part by a majority vote of the Joint Budget Committee. All of these funds have been unrestricted by a majority vote of the Joint Budget Committee and no other restrictions remain. All of the provisions diverting General Fund to pay for Severance Tax related refunds are automatically repealed on June 30, 2017.

**FY 2016-17 SEVERANCE TAX ACTIVITY RELATED TO BP AMERICA S.B. 16-218<sup>1</sup>**

<i>(AMOUNTS ROUNDED FOR REPORTING)</i>	JULY 2016	AUGUST 2016	SEPTEMBER 2016	OCTOBER 2016	NOVEMBER 2016	DECEMBER 2016	JANUARY 2017	FEBRUARY 2017	MARCH 2017	APRIL 2017	MAY 2017	YTD TOTAL
Severance Tax Collections	\$6,042,907	\$6,542,625	\$8,262,452	\$6,961,763	\$7,868,831	\$11,625,311	\$9,429,237	\$9,055,501	\$11,724,628	\$17,034,055	\$10,651,012	\$105,198,321
Severance Tax Refunds	429,305	41,341,258	3,017,667	569,321	3,765,572	23,836,537	26,045,263	14,194,279	1,238,746	2,009,343	7,453,850	123,901,142
Refund Cap (15% of Gross Collections)	906,436	981,394	1,239,368	1,044,264	1,180,325	1,743,797	1,414,386	1,358,325	1,758,694	2,555,108	1,597,652	
Refunds covered by Severance Tax	429,305	981,394	1,239,368	569,321	1,180,325	1,743,797	1,414,386	1,358,325	1,238,746	2,009,343	1,597,652	13,761,962
Refunds from FY 2015-16 General Fund	0	40,359,864	1,778,299	0	2,585,247	12,076,590	0	0	0	0	0	56,800,000
Refunds from FY 2016-17 General Fund	0	0	0	0	0	10,016,150	24,630,877	12,835,954	0	0	5,856,198	53,339,179
<b>AMOUNT FOR DISTRIBUTION</b>	<b>\$5,613,602</b>	<b>\$5,561,231</b>	<b>\$7,023,084</b>	<b>\$6,392,442</b>	<b>\$6,688,506</b>	<b>\$9,881,514</b>	<b>\$8,014,851</b>	<b>\$7,697,176</b>	<b>\$10,485,882</b>	<b>\$15,024,712</b>	<b>\$9,053,360</b>	<b>\$91,436,360</b>
Energy Office Transfer	1,500,000	0	0	0	0	0	0	0	0	0	0	1,500,000
Local Affairs Programs	2,056,801	2,780,616	3,511,542	3,196,221	3,344,253	4,940,757	4,007,426	3,848,588	5,242,941	7,512,356	4,526,680	44,968,181
Severance Tax Permanent Fund	1,028,401	1,390,308	1,755,771	1,598,111	1,672,127	2,470,379	2,003,713	1,924,294	2,621,471	3,756,178	2,263,340	22,484,093
Severance Tax Operational Fund	1,028,401	1,390,308	1,755,771	1,598,111	1,672,127	2,470,379	2,003,713	1,924,294	2,621,471	3,756,178	2,263,340	22,484,093

<sup>1</sup> Data in this table was provided by the Department of Revenue.

# I. TOBACCO REVENUE ALLOCATIONS

This appendix describes the allocation of revenues that Colorado receives from the Tobacco Master Settlement Agreement and from tobacco taxes imposed by Section 21 of Article X of the Colorado Constitution (often called Amendment 35).

## TOBACCO MASTER SETTLEMENT AGREEMENT REVENUE ALLOCATION

The payments that Colorado receives from tobacco manufacturers that participate in the 1998 Tobacco Master Settlement Agreement (MSA) consist of a perpetual stream of base payments, which began in 2000, and a ten-year stream of Strategic Contribution Fund payments that began in 2008. The vast majority of these annual payments arrive in April. Since 2006, the payments have been reduced due to an ongoing dispute concerning Colorado's enforcement of its laws governing tobacco manufacturers that do not participate in the MSA. This disagreement has led most participating manufacturers to annually withhold a portion of their payments. The core MSA funding allocation process is described in Section 24-75-1104.5, C.R.S. In brief:

- The total amount of tobacco settlement funds allocated to programs equals 98.5 percent of the total settlement payments received by the State during the prior fiscal year. Annual allocations are based on Colorado's base and Strategic Contribution Fund payments, but do not include disputed amounts that have been withheld by tobacco companies.
- Annual allocations include money received during the prior fiscal year and the current fiscal year.
- Most programs cannot spend their allocation without an appropriation. In most cases, the appropriation equals or approximates the annual allocation.

Allocation formula procedures are described in more detail below.

### AMOUNT TO BE ALLOCATED

Colorado's annual revenue from the MSA is comprised of a base payment (received in perpetuity) and a Strategic Contribution Payment (additional funds of approximately \$15 million per year received for ten years from April 2008 through April 2017). Funding has also been affected by ongoing legal disputes with tobacco companies, resulting in both reduced annual receipts (based on amounts withheld by tobacco companies) and one-time funding increases. The table below reflects the payment history. Amounts received in April of the prior year (e.g., FY 2016-17) determine total funding allocations for the current year (e.g., FY 2017-18). However, special (disputed) payments received as legal issues are resolved are not allocated to programs and are used to reduce the share of MSA expenditures made from current year revenue. These accelerated payments are described below.

COLORADO TOBACCO MASTER SETTLEMENT AGREEMENT PAYMENTS AND DISPUTED PAYMENTS 2007 TO 2018				
PAYMENT YEAR	FISCAL YEAR APPROPRIATION	BASE PAYMENT	DISPUTED AMOUNT WITHHELD	RELEASE OF PRIOR WITHHOLDINGS
CY 2007	FY 2007-08	\$82,005,568	(\$12,113,579)	\$0
CY 2008	FY 2008-09	103,640,385	(7,711,843)	0
CY 2009	FY 2009-10	105,419,647	(7,062,223)	7,411,531
CY 2010	FY 2010-11	95,709,303	(8,714,641)	0
CY 2011	FY 2011-12	89,065,763	(13,614,015)	0
CY 2012	FY 2012-13	90,809,964	(11,574,809)	0
CY 2013	FY 2013-14	90,769,997	(12,362,477)	0
CY 2014	FY 2014-15	89,037,053	(11,756,684)	11,367,403
CY 2015	FY 2015-16	88,079,225	(12,500,634)	0
CY 2016	FY 2016-17	92,200,153	(11,168,694)	0
Forecast CY 2017	FY 2017-18	95,378,312	(12,074,333)	0
Forecast CY 2018	FY 2018-19	79,093,541	(12,752,447)	0
Forecast CY 2019	FY 2019-20	80,277,459	(13,093,878)	0

## USE OF CURRENT AND PRIOR-YEAR REVENUE TO SUPPORT ALLOCATIONS - ACCELERATED PAYMENTS

Since FY 2008-09, allocations during a given year have been a combination of current-year and prior-year revenue. Prior to FY 2007-08, all allocations were based on revenue received in the prior year. Pursuant to H.B. 07-1359, for FY 2008-09, the General Assembly began to rely on current year receipts of Strategic Contribution Fund payments to support current year allocations, which allowed it to redirect one-time funds of \$15.4 million to other purposes without reducing support for MSA-funded programs. Pursuant to S.B. 09-269, for FY 2010-11, the General Assembly expanded the use of current year revenue, using this mechanism to access \$65.0 million in one-time funding without reducing support for MSA programs. Because of these acts, MSA-funded programs operate for most of the fiscal year before the majority of the tobacco settlement revenue arrives. To do so, the programs receive advances from the Treasury which are repaid in April.

House Bill 12-1247 began to gradually reduce the use of such advances from the Treasury by reducing the use of current year revenue and increasing the use of prior year revenue for MSA allocations. This act requires spending from current year revenue to be reduced each year by any unallocated MSA funds and other residual funds in the Tobacco Litigation Settlement Cash Fund (approximately \$1.4 million per year, but varies by year). Allocations from reserves in the Tobacco Litigation Settlement Cash Fund compensate for the decline in spending from current year revenue, so that programs supported by MSA revenue receive no less than they would have under the previous formula. In addition, pursuant to S.B. 14-104 and H.B. 14-1394, disputed payments received are also used to reduce the amount of spending from current year revenue. A total of \$11.4 million received in April 2014 was used for this purpose.

## ALLOCATIONS TO PROGRAMS

House Bill 16-1408 redesigned how revenues are allocated to programs. Prior to FY 2016-17 revenues were distributed according to a two-tier system. Starting in FY 2016-17 revenues are allocated on a percentage basis. The following table summarizes the changes made to revenue distribution starting in FY 2016-17. Marijuana funds in the table below represent programs which, starting in FY 2016-17, are funded with money in the Marijuana Tax Cash Fund (MTCF) and no longer funded with MSA money.

SUMMARY OF DISTRIBUTION CHANGES		
	OLD DISTRIBUTION TIERS	CURRENT DISTRIBUTION PERCENTAGES
<b>Tier 1 Programs</b>		
Children's Basic Health Plan Trust	25.0%	18.0%
Nurse Home Visitor	19.0%	26.7%
Fitzsimons Trust Fund	8.0%	8.0%
Early Literacy	5.0%	Marijuana Funds
Tony Gramscas Youth Services	4.0%	7.5%
Drug Assistance Program (Ryan White)	3.5%	5.0%
AIDS and HIV Prevention Grants	2.0%	3.5%
Tobacco Litigation Settlement Cash Fund	2.0%	2.5%
State Veterans	1.0%	1.0%
Dental Loan Repayment	\$200,000	1.0%
Child Mental Health Treatment Act	\$300,000	Marijuana Funds
Cancer Program (created in HB 16-1408)	n/a	2.0%
Autism Treatment	\$1,000,000	2.0%
	<b>% of Remainder After Tier 1 programs</b>	
<b>Tier 2 Programs</b>		
CU Health Sciences	49.0%	15.5%
Children's Basic Health Plan Trust	14.5%	Eliminated
Offender Mental Health Services	12.0%	Marijuana Funds
Alcohol & Drug Abuse	3.0%	Marijuana Funds
Local Public Health Agencies	7.0%	Marijuana Funds
Supplemental State Contribution	4.5%	2.3%
CO Immunization Fund	4.0%	2.5%
Health Services Corps (Loan Repayment)	\$250,000	1.0%
State Auditor's Office	\$89,000	Eliminated
Unallocated amount		1.5%

The table below summarizes the combined total allocations by department and program for FY 2016-17 and FY 2017-18.

TOBACCO MASTER SETTLEMENT AGREEMENT REVENUE ALLOCATIONS			
	PERCENTAGE	FY 16-17 ACTUAL ALLOCATION	FY 2017-18 APPROPRIATIONS
Health Care Policy and Financing			
Children's Basic Health Plan Trust	18.0%	\$17,202,838	\$14,468,096
Autism Waiver	<u>2.0%</u>	<u>1,911,426</u>	<u>1,607,566</u>
<i>Subtotal - Health Care Policy and Financing</i>	<i>20.0%</i>	<i>19,114,264</i>	<i>16,075,662</i>
Higher Education			
University of Colorado Health Sciences Center	15.5%	14,813,555	12,458,638
Cancer Program	<u>2.0%</u>	<u>1,911,426</u>	<u>1,607,566</u>
<i>Subtotal - Higher Education</i>	<i>17.5%</i>	<i>16,724,981</i>	<i>14,066,204</i>
Human Services			
Nurse Home Visitor Program	26.7%	25,517,543	21,461,009
Tony Gramscas Youth Services Program	<u>7.5%</u>	<u>7,167,849</u>	<u>6,028,373</u>
<i>Subtotal - Human Services</i>	<i>34.2%</i>	<i>32,685,392</i>	<i>27,489,382</i>
Law			
Tobacco Settlement Defense Account	2.5%	2,389,283	2,009,458
Military and Veterans Affairs			
State Veterans Trust Fund	1.0%	955,713	803,783
Personnel			
Supplemental State Contribution Fund	2.3%	2,198,140	1,848,701
Public Health and Environment			
Drug Assistance Program (ADAP; Ryan White)	5.0%	4,778,566	4,018,916
AIDS and HIV Prevention Grants (CHAPP)	3.5%	3,344,996	2,813,241
Immunizations	2.5%	2,389,283	2,009,458
Health Services Corps Fund	1.0%	955,713	803,783
Dental Loan Repayment Program	<u>1.0%</u>	<u>955,713</u>	<u>803,783</u>
<i>Subtotal Public Health and Environment</i>	<i>13.0%</i>	<i>12,424,271</i>	<i>10,449,181</i>
Capital Construction - Department of Higher Education - Fitzsimons Lease Purchase Payments	8.0%	7,645,706	6,430,265
Unallocated Amount	1.5%	1,433,572	1,205,676
<b>TOTAL</b>		<b>\$95,571,322</b>	<b>\$80,378,312</b>

# CONSTITUTIONAL (AMENDMENT 35) TOBACCO TAX REVENUE ALLOCATION

Amendment 35 was approved by the voters in 2004 and added the following two cigarette and tobacco taxes to Section 21 of Article X of the Colorado Constitution:

- An additional \$.64 tax on each pack of cigarettes sold in Colorado (a pack equals twenty cigarettes); and
- A statewide tobacco products tax equal to 20.0 percent of the manufacturer's list price, on the sale, use, consumption, handling, or distribution of tobacco products by distributors.

