

JOINT BUDGET COMMITTEE

FY 2017-18

SUPPLEMENTAL PACKAGE



TABLE OF CONTENTS

SECTION I - SUMMARY OF FY 2017-18 SUPPLEMENTAL PACKAGE

General Fund Overview.....	1
Overview of the Major General Fund Changes Contained in the Supplemental Package.....	2
Summary Tables.....	4

SECTION II - SUMMARIES OF SUPPLEMENTAL BILLS BY DEPARTMENT

Agriculture (no supplemental adjustments).....	10
H.B. 18-1158 (Corrections).....	11
H.B. 18-1159 (Education).....	13
H.B. 18-1160 (Governor).....	14
H.B. 18-1161 (Health Care Policy and Financing).....	16
Higher Education (no supplemental adjustments).....	23
H.B. 18-1162 (Human Services).....	24
H.B. 18-1163 (Judicial).....	28
Labor and Employment (no supplemental adjustments).....	30
Law (no supplemental adjustments).....	31
Legislature (no supplemental adjustments).....	32
Local Affairs (no supplemental adjustments).....	33
Military and Veterans Affairs (no supplemental adjustments).....	34
Natural Resources (no supplemental adjustments).....	35
H.B. 18-1164 (Personnel).....	36
Public Health and Environment (no supplemental adjustments).....	37
H.B. 18-1165 (Public Safety).....	38
H.B. 18-1166 (Regulatory Agencies).....	39
H.B. 18-1167 (Revenue).....	40
H.B. 18-1168 (State).....	41
Transportation (no supplemental adjustments).....	43
H.B. 18-1169 (Treasury).....	44
H.B. 18-1170 (Capital Construction).....	45

SECTION III - SUMMARIES OF OTHER BILLS THAT ARE PART OF THE SUPPLEMENTAL PACKAGE

H.B. 18- 1171 (FY 2017-18 School Finance Mid-Year Adjustment).....	49
H.B. 18- 1172 (Roll Forward Appropriation of M.T.C.F. For Substance Abuse).....	51
H.B. 18- 1173 (Capital Construction Transfer).....	53

SECTION I
SUMMARY OF FY 2017-18
SUPPLEMENTAL PACKAGE

FY 2017-18 General Fund Overview (In Millions)

DESCRIPTION	FY 2017-18
<u>GENERAL FUND REVENUES AVAILABLE (Based on Legislative Council Staff December 20, 2017 Revenue Forecast):</u>	
Beginning General Fund Reserve	\$614.5
Gross General Fund Nonexempt Revenues	9,191.1
Gross General Fund Exempt Revenues	1,913.8
Transfer from Other Funds	90.1 ^{a/}
Total General Fund Available	\$11,809.5
<u>GENERAL FUND OBLIGATIONS:</u>	
General Fund FY 2017-18 Appropriations as Passed in 2017 Session	\$10,438.1 ^{b/}
Recommended Changes to General Fund Appropriations Included in the Supplemental Package	98.4 ^{c/}
Capital Construction Transfer	112.1 ^{d/}
TABOR Surplus Liability	0.0
Transfer to Highway Users Tax Fund (Section. 24-75-219, C.R.S.)	79.0
Rebates and Expenditures	136.3
Senior Citizen and Disabled Veteran Property Tax Exemption	139.1
Transfer to State Education Fund (Section 24-75-220(3)(b), C.R.S.)	25.3
Transfers to Other Funds	172.3
Total General Fund Obligations	\$11,200.6
Ending General Fund Reserve (Available Funds Less Obligations)	\$608.9
<u>GENERAL FUND RESERVE INFORMATION:</u>	
Statutorily Required General Fund Reserve	\$681.7 ^{e/}
General Fund Reserve Shortfall Compared to the Statutory Requirement	(\$72.8) ^{f/}

^{a/} Reflects \$90.1 million in transfers required under current law.

^{b/} Includes appropriations made in the 2017 Session for FY 2017-18 that are within the statutory limit on General Fund appropriations (Section 24-75-201.1, C.R.S.).

^{c/} Includes a net increase of \$98.4 million in appropriations contained in the FY 2017-18 supplemental bills the Joint Budget Committee (JBC) is sponsoring in conjunction with the supplemental package.

^{d/} Reflects the existing FY 2017-18 statutory transfers from the General Fund to the Capital Construction Fund required by Section 24-75-302, C.R.S. of \$109.2 million and an increase of \$2.9 million the JBC is sponsoring in conjunction with the supplemental package.

^{e/} Reflects a reserve equal to 6.5 percent of General Fund appropriations as required by Section 24-75-201.1 (1)(d), C.R.S.

^{f/} Reflects the reserve shortfall compared to the statutory reserve requirement. The JBC will make a final recommendation addressing the statutory reserve after the March 2018 revenue forecasts are released.

ALL DEPARTMENTS

The following tables summarize the current FY 2016-17 and FY 2017-18 appropriations and the adjustments contained in the supplemental bill package.

FY 2016-17 APPROPRIATION AND SUPPLEMENTAL RECOMMENDATION

ALL DEPARTMENTS						
	TOTAL FUNDS	GENERAL FUND ¹	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
RECOMMENDED CHANGES						
Current 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
Supplemental bill changes	22,070,862	1,469,422	9,654,960	401,424	10,545,056	0.0
RECOMMENDED FY 2016-17 APPROPRIATION	\$27,188,993,955	\$9,956,054,025	\$7,551,087,061	\$1,553,680,818	\$8,128,172,051	56,669.5
RECOMMENDED INCREASE/(DECREASE)	\$22,070,862	\$1,469,422	\$9,654,960	\$401,424	\$10,545,056	0.0
Percentage Change	0.1%	0.0%	0.1%	0.0%	0.1%	0.0%

¹ Includes General Fund Exempt.

DESCRIPTION OF RECOMMENDED CHANGES

SUPPLEMENTAL BILL CHANGES: Increase of \$22.1 million total funds, including \$1.5 million General Fund, for three actions. First, the supplemental bills for the Department of Health Care Policy and Financing and Department of Human Services include an increase of \$20.5 million total funds, including \$1.5 million General Fund, to release spending authority restrictions caused by over-expenditures that occurred in FY 2016-17. Second, the Department of Corrections' supplemental bill includes \$1.4 million cash funds for external capacity (private prison beds) due to increased private prison caseload. Third, the Department of State's supplemental bill includes an increase of \$210,000 cash funds to correct a technical error.

FY 2017-18 APPROPRIATION AND SUPPLEMENTAL RECOMMENDATION

ALL DEPARTMENTS						
	TOTAL FUNDS	GENERAL FUND ¹	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION:						
SB 17-254 (Long Bill) / SB 17-230 (Legislative Appropriation)	\$28,758,613,536	\$10,604,115,077	\$7,781,501,028	\$1,726,870,903	\$8,646,126,528	57,477.5
Other legislation	76,452,299	15,734,543	55,969,049	724,204	4,024,503	22.4
TOTAL	\$28,835,065,835	\$10,619,849,620	\$7,837,470,077	\$1,727,595,107	\$8,650,151,031	57,499.9
RECOMMENDED CHANGES						
Current FY 2017-18 Appropriation	\$28,835,065,835	\$10,619,849,620	\$7,837,470,077	\$1,727,595,107	\$8,650,151,031	57,499.9
Supplemental bill changes	407,675,637	98,383,820	26,791,954	8,872,324	273,627,539	0.7
Supplemental package bill changes	0	0	0	0	0	0.0
RECOMMENDED FY 2017-18 APPROPRIATION	\$29,242,741,472	\$10,718,233,440	\$7,864,262,031	\$1,736,467,431	\$8,923,778,570	57,500.6

ALL DEPARTMENTS						
	TOTAL FUNDS	GENERAL FUND ¹	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
RECOMMENDED INCREASE/(DECREASE)	\$407,675,637	\$98,383,820	\$26,791,954	\$8,872,324	\$273,627,539	0.7
Percentage Change	1.4%	0.9%	0.3%	0.5%	3.2%	0.0%

¹ Includes General Fund Exempt.

DESCRIPTION OF RECOMMENDED CHANGES

SUPPLEMENTAL BILL CHANGES: Represents mid-year funding adjustments included in FY 2017-18 supplemental appropriations bills for executive and judicial branch agencies. Examples include adjustments for caseload changes, unforeseen contingencies, program modifications, and technical corrections. The changes included in supplemental appropriations bills account for an increase of \$407.7 million total funds, including an increase of \$98.4 million General Fund. Major highlights include:

- Health Care Policy and Financing – Increase of \$347.7 million total funds (increase of \$62.3 million General Fund);
- Human Services – Increase of \$41.8 million total funds (increase of \$21.9 million General Fund);
- Judicial – Increase of \$9.1 million total funds (increase of \$4.6 million General Fund);
- Corrections – Increase of \$8.0 million total funds (increase of \$8.5 million General Fund); and
- Revenue – Increase of \$0.9 million General Fund.

SUPPLEMENTAL PACKAGE BILL CHANGES: Represents mid-year adjustments for FY 2017-18 included in supplemental package legislation for the Department of Education, Department of Human Services, and Capital Construction. Major highlights include:

- House Bill 18-1171 (FY 2017-18 School Finance Mid-Year Adjustment) makes statutory change necessary to maintain the State share of funding provided to public schools in the original FY 2017-18 appropriation and reflects actual data concerning local tax revenues and student enrollment;
- House Bill 18-1172 (Roll Forward Appropriation of M.T.C.F. For Substance Abuse) clarifies that a managed service organization may use money allocated to it from the Marijuana Tax Cash Fund for substance use disorder services and for any start-up costs or other expenses necessary to increase capacity to provide such services; and
- House Bill 18-1173 (Capital Construction Transfer) transfers \$2.9 million from the General Fund to the Information Technology Capital Account of the Capital Construction Fund to pay for appropriations made from the Capital Construction Fund in the Capital Construction supplemental bill.

Joint Budget Committee FY 2017-18 Supplemental Package

BILLS IMPACTING GENERAL FUND REVENUE SUMMARY TABLE	
	GENERAL FUND
General Fund Statutory Revenue Changes:	
H.B. 18-1173 (Capital Construction Transfer)	(\$2,888,529)
Subtotal	(\$2,888,529)
Subtotal	(\$2,888,529)

OPERATING APPROPRIATION SUMMARY TABLE						
ITEM	TOTAL FUNDS	GENERAL FUND*	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Current FY 2016-17						
Operating Appropriation	\$27,166,923,093	\$9,954,584,603	\$7,541,432,101	\$1,553,279,394	\$8,117,626,995	56,669.5
Summary of Supplemental Bills	22,070,862	1,469,422	9,654,960	401,424	10,545,056	0.0
Total Recommended Changes	\$22,070,862	\$1,469,422	\$9,654,960	\$401,424	\$10,545,056	0.0
<i>Percent Change</i>	<i>0.1%</i>	<i>0.0%</i>	<i>0.1%</i>	<i>0.0%</i>	<i>0.1%</i>	<i>0.0%</i>
New FY 2016-17 Appropriation □	\$27,188,993,955	\$9,956,054,025	\$7,551,087,061	\$1,553,680,818	\$8,128,172,051	56,669.5
Current FY 2017-18						
Operating Appropriation	\$28,835,065,835	\$10,619,849,620	\$7,837,470,077	\$1,727,595,107	\$8,650,151,031	57,499.9
Summary of Supplemental Bills	407,675,637	98,383,820	26,791,954	8,872,324	273,627,539	0.7
Summary of Supplemental Bills	0	0	0	0	0	0.0
Total Recommended Changes	\$407,675,637	\$98,383,820	\$26,791,954	\$8,872,324	\$273,627,539	0.7
<i>Percent Change</i>	<i>1.4%</i>	<i>0.9%</i>	<i>0.3%</i>	<i>0.5%</i>	<i>3.2%</i>	<i>0.0%</i>
New FY 2017-18 Appropriation	\$29,242,741,472	\$10,718,233,440	\$7,864,262,031	\$1,736,467,431	\$8,923,778,570	57,500.6

* Please note: General Fund amounts include dollars considered "General Fund Exempt."

FY 2016-17 OPERATING APPROPRIATION DETAIL BY DEPARTMENT

DEPARTMENT / ITEM	TOTAL FUNDS	GENERAL FUND*	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 Appropriation Changes						
CORRECTIONS						
Current FY 2016-17 Appropriation	\$842,703,603	\$751,095,253	\$41,066,811	\$49,183,898	\$1,357,641	6,242.7
H.B. 18-1158 (FY 2017-18 Supplemental Bill)	1,406,572	0	1,406,572	0	0	0.0
Subtotal - Corrections	\$844,110,175	\$751,095,253	\$42,473,383	\$49,183,898	\$1,357,641	6,242.7
<i>Total change</i>	<i>\$1,406,572</i>	<i>\$0</i>	<i>\$1,406,572</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<i>Percent change</i>	<i>0.2%</i>	<i>0.0%</i>	<i>3.4%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>
HEALTH CARE POLICY AND FINANCING						
Current 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
H.B. 18-1161 (FY 2017-18 Supplemental Bill)	19,746,159	761,291	8,038,388	401,424	10,545,056	0.0
Subtotal - Health Care Policy and Financing	\$9,097,377,873	\$2,630,255,841	\$1,030,963,941	\$15,828,008	\$5,420,330,083	435.8
<i>Total change</i>	<i>\$19,746,159</i>	<i>\$761,291</i>	<i>\$8,038,388</i>	<i>\$401,424</i>	<i>\$10,545,056</i>	<i>0.0</i>
<i>Percent change</i>	<i>0.2%</i>	<i>0.0%</i>	<i>0.8%</i>	<i>2.6%</i>	<i>0.2%</i>	<i>0.0%</i>
HUMAN SERVICES						
Current FY 2016-17 Appropriation	\$1,907,776,487	\$831,272,286	\$390,905,724	\$129,320,756	\$556,277,721	4,793.4
H.B. 18-1162 (FY 2017-18 Supplemental Bill)	708,131	708,131	0	0	0	0.0
Subtotal - Human Services	\$1,908,484,618	\$831,980,417	\$390,905,724	\$129,320,756	\$556,277,721	4,793.4
<i>Total change</i>	<i>\$708,131</i>	<i>\$708,131</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<i>Percent change</i>	<i>0.0%</i>	<i>0.1%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>
STATE						
Current FY 2016-17 Appropriation	\$22,288,655	\$0	\$22,288,655	\$0	\$0	137.4
H.B. 18-1168 (FY 2017-18 Supplemental Bill)	210,000	0	210,000	0	0	0.0
Subtotal - State	\$22,498,655	\$0	\$22,498,655	\$0	\$0	137.4
<i>Total change</i>	<i>\$210,000</i>	<i>\$0</i>	<i>\$210,000</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<i>Percent change</i>	<i>0.9%</i>	<i>n/a</i>	<i>0.9%</i>	<i>n/a</i>	<i>n/a</i>	<i>0.0%</i>
Current 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
Grand Total Recommended Changes	\$22,070,862	\$1,469,422	\$9,654,960	\$401,424	\$10,545,056	0.0
Grand Total FY 2016-17 Appropriation	\$27,188,993,955	\$9,956,054,025	\$7,551,087,061	\$1,553,680,818	\$8,128,172,051	56,669.5
<i>Percent change</i>	<i>0.1%</i>	<i>0.0%</i>	<i>0.1%</i>	<i>0.0%</i>	<i>0.1%</i>	<i>0.0%</i>
Summary of Changes						
Supplemental Bills	\$22,070,862	\$1,469,422	\$9,654,960	\$401,424	\$10,545,056	0.0

* Please note: General Fund amounts include dollars considered "General Fund Exempt."

