

FY 2007-2008

LONG BILL NARRATIVE

JOINT BUDGET COMMITTEE

STATE OF COLORADO

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March 26, 2007

To: Members of the Sixty-sixth General Assembly

The Joint Budget Committee (JBC) submits for your approval the FY 2007-08 Long Bill (S.B. 07-239) and its companion document, this Long Bill Narrative. The JBC used the Legislative Council staff March 2007 revenue estimates to develop the FY 2007-08 budget.

The State's economy is projected to generate more General Fund and cash revenues than the TABOR limit allows. However, as a result of the passage of Referendum C, Legislative Council staff projects that the State will be allowed to retain an additional \$1,116.1 million General Fund in FY 2005-06, \$1,062.1 million General Fund in FY 2006-07, and \$1,057.1 million General Fund in FY 2007-08 above the TABOR limit. It is anticipated that revenues will continue to exceed the allowable limit on total General Fund and cash fund revenues in FY 2008-09 and the following years in the forecast. Referendum C allows for retention of amounts above the TABOR limit through FY 2009-10, a total of five years.

The projected increase in revenues will also generate more General Fund than the statutory spending on operating appropriations will allow the General Assembly to appropriate for FY 2007-08. This statutory limit restricts the increase in General Fund appropriations to no more than 6.0 percent over the prior year General Fund appropriation. For FY 2007-08, General Fund appropriations may increase by a maximum of \$407.0 million (including a projected \$6.0 million that is exempt from the statutory six percent limit).

General Fund appropriations subject to the statutory six percent limit for FY 2007-08 total \$7,084.0 million, an increase of \$401.0 million over the adjusted FY 2006-07 appropriation level of \$6,683.0 million General Fund. The recommended FY 2007-08 Long Bill contains \$7,095.5 million General Fund. This amount includes \$6.0 million that is exempt from the statutory six percent limit on appropriations, including \$5.0 million for the continued payment of the Giardino settlement, \$0.9 million for an increase in the Public Defender's caseload as a result of federal requirements, and \$0.1 million for continued increases in the Department of Health Care Policy Financing associated with the Payment Error Rate Project that is the result of federal requirements. In addition to the FY 2007-08 Long Bill, the JBC considers various pieces of 2007 legislation as part of the overall FY 2007-08 budget recommendation. These bills, which are listed on page four of this document, reduce General Fund appropriations by \$5.5 million.

Because of the additional General Fund revenues that are estimated to be available in FY 2006-07 and FY 2007-08, the JBC is recommending a General Fund transfer to the Capital Construction Fund of \$35.7 million for capital construction/controlled maintenance projects in FY 2006-07 and \$20.0 million for transportation projects in FY 2007-08. The \$20.0 million transfer is from General Fund Exempt moneys associated with Referendum C.

The recommendation includes funding for a 1.5 percent increase in community provider rates for child welfare, child care, mental health, services for people with developmental disabilities, home and community based services, alternative care, alcohol and drug abuse, Medicaid community based services, youth services, and corrections. The JBC recommends these increases to maintain the availability of community providers in these areas and to reduce the need for state FTE to provide these valuable services.

The proposed budget provides the following General Fund increases:

- \$185.4 million for K-12 education,
- \$52.7 million for Health Care Policy and Financing,
- \$52.2 million for the Higher Education system,
- \$51.7 million in the Department of Corrections,
- \$32.9 million in the Judicial Branch, and
- \$22.1 million for Department of Human Services programs.

Respectively submitted,



Senator Abel Tapia, Chairman



Representative Bernie Buescher, Vice-Chairman



Senator Moe Keller



Representative Jack Pommer



Senator Steve Johnson



Representative Al White

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Regulatory Agencies	237	453
Revenue	247	466
State	254	493
Transportation	259	500
Treasury	264	505
Capital Construction	268	514

FY 2006-07 GENERAL FUND OVERVIEW (in millions)		
<u>GENERAL FUND REVENUES AVAILABLE:</u>		
Beginning General Fund Reserve	\$	688.5
General Fund Nonexempt Revenues		6,282.4
General Fund Exempt Revenues		1,062.1
Transfers/Paybacks		0.0
Transfer to Older Coloradans Fund		(3.8)
TABOR Surplus Liability		0.0
S.B. 97-1 Diversion		(228.9)
Total General Fund Available	\$	7,800.3
<u>GENERAL FUND OBLIGATIONS:</u>		
General Fund Appropriations as Adjusted by Supplementals	\$	6,674.6 ^{a/}
Other General Fund Appropriations - Not Exempt from 6.0 Percent Limit		0.9 ^{b/}
Other General Fund Appropriations - Exempt from 6.0 Percent Limit		7.5 ^{c/}
Capital Construction Transfer		115.9 ^{d/}
Transfer of Prior Year Excess Reserve to HUTF		291.2
Transfer of Prior Year Excess Reserve to Capital Construction Fund		145.6
Transfer to Controlled Maintenance Trust Fund		0.0
Rebates and Expenditures		169.8
Homestead Exemption		76.6
Total General Fund Obligations	\$	7,482.1
4% STATUTORY GENERAL FUND RESERVE	\$	267.0
EXCESS GENERAL FUND RESERVE:	\$	51.2
^{a/} Does not include Rebates and Expenditures which are included in the Long Bill for informational purposes. ^{b/} Includes \$0.7 million from S.B. 07-236 and \$0.2 million from S.B. 07-001. ^{c/} Includes \$5.8 million from H.B. 06-1395, \$1.0 million from S.B. 07-163, \$0.6 million from S.B. 07-160, \$0.1 million from S.B. 07-165. ^{d/} Includes \$61.9 from H.B. 06-1386, \$35.8 million from S.B. 07-240. \$15.0 million from H.B. 06-1373, and \$3.2 million for 5-year sentencing bills.		