Amendment 35 was codified in Section 24-22-117, C.R.S. This provision outlines how revenue from Amendment 35 is allocated to various state agencies including: the Departments of Health Care Policy and Financing (HCPF), Public Health and Environment (DPHE), and Revenue (DOR). The following table summarizes the allocation of Amendment 35 funds for FY 2016-17 and FY 2017-18.

FY 2016-17 AND FY 2017-18 DISTRIBUTION OF AMENDMENT 35 MONEY				
DEPT.	PROGRAM AND/OR FUND	FY 2016-17 APPROPRIATION	FY 2017-18 APPROPRIATION	CHANGE
HCPF	Health Care Expansion Fund	\$66,330,466	\$67,518,800	\$1,188,334
HCPF	Primary Care Fund	27,397,366	27,888,200	490,834
DPHE	Tobacco Education Programs Fund	23,071,466	23,484,800	413,334
DPHE	Prevention, Early Detection and Treatment Fund	23,071,466	23,484,800	413,334
HCPF	Old Age Pension Fund	2,162,950	2,201,700	38,750
REV	Local governments to compensate for lost revenue from tobacco taxes	1,297,770	1,321,020	23,250
DPHE	Immunizations performed by small local public health agencies.	432,590	440,340	7,750
HCPF	Children's Basic Health Plan	432,590	440,340	7,750
<b>TOTAL DISTRIBUTIONS</b>		<b>\$144,196,664</b>	<b>\$146,780,000</b>	<b>\$2,986,664</b>

Money that is credited to the Prevention Early Detection and Treatment Fund is further divided among three programs: Breast and Cervical Cancer Program, Health Disparities Program Fund, and Center for Health and Environmental Information. The following table summarizes how the total funds credited to the Prevention, Early Detection and Treatment Fund is further allocated.

BREAKDOWN OF MONEY CREDITED TO THE PREVENTION EARLY DETECTION AND TREATMENT FUND			
	FY 2016-17	FY 2017-18	CHANGE
Total Amount Credited to the Prevention, Early Detection and Treatment Fund	\$23,071,466	\$23,484,800	\$413,334
Breast and Cervical Cancer Program	4,614,293	4,696,960	82,667
Health Disparities Program Fund	3,460,720	3,522,720	62,000
Center for Health and Environmental Information	283,884	283,884	0
<i>Remains in the Prevention, Early Detection and Treatment Fund</i>	<i>\$14,712,569</i>	<i>\$14,981,236</i>	<i>\$268,667</i>

The following table shows the Amendment 35 Tobacco Tax money distribution by Department for FY 2016-17 and FY 2017-18.

AMENDMENT 35 TOBACCO TAX FY 2017-18 RECOMMENDED DISTRIBUTION BY DEPARTMENT			
DEPARTMENT	FY 2016-17	FY 2017-18	CHANGE
Department of Health Care Policy and Financing (HCPF)	\$96,323,372	\$98,049,040	\$1,725,668
Department of Public Health and Environment (PHE)	46,575,522	47,409,940	834,418
Department of Revenue (REV)	1,297,770	1,321,020	23,250

## RECENT LEGISLATION

### 2016 SESSION BILLS

**H.B. 16-1408 (CASH FUND ALLOCATIONS FOR HEALTH-RELATED PROGRAMS):** Establishes a new formula for the allocation of the annual payment received by the state as part of the Tobacco Master Settlement Agreement (Tobacco MSA). The new formula allocates all Tobacco MSA revenue by percentage shares, rather than the hybrid scheme of fixed dollar amounts and capped percentage shares in multiple tiers. The formula increases annual allocations to most programs receiving funding under the current distribution, while eliminating dedicated funding for the six purposes:

- Early Literacy Fund in the Department of Education;
- Public Health Services Support Fund in the Department of Public Health and Environment;
- Offender Mental Health Services Program in the Department of Human Services;
- Alcohol and Drug Abuse Prevention Program in the Department of Human Services;
- Children's Mental Health Treatment Program in the Department of Human Services; and
- The annual audit of Tobacco MSA-funded programs by the Office of the State Auditor.

For the purposes listed above except the audit, the bill makes FY 2016-17 appropriations from the Marijuana Tax Cash Fund in the amounts that the programs are expected to receive under the current law allocation formula. Repeals the Public Health Services Support Fund and the Tobacco Litigation Settlement Trust Fund. Requires the State Treasurer to transfer any remaining balance in the Public Health Services Support Fund and the Offender Mental Health Services Fund to the Tobacco Litigation Settlement Cash Fund at the end of FY 2015-16.

Creates a new Primary Care Provider Sustainability Fund in the Department of Health Care Policy and Financing to fund increased access to primary care office visits, immunization administration, health screening services, and newborn care, including neonatal critical care. Transfers \$20.0 million on July 1, 2016 from the Children's Basic Health Plan Trust to this new fund. Modifies statute concerning higher education fee-for-service contracts paid to the University of Colorado for specialty education services, specifying that these contracts include care provided by faculty of the University of Colorado Health Sciences Center and are eligible for payment under the State's Medicaid provider reimbursement. Makes the following appropriation changes related to funds from the Tobacco Master Settlement revenues and Marijuana Tax Cash Fund dollars.

SUMMARY OF TOBACCO MASTER SETTLEMENT AGREEMENT DISTRIBUTION FORMULA APPROPRIATION CHANGES				
BILL SECTION	PROGRAM	GENERAL FUND	TOBACCO MASTER SETTLEMENT CASH FUNDS	MARIJUANA TAX CASH FUND
27	Early Literacy	\$0	(\$4,378,678)	\$4,378,678
28	Mental Health Services for Juvenile and Adult Offenders	0	(3,025,192)	3,025,192
28	Mental Health Services for Youth (H.B. 99-1116)	0	(300,000)	300,000
28	Community Prevention Treatment - Alcohol and Drug Abuse	0	(756,298)	756,298
29	Local Public Health Agencies	0	(1,767,584)	1,767,584
30	Tony Grampsas Youth Services	0	2,626,328	(2,626,328)
31	Autism Treatment Fund	(6,451,471)	6,451,471	0
32a	Higher Education - Cancer Program	0	1,751,471	0
32b	Higher Education - Health Sciences Center Programs	0	1,221,033	0
333	Nurse Home Visitor Program	0	6,743,164	0
34	Supplemental State Contribution Fund	0	879,745	0
35	Drug Assistance Program	0	1,313,603	0
36	AIDS and HIV Prevention Grants	0	1,313,604	0



SUMMARY OF TOBACCO MASTER SETTLEMENT AGREEMENT DISTRIBUTION FORMULA APPROPRIATION CHANGES				
BILL SECTION	PROGRAM	GENERAL FUND	TOBACCO MASTER SETTLEMENT CASH FUNDS	MARIJUANA TAX CASH FUND
37	Immunization Program	0	1,180,942	0
38	Oral Health Programs	0	675,736	0
39	Health Service Corps within the Primary Care Office	0	625,736	0

Appropriates \$55,694,236 total funds, of which \$20,000,000 is cash funds from the Primary Care Provider Sustainability Fund, \$556,859 is cash funds from the Hospital Provider Fee Cash Fund, and \$35,137,377 is federal funds to the Department of Health Care Policy and Financing for FY 2016-17 rate enhancements.

## 2017 SESSION BILLS

No bills directly impacted the statutes governing the Tobacco Master Settlement Agreement or Amendment 35 Tobacco Tax.

# J. MARIJUANA TAX REVENUE ALLOCATIONS

This appendix provides an overview of state taxes related to marijuana and the allocation of these tax revenues. This section also includes a summary of appropriations from the Marijuana Tax Cash Fund for FY 2016-17 and FY 2017-18.

## LEGAL AND REGULATORY OVERVIEW

Marijuana has been legalized in Colorado through the passage of two citizen ballot initiatives that amended the State Constitution. In 2000, voters passed an initiative<sup>1</sup> that added Section 14 to Article XVIII, authorizing the medical use of marijuana for persons suffering from debilitating medical conditions. In 2012, voters passed an initiative<sup>2</sup> that added Section 16 to Article XVIII, authorizing personal use of marijuana.

The General Assembly has passed legislation to implement the constitutional provisions adopted by voters. The most significant statutory provisions concerning marijuana include:

- Colorado Medical Marijuana Code [Section 12-43.3-101 et. seq., C.R.S.]
- Colorado Retail<sup>3</sup> Marijuana Code [Section 12-43.4-101 et. seq., C.R.S.]
- Taxes on Marijuana and Marijuana Products [Section 39-28.8-101 et seq., C.R.S.]

Two state agencies are primarily responsible for implementing the above laws:

- The **Department of Revenue** regulates and controls the licensing of the cultivation, manufacture, distribution, and sale of medical and retail marijuana. These activities are supported by medical and retail marijuana business fees that are credited to the *Marijuana Cash Fund*<sup>4</sup>. The Department also collects, administers, and enforces state taxes and fees related to marijuana and marijuana products. These activities are supported by medical and retail marijuana sales tax revenues that are credited to the *Marijuana Tax Cash Fund*.
- The **Department of Public Health and Environment** administers certain aspects of the medical marijuana program, including administering the medical marijuana registry and distributing medical marijuana cards, and coordinating inspection of retail marijuana lab testing facilities. This Department's regulatory activities are supported by fees paid by patients seeking medical marijuana cards that are credited to the *Medical Marijuana Program Cash Fund*<sup>5</sup>, and the remaining activities are supported by medical and retail marijuana sales tax revenues that are credited to the *Marijuana Tax Cash Fund*.

## TAX REVENUE OVERVIEW

The State collects three types of taxes on marijuana products:

- First, the **regular state sales tax** (2.9 percent) is collected on consumer goods, including both medical and retail marijuana sales. These tax revenues are credited to the *Marijuana Tax Cash Fund* (MTCF) and are used to

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<sup>1</sup> Amendment 20 was adopted with 915,943 (53.5 percent) voting for the measure.

<sup>2</sup> Amendment 64 was adopted with 1,383,140 (55.3 percent) voting for the measure.

<sup>3</sup> While marijuana that is sold for personal use as authorized by Amendment 64 is generally called "recreational" marijuana, the statutory provisions that implement Amendment 64 use the term "retail" marijuana. Staff has generally used the term "retail" for purposes of this document.

<sup>4</sup> Actual business fee and fine revenues collected and credited to the Marijuana Cash Fund, along with associated interest and other adjustments, totaled \$15,767,831 in FY 2015-16.

<sup>5</sup> Actual patient fee revenues collected and credited to the Medical Marijuana Program Cash Fund, along with associated interest and other adjustments, totaled \$1,644,578 in FY 2015-16.

support a variety of state programs and services. The allocation of money in this fund is discussed in more detail below.

- Second, a **special sales tax** (10.0 percent<sup>6</sup>) is collected on retail (but not medical) marijuana sales. Of the total amount collected annually, 15.0 percent is allocated to local governments based on the percentage of such revenues collected within the boundaries for each local government. The remaining 85.0 percent of annual revenues are credited to the MTCTF and are used to support a variety of state programs and services.
- Third, a marijuana **excise tax** (15.0 percent) is applied to the average market wholesale price of the product being sold or otherwise transferred from a retail marijuana cultivation facility. The average market wholesale prices are set every six months by the Department of Revenue's Marijuana Enforcement Division.

As required by the State Constitution<sup>7</sup>, the first \$40.0 million of excise tax revenue raised annually from retail marijuana wholesale products is credited to the *Public School Capital Construction Assistance Fund*. Money in this fund helps pay for local K-12 school construction projects through the Building Excellent Schools Today (BEST) program, which is administered through the Colorado Department of Education. Any excise tax revenues in excess of \$40.0 million are credited to the *Public School Fund*, which is a constitutionally created fund that generates income to support public K-12 schools. From FY 2013-14 through FY 2015-16, a total of \$69.4 million from marijuana excise tax revenues has been credited to these two funds, including \$67.0 million to the Public School Capital Construction Assistance Fund<sup>8</sup> and \$2.4 million to the Public School Fund.