FY 2017-18 OPERATING APPROPRIATION DETAIL BY DEPARTMENT

DEPARTMENT / ITEM	TOTAL FUNDS	GENERAL FUND*	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 Appropriation Changes						
AGRICULTURE						
Current FY 2017-18 Appropriation	\$50,246,919	\$10,506,004	\$33,408,408	\$2,371,548	\$3,960,959	291.4
Subtotal - Agriculture	\$50,246,919	\$10,506,004	\$33,408,408	\$2,371,548	\$3,960,959	291.4
<i>Total change</i>	\$0	\$0	\$0	\$0	\$0	0
<i>Percent change</i>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
CORRECTIONS						
Current FY 2017-18 Appropriation	\$864,740,250	\$769,192,172	\$39,760,660	\$51,620,128	\$4,167,290	6,247.0
H.B. 18-1158 (FY 2017-18 Supplemental Bill)	7,950,297	8,528,017	(577,720)	0	0	0.0
Subtotal - Corrections	\$872,690,547	\$777,720,189	\$39,182,940	\$51,620,128	\$4,167,290	6,247.0
<i>Total change</i>	\$7,950,297	\$8,528,017	(\$577,720)	\$0	\$0	0.0
<i>Percent change</i>	0.9%	1.1%	(1.5%)	0.0%	0.0%	0.0%
EDUCATION						
Current FY 2017-18 Appropriation	\$5,595,884,992	\$4,102,171,554	\$810,907,493	\$34,572,434	\$648,233,511	599.2
H.B. 18-1159 (FY 2017-18 Supplemental Bill)	357,990	0	0	357,990	0	0.0
H.B. 18-1171 (FY 2017-18 School Finance Mid-Year Adjustment)	0	0	0	0	0	0.0
Subtotal - Education	\$5,596,242,982	\$4,102,171,554	\$810,907,493	\$34,930,424	\$648,233,511	599.2
<i>Total change</i>	\$357,990	\$0	\$0	\$357,990	\$0	0.0
<i>Percent change</i>	0.0%	0.0%	0.0%	1.0%	0.0%	0.0%
GOVERNOR						
Current FY 2017-18 Appropriation	\$335,658,778	\$35,324,665	\$47,400,500	\$246,477,893	\$6,455,720	1,091.2
H.B. 18-1160 (FY 2017-18 Supplemental Bill)	(1,235,922)	0	0	(1,235,922)	0	0.0
Subtotal - Governor	\$334,422,856	\$35,324,665	\$47,400,500	\$245,241,971	\$6,455,720	1,091.2
<i>Total change</i>	(\$1,235,922)	\$0	\$0	(\$1,235,922)	\$0	0.0
<i>Percent change</i>	(0.4%)	0.0%	0.0%	(0.5%)	0.0%	0.0%
HEALTH CARE POLICY AND FINANCING						
Current FY 2017-18 Appropriation	\$9,955,202,680	\$2,822,800,583	\$1,217,646,986	\$77,268,980	\$5,837,486,131	458.5
H.B. 18-1161 (FY 2017-18 Supplemental Bill)	347,740,202	62,308,625	16,146,745	(202,310)	269,487,142	0.8
Subtotal - Health Care Policy/Financing	\$10,302,942,882	\$2,885,109,208	\$1,233,793,731	\$77,066,670	\$6,106,973,273	459.3
<i>Total change</i>	\$347,740,202	\$62,308,625	\$16,146,745	(\$202,310)	\$269,487,142	0.8
<i>Percent change</i>	3.5%	2.2%	1.3%	(0.3%)	4.6%	0.2%
HIGHER EDUCATION						
Current FY 2017-18 Appropriation	\$4,301,613,531	\$894,907,900	\$2,645,689,267	\$738,374,874	\$22,641,490	25,087.2
Subtotal - Higher Education	\$4,301,613,531	\$894,907,900	\$2,645,689,267	\$738,374,874	\$22,641,490	25,087.2
<i>Total change</i>	\$0	\$0	\$0	\$0	\$0	0.0
<i>Percent change</i>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
HUMAN SERVICES						
Current FY 2017-18 Appropriation	\$2,035,604,120	\$866,955,020	\$415,732,200	\$174,562,607	\$578,354,293	4,937.6
H.B. 18-1162 (FY 2017-18 Supplemental Bill)	41,769,039	21,904,917	6,239,449	9,353,234	4,271,439	(2.1)
H.B. 18-1172 (Roll Forward Appropriation to M.T.C.F. For Substance Abuse)	0	0	0	0	0	0.0
Subtotal - Human Services	\$2,077,373,159	\$888,859,937	\$421,971,649	\$183,915,841	\$582,625,732	4,935.5
<i>Total change</i>	\$41,769,039	\$21,904,917	\$6,239,449	\$9,353,234	\$4,271,439	(2.1)
<i>Percent change</i>	2.1%	2.5%	1.5%	5.4%	0.7%	(0.0%)
JUDICIAL						
Current FY 2017-18 Appropriation	\$710,383,981	\$513,002,350	\$157,894,176	\$35,062,455	\$4,425,000	4,648.3
H.B. 18-1163 (FY 2017-18 Supplemental Bill)	9,060,877	4,647,666	3,700,421	712,790	0	2.0
Subtotal - Judicial	\$719,444,858	\$517,650,016	\$161,594,597	\$35,775,245	\$4,425,000	4,650.3
<i>Total change</i>	\$9,060,877	\$4,647,666	\$3,700,421	\$712,790	\$0	2.0
<i>Percent change</i>	1.3%	0.9%	2.3%	2.0%	0.0%	0.0%
LABOR AND EMPLOYMENT						
Current FY 2017-18 Appropriation	\$248,861,234	\$21,380,958	\$72,525,276	\$9,515,450	\$145,439,550	1,279.8
Subtotal - Labor and Employment	\$248,861,234	\$21,380,958	\$72,525,276	\$9,515,450	\$145,439,550	1,279.8
<i>Total change</i>	\$0	\$0	\$0	\$0	\$0	0.0
<i>Percent change</i>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

* Please note: General Fund amounts include dollars considered "General Fund Exempt."

FY 2017-18 OPERATING APPROPRIATION DETAIL BY DEPARTMENT

DEPARTMENT / ITEM	TOTAL FUNDS	GENERAL FUND*	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
LAW						
Current FY 2017-18 Appropriation	\$81,077,081	\$16,214,183	\$17,314,175	\$45,720,252	\$1,828,471	473.4
Subtotal - Law	\$81,077,081	\$16,214,183	\$17,314,175	\$45,720,252	\$1,828,471	473.4
Total change	\$0	\$0	\$0	\$0	\$0	0.0
Percent change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
LEGISLATIVE						
Current FY 2017-18 Appropriation	\$49,928,386	\$48,280,517	\$470,869	\$1,177,000	\$0	287.7
Subtotal - Legislature	\$49,928,386	\$48,280,517	\$470,869	\$1,177,000	\$0	287.7
Total change	\$0	\$0	\$0	\$0	\$0	0.0
Percent change	0.0%	0.0%	0.0%	0.0%	n/a	0.0%
LOCAL AFFAIRS						
Current FY 2017-18 Appropriation	\$305,932,325	\$32,086,084	\$181,821,729	\$11,319,391	\$80,705,121	179.2
Subtotal - Local Affairs	\$305,932,325	\$32,086,084	\$181,821,729	\$11,319,391	\$80,705,121	179.2
Total change	\$0	\$0	\$0	\$0	\$0	0.0
Percent change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
MILITARY AND VETERANS AFFAIRS						
Current FY 2017-18 Appropriation	\$226,968,060	\$10,530,168	\$1,135,343	\$0	\$215,302,549	1,393.3
Subtotal - Military and Veterans Affairs	\$226,968,060	\$10,530,168	\$1,135,343	\$0	\$215,302,549	1,393.3
Total change	\$0	\$0	\$0	\$0	\$0	0.0
Percent change	0.0%	0.0%	0.0%	n/a	0.0%	0.0%
NATURAL RESOURCES						
Current FY 2017-18 Appropriation	\$295,292,465	\$30,864,532	\$230,795,872	\$6,932,593	\$26,699,468	1,458.6
Subtotal - Natural Resources	\$295,292,465	\$30,864,532	\$230,795,872	\$6,932,593	\$26,699,468	1,458.6
Total change	\$0	\$0	\$0	\$0	\$0	0.0
Percent change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
PERSONNEL						
Current FY 2017-18 Appropriation	\$195,217,235	\$12,499,410	\$13,927,636	\$168,790,189	\$0	422.1
H.B. 18-1164 (FY 2017-18 Supplemental Bill)	999,000	0	999,000	0	0	0.0
Subtotal - Personnel	\$196,216,235	\$12,499,410	\$14,926,636	\$168,790,189	\$0	422.1
Total change	\$999,000	\$0	\$999,000	\$0	\$0	0.0
Percent change	0.5%	0.0%	7.2%	0.0%	n/a	0.0%
PUBLIC HEALTH AND ENVIRONMENT						
Current FY 2017-18 Appropriation	\$580,007,988	\$48,798,277	\$188,457,556	\$45,239,889	\$297,512,266	1,336.0
Subtotal - Public Health and Environment	\$580,007,988	\$48,798,277	\$188,457,556	\$45,239,889	\$297,512,266	1,336.0
Total change	\$0	\$0	\$0	\$0	\$0	0.0
Percent change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
PUBLIC SAFETY						
Current FY 2017-18 Appropriation	\$421,394,273	\$123,448,065	\$200,251,200	\$40,958,581	\$56,736,427	1,802.0
H.B. 18-1166 (FY 2017-18 Supplemental Bill)	(32,119)	120,771	(69,892)	(113,458)	30,460	0.0
Subtotal - Public Safety	\$421,362,154	\$123,568,836	\$200,181,308	\$40,845,123	\$56,766,887	1,802.0
Total change	(\$32,119)	\$120,771	(\$69,892)	(\$113,458)	\$30,460	0.0
Percent change	(0.0%)	0.1%	(0.0%)	(0.3%)	0.1%	0.0%
REGULATORY AGENCIES						
Current FY 2017-18 Appropriation	\$99,198,237	\$1,844,627	\$91,024,582	\$5,060,383	\$1,268,645	573.1
H.B. 18-1166 (FY 2017-18 Supplemental Bill)	373,320	0	534,822	0	(161,502)	0.0
Subtotal - Regulatory Agencies	\$99,571,557	\$1,844,627	\$91,559,404	\$5,060,383	\$1,107,143	573.1
Total change	\$373,320	\$0	\$534,822	\$0	(\$161,502)	0.0
Percent change	0.4%	0.0%	0.6%	0.0%	(12.7%)	0.0%

* Please note: General Fund amounts include dollars considered "General Fund Exempt."

FY 2017-18 OPERATING APPROPRIATION DETAIL BY DEPARTMENT

DEPARTMENT / ITEM	TOTAL FUNDS	GENERAL FUND*	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
REVENUE						
Current FY 2017-18 Appropriation	\$356,374,947	\$107,595,006	\$241,710,307	\$6,245,246	\$824,388	1,437.2
H.B. 18-1167 (FY 2017-18 Supplemental Bill)	873,824	873,824	0	0	0	0.0
Subtotal - Revenue	\$357,248,771	\$108,468,830	\$241,710,307	\$6,245,246	\$824,388	1,437.2
<i>Total change</i>	<i>\$873,824</i>	<i>\$873,824</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<i>Percent change</i>	<i>0.2%</i>	<i>0.8%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>
STATE						
Current FY 2017-18 Appropriation	\$22,903,775	\$0	\$22,903,775	\$0	\$0	137.4
H.B. 18-1168 (FY 2017-18 Supplemental Bill)	(208,151)	0	(208,151)	0	0	0.0
Subtotal - State	\$22,695,624	\$0	\$22,695,624	\$0	\$0	137.4
<i>Total change</i>	<i>(\$208,151)</i>	<i>\$0</i>	<i>(\$208,151)</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<i>Percent change</i>	<i>(0.9%)</i>	<i>n/a</i>	<i>(0.9%)</i>	<i>n/a</i>	<i>n/a</i>	<i>0.0%</i>
TRANSPORTATION						
Current FY 2017-18 Appropriation	\$1,578,506,823	\$0	\$851,844,882	\$8,552,189	\$718,109,752	3,326.8
Subtotal - Transportation	\$1,578,506,823	\$0	\$851,844,882	\$8,552,189	\$718,109,752	3,326.8
<i>Total change</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<i>Percent change</i>	<i>0.0%</i>	<i>n/a</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>
TREASURY						
Current FY 2017-18 Appropriation	\$524,067,755	\$151,447,545	\$354,847,185	\$17,773,025	\$0	32.9
H.B. 18-1169 (FY 2017-18 Supplemental Bill)	27,280	0	27,280	0	0	0.0
Subtotal - Treasury	\$524,095,035	\$151,447,545	\$354,874,465	\$17,773,025	\$0	32.9
<i>Total change</i>	<i>\$27,280</i>	<i>\$0</i>	<i>\$27,280</i>	<i>\$0</i>	<i>\$0</i>	<i>0.0</i>
<i>Percent change</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>n/a</i>	<i>0.0%</i>
Current FY 2017-18 Appropriation	\$28,835,065,835	\$10,619,849,620	\$7,837,470,077	\$1,727,595,107	\$8,650,151,031	57,499.9
Grand Total Recommended Changes	407,675,637	98,383,820	26,791,954	8,872,324	273,627,539	0.7
Grand Total FY 2017-18 Appropriation	\$29,242,741,472	\$10,718,233,440	\$7,864,262,031	\$1,736,467,431	\$8,923,778,570	57,500.6
<i>Percent change</i>	<i>1.4%</i>	<i>0.9%</i>	<i>0.3%</i>	<i>0.5%</i>	<i>3.2%</i>	<i>0.0%</i>
Summary of Changes						
Supplemental Bills	\$407,675,637	\$98,383,820	\$26,791,954	\$8,872,324	\$273,627,539	0.7
H.B. 18-1171 (FY 2017-18 School Finance Mid-Year Adjustment)	0	0	0	0	0	0.0
H.B. 18-1172 (Roll Forward Appropriation to M.T.C.F. For Substance Abuse)	0	0	0	0	0	0.0
Other Bills	\$0	\$0	\$0	\$0	\$0	0.0

* Please note: General Fund amounts include dollars considered "General Fund Exempt."

CAPITAL CONSTRUCTION APPROPRIATION DETAIL

DEPARTMENT / ITEM	TOTAL FUNDS	CAPITAL CONSTRUCTION FUNDS	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2014-15 Appropriation Changes					
CAPITAL CONSTRUCTION					
Current FY 2014-15 Appropriation	\$563,487,787	\$387,378,747	\$165,861,978	\$7,427,537	\$2,819,525
H.B. 18-1170 (FY 2017-18 Supplemental Bill)	0	0	0	0	0
Subtotal - Capital Construction	\$563,487,787	\$387,378,747	\$165,861,978	\$7,427,537	\$2,819,525
<i>Total Change</i>	\$0	\$0	\$0	\$0	\$0
<i>Percent Change</i>	0.0%	0.0%	0.0%	0.0%	0.0%
FY 2015-16 Appropriation Changes					
CAPITAL CONSTRUCTION					
Current FY 2015-16 Appropriation	\$400,246,392	\$252,223,287	\$118,675,701	\$13,911,135	\$15,436,269
H.B. 18-1170 (FY 2017-18 Supplemental Bill)	(12,718,685)	0	(907,550)	(11,811,135)	0
Subtotal - Capital Construction	\$387,527,707	\$252,223,287	\$117,768,151	\$2,100,000	\$15,436,269
<i>Total Change</i>	(\$12,718,685)	\$0	(\$907,550)	(\$11,811,135)	\$0
<i>Percent Change</i>	(3.2%)	0.0%	(0.8%)	(84.9%)	0.0%
FY 2016-17 Appropriation Changes					
CAPITAL CONSTRUCTION					
Current FY 2016-17 Appropriation	\$247,743,578	\$117,886,557	\$109,922,398	\$766,231	\$19,168,392
H.B. 18-1170 (FY 2017-18 Supplemental Bill)	1,796,117	0	1,796,117	0	0
Subtotal - Capital Construction	\$249,539,695	\$117,886,557	\$111,718,515	\$766,231	\$19,168,392
<i>Total Change</i>	\$1,796,117	\$0	\$1,796,117	\$0	\$0
<i>Percent Change</i>	0.7%	0.0%	1.6%	0.0%	0.0%
FY 2017-18 Appropriation Changes					
CAPITAL CONSTRUCTION					
Current FY 2017-18 Appropriation	\$183,391,498	\$91,912,328	\$69,179,429	\$10,000,000	\$12,299,741
H.B. 18-1170 (FY 2017-18 Supplemental Bill)	6,147,878	2,888,529	0	0	3,259,349
Subtotal - Capital Construction	\$189,539,376	\$94,800,857	\$69,179,429	\$10,000,000	\$15,559,090
<i>Total Change</i>	\$6,147,878	\$2,888,529	\$0	\$0	\$3,259,349
<i>Percent Change</i>	3.4%	3.1%	0.0%	0.0%	26.5%

SECTION II
SUMMARIES OF SUPPLEMENTAL
BILLS BY DEPARTMENT

DEPARTMENT OF AGRICULTURE

The Department of Agriculture regulates, promotes, and supports various agricultural activities throughout Colorado. Department personnel provide a wide range of services including: regulating, inspecting, and licensing agricultural products and practices; conducting investigations and hearings; overseeing and standardization, grading, labeling, handling, and storage of agricultural products; promoting and marketing Colorado's agricultural products; and agriculture-related policy analysis.