FY 2007-08 GENERAL FUND OVERVIEW (in millions)		
<u>GENERAL FUND REVENUES AVAILABLE:</u>		
Beginning General Fund Reserve	\$	318.2
General Fund Nonexempt Revenues		6,636.3
Gross General Fund Exempt Revenues		1,057.2
Transfers/Paybacks		0.1 ^{a/}
Transfer to Older Coloradans Fund		(3.8)
TABOR Surplus Liability		0.0
S.B. 97-1 Diversion		(237.9)
Total General Fund Available	\$	7,770.1
<u>GENERAL FUND OBLIGATIONS:</u>		
Recommended General Fund Appropriations in the Long Bill	\$	7,058.2 ^{b/}
Other General Fund Appropriations - Not Exempt from 6 Percent Limit		25.8 ^{c/}
Other General Fund Appropriations - Exempt from 6 Percent Limit		6.0 ^{d/}
Capital Construction Transfer		45.0 ^{e/}
Transfer of Prior Year Excess Reserve to HUTF		34.1
Transfer of Prior Year Excess to Capital Construction Fund		17.1
Rebates and Expenditures		175.2
Homestead Exemption		78.6
Total General Fund Obligations	\$	7,440.0
4 % STATUTORY GENERAL FUND RESERVE	\$	283.4
EXCESS GENERAL FUND RESERVE:	\$	46.7
^{a/} Includes \$0.1 million from S.B. 07-1. ^{b/} Does not include Rebates and Expenditures that are in the Long Bill for informational purposes. ^{c/} Includes \$30.0 million for the Legislative appropriation bill, \$1.3 million pursuant to Sections 17-1-146 through 17-1-162, C.R.S. for Department of Corrections 5-year appropriations, and \$5.5 million reduction as a result of other bills included as part of the FY 2007-08 budget package. ^{d/} Includes \$5.0 million for Giradino Lawsuit, \$0.9 million for Public Defender's caseload in Judicial Department, and \$0.1million from S.B. 07-163 for the Payment Error Rate Project. ^{e/} Includes \$22.9 million from H.B. 06-1386, \$20.0 million from S.B. 07-240 for transportation projects, and \$2.1 million from Department of Corrections 5-year appropriations.		

"REFERENDUM C" (Passed in 2006) GENERAL FUND EXEMPT SUMMARY

The following table summarizes the General Fund Exempt appropriations made in compliance with Section's 24-77-104.5 (1) (a) and 24-77-103.6 (2), C.R.S.:

"Referendum C" General Fund Exempt Appropriations by Programs in the 2007 Long Bill (Dollars in Millions)				
Department	Long Bill Line Item/Bill Number	FY 05-06	FY 06-07	FY 07-08
Education	State Share of Districts' Total Program Funding	\$361.6	\$343.1	\$343.9
HCPF	Medical Services Premiums Totals	361.7	343.1	343.9
Higher Education	College Opportunity Fund Program - Stipends	353.7	322.4	310.7
Local Affairs	Volunteer Firefighter Retirement Plans	3.8	3.8	3.8
Treasury	Fire and Police Pension Association - Old Hire Plans	25.3	34.8	34.8
Transportation	FY 2007-08 - S.B. 07-240 - Capital Transfer Bill	10.0	15.0	20.0
	Total General Fund Exempt	\$1,116.1	\$1,062.2	\$1,057.1

The Joint Budget Committee's (JBC) FY 2007-08 budget package includes the Long Bill (S.B. 07-239) and several other bills that impact the level of General Fund appropriations for FY 2007-08. The following table identifies the bills the JBC considers part of its FY 2007-08 budget package for purposes of balancing the General Fund.

Bills with 6.0 Percent General Fund Spending Limit Impacts Included as Part of the JBC FY 2007-08 Budget Package		
Bill	FY 06-07 GF Impact	FY 07-08 GF Impact
<u>Bills that Impact General Fund Operating Appropriations:</u>		
H.B. 07-1198 Ag Inspection and Consumer Services Cash Fund Bill (JBC Bill)	\$0	(\$2,560,403)
H.B. 07-1221 Fees for Department of Public Health Facilities Division (JBC Bill)	0	76,000
H.B. 07-1251 Statutory Implementation of Constitutional Property Tax Exemption	5,440	0
S.B. 07-001 Generic & RX Drug Program - Already Became Law	145,927	0
S.B. 07-113 Use of Tobacco Settlement Defense Account Moneys (JBC Bill)	0	(100,000)
S.B. 07-133 Medicaid Cash Accounting (JBC Bill)	0	(7,173,368)
S.B. 07-199 School Finance Act	0	4,655,056
S.B. 07-236 Government Efficiency Management (GEM) Study Suppl. (JBC Bill)	700,000	0
Proposed Child Find Bill	0	2,200,000
Proposed Use of Hazardous Response Fund for Rocky Mountain Arsenal Litigation	0	(2,661,667)
Total Bills that Impact General Fund Operating Appropriations	<u>\$851,367</u>	<u>(\$5,564,382)</u>

Please note that the JBC has voted to carry legislation for the last two items in the above chart. This legislation is currently being drafted and will be introduced later in the 2007 Session.

PROPOSED APPROPRIATIONS FY 2007-08					
Department	TOTAL	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds
Agriculture	36,432,230	9,973,947	16,761,184	5,786,944	3,910,155
Corrections	702,876,269	635,194,353	2,969,472	62,569,247	2,143,197
Education	4,106,558,389	3,057,381,630	15,076,979	537,211,385	496,888,395
Governor	64,186,112	11,774,871	8,438,470	30,942,321	13,030,450
Health Care Policy and Financing	3,474,121,986	1,431,469,994	710,644	376,754,289	1,665,187,059
Higher Education	2,516,664,410	746,296,521	22,329,472	1,727,560,181	20,478,236
Human Services	2,002,183,615	641,757,110	109,060,384	642,331,989	609,034,132
Judicial	377,352,204	297,470,514	67,215,501	10,374,725	2,291,464
Labor and Employment	157,969,680	0	35,774,917	20,371,492	101,823,271
Law	44,911,955	11,506,470	4,157,413	28,152,364	1,095,708
Legislature	2,861,519	2,611,519	0	250,000	0
Local Affairs	227,831,957	10,902,631	29,229,146	107,436,143	80,264,037
Military and Veterans Affairs	172,440,184	5,521,333	76,340	1,368,936	165,473,575
Natural Resources	198,280,485	30,336,286	46,380,582	104,657,192	16,906,425
Personnel and Administration	175,050,541	10,094,551	12,272,608	152,562,382	121,000
Public Health and Environment	447,142,915	23,542,929	35,118,588	177,451,901	211,029,497
Public Safety	222,631,250	72,604,324	13,440,962	113,093,481	23,492,483
Regulatory Agencies	70,139,240	1,374,303	59,229,007	8,380,032	1,155,898
Revenue	562,760,308	94,285,875	53,604,821	413,390,207	1,479,405
State	21,449,046	0	17,487,351	3,851,101	110,594
Transportation	1,062,135,447	0	84,007,659	536,710,649	441,417,139
Treasury	396,810,507	114,226,142	2,608,187	279,976,178	0
LONG BILL					
OPERATING TOTAL	17,042,790,249	7,208,325,303	635,949,687	5,341,183,139	3,857,332,120
Legislative Appropriation	30,874,133	30,000,359	90,000	783,774	0
Five-year Statutory Appropriations	1,249,047	1,249,047	0	0	0
School Finance Act (S.B. 07-199)	4,655,056	4,655,056	0	0	0
Controlled Maint. Trust Fund (subject to 6%)	2,000,000	2,000,000	0	0	0
JBC Proposed Balancing Package 1/	(10,219,438)	(10,219,438)	0	0	0
TOTAL OPERATING	17,071,349,047	7,236,010,327	636,039,687	5,341,966,913	3,857,332,120
LESS:					
Amount Exempt from Statutory Limit	N/A	(152,025,192)	N/A	N/A	N/A
GRAND TOTAL SUBJECT TO STATUTORY LIMIT	N/A	7,083,985,135	N/A	N/A	N/A
Capital Construction					
		Funds Exempt*	Cash Funds	Cash Funds Exempt	Federal Funds
Capital Construction	759,837,972	238,499,185	2,090,000	478,906,218	40,342,569

1/ Includes H.B. 07-1198, H.B. 07-1221, S.B. 07-133, proposed Child Find bill, and proposed Hazardous Substance Response Fund for Rocky Mountain Arsenal bill.