Two of the three sources of state marijuana-related tax revenues are not subject to the limitation on state fiscal year spending imposed by Article X, Section 20, of the State Constitution (the Taxpayer's Bill of Rights or TABOR): the special sales tax and the excise tax<sup>9</sup>. However, the regular state sales tax (2.9 percent) revenues collected for sales in medical marijuana centers and retail marijuana stores are subject to TABOR. In addition, the fees and fines paid by retail and medical marijuana businesses and the fees paid by medical marijuana patients are subject to TABOR. For FY 2015-16, the marijuana-related tax and fee revenue that is subject to TABOR totaled \$49.0 million, including \$31.6 million in sales tax revenues and \$17.4 million in fee revenue.

**Senate Bill 17-267** makes significant changes to the collection and allocation of state marijuana sales taxes starting in FY 2017-18. Specifically, beginning July 1, 2017, the act:

- exempts sales of retail marijuana from the regular (2.9 percent) state sales tax;
- increases the special sales tax rate from 10.0 to 15.0 percent; and
- adjusts the distribution of special sales tax revenues to local governments, decreasing the local share from 15.0 percent to 10.0 percent.

The act also modifies the allocation of special sales tax revenues as follows:

- for FY 2017-18 and all subsequent years, 71.85 percent of the State's share of retail marijuana special sales tax revenues is transferred to the MTCTF;
- for FY 2017-18 only, \$30.0 million is transferred to the State Public School Fund (SPSF) and is statutorily appropriated to the Department of Education for disbursement to schools in rural and small rural school districts; and

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<sup>6</sup> In 2013, voters approved Proposition AA, which authorized the State to levy up to a 15.0 percent excise tax and up to a 15.0 percent special retail sales tax on retail marijuana and marijuana products. The State initially chose to levy a 10.0 percent special sales tax, effective beginning January 1, 2014. Prior to the passage of S.B. 17-267, this tax rate was scheduled to decrease to 8.0 percent on July 1, 2017.

<sup>7</sup> See Article XVIII, Section 16 (5)(d), of the State Constitution.

<sup>8</sup> This amount excludes an additional \$40.0 million that was allocated to the Public School Capital Construction Assistance Fund from the Proposition AA Refund Account in FY 2015-16, pursuant to voter approval of Proposition BB.

<sup>9</sup> See Sections 39-28.8-204 and 39-28.8-307, C.R.S., respectively.

- for FY 2018-19 and all subsequent years, 12.59 percent is transferred to the SPSF and is statutorily appropriated to the Department of Education for the State's share of total program funding for school districts and institute charter schools.

The amount remaining each fiscal year, after the transfers to the MTCF and the SPSF, is retained in the General Fund. For FY 2018-19 and all subsequent years, this allocation is equal to 15.56 percent of the State's share of retail marijuana special sales tax revenues. For a more complete description of S.B. 17-267, see the "Recent Legislation" section at the end of the Department of Health Care Policy and Financing in Part III.

## MARIJUANA TAX CASH FUND OVERVIEW

The statutory provision that establishes the Marijuana Tax Cash Fund (MTCF) limits the timing, amount, and allowable uses of the MTCF<sup>10</sup>. With respect to **timing**, this provision states that the General Assembly may appropriate money in the MTCF to the Department of Revenue for the fiscal year in which the money was received by the State for the costs associated with implementing the Colorado Medical Marijuana Code, the Colorado Retail Marijuana Code, and provisions concerning taxes on marijuana and marijuana products. However, any other appropriations from the MTCF are limited to the fiscal year following the fiscal year in which the money was received (e.g., revenues collected in FY 2016-17 may only be appropriated for FY 2017-18 or subsequent fiscal years).

With respect to the **amount** appropriated from the MTCF, this statutory provision limits annual appropriations from the MTCF to 93.5 percent of the "amount of moneys in the fund available for appropriation". This provision thus establishes an annual MTCF reserve that is similar to the 6.5 percent General Fund reserve requirement<sup>11</sup>.

Finally, the General Assembly has specified the **allowable purposes** for which the General Assembly may appropriate money in the MTCF. These purposes are listed in Section 39-28.8-501 (2)(b)(IV), C.R.S., and are periodically amended through legislation.

The General Assembly makes annual appropriations from the MTCF based on the most recent revenue projections available from either Legislative Council Staff or Department of Revenue Staff. Appropriations for FY 2017-18 were premised on the March 2017 revenue forecast prepared by Legislative Council Staff. A total of \$117.7 million is projected to be available for transfers and appropriations for FY 2017-18, and the General Assembly appropriated a total of \$117.6 million. The following table details appropriations from the MTCF for FY 2016-17 and FY 2017-18.

<sup>10</sup> See Section 39-28.8-501 (2), C.R.S.

<sup>11</sup> See Section 24-75-201.1 (1)(d)(XIV), C.R.S.

SUMMARY OF APPROPRIATIONS AND TRANSFERS FROM THE MARIJUANA TAX CASH FUND:  
FY 2016-17 AND FY 2017-18

	FY 2016-17 APPROPRIATIONS	FY 2017-18 APPROPRIATIONS	ANNUAL CHANGE
<b>BREAKDOWN OF APPROPRIATIONS BY DEPARTMENT AND PROGRAM</b>			
<b>Agriculture</b>			
Pesticide control and regulation	\$1,499,726	\$1,909,783	\$410,057
Colorado State Fair Authority: FFA and 4-H programming	300,000	300,000	0
Hemp regulatory and seed certification	364,273	0	(364,273)
Indirect cost assessments and centrally appropriated amounts not accounted for above	105,241	0	(105,241)
<b>Subtotal: Agriculture</b>	<b>2,269,240</b>	<b>2,209,783</b>	<b>(59,457)</b>
<b>Education</b>			
School Health Professionals Grant Program	2,280,833	11,923,783	9,642,950
Early Literacy Competitive Grant Program	4,378,678	4,378,678	0
Appropriation to the School Bullying Prevention and Education Cash Fund	900,000	2,000,000	1,100,000
Office of Dropout Prevention and Student Reengagement	900,000	2,000,000	1,100,000
Centrally appropriated amounts not accounted for above	18,649	69,869	51,220
<b>Subtotal: Education</b>	<b>8,478,160</b>	<b>20,372,330</b>	<b>11,894,170</b>
<b>Governor</b>			
Office of Information Technology, Applications Administration	0	1,109,625	1,109,625
Evidence-based Policymaking Evaluation and Support	0	500,000	500,000
Governor's Office	0	117,199	117,199
Governor's Office of Marijuana Coordination	191,590	0	(191,590)
Centrally appropriated amounts not accounted for above	25,354	0	(25,354)
<b>Subtotal: Governor</b>	<b>216,944</b>	<b>1,726,824</b>	<b>1,509,880</b>
<b>Health Care Policy and Financing</b>			
Training for health professionals to provide Screening, Brief Intervention, and Referral for Treatment (SBIRT) services for Medicaid clients at risk for substance abuse	750,000	750,000	0
<b>Subtotal: Health Care Policy and Financing</b>	<b>750,000</b>	<b>750,000</b>	<b>0</b>
<b>Higher Education</b>			
Institute of Cannabis Research at CSU-Pueblo (S.B. 16-191)	900,000	1,800,000	900,000
<b>Subtotal: Higher Education</b>	<b>900,000</b>	<b>1,800,000</b>	<b>900,000</b>
<b>Human Services</b>			
S.B. 16-202: Access to effective substance use disorder services (including related administration and an evaluation of intensive residential treatment)	6,000,000	12,255,774	6,255,774
Mental Health Services for Juvenile and Adult Offenders (including related administration)	3,000,000	5,640,338	2,640,338
Implementation of substance use-related criminal justice diversion programs recommended by the Colorado Commission on Criminal and Juvenile Justice	0	2,557,942	2,557,942
S.B. 91-094 Programs that fund service alternatives to placing youth in a correctional facility	2,000,000	2,028,036	28,036
Circle Program for adults with co-occurring mental health and substance use disorders	1,852,824	1,993,511	140,687
Tony Gramsas Youth Services Program grants for the prevention of youth marijuana use	373,672	1,373,672	1,000,000
Behavioral health services for individuals in rural areas show have co-occurring mental health and substance use disorders	500,000	1,035,529	535,529

SUMMARY OF APPROPRIATIONS AND TRANSFERS FROM THE MARIJUANA TAX CASH FUND:  
FY 2016-17 AND FY 2017-18

	FY 2016-17 APPROPRIATIONS	FY 2017-18 APPROPRIATIONS	ANNUAL CHANGE
Appropriation to the Youth Mentoring Services Cash Fund (Tony Grampsas Youth Services Program)	1,000,000	1,000,000	0
Community prevention and treatment for alcohol and drug abuse (including related administration)	823,218	823,218	0
Substance use disorder treatment at the mental health institutes	0	556,986	556,986
Mental Health Treatment Services for Youth (H.B. 99-1116)	300,000	304,205	4,205
Indirect cost assessments and centrally appropriated amounts not accounted for above	784,639	2,068,997	1,284,358
<b>Subtotal: Human Services</b>	<b>16,634,353</b>	<b>31,638,208</b>	<b>15,003,855</b>
<b>Judicial</b>			
Appropriation to the Correctional Treatment Cash Fund for jail-based behavioral health services (administered through the Department of Human Services)	1,550,000	1,571,728	21,728
<b>Subtotal: Judicial</b>	<b>1,550,000</b>	<b>1,571,728</b>	<b>21,728</b>
<b>Labor and Employment</b>			
Colorado Veterans' Service-to-career Pilot Program (H.B. 16-1267)	500,000	165,296	(334,704)
<b>Subtotal: Labor and Employment</b>	<b>500,000</b>	<b>165,296</b>	<b>(334,704)</b>
<b>Law</b>			
Local law enforcement training through the Peace Officers Standards and Training (POST) Board	750,000	750,000	0
Develop in-house legal expertise and training	286,766	286,766	0
<b>Subtotal: Law</b>	<b>1,036,766</b>	<b>1,036,766</b>	<b>0</b>
<b>Local Affairs</b>			
Affordable Housing Construction Grants and Loans	0	15,300,000	15,300,000
Local Government Retail Marijuana Impact Grant Program	1,117,540	1,117,540	0
Centrally appropriated amounts not accounted for above	63,155	115,033	51,878
<b>Subtotal: Local Affairs</b>	<b>1,180,695</b>	<b>16,532,573</b>	<b>15,351,878</b>
<b>Public Health and Environment</b>			
Substance abuse prevention	7,127,612	9,408,800	2,281,188
Public awareness campaign	7,025,000	4,650,000	(2,375,000)
Distributions to Local Public Health Agencies (H.B. 16-1408)	1,767,584	1,792,362	24,778
Marijuana lab certification	294,141	1,295,543	1,001,402
Retail marijuana health research grants	343,622	866,122	522,500
Healthy Kids Colorado Survey	745,124	745,124	0
Marijuana Health Effects Monitoring	320,388	320,388	0
Health survey data collection	238,000	238,000	0
Data collection and analysis (S.B. 13-283)	89,550	90,939	1,389
Enhanced marijuana data collection through Rocky Mountain Poison and Drug	123,383	60,100	(63,283)
Indirect cost assessments and centrally appropriated amounts not accounted for above	24,058	1,263,368	1,239,310
<b>Subtotal: Public Health and Environment</b>	<b>18,098,462</b>	<b>20,730,746</b>	<b>2,632,284</b>
<b>Public Safety:</b>			
Juvenile diversion programs	400,000	400,000	0
Study of the impacts of the legalization of retail marijuana (S.B. 13-283/ S.B. 16-191)	159,983	159,983	0