FY 2017-18 APPROPRIATION AND SUPPLEMENTAL RECOMMENDATION

No supplemental adjustments.

DEPARTMENT OF CORRECTIONS – H.B. 18-1158

The Department is responsible for:

- Managing and supervising 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.

FY 2016-17 APPROPRIATION AND SUPPLEMENTAL RECOMMENDATION

DEPARTMENT OF CORRECTIONS: RECOMMENDED CHANGES FOR FY 2016-17						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION						
FY 2016-17 Appropriation	\$842,703,603	\$751,095,253	\$41,066,811	\$49,183,898	\$1,357,641	6,242.7
CURRENT FY 2016-17 APPROPRIATION	\$842,703,603	\$751,095,253	\$41,066,811	\$49,183,898	\$1,357,641	6,242.7
RECOMMENDED CHANGES						
Current FY 2016-17 Appropriation	\$842,703,603	\$751,095,253	\$41,066,811	\$49,183,898	\$1,357,641	6,242.7
FY 2016-17 External capacity caseload	1,406,572	0	1,406,572	0	0	0.0
RECOMMENDED FY 2016-17 APPROPRIATION	\$844,110,175	\$751,095,253	\$42,473,383	\$49,183,898	\$1,357,641	6,242.7
RECOMMENDED INCREASE/(DECREASE)	\$1,406,572	\$0	\$1,406,572	\$0	\$0	0.0
Percentage Change	0.2%	0.0%	3.4%	0.0%	0.0%	0.0%

DESCRIPTION OF RECOMMENDED CHANGES

FY 2016-17 EXTERNAL CAPACITY CASELOAD: The bill includes \$1,406,572 cash funds from the State Criminal Alien Assistance Program Cash Fund for FY 2016-17 external capacity (private prison beds) due to increased private prison caseload.

FY 2017-18 APPROPRIATION AND SUPPLEMENTAL RECOMMENDATION

DEPARTMENT OF CORRECTIONS: RECOMMENDED CHANGES FOR FY 2017-18

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION						
SB 17-254 (Long Bill)	\$862,934,388	\$767,386,310	\$39,760,660	\$51,620,128	\$4,167,290	6,246.2
Other legislation	1,805,862	1,805,862	0	0	0	0.8
CURRENT FY 2017-18 APPROPRIATION	\$864,740,250	\$769,192,172	\$39,760,660	\$51,620,128	\$4,167,290	6,247.0
RECOMMENDED CHANGES						
Current FY 2017-18 Appropriation	\$864,740,250	\$769,192,172	\$39,760,660	\$51,620,128	\$4,167,290	6,247.0
External capacity midyear caseload adjustment	5,465,336	6,043,056	(577,720)	0	0	0.0
Medical caseload adjustment	2,156,130	2,156,130	0	0	0	0.0
LaVista Facility food costs	172,514	172,514	0	0	0	0.0
Correctional officer equipment	156,317	156,317	0	0	0	0.0
Technical letternote correction	0	0	0	0	0	0.0
RECOMMENDED FY 2017-18 APPROPRIATION	\$872,690,547	\$777,720,189	\$39,182,940	\$51,620,128	\$4,167,290	6,247.0
RECOMMENDED INCREASE/(DECREASE)	\$7,950,297	\$8,528,017	(\$577,720)	\$0	\$0	0.0
Percentage Change	0.9%	1.1%	(1.5%)	0.0%	0.0%	0.0%

DESCRIPTION OF RECOMMENDED CHANGES

EXTERNAL CAPACITY MIDYEAR CASELOAD ADJUSTMENT: The bill includes \$5,465,336 total funds, of which \$6,043,056 is an increase of General Fund and \$577,720 is a reduction of cash funds from the State Criminal Alien Assistance Program Cash Fund, to increase the number of private prison beds the Department can use to house offenders.

MEDICAL CASELOAD ADJUSTMENT: The bill includes an increase of \$2,156,130 General Fund for medical costs based on the following: (1) updated offender population projections, (2) revised projected per offender per month costs for medical services, and (3) a revised per offender per month cost of pharmaceuticals.

LAVISTA FACILITY FOOD COSTS: The bill includes an increase of \$172,514 General Fund to pay for additional food service costs at the LaVista Correctional Facility. The Department added 112 beds to the LaVista Correctional Facility to accommodate the growth in the female offender population. The LaVista Correctional Facility is located on the Colorado Mental Health Institute – Pueblo (CMHIP) campus. The LaVista Correctional Facility does not have a food preparation area and must purchase food services from the Department of Human Services (which operates CMHIP).

CORRECTIONAL OFFICER EQUIPMENT: The bill includes \$156,317 General Fund for correctional officer safety equipment including radios and ballistic vests.

TECHNICAL LETTERNOTE CORRECTION: The bill includes a technical, net zero correction to the letternote for the Education Subprogram cash funds appropriation.

DEPARTMENT OF EDUCATION – H.B. 18-1159

The Department of Education supports the State Board of Education in its duty to exercise general supervision over public schools, including accrediting public schools and school districts. The Department distributes state and federal funds to school districts and administers a variety of education-related programs, including educator licensure, education programs for children with special needs, English language proficiency programs, the Colorado Preschool Program, and multiple grant programs. The Department develops and maintains state model content standards and administers associated assessments. The Department also 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 institute charter schools; 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 of state financial assistance for school construction projects.

FY 2017-18 APPROPRIATION AND SUPPLEMENTAL RECOMMENDATION

DEPARTMENT OF EDUCATION: RECOMMENDED CHANGES FOR FY 2017-18						
	TOTAL FUNDS	GENERAL FUND ¹	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION						
SB 17-254 (Long Bill)	\$5,595,962,364	\$4,102,153,140	\$811,003,279	\$34,572,434	\$648,233,511	598.5
Other legislation	(77,372)	18,414	(95,786)	0	0	0.7
CURRENT FY 2017-18 APPROPRIATION	\$5,595,884,992	\$4,102,171,554	\$810,907,493	\$34,572,434	\$648,233,511	599.2
RECOMMENDED CHANGES						
Current FY 2017-18 Appropriation	\$5,595,884,992	\$4,102,171,554	\$810,907,493	\$34,572,434	\$648,233,511	599.2
Reading services for the blind	350,000	0	0	350,000	0	0.0
HCPF interagency agreement	7,990	0	0	7,990	0	0.0
RECOMMENDED FY 2017-18 APPROPRIATION	\$5,596,242,982	\$4,102,171,554	\$810,907,493	\$34,930,424	\$648,233,511	599.2
RECOMMENDED INCREASE/(DECREASE)	\$357,990	\$0	\$0	\$357,990	\$0	0.0
Percentage Change	0.0%	0.0%	0.0%	1.0%	0.0%	0.0%

¹Includes General Fund Exempt.

DESCRIPTION OF RECOMMENDED CHANGES

READING SERVICES FOR THE BLIND: The bill includes an increase of \$350,000 reappropriated funds from the Reading Services for the Blind Cash Fund to support the Reading Services for the Blind line item to allow for the expansion of services to the blind and visually impaired.

HCPF INTERAGENCY AGREEMENT: The bill includes an increase of \$7,990 reappropriated funds (originally from Medicaid funds in the Department of Health Care Policy and Financing) to align appropriations with the final FY 2017-18 interagency agreement between the Departments of Education and Health Care Policy and Financing for the S.B. 97-101 Public School Health Services program.

OFFICE OF THE GOVERNOR – H.B. 18-1160

The Office of the Governor includes the functions associated with the governorship (oversight of executive branch agencies, policy development, communications, and citizen support services), as well as the Office of the Lieutenant Governor, Office of State Planning and Budgeting, Office of Economic Development and International Trade, Office of Information Technology, and Colorado Energy Office.

FY 2017-18 APPROPRIATION AND SUPPLEMENTAL RECOMMENDATION

GOVERNOR - LIEUTENANT GOVERNOR - STATE PLANNING AND BUDGETING: RECOMMENDED CHANGES FOR FY 2017-18

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION						
SB 17-254 (Long Bill)	\$327,294,670	\$30,301,603	\$44,200,500	\$246,336,847	\$6,455,720	1,087.9
Other legislation	8,364,108	5,023,062	3,200,000	141,046	0	3.3
CURRENT FY 2017-18 APPROPRIATION	\$335,658,778	\$35,324,665	\$47,400,500	\$246,477,893	\$6,455,720	1,091.2
RECOMMENDED CHANGES						
Current FY 2017-18 Appropriation	\$335,658,778	\$35,324,665	\$47,400,500	\$246,477,893	\$6,455,720	1,091.2
CBMS/PEAK annual funding adjustment	3,865,373	0	0	3,865,373	0	0.0
Health Care Policy and Financing information technology security enhancements	278,356	0	0	278,356	0	0.0
Human Resources Information System adjustments	(5,379,651)	0	0	(5,379,651)	0	0.0
RECOMMENDED FY 2017-18 APPROPRIATION	\$334,422,856	\$35,324,665	\$47,400,500	\$245,241,971	\$6,455,720	1,091.2
RECOMMENDED INCREASE/(DECREASE)	(\$1,235,922)	\$0	\$0	(\$1,235,922)	\$0	0.0
Percentage Change	(0.4%)	0.0%	0.0%	(0.5%)	0.0%	0.0%

DESCRIPTION OF RECOMMENDED CHANGES

CBMS/PEAK ANNUAL FUNDING ADJUSTMENT: The bill includes an increase of \$3,865,373 reappropriated funds transferred from the Department of Health Care Policy and Financing and the Department of Human Services to the Governor’s Office of Information Technology to cover the costs associated with an increase in the number of mailings sent out to citizens applying for and/or enrolled in public assistance programs from the Colorado Benefits Management System (CBMS) and the Program Eligibility and Application Kit (PEAK). Additionally, the increase includes funds for a variety of CBMS and PEAK infrastructure costs (e.g. software licensing) and information technology security enhancements.

HEALTH CARE POLICY AND FINANCING INFORMATION TECHNOLOGY SECURITY ENHANCEMENTS: The bill includes an increase of \$278,356 reappropriated funds transferred from the Department of Health Care Policy and Financing to the Governor’s Office of Information Technology to address information technology security issues within the Department.

HUMAN RESOURCES INFORMATION SYSTEM ADJUSTMENTS: The bill includes a decrease of \$5,379,651 reappropriated funds transferred to the Governor’s Office of Information from state agencies through information technology common policy for the operations and maintenance costs associated with the Human Resources

Information System, known as HRWorks. The decrease in funding is driven by a delay in the implementation of the HRWorks caused by a change in the technical approach to implementing the time and leave tracking component of the system. This change delays the operational date of HRWorks until October 2018 and postpones the need for funding to cover the system's operations and maintenance costs until a future fiscal year.

HEALTH CARE POLICY AND FINANCING – H.B. 18-1161

The Department of Health Care Policy and Financing 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.

FY 2016-17 APPROPRIATION AND SUPPLEMENTAL RECOMMENDATION

DEPARTMENT OF HEALTH CARE POLICY AND FINANCING: RECOMMENDED CHANGES FOR FY 2016-17						
	TOTAL FUNDS	GENERAL FUND ¹	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 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
CURRENT 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
RECOMMENDED CHANGES						
Current 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
Release overexpenditure restriction	19,746,159	761,291	8,038,388	401,424	10,545,056	0.0
RECOMMENDED FY 2016-17 APPROPRIATION	\$9,097,377,873	\$2,630,255,841	\$1,030,963,941	\$15,828,008	\$5,420,330,083	435.8
RECOMMENDED INCREASE/(DECREASE)	\$19,746,159	\$761,291	\$8,038,388	\$401,424	\$10,545,056	0.0
Percentage Change	0.2%	0.0%	0.8%	2.6%	0.2%	0.0%

¹ Includes General Fund Exempt. Includes amounts that are exempt from the statutory limit on state General Fund appropriations pursuant to Section 24-75-201.1 (1)(a)(III)(A), C.R.S.

DESCRIPTION OF RECOMMENDED CHANGES

RELEASE OVEREXPENDITURE RESTRICTION: The bill includes \$19.7 million total funds, including \$761,291 General Fund, to release restrictions on the FY 2017-18 appropriations imposed by the State Controller due to overexpenditures in prior years. Because of the entitlement nature of the Medicaid program, statute (Section 24-75-109, C.R.S.) allows the Department to overexpend Medicaid line items, except administrative line items, as long as the overexpenditures are consistent with the statutory purposes of the Medicaid program. However, the State Controller restricts the current fiscal year’s appropriation until the General Assembly approves a supplemental for the prior year overexpenditures. Overall the Department reverted significant funding in FY 2016-17, but by fund source and by line item there were some overexpenditures. The FY 2016-17 overexpenditures were primarily of federal funds and cash funds. The largest federal funds overexpenditure was for behavioral health capitation payments and due to a delay in receiving an anticipated recoupment of federal funds. The largest cash funds overexpenditure was from provider fees paid by hospitals due to a forecast error where the Department did not accurately predict the eligible expenditures. The only General Fund overexpenditures were for the Regional Centers that provide services to people with intellectual and developmental disabilities, and these were due to a timing issue between fiscal years and the Department of Human Services (which manages the Regional Centers) working on an accrual accounting basis while the Department of Health Care Policy and Financing works on a cash accounting basis. Mechanically, the release of the restrictions on the FY 2017-18 appropriations is accomplished by amending the FY 2016-17 appropriations.

FY 2017-18 APPROPRIATION AND SUPPLEMENTAL RECOMMENDATION

DEPARTMENT OF HEALTH CARE POLICY AND FINANCING: RECOMMENDED CHANGES FOR FY 2017-18

	TOTAL FUNDS	GENERAL FUND ¹	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION						
SB 17-254 (Long Bill)	\$9,954,228,476	\$2,821,961,889	\$1,217,535,979	\$77,268,980	\$5,837,461,628	456.8
Other legislation	974,204	838,694	111,007	0	24,503	1.7
CURRENT FY 2017-18 APPROPRIATION	\$9,955,202,680	\$2,822,800,583	\$1,217,646,986	\$77,268,980	\$5,837,486,131	458.5
RECOMMENDED CHANGES						
Current FY 2017-18 Appropriation	\$9,955,202,680	\$2,822,800,583	\$1,217,646,986	\$77,268,980	\$5,837,486,131	458.5
Medical Services Premiums	353,389,551	53,900,141	(8,927,993)	(246,086)	308,663,489	0.0
Office of Community Living	20,627,930	5,137,659	5,176,010	0	10,314,261	0.0
Public school health services	12,795,136	0	6,330,313	10,878	6,453,945	0.0
Children's Basic Health Plan	9,617,758	0	9,617,758	0	0	0.0
Human Services programs	8,541,356	4,270,679	0	0	4,270,677	0.0
County administration	6,769,910	0	4,087,350	0	2,682,560	0.0
CO Benefits Management System	5,063,204	748,757	504,760	32,898	3,776,789	0.0
Electronic visit verification	376,750	37,675	0	0	339,075	0.8
OIT Security	278,356	86,847	52,331	0	139,178	0.0
Emergency transport CPE	180,000	90,000	0	0	90,000	0.0
Administrative contracts	177,606	88,803	0	0	88,803	0.0
Family medicine residency transfer	0	0	0	0	0	0.0
Fund source correction	0	0	0	0	0	0.0
Behavioral health	(66,932,236)	789,428	(693,784)	0	(67,027,880)	0.0
Medicare Modernization Act	(2,314,420)	(2,314,420)	0	0	0	0.0
Single assessment tool	(830,699)	(526,944)	0	0	(303,755)	0.0
RECOMMENDED FY 2017-18 APPROPRIATION	\$10,302,942,882	\$2,885,109,208	\$1,233,793,731	\$77,066,670	\$6,106,973,273	459.3
RECOMMENDED INCREASE/(DECREASE)	\$347,740,202	\$62,308,625	\$16,146,745	(\$202,310)	\$269,487,142	0.8
Percentage Change	3.5%	2.2%	1.3%	(0.3%)	4.6%	0.2%

¹ Includes General Fund Exempt. Includes amounts that are exempt from the statutory limit on state General Fund appropriations pursuant to Section 24-75-201.1 (1)(a)(III)(A), C.R.S.