GENERAL FUND APPROPRIATION COMPARISON				
Department	FY 2006-07 Appropriation*	FY 2007-08 Appropriation	Difference	% Difference
Agriculture	5,221,517	9,973,947	4,752,430	91.0%
Corrections	582,919,054	635,194,353	52,275,299	9.0%
Education	2,874,213,080	3,057,381,630	183,168,550	6.4%
Governor	11,415,742	11,774,871	359,129	3.1%
Health Care Policy and Financing	1,380,460,170	1,431,469,994	51,009,824	3.7%
Higher Education	694,074,499	746,296,521	52,222,022	7.5%
Human Services	619,666,086	641,757,110	22,091,024	3.6%
Judicial	264,610,489	297,470,514	32,860,025	12.4%
Labor and Employment	140,666	0	(140,666)	-100.0%
Law	9,080,436	11,506,470	2,426,034	26.7%
Legislature	2,454,681	2,611,519	156,838	6.4%
Local Affairs	10,298,959	10,902,631	603,672	5.9%
Military and Veterans Affairs	5,214,226	5,521,333	307,107	5.9%
Natural Resources	28,427,902	30,336,286	1,908,384	6.7%
Personnel and Administration	9,466,191	10,094,551	628,360	6.6%
Public Health and Environment	22,819,173	23,542,929	723,756	3.2%
Public Safety	68,158,776	72,604,324	4,445,548	6.5%
Regulatory Agencies	1,297,219	1,374,303	77,084	5.9%
Revenue	93,811,579	94,285,875	474,296	0.5%
State	0	0	0	N/A
Transportation	0	0	0	N/A
Treasury	100,187,249	114,226,142	14,038,893	14.0%
LONG BILL				
OPERATING TOTAL	6,783,937,694	7,208,325,303	424,387,609	6.3%
Legislative Appropriation	28,476,873	30,000,359	1,523,486	
Five-year Statutory Appropriations	1,829,356	1,249,047	(580,309)	
School Finance Act (S.B. 07-199)	0	4,655,056	4,655,056	
Controlled Maint. Trust Fund (subject to 6%)	0	2,000,000	2,000,000	
JBC Proposed Balancing Package 1/	705,440	(10,219,438)	(10,924,878)	
TOTAL OPERATING	6,814,949,363	7,236,010,327	421,060,964	6.2%
LESS:				
Amount Exempt from Statutory Limit	(132,013,008)	(152,025,192)	(20,012,184)	
GRAND TOTAL SUBJECT TO STATUTORY LIMIT	6,682,936,355	7,083,985,135	401,048,780	6.0%
Capital Construction	240,624,702	238,499,185	(2,125,517)	
GRAND TOTAL	6,923,561,057	7,322,484,320	398,923,263	

* Includes supplemental appropriations.

EXPLANATION OF MAJOR GENERAL FUND DIFFERENCES

Major changes in the General Fund appropriations are summarized below. The narrative for each department provides further explanation of General Fund changes.

Department of Agriculture -- The recommendation includes increasing General Fund by \$3.9 million, pursuant to the sunset of the Inspection and Consumer Services (ICS) Cash Fund. Senate Bill 05-176 sunsets the ICS Cash Fund, which fully finances seven programs in the Inspection and Consumer Services Division through June 30, 2007. Pursuant to Section 35-1-106.5, funding for the affected programs will revert to the General Fund and fees for the seven affected ICS programs will be collected by the Department of Agriculture and transmitted to the General Fund. This action will significantly reduce revenue generated from the program's current fee structures as the fees and fines set in statute are less than the fees and fines currently set by the Commissioner. Other recommended increases include: \$0.4 million for Joint Budget Committee common policies and \$0.4 million for the lease purchase lab equipment, for Conservation FTE, and for salary survey increases.

Department of Corrections -- The recommendation provides for increases of: (1) \$21.6 million for increases associated with salary survey, health, life, and dental insurance, shift differential, amortization equalization disbursements, and short-term disability premiums in FY 2007-08; (2) \$8.4 million for private prisons and local jails based on a projected increase in the inmate population; (3) \$7.6 million to annualize the cost of double bunking male inmates at four state-operated correctional facilities; (4) \$3.4 million for medical expenses (caseload growth and inflation) and food inflation; (5) \$3.2 million for additional parole and community corrections officers based on the projected caseload of offenders in these programs; (6) \$3.0 million to annualize the cost of bringing 263 female beds on-line at the La Vista Correctional Facility in FY 2006-07; (7) \$1.7 million to double bunk female inmates at Denver Women's Correctional Facility; (8) \$1.6 million for provider rate increases for local jails and in-state private prisons; (9) \$1.5 million for additional housing and security staff and prison maintenance expenses; and (10) \$1.1 million to annualize supplemental appropriations made in FY 2006-07 for additional parole officers, private prison monitoring staff, and a settlement agreement for a class action lawsuit. These amounts are partially offset by a recommended reduction of \$3.5 million to eliminate one-time funds appropriated in FY 2006-07 and a recommended reduction of \$1.6 million General Fund associated with the common policy for a 0.5 percent reduction to personal services line items.

Department of Education -- The recommendation includes an increase of \$171.8 million (6.5 percent) General Fund in the FY 2007-08 Long Bill for public school finance. In addition, please note that the recommendation includes another \$4.6 million General Fund

that is appropriated through S.B. 07-199 (as passed by the Senate) for the purpose of expanding the Colorado Preschool and Kindergarten Program. Thus, the overall recommendation includes a total increase of \$176.4 million (6.7 percent) for public school finance. Finally, the recommendation includes an increase of \$8.0 million General Fund for categorical programs, and an increase of \$5.0 million General Fund for capital construction assistance programs, consistent with the *Giardino* lawsuit settlement agreement.

Department of Health Care Policy and Financing -- The recommended General Fund increases include the following: (1) \$15.5 million in increased availability of Medicaid funding under the waiver rules and for increased services for the developmentally disabled populations; (2) \$15.0 for the Colorado Health Care Services Fund pursuant to requirements in S.B. 06-044; (3) \$14.1 million for increased costs for medical and mental health services due to caseload and per-capita-cost increases for the Medicaid program; (4) \$12.9 million for provider rate increases; (5) \$3.2 million for the Medicare Modernization Act of 2003, state contribution payment; (6) \$2.2 million for other programs administered by the Department of Human Services that are eligible to receive Medicaid funding; and (7) \$0.3 million for various administrative increases for the Department. These increases are offset by an \$11.2 million decrease to eliminate the General Fund deposit into the Children's Basic Health Plan Trust Fund and a decrease of \$1.0 million in the Medicaid funding available for the mental health institutes.