SUMMARY OF APPROPRIATIONS AND TRANSFERS FROM THE MARIJUANA TAX CASH FUND:  
FY 2016-17 AND FY 2017-18

	FY 2016-17 APPROPRIATIONS	FY 2017-18 APPROPRIATIONS	ANNUAL CHANGE
Collection of medical marijuana information by law enforcement agencies (S.B. 15-014)	61,940	61,940	0
Public Safety Intelligence Support Related to the Illegal Sale and Diversion of Marijuana	56,998	56,998	0
Centrally appropriated amounts not accounted for above	43,888	57,039	13,151
<b>Subtotal: Public Safety</b>	<b>722,809</b>	<b>735,960</b>	<b>13,151</b>
<b>Regulatory Agencies:</b>			
Improve enforcement of medical marijuana grey market	0	304,225	304,225
<b>Subtotal: Regulatory Agencies</b>	<b>0</b>	<b>304,225</b>	<b>304,225</b>
<b>Transportation:</b>			
Marijuana impaired driving campaign	450,000	950,000	500,000
Impaired driving campaign	500,000	0	(500,000)
<b>Subtotal: Transportation</b>	<b>950,000</b>	<b>950,000</b>	<b>0</b>
<b>TOTAL APPROPRIATIONS FROM PRIOR YEAR REVENUES</b>	<b>\$53,287,429</b>	<b>\$100,524,439</b>	<b>\$47,237,010</b>
Appropriation to the Department of Revenue from revenues collected in same fiscal year	7,707,249	1,591,805	(6,115,444)
<b>TOTAL FY 2016-17 APPROPRIATIONS AND TOTAL FY 2017-18 LONG BILL APPROPRIATIONS</b>	<b>\$60,994,678</b>	<b>\$102,116,244</b>	<b>\$41,121,566</b>
<b>OTHER APPROPRIATIONS AND TRANSFERS</b>			
<b>FY 2017-18 Appropriations Included in Other 2017 Legislation [Bill: Topic (Department)]:</b>			
S.B. 17-012: Competency Restoration Services and Education (Human Services)	\$0	\$18,000	\$18,000
S.B. 17-025: Marijuana Education Materials Resource Bank (Education)	0	47,000	47,000
S.B. 17-074: Medication-assisted Treatment Pilot Program (Higher Education)	0	500,000	500,000
S.B. 17-096: Reserve Peace Officer Academy Grant Program (Public Safety)	0	814,834	814,834
S.B. 17-193: Center for Research Into Substance Use Disorder Prevention, Treatment, and Recovery Support Strategies (Higher Education)	0	1,000,000	1,000,000
S.B. 17-207: Strengthen Behavioral Health Crisis Response System (Human Services)	0	7,086,280	7,086,280
H.B. 17-1221: Gray and Black Market Marijuana Enforcement Efforts (Local Affairs)	0	5,945,392	5,945,392
H.B. 17-1351: Study Inpatient Substance Use Disorder Treatment (Health Care Policy and Financing)	0	37,500	37,500
<b>Subtotal: Appropriations in Other 2017 Legislation</b>	<b>\$0</b>	<b>\$15,449,006</b>	<b>\$15,449,006</b>
Transfer to General Fund for repayment related to the Proposition AA Refund Account created in H.B. 15-1367 (H.B. 16-1418)	\$26,277,661	\$0	(\$26,277,661)
Appropriations remaining available for capital construction	844,858	0	(844,858)
<b>TOTAL APPROPRIATIONS AND TRANSFERS FROM THE MARIJUANA TAX CASH FUND</b>	<b>\$88,117,197</b>	<b>\$117,565,250</b>	<b>\$29,448,053</b>

# K. LETTERS REQUESTING INFORMATION FROM STATE DEPARTMENTS

Historically, the annual Long Bill included a number of footnotes that described the General Assembly's intent regarding an appropriation; placed a condition or limitation on an appropriation; explained any assumptions used in determining the specific amount of an appropriation; or requested information. However, pursuant to H.B. 08-1321 (Section 24-75-112 (2), C.R.S.), the Long Bill no longer contains footnotes that request information. In their place, the Joint Budget Committee submits requests for information to executive departments and the judicial branch via letters to the Governor, the Chief Justice, and other elected officials. Each request is associated with one or more specific Long Bill line items, and the requests have been prioritized by the Joint Budget Committee as required by Section 2-3-203 (3), C.R.S.

Copies of these letters are included in the following pages. The first of these attached letters is to the Governor and addresses all affected departments in alphabetical order, except those under the purview of the Chief Justice or other elected officials. Letters to the Chief Justice (Judicial Department), the Attorney General (Department of Law), the Secretary of State (Department of State), and the Treasurer (Department of the Treasury) follow in that order.

Responses to these requests for information are typically summarized in Joint Budget Committee staff briefing documents (available at [leg.colorado.gov/content/budget](http://leg.colorado.gov/content/budget)). Department submissions may also be requested in their entirety from the Legislative Library (email: [lcs.ga@state.co.us](mailto:lcs.ga@state.co.us); or telephone: (303) 866-4011).



# STATE OF COLORADO

SENATORS  
KENT LAMBERT - CHAIR  
KEVIN LUNDBERG  
DOMINICK MORENO

REPRESENTATIVES  
MILLIE HAMNER - VICE-CHAIR  
DAVE YOUNG  
BOB RANKIN



STAFF DIRECTOR  
JOHN ZIEGLER

JOINT BUDGET COMMITTEE  
200 EAST 14TH AVENUE, 3RD FLOOR  
LEGISLATIVE SERVICES BUILDING  
DENVER, CO 80203  
TELEPHONE 303-866-2061  
<http://leg.colorado.gov/agencies/joint-budget-committee>

May 5, 2017

Hon. John Hickenlooper, Governor  
136 State Capitol  
Denver, CO 80203-1792

Dear Governor Hickenlooper:

The General Assembly recently finalized the FY 2017-18 Long Bill. Pursuant to Section 24-75-112 (2), C.R.S., the Long Bill footnotes no longer include requests for information. In lieu of such footnotes, the Joint Budget Committee respectfully submits the following requests for information. These requests are associated with specific Long Bill line items, and each has its own details and deadlines. Consistent with the provisions of Section 2-3-203 (3), C.R.S., information requests have been prioritized within each department in the attached lists.

To assist our staff in organizing and tracking submissions, we would appreciate if the department would follow the protocol outlined in an attachment to this letter with respect to submitting hard copies and electronic responses. The Committee requests that the department comply with these requests for information to the fullest extent possible.

Please notify us by June 1, 2017 if the department does not intend to comply with any requests.

Sincerely,

Senator Kent Lambert  
Chair

cc:  
Executive Agency Directors  
Henry Sobanet, Office of State Planning and Budgeting  
John Ziegler, Staff Director, Joint Budget Committee

**Attachment**  
**Requested Format for Responses to Legislative Requests for Information**

Please submit both hard (paper) copies and electronic copies of request for information (RFI) responses as follows:

- Hard copies: One (1) hard copy should be delivered by the requested due-date to the Joint Budget Committee (JBC) offices at 200 East 14th Ave., Denver, 3rd Floor.
- Electronic copies: An electronic copy of all paper submissions should also be submitted. This should be sent by email to:
  - The JBC analyst(s) responsible for the specified budget area(s)
  - Jessi Neuberg ([jessi.neuberg@state.co.us](mailto:jessi.neuberg@state.co.us)) at the JBC offices
  - Legislative Council Staff at the following address: [lcs.ga@state.co.us](mailto:lcs.ga@state.co.us)

The Legislative Council Staff ([lcs.ga@state.co.us](mailto:lcs.ga@state.co.us)) will include the report in an electronic database (part of the Legislative Council Library) and will also ensure the report is distributed to other legislative committees, as specified in some of the RFIs.

- All submissions should include the following information:
  - Name of Department
  - Long Bill fiscal year to which the RFI is attached (FY 2017-18 for the RFIs listed in this letter)
  - Correct RFI number, as listed in this letter

Please include this information in the subject line for electronic submissions, as well as in the body of both electronic and hard copy submissions.

- Please use the following naming convention for your electronic attachments:

**"[Department] [fiscal year] [RFI Number]"**

For example, the attachment providing the response to RFI #5 in the Department of Health Care Policy and Financing would be entitled: **Health Care Policy and Financing FY 2017-18 RFI #5**

# LEGISLATIVE REQUESTS FOR INFORMATION FOR FY 2017-18

## REQUESTS AFFECTING MULTIPLE DEPARTMENTS

- 1 Department of Corrections; Department of Human Services; Judicial Department; Department of Public Safety; and Department of Transportation -- State agencies involved in multi-agency programs requiring separate appropriations to each agency are requested to designate one lead agency to be responsible for submitting a comprehensive annual budget request for such programs to the Joint Budget Committee, including prior year, request year, and three year forecasts for revenues into the fund and expenditures from the fund by agency. The requests should be sustainable for the length of the forecast based on anticipated revenues. Each agency is still requested to submit its portion of such request with its own budget document. This applies to requests for appropriation from: the Alcohol and Drug Driving Safety Program Fund, the Law Enforcement Assistance Fund, the Offender Identification Fund, the Persistent Drunk Driver Cash Fund, and the Sex Offender Surcharge Fund, among other programs.
- 2 Department of Education, Assistance to Public Schools, Categorical Programs; and Department of Higher Education, Division of Occupational Education, Distribution of State Assistance for Career and Technical Education pursuant to Section 23-8-102, C.R.S. -- The Department of Education is requested to work with the Department of Higher Education and to provide to the Joint Budget Committee information concerning the distribution of state funds available for each categorical program, excluding grant programs. The information for special education programs for children with disabilities, English language proficiency programs, public school transportation, career and technical education, and small attendance center aid is requested to include the following: (a) a comparison of the state funding distributed to each district or administrative unit for each program in fiscal year 2016-17 and the maximum allowable distribution pursuant to state law and/or State Board of Education rule; and (b) a comparison of the state and federal funding distributed to each district or administrative unit for each program in fiscal year 2015-16 and actual district expenditures for each program in fiscal year 2015-16. The information for special education programs for gifted and talented children is requested to include a comparison of the state funding distributed to each district or administrative unit for each program in fiscal year 2015-16 and actual district expenditures in fiscal year 2015-16.
- 3 Governor – Lieutenant Governor – State Planning and Budgeting, Office of State Planning and Budgeting; and Department of Public Safety, Division of Homeland Security and Emergency Management, Office of Emergency Management, Disaster Response and Recovery -- The Office of Emergency Management is requested to work with the Office of State Planning and Budgeting to provide a report to the Joint Budget Committee by November 1, 2017, concerning revenues credited to and expenditures made from the Disaster Emergency Fund in fiscal years 2015-16, 2016-17, and 2017-18 year-to-date. The report is requested to include the following: (a) amounts authorized to be transferred to the Disaster Emergency Fund, by Executive Order and fund source; (b) amounts actually transferred to the Fund, by date and fund source; (c) actual expenditures from the Fund, by declared disaster emergency, (d) reimbursements credited to the Fund, by date and source, and (e) total fund balance and unencumbered fund balance.

- 4 Department of Health Care Policy and Financing, Medical Services Premiums; Indigent Care Program, Children's Basic Health Plan Medical and Dental Costs; Department of Higher Education, Colorado Commission on Higher Education, Special Purpose, University of Colorado, Lease Purchase of Academic Facilities at Fitzsimons; Governing Boards, Regents of the University of Colorado; Department of Human Services, Division of Child Welfare, Tony Gramscas Youth Services Program; Office of Early Childhood, Division of Community and Family Support, Nurse Home Visitor Program; Department of Military and Veterans Affairs, Division of Veterans Affairs, Colorado State Veterans Trust Fund Expenditures; Department of Personnel, Division of Human Resources, Employee Benefits Services, H.B. 07-1335 Supplemental State Contribution Fund; Department of Public Health and Environment, Disease Control and Environmental Epidemiology Division, Administration, General Disease Control, and Surveillance, Immunization Operating Expenses; Special Purpose Disease Control Programs, Sexually Transmitted Infections, HIV and AIDS Operating Expenses, and Ryan White Act Operating Expenses; Prevention Services Division, Chronic Disease Prevention Programs, Oral Health Programs; Primary Care Office -- Each Department is requested to provide the following information to the Joint Budget Committee by November 1, 2017, for each program funded with Tobacco Master Settlement Agreement money: the name of the program; the amount of Tobacco Master Settlement Agreement money received and expended by the program for the preceding fiscal year; a description of the program including the actual number of persons served and the services provided through the program; information evaluating the operation of the program, including the effectiveness of the program in achieving its stated goals.
- 5 Department of Health Care Policy and Financing, Office of Community Living; Department of Human Services, Services for People with Disabilities, Regional Centers – The Departments are requested to submit a report by November 1, 2017 a report on the status of transitions into and out of Regional Centers. The report should include information on how the Departments are defining transitions as successful or not successful, the capacity of the community to serve individuals who are or have transitioned, and the type of residences and locations where individuals are transitioning into. The report should also include a comparison of the services available in the Regional Centers and the services available to individuals once they transition and what barriers exist in ensuring the availability of services for individuals once they transition.
- a. Regarding the transition planning phase the report should discuss:
    - i. What role do residents and their families play in preparing for a transition and how long does it take to transition an individual once a decision has been made?
    - ii. What is done when a resident wishes to transition, but no appropriate community placement can be found?
    - iii. What is the longest period of time someone has spent waiting to transition?
  - b. Regarding the transition process the report should discuss:
    - i. How does the process of transitioning into a Regional Center differ from the process of transitioning from a Regional Center to a community setting?
    - ii. What is the process for transitioning from one Regional Center to another Regional Center?
    - iii. Describe the resources available (i.e. people and money) to plan and prepare for transitions. Are these resources sufficient to ensure successful transitions?

- iv. Has the success rate on transitions varied by type of setting? For example, have Regional Center residents been more successful moving to host homes or group homes?
- c. Regarding measuring whether a transition was successful or unsuccessful the report should discuss:
  - i. What role do residents and their families play in determining whether a transition has been successful?
  - ii. For those transitions that were unsuccessful, how long did it take to move the resident to a new placement? Please provide data on the length of time people lived in unsuccessful placements.
  - iii. What is the process for returning to a Regional Center in the event of an unsuccessful transition?
  - iv. What role do residents and families play in that decision?
  - v. Over what time period is information collected about a transition?
  - vi. How many times did people change placements over a two or five year period?
  - vii. What is an appropriate length of time to determine if a transition has been successful?
  - viii. Do the Departments track success/failure rates for providers accepting transitions from Regional Centers?