DESCRIPTION OF RECOMMENDED CHANGES

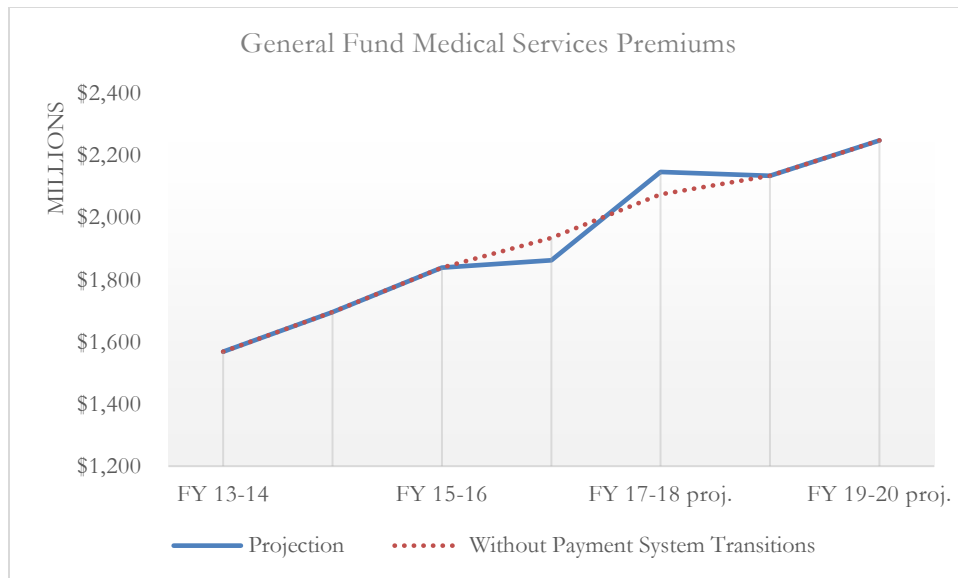
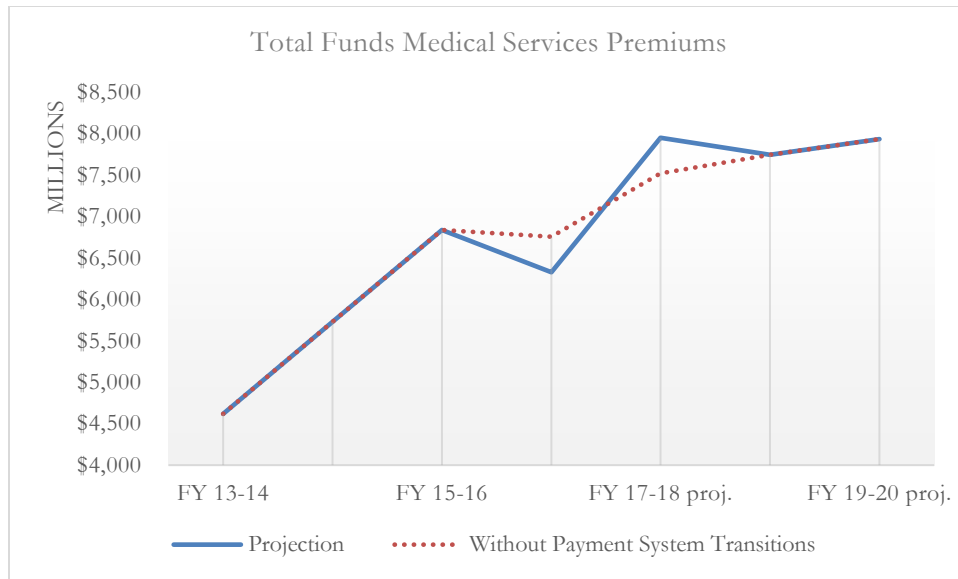
MEDICAL SERVICES PREMIUMS: The bill includes \$353.4 million total funds, including \$53.9 million General Fund, based on a new projection of enrollment and expenditures under current law. The Medical Services Premiums line item pays for physical health care and most long-term services and supports for clients eligible for the Medicaid program. The forecast used for the original FY 2017-18 appropriation incorporated trend data through December 2016 while the latest forecast used for this supplemental incorporates data through June 2017. The Department will submit a new forecast in February that uses data through December 2017.

NEW BILLING SYSTEMS

Most of the projected change is due to payments shifting from FY 2016-17 to FY 2017-18 as a result of transitions to new billing systems. In March 2017 (i.e. the last quarter of FY 2016-17) the Department replaced the Medicaid Management Information System (MMIS) that processes bills from providers with a new MMIS called interChange. Initially, a number of claims submitted to the new interChange were suspended or denied for a variety of reasons. The Department estimates that the high rate of suspended and denied claims lowered expenditures in FY 2016-17 by \$378.5 million total funds, including \$59.3 million General Fund. The Department anticipates a resolution of the suspended and denied claims from FY 2016-17 in FY 2017-18.

In addition, the Department discovered that a new vendor for the pharmacy benefits management system erroneously billed drug companies for rebates already billed by the previous vendor. At the same time the Department replaced the MMIS, the Department also replaced a supporting system that helps manage the pharmacy benefit, including prior authorization reviews, preferred drug lists, and drug rebates. The double billing for rebates was due to miscommunication during the transition between vendors for the Pharmacy Benefits Management System, rather than a system error. The Department accounts for drug rebates as an offset to expenditures, and so the excess drug rebates lowered net expenditures in FY 2016-17 and the refund of those rebates will increase net expenditures in FY 2017-18 by \$56.0 million total funds, including \$15.9 million General Fund.

The charts below show the projected total funds and General Fund expenditures with and without the payment system transitions.



FY 2017-18 CHANGES IN ENROLLMENT AND EXPENDITURE ASSUMPTIONS

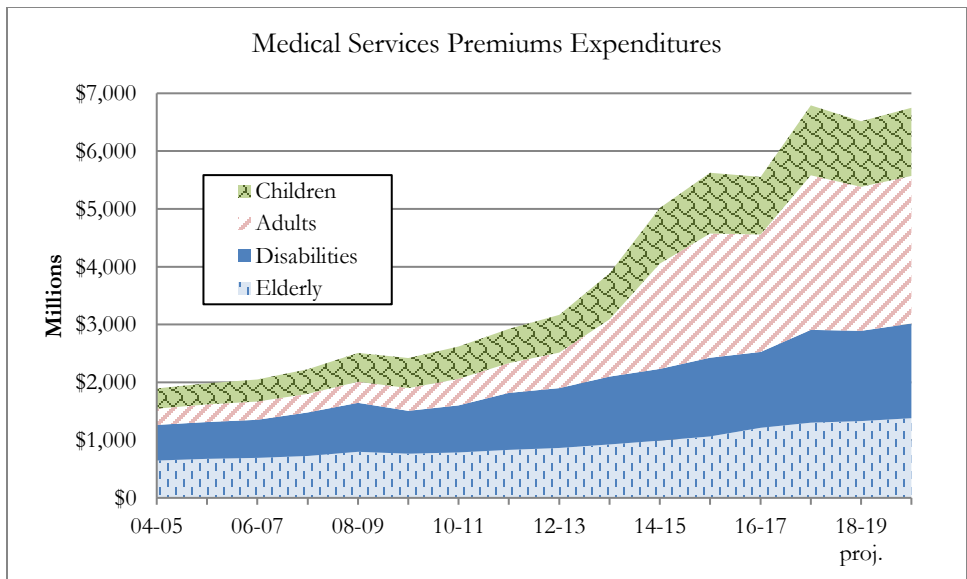
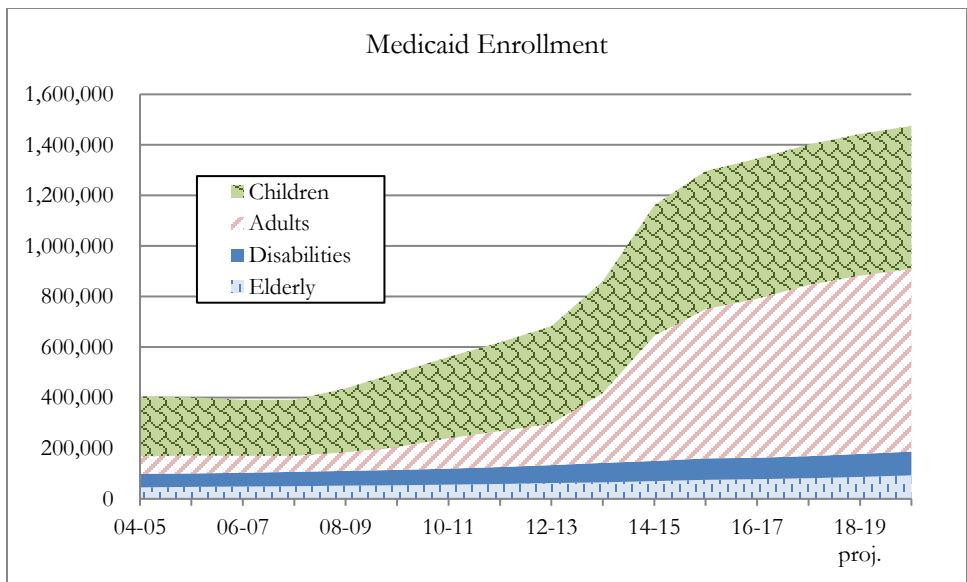
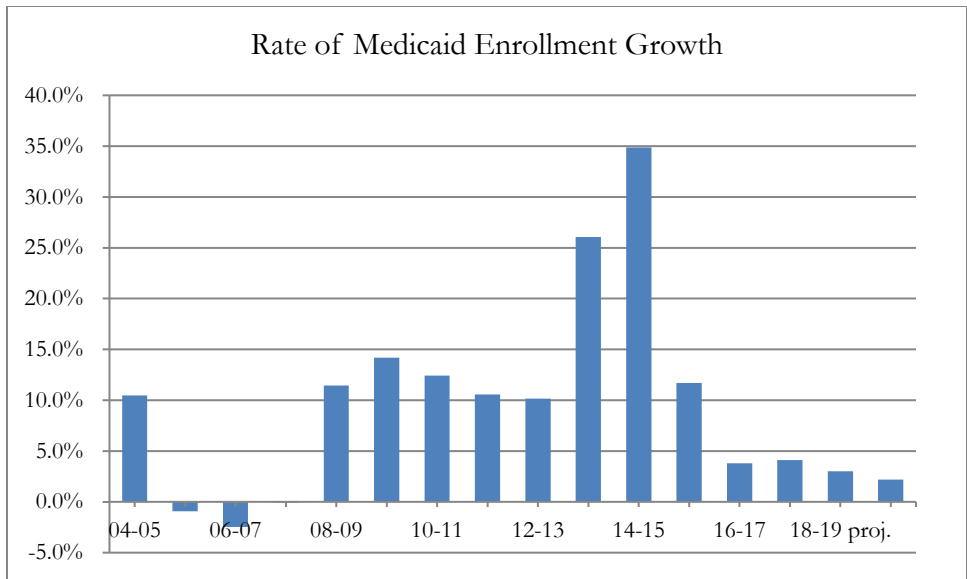
The table below shows key differences between the November 2017 forecast for FY 2017-18 and the FY 2017-18 appropriation. Note that the table does not show differences from FY 2016-17 expenditures. For example, the table shows the forecast for long-term home health decreased by \$5.0 million total funds from the assumptions used for the appropriation, but expenditures for long-term home health are still expected to increase significantly, by \$33.1 million total funds or 12.1 percent, from the FY 2016-17 actual.

FY 2017-18 MEDICAL SERVICES PREMIUMS ENROLLMENT/UTILIZATION TRENDS				
	TOTAL FUNDS	GENERAL FUND	OTHER STATE	FEDERAL FUNDS
FY 2017-18 Appropriation	\$7,597,898,847	\$2,092,528,266	\$956,717,577	\$4,548,653,004
Acute Care				
Traditional populations	(28,515,053)	(9,117,366)	(4,252,918)	(15,144,769)
ACA expansion	(1,671,417)	0	831,987	(2,503,404)
MCHIP populations	4,846,593	581,591	0	4,265,002
ACA drug rebate	<u>(13,278,529)</u>	<u>0</u>	<u>0</u>	<u>(13,278,529)</u>
<i>Subtotal - Acute Care</i>	<i>(38,618,406)</i>	<i>(8,535,775)</i>	<i>(3,420,931)</i>	<i>(26,661,700)</i>
Long-term Services and Supports				
HCBS waivers	903,620	451,810	0	451,810
Long-Term Home Health	(5,023,200)	(2,511,600)	0	(2,511,600)
Private Duty Nursing	(4,010,972)	(2,005,486)	0	(2,005,486)
Nursing Homes	2,008,855	1,004,427	0	1,004,428
PACE	3,853,913	1,926,957	0	1,926,956
Hospice	<u>(987,182)</u>	<u>(493,591)</u>	<u>0</u>	<u>(493,591)</u>
<i>Subtotal - LTSS</i>	<i>(3,254,966)</i>	<i>(1,627,483)</i>	<i>0</i>	<i>(1,627,483)</i>
Medicare Insurance Premiums	(2,212,333)	(1,194,659)	0	(1,017,674)
Provider Fees				
Hospitals	(18,696,211)	0	(9,410,226)	(9,285,985)
Nursing Homes	<u>851,146</u>	<u>0</u>	<u>425,573</u>	<u>425,573</u>
<i>Subtotal - Provider Fees</i>	<i>(17,845,065)</i>	<i>0</i>	<i>(8,984,653)</i>	<i>(8,860,412)</i>
Recoveries	0	(6,728,949)	(1,824,279)	8,553,228
Other	(12,186,814)	321,573	(6,322,356)	(6,186,031)
CHANGE without Billing System Transitions	(\$74,117,584)	(\$17,765,293)	(\$20,552,219)	(\$35,800,072)
Percentage Change	(1.0%)	(0.8%)	(2.1%)	(0.8%)
Billing System Transitions				
interChange	371,535,843	55,750,283	10,056,408	305,729,152
Pharmacy rebates	<u>55,971,293</u>	<u>15,915,151</u>	<u>1,321,732</u>	<u>38,734,410</u>
<i>Subtotal - Billing system transitions</i>	<i>427,507,136</i>	<i>71,665,434</i>	<i>11,378,140</i>	<i>344,463,562</i>
CHANGE with Billing System Transitions	\$353,389,552	\$53,900,141	(\$9,174,079)	\$308,663,490
Percentage Change	4.7%	2.6%	(1.0%)	6.8%
FY 2017-18 Projection	\$7,951,288,399	\$2,146,428,407	\$947,543,498	\$4,857,316,494

If not for the billing system transitions, the forecasted expenditures for FY 2017-18 would have decreased by \$74.1 million total funds, including \$17.8 million General Fund. This is primarily due to lower than expected enrollment, particularly among traditional Medicaid populations, driving a decrease in projected acute care expenditures. The projection also decreased growth assumptions for long-term home health and private duty nursing. Finally, consistent with the lower enrollment assumptions, the projection assumes recoveries (from estates, erroneous or fraudulent billings, etc.) will decrease, but revised the mix of recoveries attributable to the General Fund and federal funds to reflect historic fund splits.

LONG RANGE ENROLLMENT AND EXPENDITURE TRENDS

The projected rate of enrollment growth is down significantly from recent years when eligibility expansions and economic conditions contributed to double digit percentage increases. The projected rate of growth in Medicaid expenditures largely follows the lower enrollment growth trend, except for the adjustment for the transitions to new billing systems.



OFFICE OF COMMUNITY LIVING: The bill includes \$20.6 million total funds, including \$5.1 million General Fund, for caseload adjustments to maintain zero waitlists for the Home and Community Based Services Supported Living Services and Children’s Extensive Services waivers for individuals with intellectual and developmental disabilities.