Department of Higher Education -- The recommended General Fund increase includes: \$48.9 million for an 8.5 percent increase in the combined stipends and fee-for-service contracts for each governing board; \$7.4 million for an 8.5 percent increase for financial aid programs, including \$6.9 million for need based financial aid; \$1.2 million for an 8.5 percent increase for the Local District Junior Colleges; \$814,000 for an 8.5 percent increase for the Area Vocational Schools; and \$160,000 for stipends for students attending participating private institutions. These increases are partially offset by discontinuing a one-time \$3.0 million appropriation to the College Opportunity Fund in FY 2006-07, using \$3.0 million of the balance in the College Opportunity Fund to offset the need for General Fund for stipends in FY 2007-08, and decreasing operating support for the Cumbres and Toltec Scenic Railroad by \$410,000 to match the operating funds provided by New Mexico.

Department of Human Services -- The recommended General Fund increase includes \$9.7 million for Mental Health and Alcohol and Drug Abuse services, \$8.5 million for the Executive Director's Office (EDO), \$7.2 million for Youth Corrections, \$4.8 million for Child Welfare, \$2.5 million for Child Care, and \$1.7 million in the Office of Information Technology Services, County Administration, and the Office of Operations. These increases are offset in part by a reduction of \$12.4 million in Services for People with Disabilities. The increases in Mental Health include \$6.1 million for the mental health institutes, \$2.1 million for alcohol and drug abuse programs, and \$1.4 million for community mental health

programs. The EDO increase includes \$5.5 million for centralized appropriations for salaries and benefits and \$1.2 million in annualized 2006-07 salary awards. The Youth Corrections increase includes \$1.9 million due to S.B. 91-94, \$1.3 million in annualized salary increases awarded in FY 2006-07, \$1.1 million for case management, and several smaller increases. The Child Welfare increase includes \$2.8 million in cost of living increase and \$1.7 million due to client population increase. The Child Care increase is due almost entirely to reversing a one-time reduction made in FY 2006-07. Other increases include a \$1.0 million net increase in funding for CBMS changes, and a net increase of \$0.6 million for County Administration. There are a variety of smaller increases throughout the Department.

Judicial Department -- The Judicial Branch's recommended \$32.9 million General Fund increase is primarily comprised of: (1) \$11.0 million for FY 2006-07 adjustments to centrally-appropriated line items; (2) \$6.0 million for 113.5 FTE additional probation and support staff; (3) \$5.4 million to annualize salary survey increases awarded in FY 2006-07; (4) \$3.6 million for 81.1 attorney, secretary, and investigator FTE for the Public Defender's Office to address caseload growth; (5) \$2.6 million to address caseload increases for the Alternate Defense Counsel (ADC) and the Office of the Child's Representative (OCR); (6) \$2.2 million for community treatment services for probationers (this funding is associated with S.B. 03-318, which reduced felony levels for certain drug possession and use offenses); (7) \$2.0 million to raise hourly court-appointed counsel rates paid by the Judicial Department, ADC, and OCR; (8) \$1.0 million for 28.6 FTE additional Trial Courts and support staff; and (9) other miscellaneous changes. These increases are partially offset by a reduction of \$1.5 million to eliminate one-time capital outlay costs.

Department of Law -- The recommendation includes \$1.9 million for a Natural Resource Damage Assessment at the Rocky Mountain Arsenal and \$316,835 to annualize prior year salary and benefits adjustments. The recommendation also includes a bill that will fund the Rocky Mountain Arsenal legal action with cash funds from the Hazardous Substance Response Fund.

Department of Public Safety -- The recommended increase in General Fund is attributable to the following recommended changes: (1) \$2.3 million for additional residential community corrections beds; (2) \$700,000 for community provider rate increases; (3) \$670,000 for specialty community corrections beds for enhanced mental health and drug and alcohol treatment; (4) \$420,000 for the Office of Research Statistics to backfill reductions in federal funds for this purpose and to provide funds for a contract analysis of the Governor's recidivism reduction and offender diversion package.

Treasury Department -- The recommendation reflects a \$14.0 million General Fund¹ increase, compared to the FY 2006-07 appropriation, in payments to local governments to offset the local property tax revenues that will be foregone for tax year 2007 due to the senior citizen and disabled veteran property tax exemption.

¹ This amount is not subject to the six percent statutory limit on General Fund appropriations.

CASH FUNDS APPROPRIATION COMPARISON				
Department	FY 2006-07 Appropriation*	FY 2007-08 Appropriation	Difference	% Difference
Agriculture	14,058,984	16,761,184	2,702,200	19.2%
Corrections	2,628,871	2,969,472	340,601	13.0%
Education	14,636,398	15,076,979	440,581	3.0%
Governor	33,150,440	8,438,470	(24,711,970)	-74.5%
Health Care Policy and Financing	684,480	710,644	26,164	3.8%
Higher Education	24,345,935	22,329,472	(2,016,463)	-8.3%
Human Services	105,029,794	109,060,384	4,030,590	3.8%
Judicial	64,937,225	67,215,501	2,278,276	3.5%
Labor and Employment	30,931,121	35,774,917	4,843,796	15.7%
Law	3,926,951	4,157,413	230,462	5.9%
Legislature	0	0	0	N/A
Local Affairs	29,211,540	29,229,146	17,606	0.1%
Military and Veterans Affairs	76,413	76,340	(73)	-0.1%
Natural Resources	40,311,776	46,380,582	6,068,806	15.1%
Personnel and Administration	12,559,141	12,272,608	(286,533)	-2.3%
Public Health and Environment	32,566,551	35,118,588	2,552,037	7.8%
Public Safety	12,259,049	13,440,962	1,181,913	9.6%
Regulatory Agencies	54,044,598	59,229,007	5,184,409	9.6%
Revenue	45,263,855	53,604,821	8,340,966	18.4%
State	19,130,770	17,487,351	(1,643,419)	-8.6%
Transportation	81,343,825	84,007,659	2,663,834	3.3%
Treasury	2,584,606	2,608,187	23,581	0.9%
LONG BILL				
OPERATING TOTAL	623,682,323	635,949,687	12,267,364	2.0%
Legislative Appropriation	90,000	90,000	0	0.0%
TOTAL OPERATING	623,772,323	636,039,687	12,267,364	2.0%
Capital Construction	6,963,802	2,090,000	(4,873,802)	-70.0%
GRAND TOTAL	630,736,125	638,129,687	7,393,562	1.2%

* Includes supplemental appropriations.