## DEPARTMENT OF AGRICULTURE

- 1 Department of Agriculture, Colorado State Fair, State Fair Facilities Maintenance – The Department is requested to provide on November 1, 2017 a report on facility maintenance projects for the Colorado State Fairgrounds. This report should include the following for each facility with planned maintenance: facility name, the type and nature of maintenance, the anticipated cost of the maintenance, the expenditures to-date on the maintenance, and the anticipated completion date.

## DEPARTMENT OF CORRECTIONS

- 1 Department of Corrections, Institutions, Mental Health Subprogram -- It is requested that the Department of Corrections submit a report to the House Judiciary Committee and the Senate Judiciary Committee by January 31, 2018, detailing progress related to the mental health unit at the Centennial Correctional Facility.

## DEPARTMENT OF EDUCATION

- 1 Department of Education, Assistance to Public Schools, Public School Finance, State Share of Districts' Total Program Funding – The Department is requested to provide to the Joint Budget Committee, on or before November 1, 2017, information concerning the Colorado Preschool Program. The information provided is requested to include the following for fiscal year 2016-17: (a) data reflecting the ratio of the total funded pupil count for the Program to the total funded pupil count for kindergarten; (b) data indicating the number of three-year-old children who participated in the Program; (c) data indicating the number of children who participated in the Program for a full-day rather than a half-day; and (d) the state and local shares of total program funding that are attributable to the Program.

- 2 Department of Education, Assistance to Public Schools, Grant Programs, Distributions, and Other Assistance – The Department is requested to provide information to the Joint Budget Committee by November 1, 2017, concerning the allocation of funding to eligible boards of cooperative services (BOCES) pursuant to Section 22-2-122 (3), C.R.S. Specifically, the Department is requested to detail the sources of funds and the allocations made to each BOCES in fiscal years 2015-16 and 2016-17.

## GOVERNOR - LIEUTENANT GOVERNOR - STATE PLANNING AND BUDGETING

- 1 Governor – Lieutenant Governor – State Planning and Budgeting, Personal Services – The Office is requested to provide information to the Joint Budget Committee by November 1, 2017, concerning the State's implementation of Lean principles to improve service delivery. Specifically, please provide updated statistics from the Colorado Lean Project Database (e.g. total number of projects conducted, number of projects completed, and number of projects in progress), case studies on successful implementations of Lean principles that could be applied to other State agencies, and initiatives underway within the Office to link applicable Lean projects to tangible budget reductions.

## DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

- 1 Department of Health Care Policy and Financing, Executive Director's Office -- The Department is requested to submit monthly Medicaid expenditure and caseload reports on the Medical Services Premiums, behavioral health capitation, and the intellectual and developmental disabilities line items to the Joint Budget Committee, by the fifteenth or first business day following the fifteenth of each month. The Department is requested to include in the report the managed care organization caseload by aid category. The Department is also requested to provide caseload and expenditure data for the Children's Basic Health Plan, the Medicare Modernization Act State Contribution Payment, and the Old Age Pension State Medical Program within the monthly report. The Department is also requested to include in the report the number of applications and the number of approvals for new intermediate care facilities for individuals with intellectual disabilities, including the number of beds and the cost of those beds.
- 2 Department of Health Care Policy and Financing, Indigent Care Program, Safety Net Provider Payments -- The Department is requested to submit a report by February 1 of each year to the Joint Budget Committee estimating the disbursement to each hospital from the Safety Net Provider Payments line item.
- 3 Department of Health Care Policy and Financing, Other Medical Services, Public School Health Services -- The Department is requested to submit a report by November 1 of each year to the Joint Budget Committee on the services that receive reimbursement from the federal government under the S.B. 97-101 public school health services program. The report is requested to include information on the type of services, how those services meet the definition of medical necessity, and the total amount of federal dollars that were distributed to each

school under the program. The report should also include information on how many children were served by the program.

- 4 Department of Health Care Policy and Financing, Office of Community Living; Department of Human Services, Services for People with Disabilities, Regional Centers; and Department of Public Health and Environment, Health Facilities and Emergency Medical Services Division, Health Facilities Division -- The Departments are requested to provide by November 1, 2017 the status of the implementation of Regional Center Task Force recommendations.

## DEPARTMENT OF HIGHER EDUCATION

- 1 Department of Higher Education, Colorado Commission on Higher Education -- The Joint Budget Committee requests that during the annual review process of the new funding allocation model, the Department consider the following policy issues and include with its annual budget request, due November 1, 2017, a report on how these issues were examined, incorporated into the current model, or otherwise decided upon:
  - Providing funding in the model for students who are first in their families to attend college (“first generation” students). This could include weighting performance completions and/or adding funding per enrollee if and when feasible.
  - Considering whether additional adjustments are appropriate to align the funding model with state master plan goals.
  - Providing a component for *successful* student remediation in the model.
  - Further emphasizing support for Pell-eligible students in the model.
- 2 Department of Higher Education, History Colorado, History Colorado Museums, Community Museums – History Colorado is requested to submit a report by October 1, 2017 explaining how it will ensure that new resources for the community museums, including new staff, will be used to support broader state regional tourism and historic preservation goals. This may include, but need not be limited to describing:
  - How state-funded community museums will become regional coordinating entities that: (1) support visits to other regional historical museums and sites, including those not owned by the state; and (2) provide information on other History Colorado programs and resources, such as state historic preservation programs and tax credits.
  - How state-funded community museums will integrate their efforts with tourism initiatives sponsored by the Colorado Tourism Office and other state agencies. This should include playing a key role in efforts to integrate state-owned community history museums, other local history museums, historic sites, and historic byways into state tourism promotion.
- 3 Department of Higher Education, Colorado Commission on Higher Education, Special Purpose, Western Interstate Commission on Higher Education and WICHE Optometry – The

Department is requested to submit a report, by October 1, 2017, on the WICHE professional exchange programs. Does it still make sense for the State to participate in the Optometry program, given the state supply of optometrists? Are there other WICHE exchange programs that should be added or eliminated based on potential benefits and costs to the State?

- 4 Department of Higher Education, Colorado Commission on Higher Education -- The Department is requested to work with the 4-year institutions and the state librarian to gather information on the current status of open access publishing and data at each institution and the obstacles and opportunities for expanding open access publishing and open data. The Department, in collaboration with the institutions, is requested to submit a report by November 1, 2017, that explores:

- How important is Open Access Publishing | Open Data to faculty at the institutions right now? For example, approximately what percentage of faculty scholarly research and data (including pre-print editions) is available in, distributed through, or archived by libraries or other locations, so that other researchers and the public can legally access the data free of charge, and how does this vary by discipline?
- What provisions currently exist at each institution to support production, archiving, and dissemination of open access publications and open data? How satisfied are faculty with these provisions and the current state of and support for Open Access Publishing | Open Data?
- What steps might lead to greater participation? If there were an expansion of support for or access to Open Access Publishing | Open Data at the institution/system/state level, how likely would faculty be to participate? What types of support might have an impact? Are there existing models of this approach to open educational resources in other states that can be reviewed as models for future development in Colorado?
- How can alliances among Colorado institutions and inter-state alliances be leveraged to promote open access publication/data and dissemination and use of such publications/data?
- Insofar as the state contributes to some research activities, such as cancer research at the CU Health Sciences Center and agriculture and marijuana-related research at CSU, what provisions exist, if any, for making such research freely available or freely available after a period of time?

- 5 Department of Higher Education of Higher Education, Colorado Commission on Higher Education - The Department is requested to continue to work with the governing boards and institutions of higher education to further examine, and to the extent practicable improve, the transferability of credits among state institutions and the applicability of these credits to degrees. The goal of this effort is to speed time-to-degree and reduce the costs for obtaining a degree. The Department is requested to provide a written update to the Joint Budget Committee, by November 1, 2017, on its progress on transfer-related issues covered in the December 2016 JBC staff budget briefing and Department January 2017 hearing responses including:

- Establish a page on the DHE website that points to the electronic databases and tools that most 4-year institutions are already using to show how credits from other institutions transfer to degree requirements;



- Ensure that institutions post notice of how to file a complaint with the Department at a prominent location on their transfer-related website;
- Allow career and technical education (CTE) courses to be evaluated against the gtPathways content and competencies to determine if they meet the statewide agreed upon academic requirements. Identify any impediments, such as accreditation, admission requirements, faculty qualifications, etc., that may prevent CTE courses meeting gtPathways requirements from being transferred.
- Explore changes to the transferrable associates degrees authorized pursuant to Section 23-1-108 (7), C.R.S., to provide for simpler associates degree “meta-majors” that would incorporate the prerequisites for a broader range of 4 year degrees.
- For students whose records were sampled and for whom credits did not transfer, identify, categorize and explain why the credits were not accepted;
- To the extent that it is practicable and would be in the financial interest of the student, offer ideas or policies that could improve the transferability of student credit hours that are not accepted; and
- Determine if there are additional steps that could expand the number of lower division courses automatically transferable across institutions, including concurrent enrollment courses and courses that are not gtPathways.

The report should also identify other initiatives the Department is pursuing that it believes can significantly improve efficiency-to-degree and any Department recommendations for legislation to support such initiatives.

- 6 Department of Higher Education, Colorado Commission on Higher Education, Special Purpose, Tuition/Enrollment Contingency -- The Department is requested to provide information on the amount of Tuition Enrollment Contingency funds distributed to any governing board and whether the governing board complied with Colorado Commission on Higher Education tuition policy and intended limits on undergraduate rates expressed in Long Bill footnotes. This information, as it applies to actual expenditures in FY 2016-17, should be provided by November 1, 2018.
- 7 Colorado Department of Higher Education, Colorado Commission on Higher Education, Administration; and Governing Boards -- The Department is requested to coordinate the following annual data submissions to the Joint Budget Committee and Legislative Council Staff to support tuition, fee, and stipend revenue estimates used for appropriations and informational amounts included in the Long Bill.

By November 1, 2017: Submit budget data books for each of the governing boards that provide detail on education and general revenue and expenditures for each institution for the most recent actual year (FY 2016-17) and the current estimate year (FY 2017-18).

- Include estimate-year FY 2017-18 full time equivalent (FTE) enrollment data for resident undergraduate and graduate students and non-resident undergraduate and graduate students, in addition to actual year FY 2016-17 student FTE data. The FY 2017-18 student FTE estimates should be those used to develop the FY 2017-18 revenue and expenditure estimates in the data books.
- Identify actual FY 2016-17 and budgeted FY 2017-18 student FTE eligible for the College Opportunity Fund (COF) stipend in the budget data book submission.
- The Department is requested to separately provide actual and estimated revenue from mandatory fees using the definitions established by the Department of Higher Education for mandatory fees.

By December 15, 2017: Submit fall 2018 student FTE census data. This should include resident undergraduate and graduate and non-resident undergraduate and graduate FTE figures for each governing board and institutional break-outs for those governing boards that oversee multiple institutions.

By February 15, 2018: Submit revised estimate year FY 2017-18 and request year FY 2018-19 revenue and enrollment data for each governing board, along with the comparable FY 2015-16 actual data for context. If available, also include data at the institutional level for the University of Colorado and Colorado State University Systems.

- For each year, include FTE enrollment for resident undergraduate and graduate students and non-resident undergraduate and graduate students.
- Include annotations explaining assumptions, including tuition and fee rate and enrollment assumptions for the FY 2018-19 request year.
- Consistent with the requirements of Section 23-18-202 (2) (a) (I), C.R.S., also include an update on the number of student FTE estimated to be eligible for COF stipends in FY 2017-18 based on the most recent data available (different from the figures used to establish initial stipend appropriations).
- Include actual and estimated revenue from mandatory fees using the definitions established by the Department of Higher Education for mandatory fees.

8 Department of Higher Education, Colorado Commission on Higher Education, Administration -- The Department should continue its efforts to provide data on the efficiency and effectiveness of state financial aid in expanding access to higher education for Colorado residents. The Department is requested to provide to the Joint Budget Committee by December 1 of each year an evaluation of financial aid programs, which should include, but not be limited to: (1) an estimate of the amount of federal, institutional, and private resources (including tax credits) devoted to financial aid; (2) the number of recipients from all sources; (3) information on typical awards; and (4) the typical debt loads of graduates. The Department is requested to provide more in-depth data on the financial aid awarded at the state's public institutions, by institution. This should include further information on the use of institutional aid, including the extent to which such aid is awarded to residents versus non-residents, for financial need versus merit, and the extent to which merit-based aid is awarded to students who qualify on the basis of need, whether or not the aid was classified as merit-based.

9 Department of Higher Education, Colorado Commission on Higher Education, Administration -- The Department is requested to submit, as part of the annual request for common policy

benefits adjustments, templates that reflect the benefit selection for each member of the Department's staff in a manner that will enable health benefits for these staff to be calculated consistent with common policy. The templates are expected to contain July 2017 data on health benefits actually selected by Department staff.