PUBLIC SCHOOL HEALTH SERVICES: The bill includes \$12.8 million total funds for projected changes in certified public expenditures by local school districts and boards of cooperative education services and the estimated federal matching funds.

CHILDREN'S BASIC HEALTH PLAN: The introduced bill includes \$9.6 million cash funds for an interim supplemental approved by the Joint Budget Committee to allow the Department to continue operating the Children's Basic Health Plan through at least the end of February with cash fund reserves in the Children's Basic Health Plan Trust Fund. Pursuant to Section 24-75-111 (5), C.R.S., the JBC must introduce a supplemental appropriation for any overexpenditure approved during the interim. Once the supplemental is introduced, it can be amended for any reason, such as subsequent federal action to reauthorize federal funding making the supplemental unnecessary.

HUMAN SERVICES PROGRAMS: The bill includes \$8.5 million total funds, including \$4.3 million General Fund, for the following programs that are administered by the Department of Human Services. See the narrative for the Department of Human Services for more information.

DEPARTMENT OF HUMAN SERVICES MEDICAID FUNDED PROGRAMS			
PROGRAM AREA	TOTAL FUNDS	GENERAL FUND	FEDERAL FUNDS
Office of Early Childhood	\$518,044	\$259,022	\$259,022
Behavioral Health Services	877,820	438,910	438,910
Services for People with Disabilities	6,940,760	3,470,380	3,470,380
Division of Youth Corrections	204,732	102,367	102,365
TOTAL	\$8,541,356	\$4,270,679	\$4,270,677

COUNTY ADMINISTRATION: The bill combines two line items that pay for eligibility determination services that counties perform in support of Medicaid and increases funding by \$6.8 million total funds based on projected local county expenditures and estimated matching federal funds.

CO BENEFITS MANAGEMENT SYSTEM: The bill includes \$5.1 million total funds, including \$748,757 General Fund, to reflect usage of the Colorado Benefits Management System (CBMS) and the Program Eligibility and Application Kit (PEAK). Additionally, the appropriation adjustment includes funds to cover the costs associated with an increase in the number of mailings sent out to citizens applying for and/or enrolled in public assistance programs, as well as funds for a variety of CBMS and PEAK infrastructure costs (e.g. software licensing) and information technology security enhancements.

ELECTRONIC VISIT VERIFICATION: The bill includes \$376,750 total funds, including \$37,675 General Fund, to begin implementing a federally required electronic system to track and verify the time that personal care and home health workers spend on home visits. The electronic visit verification system is expected to result in fewer billed hours for personal care and home health services and a net savings after administrative costs beginning in FY 2018-19, based on the experience of other states that have implemented similar systems.

OIT SECURITY: The bill includes an increase of \$278,356 total funds, including \$86,847 General Fund, for transfer to the Governor’s Office of Information Technology to address information technology security issues within the Department.

EMERGENCY TRANSPORT CPE: The bill includes \$180,000 total funds, including \$90,000 General Fund, to prepare for taking funds spent by local governments on emergency medical transportation (EMT) and certifying those funds as public expenditures in order to claim matching federal funds. If approved by the General Assembly and the federal Centers for Medicare and Medicaid Services (CMS), the funding will allow the Department to claim an estimated additional \$9,547,069 federal funds through Medicaid in FY 2018-19 and beyond. Ten percent (\$954,707) of the increased federal revenue would offset General Fund costs and the remaining \$8,592,362 would be distributed to the publicly financed Emergency Medical Transportation (EMT) providers with expenses eligible for a federal match.

ADMINISTRATIVE CONTRACTS: The bill includes \$177,606 total funds, including \$88,803 General Fund, for higher-than-expected costs for a federally-required electronic asset verification program for Medicaid applicants who are elderly, blind, or disabled.

FAMILY MEDICINE RESIDENCY TRANSFER: The bill includes a technical transfer of \$150,780 total funds, including \$390 General Fund, from the Commission on Family Medicine Residency Training Programs line item to the State University Teaching Hospitals-University of Colorado Hospital Authority line item to better reflect residencies affiliated with the University of Colorado Hospital Authority.

FUND SOURCE CORRECTION: The bill includes increased appropriations from the Healthcare Affordability and Sustainability Fee and decreased appropriations from the Hospital Provider Fee for actions by the General Assembly that were not accounted for in the appropriations clause to S.B. 17-267, which replaced the Hospital Provider Fee with the Healthcare Affordability and Sustainability Fee.

BEHAVIORAL HEALTH: The bill reflects a decrease of \$66.9 million total funds, including an increase of \$789,428 General Fund, for Medicaid behavioral health community programs. This adjustment reflects a slower projected rate of growth in the number of Medicaid-eligible clients, and a small reduction in the average per capita rates paid to behavioral health organizations (BHOs). However, the overall reduction is primarily due to recoupments from BHOs for payments received in FY 2015-16 and FY 2016-17. Due to the uncertainty of the cost of serving adults who became eligible for Medicaid pursuant to S.B. 13-200, the Department placed a “risk corridor” on the associated per capita rates to protect the State and BHOs from undue risk. BHO expenditures for providing services for these populations were significantly lower than anticipated when the initial rates were established. Thus, BHOs are required to return a portion of the revenues received in prior fiscal years.

MEDICARE MODERNIZATION ACT: The bill includes a decrease of \$2.3 million General Fund for a change in the projected state obligation to reimburse the federal government for a portion of pharmaceutical costs for people eligible for both Medicaid and Medicare, pursuant to the federal Medicare Modernization Act.

SINGLE ASSESSMENT TOOL: The bill includes a decrease of \$0.8 million total funds, including \$0.5 million General Fund, as part of a spending authority adjustment across four fiscal years for the creation of an intellectual and developmental disabilities single assessment tool pursuant to S.B. 16-192. The department is granted roll-forward spending authority for S.B. 16-192 appropriations.

DEPARTMENT OF HIGHER EDUCATION

The Department of Higher Education is responsible for higher education and vocational training programs in the state. The Colorado Commission on Higher Education (CCHE) serves as the central policy and coordinating board for the Department. Financial aid programs also fall under the purview of CCHE.

FY 2017-18 APPROPRIATION AND SUPPLEMENTAL RECOMMENDATION

No supplemental adjustments.

DEPARTMENT OF HUMAN SERVICES – H.B. 18-1162

The Department of Human Services is responsible for the administration and supervision of all non-medical public assistance and welfare activities including financial assistance payments, the Supplemental Nutrition Assistance Program, child welfare services, behavioral health services, and programs for the aging. The Department is responsible for inspecting and licensing child care facilities, and for operating two mental health institutes, three regional centers for persons with intellectual and developmental disabilities, and ten institutions for juveniles who are committed following adjudication for a delinquent act (or who are detained awaiting adjudication). The Department also administers funding for community-based services for detained and committed juveniles.

FY 2016-17 APPROPRIATION AND SUPPLEMENTAL RECOMMENDATION

DEPARTMENT OF HUMAN SERVICES: RECOMMENDED CHANGES FOR FY 2016-17

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION						
FY 2016-17 Appropriation	\$1,907,776,487	\$831,272,286	\$390,905,724	\$129,320,756	\$556,277,721	4,793.4
CURRENT FY 2016-17 APPROPRIATION	\$1,907,776,487	\$831,272,286	\$390,905,724	\$129,320,756	\$556,277,721	4,793.4
Recommended Changes						
Current FY 2016-17 Appropriation	\$1,907,776,487	\$831,272,286	\$390,905,724	\$129,320,756	\$556,277,721	4,793.4
Early intervention over expenditure	708,131	708,131	0	0	0	0.0
RECOMMENDED FY 2016-17 APPROPRIATION	\$1,908,484,618	\$831,980,417	\$390,905,724	\$129,320,756	\$556,277,721	4,793.4
RECOMMENDED INCREASE/(DECREASE)	\$708,131	\$708,131	\$0	\$0	\$0	0.0
Percentage Change	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%

DESCRIPTION OF RECOMMENDED CHANGES

EARLY INTERVENTION OVER EXPENDITURE: The bill includes an increase of \$708,131 General Fund in FY 2016-17 to release the restriction due to an over expenditure in the Early Intervention Services line item.

FY 2017-18 APPROPRIATION AND SUPPLEMENTAL RECOMMENDATION

DEPARTMENT OF HUMAN SERVICES: RECOMMENDED CHANGES FOR FY 2017-18

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION						
SB 17-254 (Long Bill)	\$2,023,402,359	\$865,857,539	\$408,627,920	\$174,562,607	\$574,354,293	4,936.0
Other legislation	12,201,761	1,097,481	7,104,280	0	4,000,000	1.6
CURRENT FY 2017-18 APPROPRIATION	\$2,035,604,120	\$866,955,020	\$415,732,200	\$174,562,607	\$578,354,293	4,937.6
RECOMMENDED CHANGES						
Current FY 2017-18 Appropriation	\$2,035,604,120	\$866,955,020	\$415,732,200	\$174,562,607	\$578,354,293	4,937.6
Mitigation of CCCAP waitlist	7,250,000	0	1,500,000	0	5,750,000	0.0
Restore regional center funding	6,682,728	0	0	6,682,728	0	0.0
Early intervention caseload increase	5,600,000	5,081,956	0	518,044	0	0.0

DEPARTMENT OF HUMAN SERVICES: RECOMMENDED CHANGES FOR FY 2017-18

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Mental health institute staffing	4,975,175	4,975,175	0	0	0	10.8
Youth services caseload adjustment	3,233,791	2,857,707	0	204,732	171,352	0.0
Child welfare block funding increase	3,158,363	1,516,014	631,673	0	1,010,676	0.0
Nurse compensation	2,978,791	2,978,791	0	0	0	0.0
Indirect costs technical adjustment	2,694,228	1,418,536	3,097,552	452,729	(2,274,589)	0.0
Court-ordered competency restoration services	2,686,094	2,686,094	0	0	0	4.1
Child support pass-through adjustment	1,434,514	1,434,514	0	0	0	0.0
Old Age Pension cost of living adjustment	1,272,427	0	1,272,427	0	0	0.0
Grand Junction Regional Center relocation	887,250	38,000	329,218	520,032	0	0.0
Child Mental Health Treatment Act	524,864	524,864	0	0	0	0.0
Court-ordered competency reports	380,959	380,959	0	0	0	3.3
Food services for DOC	172,514	0	0	172,514	0	0.0
Early intervention technical assistance	19,000	19,000	0	0	0	1.0
Spending authority reconciliation	15,231	0	10,846	4,385	0	0.0
Mental health institutes revenue adjustment	0	(1,587,634)	772,243	815,391	0	0.0
Circle program	(1,388,059)	0	(1,370,738)	(17,321)	0	(21.3)
CBMS/PEAK annual funding adjustment	(422,831)	(419,059)	(3,772)	0	0	0.0
Child Care Development Fund transfer	(386,000)	0	0	0	(386,000)	0.0
RECOMMENDED FY 2017-18 APPROPRIATION	\$2,077,373,159	\$888,859,937	\$421,971,649	\$183,915,841	\$582,625,732	4,935.5
RECOMMENDED INCREASE/(DECREASE)	\$41,769,039	\$21,904,917	\$6,239,449	\$9,353,234	\$4,271,439	(2.1)
Percentage Change	2.1%	2.5%	1.5%	5.4%	0.7%	0.0%

DESCRIPTION OF RECOMMENDED CHANGES

MITIGATION OF CCCAP WAITLIST: The bill includes \$7,250,000 total funds, including \$1.5 million cash funds and \$5.75 million federal funds to mitigate the waitlists in the Colorado Child Care Assistance Program (CCCAP).

RESTORE REGIONAL CENTER FUNDING: The bill includes \$6,682,728 Medicaid reappropriated funds transferred from the Department of Health Care Policy and Financing, in order to restore regional center funding to a level necessary to provide appropriate services to residents at the Grand Junction and Pueblo Regional Centers.

EARLY INTERVENTION CASELOAD INCREASE: The bill includes \$5.6 million total funds, including \$5,081,956 General Fund, for early intervention direct services and service coordination due to caseload increase.

MENTAL HEALTH INSTITUTE STAFFING: The bill includes \$4,975,175 General Fund and 10.8 FTE to cover costs associated with several actions the Department has taken in response to regulatory agency surveys of the Colorado Mental Health Institute at Pueblo (CMHIP). This funding addresses short-term needs, including: temporary staff; overtime pay; contract medical staff; the purchase of a staff scheduling system; and a contract with a staffing consultant to determine the appropriate staffing required for each CMHIP unit. This funding also addresses ongoing needs, including funding for a new psychiatric technician training program (10.8 FTE in FY 2017-18 and 14.0 FTE ongoing) and ongoing costs for the new scheduling system.

YOUTH SERVICES CASELOAD ADJUSTMENT: The bill includes \$3,233,791 total funds, including an increase of \$2,857,707 General Fund, based on an increase in the forecasted average daily commitment population for committed youth receiving services in community correctional placements.

CHILD WELFARE BLOCK FUNDING INCREASE: The bill includes \$3,158,363 total funds, including \$1,516,014 General Fund, in the Child Welfare Services line item to fund services and supports for increased caseload in county child welfare agencies.

NURSE COMPENSATION: The bill includes \$2,978,791 General Fund to increase salaries for three classifications of registered nurses (I, II, and III) at CMHIP. The funding is based on paying a starting salary at the midpoint of the corresponding State pay range, and paying higher salaries for existing staff based on the number of years an individual has been employed by the State. The objective is to reduce the number of vacant positions and ensure staffing levels are sufficient to provide safe and appropriate patient care.

INDIRECT COSTS TECHNICAL ADJUSTMENT: The bill includes \$2,694,228 total funds, including \$1,418,536 General Fund, to align indirect cost assessments with current law and adjust amounts to account for centrally appropriated expenditures.

COURT-ORDERED COMPETENCY RESTORATION SERVICES: The bill includes \$2,686,094 General Fund and 4.1 FTE to address continued increases in the number of court orders for competency restoration services. This amount includes the following components:

- \$1,944,324 and 2.0 FTE to expand the jail-based competency restoration program (called the RISE Program) by 28 beds (from 52 to 80).
- \$461,702 and 1.8 FTE for community-based competency restoration services (pursuant to S.B. 17-012).
- \$280,068 and 0.3 FTE for the Department to expand inpatient psychiatric bed capacity by 10 beds in FY 2018-19 by contracting with one or more private hospitals in the Denver area. The funding provided for FY 2017-18 makes \$250,000 available to cover any necessary start-up costs for the private hospital(s), and it allows the Department to hire a two-person transport team and an administrative assistant in June 2018.

CHILD SUPPORT PASS-THROUGH ADJUSTMENT: The bill includes \$1,434,514 General Fund to ensure that counties allow child support payments made on behalf of children receiving basic cash assistance through the Temporary Assistance for Needy Families (TANF) program to go directly to those children and families rather than being retained by the State to reimburse the federal government and counties for costs associated with providing public assistance. Statute indicates that counties are not required to implement this child support pass-through to TANF recipients if the General Assembly does not appropriate an amount equal to the cost of a full fiscal year reimbursement to counties.

OLD AGE PENSION COST OF LIVING ADJUSTMENT: The bill includes \$1,272,427 cash funds from the Old Age Pension (OAP) Fund to implement a 2.0 percent cost-of-living (COLA) increase for OAP recipients, as was previously authorized by the State Board of Human Services.

GRAND JUNCTION REGIONAL CENTER RELOCATION: The bill includes \$887,250 total funds, including \$38,000 General Fund, to implement Senate Bill 16-178 (Grand Junction Regional Center Campus) by relocating administrative and day program functions off of the Grand Junction Regional Center campus and performing pre-construction activities.

CHILD MENTAL HEALTH TREATMENT ACT: The bill includes \$524,864 General Fund to address increases in the number of children who are being referred for behavioral health care under the Child Mental Health Treatment Act.

COURT-ORDERED COMPETENCY REPORTS: The bill includes \$380,959 General Fund and 3.3 FTE to hire additional psychologists and administrative support staff to respond to a growing number of court orders for competency evaluations.

FOOD SERVICES FOR DOC: The bill includes \$172,514 reappropriated funds transferred from the Department of Corrections (DOC) to true-up the appropriation for food services provided by CMHIP for nearby DOC facilities.