EXPLANATION OF MAJOR CASH FUND DIFFERENCES

Major changes in the recommended cash fund appropriations are summarized below. The narrative for each department provides further explanation of all changes in cash funds.

Department of Agriculture – The recommendation includes a \$6.9 million cash funds increase as a result of the State Fair losing its status as an enterprise, pursuant to H.B. 06-1384, which is offset by a \$4.0 million decrease due to the sunset of the Inspection and Consumer Services (ICS) Cash Fund, pursuant to H.B. 05-176. In addition, the recommendation includes cash funds appropriations for annualized salary survey, measurement standards precision laboratory equipment, and measurement truck equipment.

Office of the Governor – The recommendation includes a \$24.3 million cash funds decrease due to a fund mix adjustment for the Colorado Travel and Tourism Promotion Fund. The State Council on the Arts Cash Fund, the New Jobs Incentives Cash Fund, and the Film Incentives Cash Fund are financed from Limited Gaming Funds and were initially funded as cash funds for the purposes of travel and tourism promotion. However, in subsequent years, these funds must be appropriated as cash funds exempt, pursuant to statute. Other recommended decreases includes the \$2.0 million elimination of one-time appropriations for the Bioscience Discover Evaluation program. These decreases are offset by an informational \$1.0 million recommended increase in cash funds Low-Income Energy Assistance, pursuant to H.B. 06-1200.

Department of Labor – The recommendation includes the following increases in cash funds appropriations: (1) a \$2.4 million fund source adjustment in the Executive Director's Office to refinance state-mandated increases in salaries and benefits for state employees; and (2) a \$0.3 million increase to allow the replacement of aging personal computers. Federal funding of programs with large numbers of employees has not increased at a rate sufficient to cover the mandated increases in salary survey and benefits such as health, life and dental. Over 40 percent of the Department's personal computers are more than four years old and are creating significant maintenance problems.

Department of Natural Resources – The recommended increase in cash funds is attributable to the following recommended changes: (1) \$3.3 million for various common policies for the cash funded programs in the Department; (2) \$1.3 million for additional staff and operating expenses for the Division of Parks and Outdoor Recreation; (3) \$750,000 to refinance the appropriation for the Division of Parks and Outdoor Recreation to offset the need for General Fund; (4) \$435,000 for miscellaneous severance tax projects in the Colorado Water Conservation Board; (5) \$342,000 to clean up forfeited mine sites; and (6) \$210,000 for information technology staff and projects in the Oil and Gas Conservation

Commission.

Department of Public Health and Environment – The recommendation includes the following changes: (1) \$961,000 for 7.0 FTE in the Air Quality Control Division to address workload increases associated with oil and gas development; (2) an extra \$781,289 for personal-services-related central appropriations such as amortization equalization disbursements and health, life and dental premiums.

Department of Regulatory Agencies – The recommendation includes the following cash funds increases: (1) \$2.2 million cash funds reflecting an informational increase in current-year revenue expenditures from the Low-Income Telephone Assistance Trust Fund; (2) \$1.9 million in Joint Budget Committee common policy adjustments; (3) \$0.7 million in salary survey; and (4) \$0.3 million for the indirect cost assessment for the Division of Registrations.

Department of Revenue – The increase is primarily attributable to: (1) a \$5.3 million increase to the Division of Motor Vehicles for three new drivers license offices and 53 new drivers license office staff, to be funded with new drivers license and specialty license plate fees; and (2) a \$1.6 million increase in the distribution of gaming proceeds to gaming cities and counties, appropriated through the Limited Gaming Division, pursuant to Section 12-47.1-701 (1) (c), C.R.S.

CASH FUNDS EXEMPT APPROPRIATION COMPARISON				
Department	FY 2006-07 Appropriation*	FY 2007-08 Appropriation	Difference	% Difference
Agriculture	14,055,641	5,786,944	(8,268,697)	-58.8%
Corrections	60,986,913	62,569,247	1,582,334	2.6%
Education	475,834,846	537,211,385	61,376,539	12.9%
Governor	4,692,262	30,942,321	26,250,059	559.4%
Health Care Policy and Financing	356,524,969	376,754,289	20,229,320	5.7%
Higher Education	1,610,697,386	1,727,560,181	116,862,795	7.3%
Human Services	601,721,781	642,331,989	40,610,208	6.7%
Judicial	9,548,021	10,374,725	826,704	8.7%
Labor and Employment	19,874,799	20,371,492	496,693	2.5%
Law	26,140,331	28,152,364	2,012,033	7.7%
Legislature	0	250,000	250,000	N/A
Local Affairs	101,962,367	107,436,143	5,473,776	5.4%
Military and Veterans Affairs	1,475,343	1,368,936	(106,407)	-7.2%
Natural Resources	109,269,434	104,657,192	(4,612,242)	-4.2%
Personnel and Administration	150,341,703	152,562,382	2,220,679	1.5%
Public Health and Environment	185,371,937	177,451,901	(7,920,036)	-4.3%
Public Safety	106,745,824	113,093,481	6,347,657	5.9%
Regulatory Agencies	9,305,868	8,380,032	(925,836)	-9.9%
Revenue	442,883,386	413,390,207	(29,493,179)	-6.7%
State	8,924,997	3,851,101	(5,073,896)	-56.9%
Transportation	538,767,263	536,710,649	(2,056,614)	-0.4%
Treasury	265,236,100	279,976,178	14,740,078	5.6%
LONG BILL				
OPERATING TOTAL	5,100,361,171	5,341,183,139	240,821,968	4.7%
Legislative Appropriation	913,551	783,774	(129,777)	-14.2%
TOTAL OPERATING	5,101,274,722	5,341,966,913	240,692,191	4.7%
Capital Construction	289,909,967	478,906,218	188,996,251	65.2%
GRAND TOTAL	5,391,184,689	5,820,873,131	429,688,442	8.0%

* Includes supplemental appropriations.

EXPLANATION OF MAJOR CASH FUNDS EXEMPT DIFFERENCES

Major changes in the recommended cash funds exempt appropriations are summarized below. The narrative for each department provides further explanation of all changes in cash funds exempt.

Department of Agriculture -- The recommendation includes the following reductions in cash funds exempt appropriations: (1) \$6.2 million due to the State Fair losing its enterprise status; (2) \$1.9 million due to the State Fair receiving moneys from H.B. 06-1384 to pay down state Treasury loans and outstanding debt to build the Pueblo Events Center, the State Fair does not requires a reduced cash funds reserve in accordance with its contractual debt obligations; and (3) \$0.3 million to the indirect cost assessment to the Inspection and Consumer Services Division.