## DEPARTMENT OF HUMAN SERVICES

- 1 Department of Human Services, Division of Youth Corrections, Institutional Programs -- 'The Department is requested to submit a report by November 1, 2017, that includes the following monthly data for each State-owned and operated facility for FY 2016-17:
  - Number of assaults by type (e.g. juvenile on staff, staff on juvenile, juvenile on juvenile);
  - The number and type of sexual assaults;
  - Number of homicides;
  - Number of suicides;
  - Number of youth in a facility that have charges filed against them district court;
  - Number of new crimes reported to local police;
  - Number of direct care staff at each facility (CYSO I and II);
  - Ratio of direct care staff (CYSO I and II) to youth;
  - Direct care staffing vacancies by type (e.g. CYSO I);
  - Average length of service for direct care staff (CYSO I and II);
  - Number of hours of missed work by all direct care facility staff and reason for absence (e.g. injury on the job, sick leave, planned absence, unplanned absence, vacation);
  - Amount of overtime hours worked by direct care staff and purpose (e.g. covering a shift for an absent co-worker) at each facility;
  - Amount of temporary help hours used for direct care purposes;
  - The number and type of worker's compensation injuries that occurred;
  - Amount of time missed by employees due to work-place injuries; and
  - Use of seclusion and restraints.
- 2 Department of Human Services, Totals -- The Department is requested to submit a report concerning the status of federal Temporary Assistance for Needy Families (TANF) funds. The requested report should include the following: (a) an analysis of the TANF Long Term Reserve, including estimated TANF funds available for appropriation, estimated TANF appropriations by Long Bill line item, and the estimated closing Long Term Reserve balance, for the most recent actual fiscal year, the current fiscal year, and the request fiscal year; (b) an analysis of the TANF maintenance of effort (MOE) payments, showing the actual and forecasted MOE expenditures, by program, for the most recent actual fiscal year, the current fiscal year, and the request fiscal year; and (c) an analysis of the counties' TANF reserve balances that includes, for each county, for the most recent actual fiscal year, the starting TANF Reserve Account balances for the Works Program, Title XX, and Child Care Development Fund accounts, the annual TANF allocation, the total expenditures, the net transfers to child care and child welfare, any amounts remitted to the state, and the closing reserve balance for all county TANF accounts. The report should be provided to the Joint Budget Committee annually on or before

November 1. An update to this information reflecting data at the close of the federal fiscal year should be provided to the Joint Budget Committee annually on or before January 1.

- 3 Department of Human Services, Adult Assistance Programs, Community Services for the Elderly -- The Department is requested to submit a report by November 1 of each year on Older Americans Act Funds received and anticipated to be received, and the match requirements for these funds. The report should also specify the amount of funds, if any, that were transferred between the State Funding for Senior Services line item and the Older Americans Act Programs line item in the prior actual fiscal year to comply with federal match requirements.
- 4 Department of Human Services, Division of Youth Corrections, Administration -- The Division is requested to continue its efforts to provide outcome data on the effectiveness of its programs. The Division is requested to provide to the Joint Budget Committee, by January 1 of each year, a report evaluating Division placements, community placements, and nonresidential placements. The evaluation should include, but not be limited to, the number of juveniles served, length of stay, and recidivism data per placement.
- 5 Department of Human Services, Division of Youth Corrections, Community Programs, S.B. 91-094 Programs -- The Department is requested to submit to the Joint Budget Committee no later than November 1 of each year a report that includes the following information by judicial district and for the state as a whole: (1) comparisons of trends in detention and commitment incarceration rates; (2) profiles of youth served by S.B. 91-094; (3) progress in achieving the performance goals established by each judicial district; (4) the level of local funding for alternatives to detention; and (5) identification and discussion of potential policy issues with the types of youth incarcerated, length of stay, and available alternatives to incarceration.
- 6 Department of Human Services, Adult Assistance Programs, Adult Protective Services -- The Office is requested to provide information to the Joint Budget Committee by November 1, 2017, concerning the trends and issues identified by the Administrative Review Division staff added for FY 2017-18 to review county adult protective services cases. Please also include strategies that the Department is implementing to assist counties in correcting issues found by the Administrative Review Division and how those strategies are being implemented by counties.
- 7 Department of Human Services, Division of Child Welfare -- The Department is requested to provide to the Joint Budget Committee, by November 1, 2017, information on county child welfare worker staffing, including county data on: (1) caseload ratios by county; (2) actual staffing levels; (3) new hires funded by the child welfare block grant; (4) new hires funded through county level child welfare staffing funding; (5) workload and funding allocation comparisons by county for each type of block allocation.
- 8 Department of Human Services, Division of Child Welfare, Child Welfare Services -- The Department is requested to provide to the Joint Budget Committee, by November 1 of each year, information concerning the actual use of funds distributed through the child welfare allocation model, including data on expenses and children served by funding category. At a minimum, such data should include the following: (a) program services expenditures, including the cost of services delivered through county staff and the cost of services delivered through

contract providers; and the average cost per open involvement per year; (b) out-of-home placement care expenditures and the average cost per child per day; and (c) subsidized adoption expenditures and the average payment per child per day.

- 9 Department of Human Services, Services for People with Disabilities, Regional Centers for People with Developmental Disabilities -- The Department is requested to provide by November 1, 2017 information regarding transitions and readmissions to the Regional Centers for each of the past eighteen months. As part of the response, the Department should include: the number of individuals that have been transitioned from each Regional Center and the setting to which they were transitioned for each month, how many of these individuals have been readmitted to a Regional Center and when, the number of monthly admissions to each Regional Center, the definition of a successful transition, and the monthly number of successful transitions.
- 10 Department of Human Services, Division of Child Welfare – The Department is requested to provide to the Joint Budget Committee, by November 1 of each year, information concerning the gross amount of payments to child welfare service providers, including amounts that were paid using revenues other than county, state, or federal tax revenues. The Department is requested to identify amounts, by source, for the last two actual fiscal years.
- 11 Department of Human Services, All Divisions – The Department is requested to provide by February 1, 2018 the actual cash fund collects by cash fund and division, the associated cash fund rates, and the FY 2018-19 cash fund rates that would be required to collect sufficient indirect cost assessments from cash fund sources and reappropriated funds from cash fund sources so the General Fund percentage of indirect costs aligns with the FY 2018-19 General Fund percentage of the Department’s request.
- 12 Department of Human Services, All Divisions – The Department is requested to provide, by November 1, 2017, a list of each of the transfers made in FY 2016-17 pursuant to Section 24-75-106, C.R.S. Included in the list should be the following information for each transfer: where the funds originated from, where the funds were transferred to, the amount of the transfer, and the purpose of the transfer.
- 13 Department of Human Services, Division of Child Welfare – The Department is requested to provide by November 1, 2017, a list of each transfer made in FY 2016-17 pursuant to Long Bill Footnote 39. This information should include: the line item in which the funds originated, the line item to which the funds were transferred, the amount of each transfer, the fund split for each transfer, and the purpose of the transfer.
- 14 Department of Human Services, Services for People with Disabilities, Regional Centers for People with Developmental Disabilities - The Department is requested to provide by January 15, 2018, the monthly census for each Regional Center by licensure type since the beginning of the fiscal year, and annual cost per capita for each Regional Center by licensure type, including the Regional Center costs for utilities, depreciation, indirect costs, and centrally appropriated personnel items.
- 15 Department of Human Services, Division of Child Welfare, Hotline for Child Abuse and Neglect – The Department is requested to provide to the Joint Budget Committee, by

November 1 of each fiscal year, a report containing fiscal year comparisons of appropriate workload indicators for the child abuse and neglect hotline reporting system.

- 16 Department of Human Services, Division of Child Welfare and Totals – The Department is requested to provide a report to the Joint Budget Committee by October 1 of each fiscal year concerning the amount of federal revenues earned by the State for the previous fiscal year pursuant to Title IV-E of the Social Security Act, as amended; the amount of money that was expended for the previous state fiscal year, including information concerning the purposes of the expenditures; and the amount of money that was credited to the Excess Federal Title IV-E Reimbursements Cash Fund created in Section 26-1-111 (2)(d)(II)(C), C.R.S.
- 17 Department of Human Services, Totals – The Department is requested to submit annually, on or before November 1, a report to the Joint Budget Committee concerning federal Child Care Development Funds. The requested report should include the following information related to these funds for the actual, estimate, and request years: (a) the total amount of federal funds available and anticipated to be available to Colorado, including funds rolled forward from previous state fiscal years; (b) the amount of federal funds expended, estimated, or requested to be expended for these years by Long Bill line item; (c) the amount of funds expended, estimated, or requested to be expended for these years, by Long Bill line item where applicable, to be reported to the federal government as either maintenance of effort or matching funds associated with the expenditure of federal funds; and (d) the amount of funds expended, estimated, or requested to be expended for these years that are to be used to meet the four percent federal requirement related to quality activities and the federal requirement related to targeted funds. An update to the information on the amount of federal funds anticipated to be available and requested to be expended by Long Bill line item should be provided to the Joint Budget Committee annually on or before January 15.

## DEPARTMENT OF LABOR AND EMPLOYMENT

- 1 Department of Labor and Employment, Division of Employment and Training, Veteran Pilot Program – The Department is requested to provide by November 1, 2017:
  - The number of individuals served;
  - The specific services provided broken down by each individual served;
  - The specific outcomes for each individual (starting pay, ending pay, and any change in employer or job status);
  - Hours spent working with veterans versus hours spent working with employers;
  - The RFP for this pilot;
  - The signed contract for this pilot;
  - The success rates of the pilot;
  - The cost per veteran client served;
  - Administrative costs in total and broken out by individual items (i.e. travel, meals, staff training).
- 2 Department of Labor and Employment, Division of Employment and Training, Career-to-Service Pilot Program – The Department is requested to provide a report on the breakdown of

the pilot program to include the number of individuals served by this pilot, the outcomes for those individuals, the success rates, and the cost per client by November 1, 2017.

- 3 Department of Labor and Employment, Division Of Vocational Rehabilitation and Independent Living Services, Vocational Rehabilitation Programs -- The Department is requested to provide a report on the number of individuals receiving vocational rehabilitation services, including: a break-down by category of the number of individuals receiving services; the average cost by category of services; the projected fiscal year expenditures, and the projected balance of the State's federal vocational rehabilitation account by November 1, 2017.
- 4 Department of Labor and Employment, Division of Vocational Rehabilitation and Independent Living Services, Office of Independent Living Services -- The Department is requested to provide as of November 1, 2017, the number of clients served by each Independent Living Center for the past year, the status of development of a new Independent Living Center, and the distribution of funds by Independent Living Center.
- 5 Department of Labor and Employment, Division of Vocational Rehabilitation and Independent Living Services, Vocational Rehabilitation Programs -- The Department is requested to provide by November 1, 2017, a listing of the current leased spaces for Workforce Centers and a listing of the current leased spaces used by the Vocational Rehabilitation Programs, including costs. The Department is also requested to provide the status of consolidation of leased spaces, including locations that can be consolidated and estimated cost savings.

## DEPARTMENT OF LOCAL AFFAIRS

- 1 Department of Local Affairs, Executive Director's Office, Moffat Tunnel Improvement District – The Department is requested to submit a report by October 1, 2017, concerning the Moffat Tunnel Improvement District. The report should address: (1) What land/property is owned by the Improvement District? (2) What are the State and Improvement District's legal and functional responsibilities for the Tunnel and any related lands versus that of other entities? (3) Does Union Pacific or another entity have legal responsibility for ensuring the structural soundness and safety of the Tunnel? (4) Does the State or should the State or the Improvement District have any related responsibility for ensuring the Tunnel's soundness, given its length and age? (5) Does the State anticipate again attempting to sell the Tunnel or to renegotiate lease agreements and, if so, is this anticipated to occur in 2025 or at another time? (6) What steps are likely to be required prior to sale or renegotiation of lease amounts (e.g., legal, engineering, consultation with other State and local entities)? (7) How does the Department propose to use money accumulating in the Moffat Tunnel Cash Fund? How much is likely to be required and when? (8) Does the Department recommend any statutory or administrative changes related to the Tunnel or the Improvement District?
- 2 Department of Local Affairs, Executive Director's office – The Department of Local Affairs is requested to submit a report by September 1, 2017 on the use of local government severance tax and mineral impact funds for Department administration. This report should compare:
  - workload related to serving energy-impacted communities;
  - workload related to administering energy impact grant and direct distribution programs; and

- the appropriation of energy impact funds throughout the Department.

The report should address whether the amount of local government severance tax and mineral impact funds appropriated for administration in the Department's budget is reasonable. The report may provide more than one approach to the analysis.