EARLY INTERVENTION TECHNICAL ASSISTANCE: The bill includes \$19,000 General Fund for billing and coding technical assistance in the Office of Early Childhood.

SPENDING AUTHORITY RECONCILIATION: The bill includes \$15,231 total funds for a variety of technical changes associated with aligning spending authority with anticipated revenues across the Department.

MENTAL HEALTH INSTITUTES REVENUE ADJUSTMENT: The bill includes adjustments to appropriations for the mental health institutes to reflect updated revenue and expenditure estimates. The adjustments result in a \$0 net change, but include a \$1,587,634 decrease in direct General Fund appropriations to the Department of Human Services, offset by projected increases in cash funds patient revenues (Medicare and commercial insurance) and Medicaid revenues transferred from the Department of Health Care Policy and Financing.

CIRCLE PROGRAM: The bill includes a decrease of \$1,388,059 total funds and 21.3 FTE resulting from several adjustments related to the recent closure of the Circle Program, a state-operated residential treatment program that is currently located on the Colorado Mental Health Institute at Pueblo (CMHIP) campus. Due to staffing shortages at CMHIP, the Department temporarily closed the Circle Program in June 2017 to reassign direct care staff to other CMHIP units. The Department proposes restructuring this appropriation to allow Circle Program services to be made available through community-based providers. The bill eliminates the existing Circle Program appropriation within the CMHIP section of the Long Bill (consisting of \$1,993,511 cash funds from the Marijuana Tax Cash Fund (MTCF), \$207,856 patient revenues, and \$17,321 Medicaid funding and 21.3 FTE). The bill adds a new line item with a partial year of funding for a Community-Based Circle Program (\$830,629 cash funds from the MTCF).

CBMS/PEAK ANNUAL FUNDING ADJUSTMENT: The bill includes a decrease of \$422,831 total funds, including a decrease of \$419,059 General Fund, to reflect the Department's usage of the Colorado Benefits Management System (CBMS) and the Program Eligibility and Application Kit (PEAK). Additionally, the appropriation adjustment includes funds to cover the costs associated with an increase in the number of mailings sent out to citizens applying for and/or enrolled in public assistance programs, as well as funds for a variety of CBMS and PEAK infrastructure costs (e.g. software licensing) and information technology security enhancements.

CHILD CARE DEVELOPMENT FUND TRANSFER: The bill includes a decrease of \$386,000 federal Child Care Development Funds. An increase of the same amount is included in the capital construction budget to cover the costs of completing the Child Care Automated Tracking System (CHATS) replacement project.

JUDICIAL DEPARTMENT – H.B. 18-1163

The Judicial Department interprets and administers the law, resolves disputes, and supervises adult and juvenile offenders on probation. The Judicial Branch also includes seven independent agencies. The four largest agencies provide legal representation for indigent adult and juvenile defendants, children, and indigent parents who are in danger of losing their children in dependency and neglect proceedings. The Independent Ethics Commission provides advice and guidance on ethics-related matters concerning public officers, members of the General Assembly, local government officials, and government employees. The Office of the Child Protection Ombudsman receives, investigates, and seeks resolution of complaints concerning child protection services and makes recommendations to improve such services. The Office of Public Guardianship was established by H.B. 17-1087. When it begins operating, it will provide legal guardianship services to certain indigent and incapacitated adults. The Department's FY 2017-18 appropriation represents 2.5 percent of statewide operating appropriations and 4.8 percent of statewide General Fund appropriations.

FY 2017-18 APPROPRIATION AND SUPPLEMENTAL RECOMMENDATION

JUDICIAL DEPARTMENT: RECOMMENDED CHANGES FOR FY 2017-18						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION						
SB 17-254 (Long Bill)	\$710,314,244	\$512,932,613	\$157,894,176	\$35,062,455	\$4,425,000	4,647.5
Other legislation	69,737	69,737	0	0	0	0.8
CURRENT FY 2017-18 APPROPRIATION	\$710,383,981	\$513,002,350	\$157,894,176	\$35,062,455	\$4,425,000	4,648.3
RECOMMENDED CHANGES						
Current FY 2017-18 Appropriation	\$710,383,981	\$513,002,350	\$157,894,176	\$35,062,455	\$4,425,000	4,648.3
Caseload increase for the Office of the Alternate Defense Council	3,655,200	3,655,200	0	0	0	0.0
Information technology disaster recovery	2,572,647	0	2,572,647	0	0	0.0
Technical adjustments	719,380	6,590	0	712,790	0	0.0
Compensation for exonerated persons	658,844	658,844	0	0	0	0.0
Office of Public Guardianship	350,940	0	350,940	0	0	2.0
E-filing printing and postage	308,834	0	308,834	0	0	0.0
Merchant and courier fee increase	252,560	252,560	0	0	0	0.0
Courthouse security grants	250,000	0	250,000	0	0	0.0
Audio visual equipment for Montezuma County courthouse	218,000	0	218,000	0	0	0.0
Archuleta County Court relocation	50,700	50,700	0	0	0	0.0
Public Defender vehicle lease	23,772	23,772	0	0	0	0.0
Missing (I) notation	0	0	0	0	0	0.0
RECOMMENDED FY 2017-18 APPROPRIATION	\$719,444,858	\$517,650,016	\$161,594,597	\$35,775,245	\$4,425,000	4,650.3
RECOMMENDED INCREASE/(DECREASE)	\$9,060,877	\$4,647,666	\$3,700,421	\$712,790	\$0	2.0
Percentage Change	1.3%	0.9%	2.3%	2.0%	0.0%	0.0%

DESCRIPTION OF RECOMMENDED CHANGES

CASELOAD INCREASE FOR THE OFFICE OF THE ALTERNATE DEFENSE COUNCIL: The bill includes \$3,655,200 General Fund to cover the cost of the increasing number of cases requiring an Office of the Alternate Defense Council contract attorney to provide legal representation for indigent criminal and juvenile defendants.

INFORMATION TECHNOLOGY DISASTER RECOVERY: The bill includes \$2,572,647 cash funds from the Judicial Department Information Technology Cash Fund to complete development of a previously approved disaster recovery system. The Department was unable to complete the work in FY 2016-17 and \$3.7 million of FY 2016-17 cash fund appropriations for the project expired unused. This appropriation will allow the Department to finish the project in FY 2017-18. The project is expected to be completed at a lower cost than originally projected.

TECHNICAL ADJUSTMENTS: The bill includes an additional \$719,380 total funds (\$6,590 General Fund and \$712,790 reappropriated funds) for child support enforcement. The reappropriated funds are federal Title IV-D money transferred from the Department of Human Services.

COMPENSATION FOR EXONERATED PERSONS: The bill includes \$658,844 General Fund for a one-time payment to the only person receiving compensation for exonerated persons. This individual requested that the state pay the entire remaining amount to which he was entitled in a single lump sum as permitted by statute.

OFFICE OF PUBLIC GUARDIANSHIP: The bill includes \$350,940 cash funds for the Office of Public Guardianship (OPG) to allow the Public Guardianship Commission to spend gifts, grants, and donations. The appropriation includes 2.0 FTE, which will allow the Office to begin operations if fund-raising progresses quickly.

E-FILING PRINTING AND POSTAGE: The bill includes an additional \$308,834 cash funds from the Judicial Department Information Technology Cash Fund to pay for increased printing and postage costs associated with the expansion of the courts' e-filing system. The costs are paid by users.

MERCHANT AND COURIER FEE INCREASE: The bill adds \$252,560 General Fund to pay for (1) increased merchant credit card fees resulting from the growing use of credit cards to pay fines and fees and (2) increased costs for the armored cars that transport fine and fee revenue to banks.

COURTHOUSE SECURITY GRANTS: The bill adds \$250,000 cash funds from the Court Security Cash Fund for additional courthouse security grants to counties.

AUDIO VISUAL EQUIPMENT FOR MONTEZUMA COUNTY COURTHOUSE: The bill adds \$218,000 cash funds from the Judicial Department Information Technology Cash Fund for audio visual equipment for Montezuma County's new courthouse.

ARCHULETA COUNTY COURT RELOCATION: The bill adds \$50,700 General Fund to move some Archuleta district and county court activities to a new location in Pagosa Springs, site of the Archuleta County Courthouse. Several months ago, the Chief Judge of the Sixth Judicial District concluded that the Archuleta County Courthouse could not be safely occupied and moved all court activities from Pagosa Springs to Durango, which is 60 miles away. The Archuleta County Commissioners disagree and have declined to provide an alternative site for the court. This appropriation will allow limited court activities to return to Pagosa Springs, with the more significant court activities remaining in Durango.

PUBLIC DEFENDER VEHICLE LEASE: The bill adds \$23,772 General Fund for vehicle lease expenses of the Office of the Public Defender to true-up the Office's share of the cost of the statewide fleet program.

MISSING (I) NOTATION: The bill adds an (I) notation to the Grants appropriation for the Office of the Respondent Parents' Counsel. This line item contains a reappropriation of federal funds transferred from the Department of Human Services; the (I) was inadvertently omitted from the Long Bill and indicates that this is an informational appropriation.

DEPARTMENT OF LABOR AND EMPLOYMENT

The Department of Labor and Employment is responsible for providing services to employers and job seekers, and enforcing laws concerning labor standards, unemployment insurance, workers' compensation, public safety, and consumer protection.

FY 2017-18 APPROPRIATION AND SUPPLEMENTAL RECOMMENDATION

No supplemental adjustments.

DEPARTMENT OF LAW

The Attorney General is one of five independently elected constitutional officers of the State. 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 the legal counsel and advisor to state agencies.

FY 2017-18 APPROPRIATION AND SUPPLEMENTAL RECOMMENDATION

No supplemental adjustments.

LEGISLATIVE DEPARTMENT

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 are year round, nonpartisan professionals. A majority of the House and Senate staff serve only when the General Assembly is in session.

FY 2017-18 APPROPRIATION AND SUPPLEMENTAL RECOMMENDATION

No supplemental adjustments.

DEPARTMENT OF LOCAL AFFAIRS

The Department of Local Affairs is responsible for building community and local government capacity by providing training, technical, and financial assistance to localities. Divisions include the Executive Director's Office, Property Taxation, the Division of Housing, and the Division of Local Government.

FY 2017-18 APPROPRIATION AND SUPPLEMENTAL RECOMMENDATION

No supplemental adjustments.

MILITARY AND VETERANS AFFAIRS

The Department provides trained and ready military forces for the U.S. active armed services, and for preserving life and property during natural disasters and civil emergencies in Colorado; supports federal and state homeland security missions; maintains equipment and facilities for 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.

FY 2017-18 APPROPRIATION AND SUPPLEMENTAL RECOMMENDATION

No supplemental adjustments.

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 the State's present and future residents and visitors. The Department is comprised of the following divisions and programs: the Executive Director's Office; 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.

FY 2017-18 APPROPRIATION AND SUPPLEMENTAL RECOMMENDATION

No supplemental adjustments.

DEPARTMENT OF PERSONNEL – H.B. 18-1164

The Department of Personnel is responsible for administering the state personnel system, which includes approximately 32,000 full-time-equivalent (FTE) staff, excluding the Department of Higher Education. In addition, the Department provides general support services for state agencies which include: oversight of procurement and financial activities and Colorado Operations Resource Engine (CORE) operations; state archives; maintenance of Capitol Complex buildings, provision of central business services, and management of the State's motor vehicle fleet; administrative law judge services; coordination of capital construction and controlled maintenance projects and centralized lease management; administration of the State's personnel selection, classification, compensation, and employee benefit programs; and oversight of the State's liability, property, and workers' compensation insurance programs.

FY 2017-18 APPROPRIATION AND SUPPLEMENTAL RECOMMENDATION

DEPARTMENT OF PERSONNEL: RECOMMENDED CHANGES FOR FY 2017-18

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION						
SB 17-254 (Long Bill)	\$195,012,900	\$12,491,310	\$13,927,636	\$168,593,954	\$0	422.3
Other legislation	204,335	8,100	0	196,235	0	(0.2)
CURRENT FY 2017-18 APPROPRIATION	\$195,217,235	\$12,499,410	\$13,927,636	\$168,790,189	\$0	422.1
RECOMMENDED CHANGES						
Current FY 2017-18 Appropriation	\$195,217,235	\$12,499,410	\$13,927,636	\$168,790,189	\$0	422.1
Recovery Audit Program disbursements	999,000	0	999,000	0	0	0.0
RECOMMENDED FY 2017-18 APPROPRIATION	\$196,216,235	\$12,499,410	\$14,926,636	\$168,790,189	\$0	422.1
RECOMMENDED INCREASE/(DECREASE)	\$999,000	\$0	\$999,000	\$0	\$0	0.0
Percentage Change	0.5%	0.0%	7.2%	0.0%	n/a	0.0%

DESCRIPTION OF RECOMMENDED CHANGES

RECOVERY AUDIT PROGRAM DISBURSEMENTS: The bill includes an increase of \$999,000 cash fund spending authority (for a total of \$1.0 million) from the Recovery Audit Cash Fund to facilitate a recovery audit covering FY 2014-15 through FY 2016-17. The bill also includes a provision authorizing the appropriation to be spent over a two-year period, FY 2017-18 and FY 2018-19. The vendor who performs the recovery audit retains a portion of any recoveries made, as required by statute, and thus the activity is self-funded. The previous appropriation of \$1,000 served as a placeholder for the Recovery Audit Program, which does not operate each year.

PUBLIC HEALTH AND ENVIRONMENT

The Department of Public Health and Environment is responsible for protecting and improving the health of the people of Colorado and ensuring the quality of Colorado's environment.

FY 2017-18 APPROPRIATION AND SUPPLEMENTAL RECOMMENDATION

No supplemental adjustments.

DEPARTMENT OF PUBLIC SAFETY – H.B. 18-1165

The Department of Public Safety is responsible for maintaining, promoting, and enhancing public safety through law enforcement, criminal investigations, fire and crime prevention, emergency management, recidivism reduction, and victim advocacy.

FY 2017-18 APPROPRIATION AND SUPPLEMENTAL RECOMMENDATION

DEPARTMENT OF PUBLIC SAFETY: RECOMMENDED CHANGES FOR FY 2017-18						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION						
SB 17-254 (Long Bill)	\$420,382,651	\$123,435,771	\$199,253,031	\$40,957,422	\$56,736,427	1,800.5
Other legislation	1,011,622	12,294	998,169	1,159	0	1.5
CURRENT FY 2017-18 APPROPRIATION	\$421,394,273	\$123,448,065	\$200,251,200	\$40,958,581	\$56,736,427	1,802.0
RECOMMENDED CHANGES						
Current FY 2017-18 Appropriation	\$421,394,273	\$123,448,065	\$200,251,200	\$40,958,581	\$56,736,427	1,802.0
Criminal history record backlog and updates	0	0	0	0	0	0.0
Letternote adjustment	0	0	0	0	0	0.0
Annual fleet supplemental	(32,119)	120,771	(69,892)	(113,458)	30,460	0.0
RECOMMENDED FY 2017-18 APPROPRIATION	\$421,362,154	\$123,568,836	\$200,181,308	\$40,845,123	\$56,766,887	1,802.0
RECOMMENDED INCREASE/(DECREASE)	(\$32,119)	\$120,771	(\$69,892)	(\$113,458)	\$30,460	0.0
Percentage Change	(0.0%)	0.1%	(0.0%)	(0.3%)	0.1%	0.0%

DESCRIPTION OF RECOMMENDED CHANGES

CRIMINAL HISTORY RECORD BACKLOG AND UPDATES: The bill includes a net neutral transfer of \$256,256 cash funds spending authority between two line items to hire 22.0 temporary FTE to process 375,926 criminal records unexpectedly received in the fall of 2017.

LETTERNOTE ADJUSTMENT: The bill includes a technical correction to a letternote in the Laboratory and Investigative Services subdivision of the Colorado Bureau of Investigation.

ANNUAL FLEET SUPPLEMENTAL: The bill includes a reduction of \$32,119 total funds, including an increase of \$120,771 General Fund, to true-up the Department's appropriation for fleet vehicles.