Department of Education -- The recommendation includes an increase of \$69.9 million cash funds exempt for public school finance, including \$57.1 million from the State Education Fund and \$12.8 million from the State Public School Fund. The recommendation also includes an increase of \$5.0 million in cash funds exempt spending authority (associated with the increase in General Fund appropriations for capital construction programs), as well as an increase of \$1.3 million cash funds exempt from the State Education Fund for categorical programs. These increases are offset by the following decreases: (1) the elimination of an unnecessary \$10.0 million duplicative cash funds exempt appropriation from the School Capital Construction Expenditures Reserve; (2) the elimination of a \$2.8 million one-time increase in funding from the State Education Fund for charter school capital construction; and (3) the elimination of multiple one-time appropriations, totaling \$1.9 million, for various grant programs.

Office of the Governor -- The recommendation includes a \$24.3 million cash funds exempt increase due to a fund mix adjustment for the Colorado Travel and Tourism Promotion Fund, State Council on the Arts Cash Fund, the New Jobs Incentives Cash Fund, and the Film Incentives Cash Fund. These are financed from Limited Gaming Funds and were initially funded as cash funds for the purposes of travel and tourism promotion; however, in subsequent years, these funds must be appropriated as cash funds exempt, pursuant to statute. In addition, the recommendation includes an increase of \$2.5 million cash funds exempt for the Office of the Chief Information Security Officer (OCISO). The OCISO was created with a federal appropriation; however, it was the intent of the General Assembly to fund this program through cash funds exempt revenue from the state's agencies it provides services to in subsequent years, pursuant to H.B. 06-1157.

Department of Health Care Policy and Financing -- The recommended Cash Fund Exempt increase includes: (1) \$23.0 million for increased cost for medical and mental health services for caseload and per-capita-cost increases for the Medicaid program; and (2) \$3.2 million for increased medical and dental costs for caseload and per-capita-cost increases for the Children's Basic Health Plan. These increases are offset by the following decreases: (1) \$4.1 million in the amount of local funds certified for the developmentally disabled program; (2) \$1.2 in the amount of tobacco tax revenues reflected in the Department's appropriation bill; and (3) \$0.7 in other various reductions throughout the Department.

Department of Higher Education -- The recommended increase in cash funds exempt includes: \$67.7 million for tuition as a result of changes in enrollment and increasing tuition spending authority by 7.0 percent for the universities, 5.0 percent for the other four-year state colleges, and 3.5 percent for the 2-year community colleges; \$48.9 million to provide spending authority for the governing boards from stipends and fee-for-service contracts (this is a double-count of the General Fund appropriation); and \$3.0 million in spending from the balance of the College Opportunity Fund for stipends.

Department of Human Services -- The recommended increases in the cash funds exempt appropriation to the Department of Human Services includes \$31.2 million for Services for People with Disabilities. This includes \$22.6 million for the refinance of services funded with General Fund in FY 2006-07 to Medicaid cash funds exempt. As a result of this change, the State expects to access additional federal Medicaid matching funds for developmental disability services in FY 2007-08. The Services for People with Disabilities increase also includes caseload expansion and provider increases for Medicaid-funded developmental disability services, cuts to a Medicaid program that used local funds to access federal Medicaid funds, and an increase in anticipated expenditures for the state and veterans nursing homes. The remaining increases include: (1) \$1.9 million for salary and benefits adjustments; (2) \$1.4 million for a 1.5 percent provider rate increase; (3) \$1.4 million to annualize FY 2006-07 supplemental funding; (4) \$1.1 million to provide incentives for additional counties to participate in the Collaborative Management Program, which promotes a collaborative system to coordinate and manage the provision of cross-system services to children and families across local agencies; (5) \$970,000 for caseload increases within the child welfare system; (6) \$700,000 for common policy adjustments; and (7) \$500,000 to annualize H.B. 06-1395, which redesigned the Residential Treatment Centers (RTCs) in response to reductions in federal Medicaid funding.

Law -- The recommended increase of \$2.0 million in cash funds exempt is due to two key factors: an increase in the legal services rate, which other Departments pay when they use Department of Law legal services, and an increase in indirect cost assessments, which is driven in substantial part by common policies.

Local Affairs -- The recommended increase in cash funds exempt includes: an increase of \$5.5 million lottery funds for Conservation Trust Fund disbursements; an increase of \$0.2 million in limited gaming impact grants. These increases are offset by a decrease of \$0.2 million in indirect cost recoveries.

Department of Public Health and Environment -- The recommended decrease includes: (1) an \$8.1 million decrease in appropriations for Amendment 35 (tobacco tax) supported programs, reflecting more normal appropriation levels for these programs following the large appropriations in the start-up years following passage of Amendment 35; (2) a \$2.0 million decrease in tobacco Master Settlement Agreement support for CDPHE's programs; (3) a \$1.4 million carry-forward of fund balance for the HIV-AIDS Prevention Grants program; and (4) an \$890,000 increase in compensation-related central appropriations such as Amortization Equalization Disbursement and Health, Life and Dental.

Department of Public Safety -- The recommended increases in the cash funds exempt appropriation to the Department of Public Safety include: (1) \$2.5 million to annualize salary increases awarded in FY 2006-07; (2) \$2.0 million for salary and benefits adjustments; (3) \$700,000 to refinance General Fund appropriated to the Human Smuggling Unit with the Colorado State Patrol; (4) \$600,00 for indirect cost and common policy adjustments (5) \$450,000 to add 4.0 FTE troopers for the Gaming highways and 1.0 FTE human resources support (this increase is from limited gaming funds); (6) \$300,000 for indirect cost adjustments; and (7) \$200,000 for relocation expenses incurred to move employees and equipment to the new Colorado Bureau of Investigation Western Slope facility in Grand Junction (this increase is being reimbursed by the Grand Junction Economic Partnership).

Department of Revenue -- The \$29.5 million decrease is primarily attributable to a decrease in appropriations to prizes and variable costs in the State Lottery Division, a TABOR enterprise, related to decreased sales projections.

Department of State -- The recommendation includes a \$5.0 million reduction in the cash funds exempt appropriation due to anticipated lower expenditures from the Help America Vote Act funds. These funds are continuously appropriated to the Department of State, and are shown in the Long Bill for informational purposes only. The anticipated reduction is due to smaller grants made to counties and the completion of the statewide voter registration database.

Treasury Department -- The recommendation reflects: (1) a \$9.7 million increase in the projected disbursements of Highway Users Tax Fund revenues to counties and municipalities, compared to amounts reflected in the FY 2006-07 Long Bill; and (2) a \$5.0 million increase in the amount that is anticipated to be transferred from the Unclaimed

Property Trust Fund to Cover Colorado, compared to the amount reflected in the FY 2006-07 Long Bill.