- 3 Department of Local Affairs, Division of Housing -- The Department is requested to submit a report by September 1, 2017 on its affordable housing programs. The report should specifically address:

- the projects funded with the affordable housing construction moneys provided;
- the per-unit costs of these projects identifying specifically state funds and other funds;
- how the projects funded align with the goals outlined in the Department's FY 2014-15 budget request to "end homelessness for veterans and chronically homeless" and "ensure sufficient affordable housing for persons with the lowest incomes"; and
- what progress the State has made in achieving each of these goals.

The report should also provide an update on the Department's plans and progress in using \$15,300,000 Marijuana Tax Cash Funds added in FY 2017-18. This should include information on the steps the Department is taking to ensure the additional funds are used for populations and services that are consistent with the provisions of Section 39-28.8-501, C.R.S.

- 4 Department of Local Affairs, Division of Local Government, Field Services, Program Costs -- The Department of Local Affairs is requested to submit a report by September 1, 2018 on the impact of the new field services position added in Grand Junction in FY 2017-18 to assist local communities in responding to the economic impact of energy transformation. The report should identify new business starts, business expansion, number of workers retrained, and public infrastructure investments and dollars leveraged associated with the new position. It should also address whether the Department recommends expansion of this type of position or other approaches for promoting economic development and diversification in rural areas.

## DEPARTMENT OF NATURAL RESOURCES

- 1 Department of Natural Resources, Division of Reclamation Mining and Safety, Emergency Response Costs -- The Division of Reclamation, Mining, and Safety is requested to include in its annual budget request a report detailing all expenditures made in the previous year from this line item.
- 2 Department of Natural Resources, Oil and Gas Conservation Commission, Program Costs -- The Department of Natural Resources is requested to include in its annual budget request a report on the performance of the risk-based inspection program. The report should provide information on the development activities of the Facilities Integrity group, the inspection of process piping and flowlines, and the metrics used to measure the performance and effectiveness of the Facilities Integrity program.



- 3 Department of Natural Resources, Oil and Gas Conservation Commission, Emergency Response -- The Oil and Gas Conservation Commission is requested to include in its annual budget request a report detailing all expenditures made in the previous year from this line item.
- 4 Department of Natural Resources, Oil and Gas Conservation Commission, Special Environmental Protection and Mitigation Studies -- The Oil and Gas Conservation Commission is requested to include in its annual budget request a report detailing all expenditures made in the previous year from this line item.
- 5 Department of Natural Resources, Division of Parks and Wildlife -- The Division of Parks and Wildlife is requested to provide the Joint Budget Committee with a report on Parks and Outdoor Recreation and Wildlife sources of revenue, as well as the expenditures of revenues by revenue type. The report should provide an analysis of lottery funds Great Outdoors Colorado Board Grants used for operations and capital projects. The report is requested to be submitted by November 1, 2017.

## DEPARTMENT OF PERSONNEL

- 1 Department of Personnel, Division of Accounts and Control, Financial Operations and Reporting -- The State Controller is requested to provide by October 1, 2017, to the Joint Budget Committee, a report on uncommitted reserves that includes all cash funds, including those that are otherwise exempt from and unreported in the cash funds excess uncommitted reserves report required by Section 24-30-207, C.R.S.

## DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT

- 1 Department of Public Health and Environment, Water Quality Control Division, Clean Water Sectors -- The Department is requested to submit a quarterly report for expenditures by fund source for each of the clean water sectors.
- 2 The Department is requested to submit to the Joint Budget Committee by November 1, 2017 an updated strategic plan to most efficiently manage the grant programs administered by the Department. The plan should include an overview of the grant programs and the current methods used to track applications, make grant decisions, pay out grants fund, and the financial and performance standards used to monitor grantees. The plan should also include the proposed changes to improve and standardize Department methods and a timeline for implementing the proposed changes.
- 3 Department of Public Health and Environment, Disease Control and Environmental Epidemiology, Environmental Epidemiology, Oil and Gas Health Activities -- The Department is requested to submit to the Joint Budget Committee by November 1, 2017 a summary of the status of the Health Concern Information Line and website, as well as the Mobile Air Quality Monitoring Unit. The report should include a summary of the activity on the website, the information line, and the mobile unit.

## DEPARTMENT OF PUBLIC SAFETY

- 1 Department of Public Safety, Division of Criminal Justice, Community Corrections, Community Corrections Placements, Correctional Treatment Cash Fund Residential Placements, and Community Corrections Facility Payments -- As part of its FY 2017-18 budget request, the Department is requested to report actual average daily community corrections placements for recently completed fiscal years with a level of detail compatible with the table in Long Bill footnote 82. This document should also report condition of probation placements. The Department is requested to update the report with year-to-date community corrections placements shortly after January 1, 2017. The January report should also include an estimated placements table for FY 2018-19. If the Department believes that a supplemental adjustment to the FY 2017-18 Community Corrections Placements appropriation is needed, the Department is requested to also submit an estimated placements table for FY 2017-18. If the Department estimates that the actual number of Community Corrections facility payments in either FY 2017-18 or FY 2018-19 will differ from the number on which the FY 2017-18 facility payments appropriation is based, the Department is requested to include that information in its January report. These estimates are not intended to be formal statistical forecasts, but informal estimates based upon year-to-date caseload, knowledge of facilities that are opening and closing or expanding and contracting, and upon other factors that influence the community corrections appropriations. The Department is requested to submit a brief narrative with the estimates.
- 2 Department of Public Safety, Division of Criminal Justice, Community Corrections, Community Corrections Placements -- As part of its FY 2019-20 budget request, the Department is requested to report the estimated continuing financial impact on community corrections facilities and community corrections boards of any standards that the Department issued or revised during the most recently concluded fiscal year. The continuing financial impact is the continuing annual cost of compliance after the initial costs of implementation have been incurred. This report should include a summary of the changed standards, an estimate of the amount of continuing additional staff time it will take facilities or boards to comply, an estimate of the number of continuing additional FTE that will be required for compliance, and an estimate of continuing additional financial costs that facilities or boards may incur. The Department is requested to inform programs before the start of FY 2017-18 that it will gather this information approximately one year later and provide the results to the Joint Budget Committee in the fall of 2018. If the new standards are not introduced in July 2017 as anticipated, the Department is requested to consult with JBC staff about modifications to the time line specified in this request.
- 3 Department of Public Safety, Colorado State Patrol, Information Technology Asset Maintenance -- The Department is requested to submit to the Joint Budget Committee an annual expenditure report on November 1 of each year. At a minimum, each report should include on-going 5-year expenditure estimates for the line item, any new contracts awarded, and the names of the vendors.

## DEPARTMENT OF REVENUE

- 1 Department of Revenue, Division of Motor Vehicles, Driver Services -- The Department is requested to submit to the Joint Budget Committee by the first of every month quarter, beginning June 30, 2017, a report about the progress made on meeting the demand for services offered under S.B. 13-251, which was estimated at 66,000 individuals. For individuals served who are not lawfully present in the United States, the report should include the number of appointments made available, the number of “no shows” for appointments, the number of appointments that resulted in no document issuance, the number of documents issued, and a justification based in data for why there is a continued need to offer services for individuals who cannot demonstrate a lawful presence in the United States at more than one location. If the number of first time applicants who receive an identification document exceeds 66,000, it is further requested the Department provide written notice to the Joint Budget Committee as soon as practical.

# STATE OF COLORADO

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JOINT BUDGET COMMITTEE  
200 EAST 14TH AVENUE, 3RD FLOOR  
LEGISLATIVE SERVICES BUILDING  
DENVER, CO 80203  
TELEPHONE 303-866-2061  
<http://leg.colorado.gov/agencies/joint-budget-committee>

May 5, 2017

Hon. Nancy E. Rice, Chief Justice of the Colorado Supreme Court  
2 East 14th Avenue  
Denver, CO 80203

Dear Chief Justice Rice:

The General Assembly recently finalized the FY 2017-18 Long Bill. Pursuant to Section 24-75-112 (2), C.R.S., the Long Bill footnotes no longer include requests for information. In lieu of such footnotes, the Joint Budget Committee respectfully submits the following requests for information. These requests are associated with specific Long Bill line items, and each has its own details and deadlines. Consistent with the provisions of Section 2-3-203 (3), C.R.S., information requests have been prioritized within each department in the attached lists.

To assist our staff in organizing and tracking submissions, we would appreciate if the department would follow the protocol outlined in an attachment to this letter with respect to submitting hard copies and electronic responses. The Committee requests that the department comply with these requests for information to the fullest extent possible.

Please notify us by June 1<sup>st</sup> if the department does not intend to comply with any requests.

Sincerely,

Senator Kent Lambert  
Chair

cc:

Gerald Marroney, State Court Administrator  
Douglas Wilson, Colorado State Public Defender  
Thomas Raynes, Executive Director, Colorado District Attorneys' Council  
John Ziegler, Staff Director, Joint Budget Committee

**Attachment**  
**Requested Format for Responses to Legislative Requests for Information**

Please submit both hard (paper) copies and electronic copies of request for information (RFI) responses as follows:

- Hard copies: One (1) hard copy should be delivered by the requested due-date to the Joint Budget Committee (JBC) offices at 200 East 14th Ave., Denver, 3rd Floor.
- Electronic copies: An electronic copy of all paper submissions should also be submitted. This should be sent by email to:
  - The JBC analyst(s) responsible for the specified budget area(s)
  - Jessi Neuberg ([jessi.neuberg@state.co.us](mailto:jessi.neuberg@state.co.us)) at the JBC offices
  - Legislative Council Staff at the following address: [lcs.ga@state.co.us](mailto:lcs.ga@state.co.us)

The Legislative Council Staff ([lcs.ga@state.co.us](mailto:lcs.ga@state.co.us)) will include the report in an electronic database (part of the Legislative Council Library) and will also ensure the report is distributed to other legislative committees, as specified in some of the RFIs.

- All submissions should include the following information:
  - Name of Department
  - Long Bill fiscal year to which the RFI is attached (FY 2017-18 for the RFIs listed in this letter)
  - Correct RFI number, as listed in this letter

Please include this information in the subject line for electronic submissions, as well as in the body of both electronic and hard copy submissions.

- Please use the following naming convention for your electronic attachments:

**"[Department] [fiscal year] [RFI Number]"**

For example, the attachment providing the response to RFI #5 in the Department of Health Care Policy and Financing would be entitled: **Health Care Policy and Financing FY 2017-18 RFI #5**

# LEGISLATIVE REQUESTS FOR INFORMATION FOR FY 2017-18

## REQUESTS AFFECTING MULTIPLE DEPARTMENTS

- 1 Department of Corrections; Department of Human Services; Judicial Department; Department of Public Safety; and Department of Transportation -- State agencies involved in multi-agency programs requiring separate appropriations to each agency are requested to designate one lead agency to be responsible for submitting a comprehensive annual budget request for such programs to the Joint Budget Committee, including prior year, request year, and three year forecasts for revenues into the fund and expenditures from the fund by agency. The requests should be sustainable for the length of the forecast based on anticipated revenues. Each agency is still requested to submit its portion of such request with its own budget document. This applies to requests for appropriation from: the Alcohol and Drug Driving Safety Program Fund, the Law Enforcement Assistance Fund, the Offender Identification Fund, the Persistent Drunk Driver Cash Fund, and the Sex Offender Surcharge Fund, among other programs.

## JUDICIAL DEPARTMENT

- 1 Judicial Department, Courts Administration, Ralph L. Carr Colorado Judicial Center, Controlled Maintenance – The State Court Administrator's Office is requested to provide by November 1, 2017, a report concerning its plans for addressing the controlled maintenance needs of the Carr Center, consistent with S.B. 08-206. The report should include any recommended statutory changes or changes to the appropriation structure to ensure that revenues from court fees, lease payments, and parking fees can be used to cover both current and future controlled maintenance expenses.
- 2 Judicial Department, Courts Administration, Central Appropriations, Health, Life, and Dental; Office of the State Public Defender, Health, Life, and Dental; Office of the Alternate Defense Counsel, Health, Life, and Dental; Office of the Child's Representative, Health, Life, and Dental; Office of the Respondent Parents' Counsel, Health, Life, and Dental; Office of the Child Protection Ombudsman, Program Costs; and Independent Ethics Commission, Program Costs – The State Court Administrator's Office is requested to provide by November 1, 2017, a report concerning the feasibility of including a single line item appropriation in the FY 2018-19 Long Bill for Judicial Branch employee health, life, and dental insurance benefits. The Office is requested to discuss this proposal with each of the six independent Judicial agencies, and seek input concerning the associated benefits and challenges.
- 3 Judicial Department, Office of the State Public Defender – The State Public Defender is requested to provide by November 1, 2017, a report concerning the Appellate Division's progress in reducing its case backlog, including the following data for FY 2016-17: the number of new cases; the number of opening briefs filed by the Office of the State Public Defender; the number of cases resolved in other ways; the number of cases closed; and the number of cases awaiting an opening brief as of June 30, 2017.