DEPARTMENT OF REGULATORY AGENCIES – H.B. 18-1166

The Department of Regulatory Agencies is responsible for consumer protection carried out through regulatory programs that license, establish standards, approve rates, investigate complaints, and conduct enforcement through over 40 boards, commissions, and advisory committees across more than 50 professions, occupations, programs, and institutions. The Department is organized in the following 10 predominantly cash-funded divisions: (1) Executive Director's Office; (2) Banking; (3) Civil Rights; (4) Consumer Counsel; (5) Financial Services; (6) Insurance; (7) Public Utilities Commission; (8) Real Estate; (9) Professions and Occupations; and (10) Securities.

FY 2017-18 APPROPRIATION AND SUPPLEMENTAL RECOMMENDATION

DEPARTMENT OF REGULATORY AGENCIES: RECOMMENDED CHANGES FOR FY 2017-18						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION						
SB 17-254 (Long Bill)	\$99,104,340	\$1,844,627	\$90,930,685	\$5,060,383	\$1,268,645	572.5
Other legislation	93,897	0	93,897	0	0	0.6
CURRENT FY 2017-18 APPROPRIATION	\$99,198,237	\$1,844,627	\$91,024,582	\$5,060,383	\$1,268,645	573.1
RECOMMENDED CHANGES						
Current FY 2017-18 Appropriation	\$99,198,237	\$1,844,627	\$91,024,582	\$5,060,383	\$1,268,645	573.1
Change for reading services	350,000	0	350,000	0	0	0.0
Fleet supplemental	23,320	0	23,320	0	0	0.0
Adjust legal services funding split	0	0	161,502	0	(161,502)	0.0
RECOMMENDED FY 2017-18 APPROPRIATION	\$99,571,557	\$1,844,627	\$91,559,404	\$5,060,383	\$1,107,143	573.1
RECOMMENDED INCREASE/(DECREASE)	\$373,320	\$0	\$534,822	\$0	(\$161,502)	0.0
Percentage Change	0.4%	0.0%	0.6%	0.0%	(12.7%)	0.0%

DESCRIPTION OF RECOMMENDED CHANGES

CHANGE FOR READING SERVICES: The bill includes an increase of \$350,000 cash funds from the Telephone Users with Disabilities Fund. This increase allows expansion of reading services and audio services for the visually impaired provided through the Department of Education.

ANNUAL FLEET SUPPLEMENTAL: The bill includes an increase of \$23,320 cash funds for fleet vehicle leases.

ADJUST LEGAL SERVICES FUNDING SPLIT: The bill includes a net zero funding change, with an increase of \$161,502 cash funds and a decrease of \$161,502 federal funds for legal services.

DEPARTMENT OF REVENUE – H.B. 18-1167

The Department of Revenue is organized into three functional groups: Taxation Business Group, Division of Motor Vehicles, and Enforcement Business Group. The Taxation Business Group collects tax and other revenue for the state and for many local governments, and assists taxpayers in tax related matters. The Division of Motor Vehicles regulates and licenses drivers, issues personal identification documents, oversees vehicle inspection stations, and registers and titles vehicles. The Enforcement Business Group regulates alcohol, tobacco, marijuana, horseracing, off-track betting, limited gaming, and motor vehicle dealers and sales persons. The Department also operates the State Lottery, a TABOR enterprise supported by lottery ticket sales.

FY 2017-18 APPROPRIATION AND SUPPLEMENTAL RECOMMENDATION

DEPARTMENT OF REVENUE: RECOMMENDED CHANGES FOR FY 2017-18

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION						
SB 17-254 (Long Bill)	\$355,833,948	\$107,585,406	\$241,178,908	\$6,245,246	\$824,388	1,435.3
Other legislation	540,999	9,600	531,399	0	0	1.9
CURRENT FY 2017-18 APPROPRIATION	\$356,374,947	\$107,595,006	\$241,710,307	\$6,245,246	\$824,388	1,437.2
RECOMMENDED CHANGES						
Current FY 2017-18 Appropriation	\$356,374,947	\$107,595,006	\$241,710,307	\$6,245,246	\$824,388	1,437.2
Tax pipeline adjustment	873,824	873,824	0	0	0	0.0
RECOMMENDED FY 2017-18 APPROPRIATION	\$357,248,771	\$108,468,830	\$241,710,307	\$6,245,246	\$824,388	1,437.2
RECOMMENDED INCREASE/(DECREASE)	\$873,824	\$873,824	\$0	\$0	\$0	0.0
Percentage Change	0.2%	0.8%	0.0%	0.0%	0.0%	0.0%

DESCRIPTION OF RECOMMENDED CHANGES

TAX PIPELINE ADJUSTMENT: The bill includes an increase of \$873,824 General Fund to reflect increased costs for document services purchased from the Department of Personnel's Integrated Document Solutions unit for tax processing, transportation, imaging, and storage.

DEPARTMENT OF STATE – H.B. 18-1168

The Department of State administers statutory provisions that pertain to elections; manages the statewide voter registration database; implements the Help America Vote Act (HAVA); oversees campaign finance reporting; registers lobbyists and monitors the filing of required disclosures; collects, maintains, and provides public access to business filings; regulates charities and charitable gaming; and certifies notaries public.

**FY 2016-17 APPROPRIATION
AND SUPPLEMENTAL RECOMMENDATION**

DEPARTMENT OF STATE: RECOMMENDED CHANGES FOR FY 2016-17

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2016-17 APPROPRIATION						
FY 2016-17 Appropriation	\$22,288,655	\$0	\$22,288,655	\$0	\$0	137.4
CURRENT FY 2016-17 APPROPRIATION	\$22,288,655	\$0	\$22,288,655	\$0	\$0	137.4
RECOMMENDED CHANGES						
Current FY 2016-17 Appropriation	\$22,288,655	\$0	\$22,288,655	\$0	\$0	137.4
Water cooling loop	210,000	0	210,000	0	0	0.0
RECOMMENDED FY 2016-17 APPROPRIATION	\$22,498,655	\$0	\$22,498,655	\$0	\$0	137.4
RECOMMENDED INCREASE/(DECREASE)	\$210,000	\$0	\$210,000	\$0	\$0	0.0
Percentage Change	0.9%	n/a	0.9%	n/a	n/a	0.0%

DESCRIPTION OF RECOMMENDED CHANGES

WATER COOLING LOOP: The bill includes an increase of \$210,000 cash funds in FY 2016-17 to correct a technical error that lead to the appropriation occurring in FY 2017-18 originally. The bill also includes a corresponding decrease in FY 2017-18. The funding provided resources for the Department to build a redundant water cooling system for its server rooms due to the primary cooling loop being unreliable at times.

FY 2017-18 APPROPRIATION AND SUPPLEMENTAL RECOMMENDATION

DEPARTMENT OF STATE: RECOMMENDED CHANGES FOR FY 2017-18

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION						
S.B. 17-254 (Long Bill)	\$22,711,371	\$0	\$22,711,371	\$0	\$0	137.4
Other legislation	192,404	0	192,404	0	0	0.0
CURRENT FY 2017-18 APPROPRIATION	\$22,903,775	\$0	\$22,903,775	\$0	\$0	137.4
RECOMMENDED CHANGES						
Current FY 2017-18 Appropriation	\$22,903,775	\$0	\$22,903,775	\$0	\$0	137.4
Annual fleet supplemental	1,849	0	1,849	0	0	0.0
Open Primary messaging	0	0	0	0	0	0.0
Water cooling loop	(210,000)	0	(210,000)	0	0	0.0
RECOMMENDED FY 2017-18 APPROPRIATION	\$22,695,624	\$0	\$22,695,624	\$0	\$0	137.4
RECOMMENDED INCREASE/(DECREASE)	(\$208,151)	\$0	(\$208,151)	\$0	\$0	0.0
Percentage Change	(0.9%)	n/a	(0.9%)	n/a	n/a	0.0%

DESCRIPTION OF RECOMMENDED CHANGES

ANNUAL FLEET SUPPLEMENT: The bill includes \$1,849 cash funds in FY 2017-18 to true-up the Department's share of the statewide fleet program.

OPEN PRIMARY MESSAGING: The bill includes adjustments to several of the Department's line items to reallocate \$2,380,000 cash funds from the Local Election Reimbursement line items to other line items. The reallocation was requested because there was no statewide budget issue in FY 2017-18, which would have required payments to local governments from this line item. Reallocated funds allow the Department to continue efforts to upgrade and improve its computer systems for both election administration and licensing of business entities.

WATER COOLING LOOP: The bill includes a decrease of \$210,000 cash funds in FY 2017-18 to correct a technical error that led to the appropriation occurring in FY 2017-18 originally instead of FY 2016-17. The bill also includes a corresponding increase in FY 2016-17. The funding provided resources for the Department to build a redundant water cooling system for its server rooms due to the primary cooling loop being unreliable at times.

DEPARTMENT OF TRANSPORTATION

The Department of Transportation is responsible for operating and maintaining Colorado's 9,156-mile state highway system 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 reimbursement of aviation fuel tax revenues and discretionary grants to local airports.

FY 2017-18 APPROPRIATION AND SUPPLEMENTAL RECOMMENDATION

No supplemental adjustments.

DEPARTMENT OF TREASURY – H.B. 18-1169

The Department of 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.

FY 2017-18 APPROPRIATION AND SUPPLEMENTAL RECOMMENDATION

DEPARTMENT OF THE TREASURY: RECOMMENDED CHANGES FOR FY 2017-18

	TOTAL FUNDS	GENERAL FUND ¹	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2017-18 APPROPRIATION						
SB 17-254 (Long Bill)	\$524,067,755	\$151,447,545	\$354,847,185	\$17,773,025	\$0	32.9
CURRENT FY 2017-18 APPROPRIATION	\$524,067,755	\$151,447,545	\$354,847,185	\$17,773,025	\$0	32.9
RECOMMENDED CHANGES						
Current FY 2017-18 Appropriation	\$524,067,755	\$151,447,545	\$354,847,185	\$17,773,025	\$0	32.9
Personal services non-base increase	27,280	0	27,280	0	0	0.0
RECOMMENDED FY 2017-18 APPROPRIATION	\$524,095,035	\$151,447,545	\$354,874,465	\$17,773,025	\$0	32.9
RECOMMENDED INCREASE/(DECREASE)	\$27,280	\$0	\$27,280	\$0	\$0	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%	n/a	0.0%

¹ The FY 2017-18 appropriation includes \$148 million that is not subject to the statutory restriction on state General Fund appropriations imposed by section 24-75-201.1, C.R.S.

DESCRIPTION OF RECOMMENDED CHANGES

PERSONAL SERVICES NON-BASE INCREASE: The bill includes an increase of \$27,280 cash fund spending authority from the Unclaimed Property Trust Fund for leave payouts in the Unclaimed Property Program pursuant to Section 24-50-104, C.R.S., and State Personnel Board Rule 5-7.

CAPITAL CONSTRUCTION – H.B. 18-1170

The capital construction section of the Long Bill includes funding appropriated to state departments and higher education institutions for capital construction, controlled maintenance, and information technology capital projects. Capital construction appropriations are primarily supported by General Fund transferred to the Capital Construction Fund. The Capital Development Committee and Joint Technology Committee review all capital requests and provide funding recommendations to the Joint Budget Committee.

SUMMARY: FY 2014-15 APPROPRIATION AND SUPPLEMENTAL RECOMMENDATION

CAPITAL CONSTRUCTION: RECOMMENDED CHANGES FOR FY 2014-15					
	TOTAL FUNDS	CAPITAL CONSTRUCT. FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2014-15 APPROPRIATION					
HB 14-1336 (Long Bill)	\$492,833,491	\$364,420,213	\$116,124,738	\$8,566,515	\$3,722,025
SB 15-165	32,261,879	23,008,332	11,295,025	(1,138,978)	(902,500)
HB 15-1333	594,750	594,750	0	0	0
HB 16-1252	38,120,788	0	38,120,788	0	0
HB 16-1405	321,427	0	321,427	0	0
SB 17-172	355,452	355,452	0	0	0
SB 17-254	(1,000,000)	(1,000,000)	0	0	0
CURRENT FY 2014-15 APPROPRIATION	\$563,487,787	\$387,378,747	\$165,861,978	\$7,427,537	\$2,819,525
RECOMMENDED CHANGES					
Current FY 2014-15 Appropriation	\$563,487,787	\$387,378,747	\$165,861,978	\$7,427,537	\$2,819,525
History Colorado, Pearce McAllister Cottage Renovation	0	0	0	0	0
History Colorado, Lebanon Mill Devil's Gate Station Cistern	0	0	0	0	0
RECOMMENDED FY 2014-15 APPROPRIATION	\$563,487,787	\$387,378,747	\$165,861,978	\$7,427,537	\$2,819,525
RECOMMENDED INCREASE/(DECREASE)	\$0	\$0	\$0	\$0	\$0
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%

DESCRIPTION OF RECOMMENDED CHANGES

HISTORY COLORADO, PEARCE MCALLISTER COTTAGE RENOVATION: The bill includes a scope change and extension of spending authority through FY 2018-19.

HISTORY COLORADO, LEBANON MILL DEVIL'S GATE STATION CISTERN: The bill includes a scope change and extension of spending authority through FY 2018-19.

SUMMARY: FY 2015-16 APPROPRIATION AND SUPPLEMENTAL RECOMMENDATION

CAPITAL CONSTRUCTION: RECOMMENDED CHANGES FOR FY 2015-16

	TOTAL FUNDS	CAPITAL CONSTRUCT. FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2015-16 APPROPRIATION					
SB 15-234 (Long Bill)	\$396,231,034	\$249,945,429	\$116,938,201	\$13,911,135	\$15,436,269
HB 15-1310	552,500	0	552,500	0	0
HB 15-1333	730,510	730,510	0	0	0
HB 16-1252	2,407,348	1,547,348	860,000	0	0
SB 17-172	325,000	0	325,000	0	0
CURRENT FY 2015-16 APPROPRIATION	\$400,246,392	\$252,223,287	\$118,675,701	\$13,911,135	\$15,436,269
RECOMMENDED CHANGES					
Current FY 2015-16 Appropriation	\$400,246,392	\$252,223,287	\$118,675,701	\$13,911,135	\$15,436,269
University of Colorado at Boulder, Systems Biotechnology Building, Academic Wing	10,903,585	0	10,903,585	0	0
Department of Personnel collections system replacement project scope change	(23,622,270)	0	(11,811,135)	(11,811,135)	0
RECOMMENDED FY 2015-16 APPROPRIATION	\$387,527,707	\$252,223,287	\$117,768,151	\$2,100,000	\$15,436,269
RECOMMENDED INCREASE/(DECREASE)	(\$12,718,685)	\$0	(\$907,550)	(\$11,811,135)	\$0
Percentage Change	(3.2%)	0.0%	(0.8%)	(84.9%)	0.0%

DESCRIPTION OF RECOMMENDED CHANGES

UNIVERSITY OF COLORADO AT BOULDER, SYSTEMS BIOTECHNOLOGY BUILDING, ACADEMIC WING: The bill includes an additional \$10,903,585 cash funds spending authority to complete the project.

DEPARTMENT OF PERSONNEL COLLECTIONS SYSTEM REPLACEMENT PROJECT SCOPE CHANGE: The bill includes a decrease of \$23,622,270 cash funds and reappropriated funds spending authority associated with a scope change for the Collections System replacement project. This reflects a more cost effective solution.

SUMMARY: FY 2016-17 APPROPRIATION AND SUPPLEMENTAL RECOMMENDATION

CAPITAL CONSTRUCTION: RECOMMENDED CHANGES FOR FY 2016-17

	TOTAL FUNDS	CAPITAL CONSTRUCT. FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2016-17 APPROPRIATION					
HB 16-1405 (Long Bill)	\$239,086,768	\$115,569,901	\$108,931,647	\$0	\$14,585,220
SB 17-172	8,656,810	2,316,656	990,751	766,231	4,583,172
CURRENT FY 2016-17 APPROPRIATION	\$247,743,578	\$117,886,557	\$109,922,398	\$766,231	\$19,168,392
RECOMMENDED CHANGES					
Current FY 2016-17 Appropriation	\$247,743,578	\$117,886,557	\$109,922,398	\$766,231	\$19,168,392
Natural Resources, Chatfield Reservoir Reallocation Project Mitigation	1,796,117	0	1,796,117	0	0
RECOMMENDED FY 2016-17 APPROPRIATION	\$249,539,695	\$117,886,557	\$111,718,515	\$766,231	\$19,168,392
RECOMMENDED INCREASE/(DECREASE)	\$1,796,117	\$0	\$1,796,117	\$0	\$0
Percentage Change	0.7%	0.0%	1.6%	0.0%	0.0%

DESCRIPTION OF RECOMMENDED CHANGES

NATURAL RESOURCES, CHATFIELD RESERVOIR REALLOCATION PROJECT MITIGATION: The bill includes an additional \$1,796,117 cash funds spending authority from the Wildlife Cash Fund to pay for increased costs of this project.