FEDERAL FUNDS APPROPRIATION COMPARISON				
Department	FY 2006-07 Appropriation*	FY 2007-08 Appropriation	Difference	% Difference
Agriculture	1,885,099	3,910,155	2,025,056	107.4%
Corrections	2,364,740	2,143,197	(221,543)	-9.4%
Education	488,006,352	496,888,395	8,882,043	1.8%
Governor	17,222,636	13,030,450	(4,192,186)	-24.3%
Health Care Policy and Financing	1,601,134,824	1,665,187,059	64,052,235	4.0%
Higher Education	20,080,322	20,478,236	397,914	2.0%
Human Services	602,791,231	609,034,132	6,242,901	1.0%
Judicial	2,296,247	2,291,464	(4,783)	-0.2%
Labor and Employment	102,845,833	101,823,271	(1,022,562)	-1.0%
Law	883,746	1,095,708	211,962	24.0%
Legislature	0	0	0	N/A
Local Affairs	97,750,554	80,264,037	(17,486,517)	-17.9%
Military and Veterans Affairs	145,789,638	165,473,575	19,683,937	13.5%
Natural Resources	16,749,675	16,906,425	156,750	0.9%
Personnel and Administration	121,000	121,000	0	0.0%
Public Health and Environment	210,383,465	211,029,497	646,032	0.3%
Public Safety	35,214,951	23,492,483	(11,722,468)	-33.3%
Regulatory Agencies	1,152,262	1,155,898	3,636	0.3%
Revenue	1,561,754	1,479,405	(82,349)	-5.3%
State	0	110,594	110,594	N/A
Transportation	415,271,865	441,417,139	26,145,274	6.3%
Treasury	0	0	0	N/A
LONG BILL				
OPERATING TOTAL	3,763,506,194	3,857,332,120	93,825,926	2.5%
Capital Construction	26,416,088	40,342,569	13,926,481	52.7%
GRAND TOTAL	3,789,922,282	3,897,674,689	107,752,407	2.8%

* Includes supplemental appropriations.

EXPLANATION OF MAJOR FEDERAL FUNDS DIFFERENCES

Major changes in the anticipated federal funds reflected are summarized below. The narrative for each department provides further explanation of all changes in federal funds.

Department of Agriculture -- The recommendation reflects a \$2.0 million net increase in federal funds anticipated to be available for the implementation of the most recent Farm Bill provisions, National Animal Identification System (NAIS), microbiological and pesticide data programs, the Cooperative Agriculture Pest Survey (CAPS), as well as other various agriculture-based programs.

Office of the Governor -- The recommendation reflects a \$4.2 million net decrease reflecting the elimination of a one-time appropriation of federal funds to create the Office of the Chief Information Security Officer (OCISO).

Department of Health Care Policy and Financing -- The recommended Federal fund increases include the following: (1) \$36.4 million for increased cost for medical and mental health services due to caseload and per-capita-cost increases for the Medicaid program; (2) \$13.5 million in increased availability of Medicaid funding under the waiver rules and for increased services for the developmentally disabled populations; (3) \$12.9 million for provider rate increases; and (4) \$5.9 million for the caseload and per-capita-cost changes for the Children's Basic Health Plan. These increases are offset by a net \$4.4 million decrease in the Executive Director's Office primarily due to elimination of one-time expenditures from FY 2006-07.

Department of Local Affairs -- The recommended decrease reflects: a projected \$16.5 million decrease in federal funds for emergency preparedness grants and training; a projected \$1.1 million decrease in federal funds for business and infrastructure grants through the Community Development Block Grant; a decrease of \$0.4 million and 9.0 FTE associated with moving the administration of the disability navigator project to the Department of Human Services. These decreases are partially offset by an anticipated \$0.5 million increase in federal funds for affordable housing programs.

Department of Military Affairs -- The recommendation includes a projected increase of \$46.0 million for troops, training, equipment, and associated operating and maintenance costs for the Colorado National Guard, and a decrease of \$27.9 million for military construction projects.

Department of Public Safety -- The recommended \$11.7 million reduction in federal funds is primarily attributable to an anticipated reduction of federal grants administered by the Division of Criminal Justice.

Department of Transportation -- The recommendation reflects a \$26.4 million increase in federal funding. The increase represents the Department's estimated apportionment of federal funds from the Federal Highway Administration federal transportation program.

FTE APPROPRIATION COMPARISON				
Department	FY 2006-07 Appropriation*	FY 2007-08 Appropriation	Difference	% Difference
Agriculture	282.0	284.0	2.0	0.7%
Corrections	6,098.1	6,339.9	241.8	4.0%
Education	466.0	470.9	4.9	1.1%
Governor	138.5	138.9	0.4	0.3%
Health Care Policy and Financing	231.8	238.0	6.2	2.7%
Higher Education	18,876.2	19,277.9	401.7	2.1%
Human Services	5,365.7	5,431.5	65.8	1.2%
Judicial	3,544.6	3,800.7	256.1	7.2%
Labor and Employment	1,098.8	1,095.2	(3.6)	-0.3%
Law	362.2	370.6	8.4	2.3%
Legislature	276.3	277.0	0.7	0.3%
Local Affairs	192.8	183.8	(9.0)	-4.7%
Military and Veterans Affairs	1,187.8	1,383.8	196.0	16.5%
Natural Resources	1,466.8	1,514.4	47.6	3.2%
Personnel and Administration	541.3	562.6	21.3	3.9%
Public Health and Environment	1,150.2	1,167.4	17.2	1.5%
Public Safety	1,285.8	1,307.0	21.2	1.6%
Regulatory Agencies	536.7	543.2	6.5	1.2%
Revenue	1,422.1	1,476.0	53.9	3.8%
State	126.5	122.5	(4.0)	-3.2%
Transportation	3,307.2	3,316.0	8.8	0.3%
Treasury	26.0	26.0	0.0	0.0%
LONG BILL				
OPERATING TOTAL	47,983.4	49,327.3	1,343.9	2.8%
* Includes supplemental appropriations.				

EXPLANATION OF MAJOR FTE DIFFERENCES

Major changes in the recommended FTE appropriations are summarized below. The narrative for each department provides further explanation of all changes in FTE.

Department of Corrections – The recommended increase in FTE includes the following changes: (1) 127.6 FTE to annualize an appropriation in FY 2006-07 to double bunk male inmates in four state-operated correctional facilities; (2) 37.3 FTE to annualize an appropriation in FY 2006-07 to bring 263 beds on-line at the La Vista Correctional Facility; (3) 35.2 FTE for additional parole officers, community corrections officers, and community re-entry staff; (4) 17.6 for staff to supervise additional female inmates who will be double bunked at the Denver Women's Correctional Facility; (5) 15.1 FTE to annualize supplemental appropriations for parole officers, staff required for the settlement agreement of a class action lawsuit, and staff for the private prison monitoring unit; and (6) 9.0 FTE for miscellaneous changes.

Department of Higher Education -- The FTE for the higher education institutions are included in the Long Bill for informational purposes only. Pursuant to statute, each governing board retains control over the number of employees hired. Projections submitted by the schools of employment in the current year are used as the best indicator of employment levels in FY 2007-08.