- 4 Judicial Department, Probation and Related Services – The State Court Administrator’s Office is requested to provide by November 1 of each year a report on pre-release rates of recidivism and unsuccessful terminations and post-release recidivism rates among offenders in all segments of the probation population, including the following: adult and juvenile intensive supervision; adult and juvenile minimum, medium, and maximum supervision; and the female offender program. The Office is requested to include information about the disposition of pre-release failures and post-release recidivists, including how many offenders are incarcerated (in different kinds of facilities) and how many offenders return to probation as the result of violations.
- 5 Judicial Department, Trial Courts, District Attorney Mandated Costs – District Attorneys in each judicial district shall be responsible for allocations made by the Colorado District Attorneys' Council's Mandated Cost Committee. Any increases in this line item shall be requested and justified in writing by the Colorado District Attorneys' Council, rather than the Judicial Department, through the regular appropriation and supplemental appropriation processes. The Colorado District Attorneys' Council is requested to submit an annual report by November 1 detailing how the District Attorney Mandated Costs appropriation is spent, how it is distributed, and the steps taken to control these costs.
- 6 Judicial Department, Probation and Related Services, Offender Treatment and Services – The State Court Administrator's Office is requested to provide by November 1 of each year a detailed report on how this appropriation is used, including the amount spent on testing, treatment, and assessments for offenders.

# STATE OF COLORADO

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LEGISLATIVE SERVICES BUILDING  
DENVER, CO 80203  
TELEPHONE 303-866-2061  
<http://leg.colorado.gov/agencies/joint-budget-committee>

May 5, 2017

Hon. Cynthia Coffman, Attorney General  
Colorado Department of Law  
Ralph L. Carr Colorado Judicial Center  
1300 Broadway, 10th Floor  
Denver, CO 80203

Dear Attorney General Coffman:

The General Assembly recently finalized the FY 2017-18 Long Bill. Pursuant to Section 24-75-112 (2), C.R.S., the Long Bill footnotes no longer include requests for information. In lieu of such footnotes, the Joint Budget Committee respectfully submits the following requests for information. These requests are associated with specific Long Bill line items, and each has its own details and deadlines. Consistent with the provisions of Section 2-3-203 (3), C.R.S., information requests have been prioritized within each department in the attached lists.

To assist our staff in organizing and tracking submissions, we would appreciate if the department would follow the protocol outlined in an attachment to this letter with respect to submitting hard copies and electronic responses. The Committee requests that the department comply with these requests for information to the fullest extent possible.

Please notify us by June 1, 2017 if the department does not intend to comply with any requests.

Sincerely,

Senator Kent Lambert  
Chair

cc:

Melanie Snyder, Chief of Staff, Colorado Department of Law  
Jon Reitan, Budget Director, Colorado Department of Law  
John Ziegler, Staff Director, Joint Budget Committee



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  - Jessi Neuberg ([jessi.neuberg@state.co.us](mailto:jessi.neuberg@state.co.us)) at the JBC offices
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  - Name of Department
  - Long Bill fiscal year to which the RFI is attached (FY 2017-18 for the RFIs listed in this letter)
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**"[Department] [fiscal year] [RFI Number]"**

For example, the attachment providing the response to RFI #5 in the Department of Health Care Policy and Financing would be entitled: **Health Care Policy and Financing FY 2017-18 RFI #5**

# LEGISLATIVE REQUESTS FOR INFORMATION FOR FY 2017-18

## DEPARTMENT OF LAW

- 1 Department of Law, Legal Services to State Agencies, Personal Services – The Department is requested to provide by November 1, 2018 a report concerning the implementation of changes to the appropriation and billing methodologies for legal services provided to state agencies. As part of the report, the Department is requested to solicit feedback from all client agencies regarding the benefits and challenges associated with the change in methodologies.
- 2 Department of Law, Criminal Justice and Appellate, Appellate Unit – The Department is requested to provide by November 1, 2017 a report concerning the Appellate Unit's progress in reducing its case backlog, including the following data for FY 2016-17: the number of opening briefs received; the number of answer briefs filed; and the case backlog as of June 30, 2017. In addition, the Department is requested to summarize the tasks completed by the inter-agency working group that was established to review the procedures, rules, and practices for handling post-conviction appeals, along with any recommended procedural, regulatory, or statutory changes.
- 3 Department of Law, Criminal Justice and Appellate, Medicaid Fraud Control Unit – Pursuant to Section 25.5-4-310, C.R.S., the Department of Law's Medicaid Fraud Control Unit is required to submit an annual report by January 15 concerning: actions filed under the "Colorado Medicaid False Claims Act", the amount recovered as a result of such actions, and the amount of related expenditures. The General Assembly requests that the Department also include in this annual report information about expenditures and recoveries related to the Unit's criminal investigations.
- 4 Department of Law, Special Purpose, District Attorney Training – Pursuant to Section 20-1-111 (4) (b), C.R.S., the Colorado District Attorneys' Council (CDAC) allocated these dollars to provide prosecution training, seminar, continuing education programs, and other prosecution related services on behalf of District Attorneys who are members of the CDAC. The CDAC is requested to submit an annual report by November 1 detailing how the District Attorney Training appropriation is spent, including the number and type of training activities provided, the number of district attorney offices served by each type of training activity, the number of deputy district attorneys trained, and detail of the costs categorized by personnel, operating, and travel, for each training effort.

# STATE OF COLORADO

SENATORS  
KENT LAMBERT - CHAIR  
KEVIN LUNDBERG  
DOMINICK MORENO

REPRESENTATIVES  
MILLIE HAMNER - VICE-CHAIR  
DAVE YOUNG  
BOB RANKIN



STAFF DIRECTOR  
JOHN ZIEGLER

JOINT BUDGET COMMITTEE  
200 EAST 14TH AVENUE, 3RD FLOOR  
LEGISLATIVE SERVICES BUILDING  
DENVER, CO 80203  
TELEPHONE 303-866-2061  
<http://leg.colorado.gov/agencies/joint-budget-committee>

May 5, 2017

Hon. Wayne W. Williams  
Colorado Secretary of State  
1700 Broadway, Suite 200  
Denver, CO 80290

Dear Secretary Williams:

The General Assembly recently finalized the FY 2017-18 Long Bill. Pursuant to Section 24-75-112 (2), C.R.S., the Long Bill footnotes no longer include requests for information. In lieu of such footnotes, the Joint Budget Committee respectfully submits the following requests for information. These requests are associated with specific Long Bill line items, and each has its own details and deadlines. Consistent with the provisions of Section 2-3-203 (3), C.R.S., information requests have been prioritized within each department in the attached lists.

To assist our staff in organizing and tracking submissions, we would appreciate if the department would follow the protocol outlined in an attachment to this letter with respect to submitting hard copies and electronic responses. The Committee requests that the department comply with these requests for information to the fullest extent possible.

Please notify us by June 1, 2017 if the department does not intend to comply with any requests.

Sincerely,

A handwritten signature in black ink that reads "Kent D. Lambert". The signature is written in a cursive style.

Senator Kent Lambert  
Chair

cc:

Brad Lang, Controller, Colorado Secretary of State  
John Ziegler, Staff Director, Joint Budget Committee

**Attachment**  
**Requested Format for Responses to Legislative Requests for Information**

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  - Legislative Council Staff at the following address: [lcs.ga@state.co.us](mailto:lcs.ga@state.co.us)

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- All submissions should include the following information:
  - Name of Department
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For example, the attachment providing the response to RFI #5 in the Department of Health Care Policy and Financing would be entitled: **Health Care Policy and Financing FY 2017-18 RFI #5**

## LEGISLATIVE REQUESTS FOR INFORMATION FOR FY 2017-18

### DEPARTMENT OF STATE

- 1 Department of State, Elections Division, Local Election Reimbursement -- The Department is requested to submit a letter addressed to the General Assembly and to the Joint Budget Committee notifying both if, and when, it relies on footnote 86 to overexpend the Local Election Reimbursement line item authorized by aforementioned footnote to meet statutory requirements of Section 1-5-505.5, C.R.S.
- 2 Department of State, Business and Licensing Division, Business Intelligence Center -- The Department is requested to submit a report with its annual budget request detailing donations received by the Business Intelligence Center, either directly or through the 501(c)(3) organization designated by the Department. The report should include data on the receipt and expenditure of both financial and in-kind donations for the prior fiscal year and year-to-date data on donations made in the current fiscal year. It should also include information on each project ever funded, including public availability/access, features/purpose, and a measure to gauge its success or usage, to the extent possible.

# STATE OF COLORADO

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DENVER, CO 80203  
TELEPHONE 303-866-2061  
<http://leg.colorado.gov/agencies/joint-budget-committee>

May 5, 2017

Hon. Walker R. Stapleton  
Colorado State Treasurer  
200 East Colfax Ave.  
State Capitol, Suite 140  
Denver, CO 80203

Dear Treasurer Stapleton:

The General Assembly recently finalized the FY 2017-18 Long Bill. Pursuant to Section 24-75-112 (2), C.R.S., the Long Bill footnotes no longer include requests for information. In lieu of such footnotes, the Joint Budget Committee respectfully submits the following requests for information. These requests are associated with specific Long Bill line items, and each has its own details and deadlines. Consistent with the provisions of Section 2-3-203 (3), C.R.S., information requests have been prioritized within each department in the attached lists.

To assist our staff in organizing and tracking submissions, we would appreciate if the department would follow the protocol outlined in an attachment to this letter with respect to submitting hard copies and electronic responses. The Committee requests that the department comply with these requests for information to the fullest extent possible.

Please notify us by June 1, 2017 if the department does not intend to comply with any requests.

Sincerely,

Senator Kent Lambert  
Chair

cc:

Ryan Parsell, Deputy Treasurer  
Clare Jozwiak, Controller, State Treasury  
John Ziegler, Staff Director, Joint Budget Committee

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# LEGISLATIVE REQUESTS FOR INFORMATION FOR FY 2017-18

## DEPARTMENT OF THE TREASURY

- 1 Department of the Treasury, Administration – The State Treasurer is requested to submit an annual report to the Joint Budget Committee concerning the performance of the State's investments. The report should include comparisons to relevant benchmarks and a detailed discussion of the benchmarks. This report should be submitted as a part of the State Treasurer's annual budget request.
- 2 Department of the Treasury, Unclaimed Property Program – The State Treasurer is requested to submit an annual report to the Joint Budget Committee concerning the Department's progress in implementing the new information systems (KAPS, LexisNexis) for which the Department has received funding; and on the workload measures these systems are intended to improve. The report should be submitted as a part of the State Treasurer's annual budget request and should include but need not be limited to annual comparisons of the following:
  - a. Average number of claims processed per year, by claim type (A, B, C, and D);
  - b. Average number of contacts per claim;
  - c. Average time per contact; and
  - d. Total value of each claim type (A, B, C, and D) per year.



# L. CONTROLLED MAINTENANCE TRUST FUND

This appendix describes appropriations and transfers to and from the Controlled Maintenance Trust Fund (CMTF) created in Section 24-75-302.5, C.R.S. Pursuant to statute:

- Up to 50.0 percent of interest earnings on the CMTF principal for the current and prior fiscal year may be used to support controlled maintenance projects.
- The CMTF may serve as part of the TABOR emergency reserve. CMTF amounts are identified in the Long Bill headnotes as part of the emergency reserve required pursuant to Article X, Section 20 of the State Constitution (TABOR).
- Based on the authority provided in Section 24-33.5-706, C.R.S., and pursuant to Section 24-77-104 (2)(a), C.R.S., the Governor may transfer funds from the CMTF to the Disaster Emergency Fund to address wildfires, floods, and other state emergencies. While statute also provides that reimbursements for money previously expended to cope with a disaster may be repaid, repayments have never been made to the CMTF from such reimbursements.

During FY 2016-17 and FY 2017-18, no appropriations were made for controlled maintenance from CMTF interest earnings. However, H.B. 16-1417 (Capital-related Transfers) transferred \$1,000,000 to the Capital Construction Fund in lieu of permissible interest-related controlled maintenance funding in FY 2016-17. In FY 2016-17, three executive orders transferred an additional \$19.8 million from the CMTF. Senate Bill 17-263 (Capital-related Transfers of Money) includes a transfer of \$20.0 million from General Fund to the CMTF in FY 2017-18 to replace funds transferred through those executive orders. The table below summarizes recent CMTF transfers and interest earnings.

CONTROLLED MAINTENANCE TRUST FUND	
CMTF Balance - 6/30/16	\$70,436,146
Interest Earnings through 1/31/17	351,943
H.B. 16-1417 (Capital-related Transfers)	(1,000,000)
Executive Order 2016-006	(8,000,000)
Executive Order 2016-008	(4,800,000)
Executive Order 2016-010	(7,000,000)
<b>Estimated Balance - June 2017</b>	<b>\$49,988,089</b>
General Fund Transfer FY 2017-18 (S.B. 17-263)	20,000,000
<b>Estimated Beginning Balance for FY 2017-18</b>	<b>\$69,988,089</b>

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