FY 2017-18 APPROPRIATION AND SUPPLEMENTAL RECOMMENDATION

CAPITAL CONSTRUCTION: RECOMMENDED CHANGES FOR FY 2017-18					
	TOTAL FUNDS	CAPITAL CONSTRUCT. FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS
FY 2017-18 APPROPRIATION					
SB 17-254 (Long Bill)	\$183,391,498	\$91,912,328	\$69,179,429	\$10,000,000	\$12,299,741
CURRENT FY 2017-18 APPROPRIATION	\$183,391,498	\$91,912,328	\$69,179,429	\$10,000,000	\$12,299,741
RECOMMENDED CHANGES					
Current FY 2017-18 Appropriation	\$183,391,498	\$91,912,328	\$69,179,429	\$10,000,000	\$12,299,741
Human Resources Information System time and leave tracking implementation	2,888,529	2,888,529	0	0	0
Child welfare case management system modernization	2,472,849	0	0	0	2,472,849
Child Care Automated Tracking System enhancement	786,500	0	0	0	786,500
RECOMMENDED FY 2017-18 APPROPRIATION	\$189,539,376	\$94,800,857	\$69,179,429	\$10,000,000	\$15,559,090
RECOMMENDED INCREASE/(DECREASE)	\$6,147,878	\$2,888,529	\$0	\$0	\$3,259,349
Percentage Change	3.4%	3.1%	0.0%	0.0%	26.5%

DESCRIPTION OF RECOMMENDED CHANGES

HUMAN RESOURCES INFORMATION SYSTEM TIME AND LEAVE TRACKING IMPLEMENTATION: The bill includes an increase of \$2,888,529 Capital Construction Fund for the first phase of implementing the time and leave tracking component in the Human Resources Information System, known as HRWorks.

CHILD WELFARE CASE MANAGEMENT SYSTEM MODERNIZATION: The bill includes an increase of \$2,472,849 federal funds from U.S. Department of Health and Human Services' Administration for Children and Families for a variety of enhancements to the Trails system that supports the state's child welfare and youth services programs.

CHILD CARE AUTOMATED TRACKING SYSTEM ENHANCEMENT: The bill includes an increase of \$786,500 federal funds from the Child Care Development Fund to complete the Child Care Automated Tracking System (CHATS) replacement project. The supplemental bill for the Department of Human Services includes a decrease of \$386,000 federal funds from the Child Care Development Fund to cover a portion of the costs associated with this supplemental capital construction bill.

SECTION III
SUMMARIES OF OTHER BILLS THAT
ARE PART OF THE SUPPLEMENTAL
PACKAGE

JOINT BUDGET COMMITTEE SUPPLEMENTAL PACKAGE BILL

SUMMARY OF H.B. 18-1171:

CONCERNING ADJUSTMENTS IN THE AMOUNT OF TOTAL PROGRAM FUNDING FOR PUBLIC SCHOOLS FOR THE 2017-18 BUDGET YEAR.

Prime Sponsors: Representative Hamner and Senator Lundberg

Bill Summary

The bill makes the statutory changes necessary to maintain the State share of funding provided to public schools in the original FY 2017-18 appropriation and to reflect actual data concerning local tax revenues and student enrollment. Specifically:

- As a result of lower-than-anticipated pupil counts and at-risk pupil counts, total program funding before the application of the budget stabilization factor is \$12.9 million lower than anticipated in the original appropriation.
- Local revenues are \$96.9 million higher than anticipated in the original appropriation, largely as a result of higher-than-anticipated property tax collections.
- As a result of the lower-than-anticipated pupil counts and higher-than anticipated local revenues, maintaining statewide average per pupil funding at the level anticipated in the original appropriation (\$7,662.18) allows state expenditures for school finance to decrease by \$103.9 million below the amount anticipated in the original appropriation.

Specifically, this bill makes the following changes:

- Section 1 is a non-statutory legislative declaration concerning public school funding for FY 2017-18, stating that: (a) the actual funded pupil count and the at-risk pupil count are lower than anticipated in the original FY 2017-18 appropriation, reducing total program funding prior to the application of the budget stabilization factor by \$12.9 million; (b) actual local tax revenues are \$96.9 million higher than anticipated; and (c) maintaining a constant level of statewide average per pupil funding results in a reduction in the dollar amount of the budget stabilization factor.
- Section 2 amends a provision in the School Finance Act to reduce the statutory total program funding “floor” for FY 2017-18 to \$6,627.7 million. This is the amount necessary to maintain statewide average per pupil funding at the level anticipated in the original appropriation (\$7,662.18) based on the lower-than anticipated pupil counts.
- Section 3 is a safety clause to ensure that the statutory changes providing direction to the Department of Education for the calculation of total program funding are effective as soon as the bill is signed into law.

Fiscal Impact

This bill makes mid-year statutory adjustments related to total program funding for FY 2017-18. As described above, these changes are based on maintaining statewide average per pupil funding at the level anticipated in the original appropriation (\$7,662.18). The bill reduces anticipated state expenditures by \$103.9 million in FY 2017-18 to account for changes in local revenue and pupil counts discussed above. The bill does not include an appropriation clause to adjust FY 2017-18 appropriations. The General Assembly may consider adjusting the relevant appropriations in this bill or as part of the FY 2018-19 Long Bill process.

Background Information

Why are mid-year changes required for school finance? While the applicable inflation rate is known at the time of the Long Bill appropriation for school finance, other data that affect funding for public school finance are not known. The initial appropriation is thus based on estimates of the funded pupil count, the number of at-risk students, and available local tax revenues. Subsequently, school districts conduct a student count in October, county assessors and the State Board of Equalization certify the total valuation for assessment of all taxable property, and school district boards certify the district's mill levy for school finance. By early January within the fiscal year, school districts have finalized these data and the Department of Education has compiled the information. The Department annually submits a supplemental request to make mid-year appropriation adjustments based on the actual data.

What are the mid-year data adjustments for FY 2017-18? The table below details relevant school finance data for FY 2016-17 and FY 2017-18. The far-right column identifies the mid-year changes for FY 2017-18 related to the actual student count, and the state and local shares of school districts' total program funding.

Why is the statutory total program funding floor lower than the "Adjusted Total Program Funding" figure in the table below? The statutory total program funding floor for FY 2017-18, as adjusted by this bill (\$6,627,724,965), serves as the starting point for calculating the budget stabilization factor. Actual total program funding after application of the budget stabilization factor will be \$6,627,917,199 – an amount \$174,234 higher than the adjusted floor. This \$0.2 million difference is the amount of the budget stabilization factor reduction that is attributable to those school districts that receive little or no state funding for total program, and thus are not impacted by the budget stabilization factor to the same extent as other districts.

CHANGES TO SCHOOL FINANCE BASED ON ACTUAL ENROLLMENT AND LOCAL REVENUES				
FISCAL YEAR	FY 2016-17 FINAL APPROPRIATION	FY 2017-18		MID-YEAR CHANGE
		DATA USED FOR INITIAL APPROPRIATION	REVISED DATA RELATED TO H.B. 18-1171	
Funded Pupil Count	858,795.8	865,934.9	865,016.9	(918.0)
<i>Annual Percent Change</i>		0.8%	0.7%	
At-risk Pupil Count	307,385	309,646	302,653	(6,993)
<i>Annual Percent Change</i>		0.7%	-1.5%	
Statewide Base Per Pupil Funding	\$6,368	\$6,546	\$6,546	\$0
<i>Annual Percent Change</i>	1.2%	2.8%	2.8%	
Total Program Funding PRIOR TO Budget Stabilization Factor	\$7,201,112,934	\$7,463,231,556	\$7,450,314,093	(\$12,917,463)
Less: Budget Stabilization Factor Reduction	(828,280,474)	(828,280,474)	(822,396,894)	5,883,580
<i>Budget Stabilization Factor as % of Total program</i>	11.50%	11.10%	11.04%	
EQUALS: Adjusted Total Program Funding	\$6,372,832,460	\$6,634,951,082	\$6,627,917,199	-\$7,033,883
<i>Annual Percent Change</i>	2.1%	4.1%	4.0%	
Statewide Average Per Pupil Funding (for adjusted total program funding)	\$7,420.66	\$7,662.18	\$7,662.18	\$0.00
<i>Annual Percent Change</i>	1.5%	3.3%	3.3%	
Local Share of Districts' Total Program Funding	\$2,257,704,955	\$2,409,944,058	\$2,506,844,504	\$96,900,446
Property Tax Revenue	2,089,992,070	2,237,199,796	2,328,498,022	91,298,226
Specific Ownership Tax Revenue	167,712,885	172,744,262	178,346,482	5,602,220
<i>Annual Percent Change on Total</i>	-0.1%	6.7%	11.0%	
State Share of Districts' Total Program Funding¹	\$4,115,127,505	\$4,225,007,024	\$4,121,072,695	(\$103,934,329)
<i>Annual Percent Change</i>	3.4%	2.7%	0.1%	
<i>State Share as Percent of Districts' Total Program</i>	64.6%	63.7%	62.2%	

¹ This bill reduces state expenditures by \$103.9 million but does not adjust the appropriation.

JOINT BUDGET COMMITTEE SUPPLEMENTAL PACKAGE BILL

SUMMARY OF H.B. 18-1172:

CONCERNING MONEY ALLOCATED FROM AN APPROPRIATION FROM THE MARIJUANA TAX CASH FUND TO A DESIGNATED MANAGED SERVICE ORGANIZATION TO IMPLEMENT ITS COMMUNITY ACTION PLAN.

Prime Sponsors: Representative Young and Senator Lambert

Bill Summary

In 2016, the General Assembly passed legislation (S.B. 16-202) to establish a new method of using marijuana tax revenues to increase statewide access to effective substance use disorder services. The goal of S.B. 16-202 was to provide a reliable, sustainable, and flexible source of funding to expand system capacity and support ongoing service delivery. This act utilized the existing framework of managed service organizations (MSOs) to work with local communities to assess the sufficiency of substance use disorder services, and to use the marijuana tax revenues to address the most critical service gaps. House Bill 18-1172 modifies the provisions added through S.B. 16-202 to ensure that the Department of Human Services (the Department) can administer this program as intended.

House Bill 18-1172 (the bill) clarifies that an MSO may use money allocated to it from the Marijuana Tax Cash Fund for substance use disorder services *and for any start-up costs or other expenses necessary to increase capacity to provide such services.* This is consistent with the original intent of S.B. 16-202 and reflects the Department's current practice.

The bill permits an MSO to spend an unused allocation in the next state fiscal year after it has been received. A corresponding change allows the appropriation of the money unspent by an MSO in the year it is received to remain available in the next fiscal year so the Department can properly account for MSO expenditures.

The bill makes several changes to reporting requirements, including:

- Modifying a requirement concerning expenditure data to better reflect the current practice of MSOs submitting this data to the Department monthly;
- Ensuring that legislative oversight committees and the Joint Budget Committee receive a copy of an annual MSO report concerning the impact of expenditures on addressing critical gaps in substance use disorder services;
- Clarifying the required contents of a report the Department will submit to legislative committees in 2020 and eliminating a requirement that this report continue in subsequent years; and
- Requiring the Department to report on outcomes related to S.B. 16-202 as part of its annual SMART Act hearing.

Fiscal Impact

The bill does not affect appropriations, but it may increase expenditures of existing appropriations. The bill permits an MSO to spend its annual allocation from the Marijuana Tax Cash Fund (MTCF) over a two-year period, rather than a one-year period. This change will reduce the likelihood that a portion of the annual appropriation is returned to the MTCF at the end of the fiscal year. Money allocated to an MSO may remain unspent at the end of the fiscal year due to unforeseen circumstances related to expanding service capacity, such as regulatory barriers, construction delays, or challenges recruiting and training staff. For FY 2016-17, the Department disbursed a total of \$5,823,632 to MSOs; MSOs reported expenditures totaling \$5,152,124. Thus, \$671,508 (11.5 percent) of the amount allocated to MSOs remained unspent as of June 30, 2017, and the Department required MSOs to return these funds to the State.

Background Information

SENATE BILL 16-202

Community Action Plans. Senate Bill 16-202 required each MSO to assess the sufficiency of substance use disorder services within its geographic region for adolescents, young adults, pregnant women and women who are postpartum and parenting, and other adults in need of such services. This act required the assessment to include an analysis of existing funding and resources within the community to provide a continuum of services, including prevention, early intervention, treatment, and recovery support services. The act required each MSO to prepare a “community action plan” to summarize the results of the assessment and describe how the MSO will utilize its MTCF allocation to address the most critical service gaps within the region.

Community action plans that were prepared and submitted by each MSO, and Keystone Policy Center prepared a single, consolidated Community Assessment Report¹. The Keystone report stated that stakeholders emphasized that the gaps and needs related to substance use disorder services are significant and varied, and nearly every population is underserved. Most regions shared similar concerns about needs with respect to the workforce, residential treatment options, detoxification services, education and de-stigmatization, and supportive services. Stakeholders called for funding that is flexible at the regional and community levels, sustainable, and focused on the development of a continuum of care. Stakeholders identified the financial challenges of building and sustaining a continuum of care due to disjointed and inflexible funding, inconsistent insurance benefits, lack of consistent access to services, and the inability to appropriately scale capacity in both rural and urban areas. Most providers indicated that their services have no source of reliable funding, with all sources, including the State, competing to be the “payer of last resort”.

Disbursements and Expenditures of State Funds. The act requires the Department to allocate and disburse the annual MTCF appropriation to MSOs on July 1. MSOs reported total expenditures of \$5,152,124 in FY 2016-17, including \$297,177 to conduct community assessments and prepare community action plans. While expenditures for services spanned the continuum, more than 80.0 percent of expenditures was used to expand access to residential treatment programs, withdrawal management programs, and medication assisted treatment.

Reporting Requirements. The act annually requires each MSO to submit to the Department a mid-year report by February 1 and an annual report by September 1 concerning the amount, purpose, and impact of actual MTCF expenditures. The act requires the Department, in collaboration with the MSOs, to submit a report to the relevant legislative committees by November 1, 2020, concerning the first four fiscal years of expenditures and the resulting impact on increasing access to services, and including any recommendations to strengthen or improve the program.

MANAGED SERVICE ORGANIZATIONS

The Department's Office of Behavioral Health (OBH) is statutorily authorized to purchase substance use disorder services from a designated managed services organization (MSO) for a specific geographic region. The MSOs subcontract with local treatment providers to serve indigent individuals who are either not eligible for the Medicaid program or who need services that are not covered by the Medicaid program. The Director of OBH is required to designate MSOs based on several factors including whether the organization:

- Has experience working and collaborating with public agencies and working with publicly funded clients;
- Has experience engaging in a clinical quality improvement process;
- Has developed an effective, integrated information and fiscal reporting system; and
- Has experience with public funding requirements and state contracting requirements.

¹ The Colorado Behavioral Healthcare Council has made the S.B. 16-202 Community Assessment Report and the MSO Community Action Plans available on its website at: <http://www.cbhc.org/substance-use-disorder-community-assessment-sb-16-202-report/>.

JOINT BUDGET COMMITTEE SUPPLEMENTAL PACKAGE BILL

SUMMARY OF H.B. 18-1173:

CONCERNING A TRANSFER OF GENERAL FUND TO THE CAPITAL CONSTRUCTION FUND FOR THE FY 2017-18
STATE FISCAL YEAR.

Prime Sponsors: Representative Rankin and Senator Lambert

Bill Summary

On April 1, 2018, the bill transfers \$2,888,529 from the General Fund to the Information Technology Capital Account of the Capital Construction Fund to pay for appropriations made from the Capital Construction Fund in the Capital Construction supplemental bill.

Fiscal Impact

This bill transfers \$2,888,529 from the General Fund to the Capital Construction Fund in FY 2017-18.