Department of Human Services -- The recommended increases in the FTE appropriation to the Department of Human Services include: (1) 31.4 FTE for the mental health institutes to annualize FTE added for part of the year in FY 2006-07 (this includes staff associated with a new 20-bed competency evaluation and treatment unit and support staff for new DYC and DOC facilities); (2) 16.0 FTE for the regional centers for people with developmental disabilities, including 14.5 FTE to increase staffing intensity (which will annualize to 29.0 FTE in FY 2008-09) and 1.5 FTE for physician services; (3) 11.8 FTE to annualize the FTE appropriation in FY 2006-07 for the 20-bed mental health facility in Pueblo; (4) 9.0 FTE associated with transferring the Disability Navigator program from the Department of Local Affairs; (5) 5.6 FTE for critical posts at the Marvin W. Foote Youth Services Center (this increase brings the relief factor for critical post staffing at this facility up to 5.22 FTE per 24/7 post, compared with 4.8 FTE per 24/7 post prior to the increase); (6) 4.0 FTE for the CBMS emergency processing unit; (7) 3.5 FTE for mental health administration; (8) 3.0 FTE for the Food Stamp program primarily focused on fraud prevention; (9) 3.0 FTE for the replacement of contract workers on the Client Index Program; (10) 1.3 FTE to eliminate backlogs in reviewing reports of child abuse and neglect and come into compliance with the requirement that background investigations be completed within 10 days pursuant to H.B. 03-1211; and (11) 0.8 FTE associated with the Colorado Commission for the Deaf and Hard of Hearing.

These increases are offset by the following reductions in FTE: (1) 16.4 for the State and Veterans Nursing Homes, shown for informational purposes only, based on estimated nursing home staffing; (2) 7.2 FTE in the Office of Operations including 10.0 FTE with \$0 dollars associated related to unused FTE authority, offset by 2.8 FTE for annualization of prior year increases; and (3) 0.5 FTE for Child Care to annualize FY 2006-07 legislation.

Judicial Department -- The Judicial Branch's recommended increase of 256.1 FTE is comprised of: (1) 113.5 FTE probation and 81.1 FTE support staff, consisting of 48.8 FTE attorneys, 16.2 FTE investigators/paralegals, 12.2 FTE trial secretaries, and 3.9 FTE administrative staff in the Public Defender's Office (PDO); (3) 28.6 FTE trial court and support staff; (4) 28.1 FTE to reflect personnel in the Office of the Child's Representative's staff office (this FTE increase is for technical purposes only, there is no associated funding increase); (5) 5.0 FTE to better reflect anticipated FTE use for continuously appropriated line items; (6) 2.0 FTE to allow the PDO to provide contract services in Denver's new drug court (this increase annualizes a FY 2006-07 supplemental appropriation); (7) 1.6 FTE to account for the FY 2007-08 impact of special bills passed during the 2006 legislative session; (8) 0.25 FTE magistrate and 0.75 FTE associated support staff; (9) 1.0 FTE appellate case manager for the Alternate Defense Counsel (ADC); (10) 0.5 FTE to provide oversight and training for ADC's contract attorneys; and (11) miscellaneous reductions.

Department of Military and Veterans Affairs. The increase includes 3.0 FTE new General Funded staff in the Executive Director's Office (two for armory maintenance on the Western Slope and one for information technology and purchasing support primarily for the Division of Veterans Affairs), 31.0 FTE additional federally-funded operations and maintenance staff, and 162.0 FTE additional federally-funded Colorado National Guard troops.

Department of Revenue. The increase includes 53.0 FTE new staff for drivers license offices, to be funded with income from a new drivers license fee and a new specialty license plate fee. The increase also includes 0.9 FTE for computer programming for session legislation, to reflect actual FTE.

Department of Personnel and Administration -- The recommended increase in FTE includes the following changes: (1) 13.3 FTE increase to the Document Solutions Group (this increase represents a conversion of temporary data entry employees into permanent full-time state FTE); (2) 5.0 FTE (four drivers and one materials handler) to address increased workload in mail services in the Department's Pueblo operations; (3) 3.0 FTE additional collectors staff in the Division of Finance and Procurement, Collections Services.

Department of Public Health and Environment -- The recommended FTE increase includes the following changes: (1) 7.0 FTE for the Air Quality Control Division to address

workload increases associated with oil and gas development; (2) 7.0 FTE for the Water Quality Control Division to address workload growth and the implementation of new regulations; (3) 3.0 FTE for the Cancer, Cardiovascular and Pulmonary Disease Grant Program, who will specialize in each of the program's three grant areas; (4) 2.8 FTE for the Health Disparities Grants Program, which currently has only 0.5 FTE; and (5) 2.0 FTE for the Nurse Home Visitor Program, to deal with program growth.

Department of Public Safety -- The recommended increases in the FTE appropriation to the Department of Public Safety include: (1) 15.0 FTE to annualize FY 2006-07 legislation, primarily S.B. 06-225, which created the Human Smuggling Unit within the Colorado State Patrol and added 12.0 FTE in FY 2007-08; (2) 5.0 FTE to add 4.0 FTE troopers for the Gaming highways and 1.0 FTE human resources support staff; and (3) 2.0 FTE for additional audit staff to comply with the Federal Bureau of Investigation's requirements to audit the Colorado Crime Information Center. These increases are offset by an overall reduction of 0.8 FTE in the Division of Criminal Justice.

GENERAL POLICIES

The recommendations for many line items are determined by general policies applied consistently to State agencies. A brief explanation for each of these line items and policies is provided below.

Administrative Law Judge Services

Funds for Administrative Law Judge (ALJ) services are included for the eleven departments that use such services. The recommended billing is calculated by applying each department's percentage of actual ALJ use in FY 2005-06 to the Administrative Courts' overhead (personal services, centrally appropriated items such as salary survey and short-term disability insurance, operating expenses, and indirect costs). In FY 2007-08, spending authority for the Administrative Courts totals approximately \$4.3 million.

ADP Capital Outlay and Information Technology Asset Maintenance

These line items fund the replacement or addition of automated data processing equipment. Automated Data Processing (ADP) Capital Outlay is the common title for one-time, incidental information technology appropriations. The Information Technology Asset Maintenance line item is used by departments to fund network maintenance, hardware and software maintenance contracts, and anti-virus software. Requests for these items are reviewed by the Commission on Information Management (IMC).

Capitol Complex Leased Space

This line item is for departments occupying space in the Capitol Complex, the North Campus facility, the Pierce Street Building, the Grand Junction State Office Building, and Camp George West, which is located in Golden. This line item appears in each department's executive director's office, with some exceptions. The recommended funding level is based on a rate of \$12.41 per square foot for the Capitol Complex, \$4.24 per square foot for the North Campus, \$6.00 per square foot for the Pierce Street Building, \$7.89 per square foot for the Grand Junction State Office Building, and \$1.00 per square foot for Camp George West. Tenants of Camp George West are also appropriated funds in the Capitol Complex Leased Space line item for utility payments that are not included in that campus' square footage rate. The recommended funds may not be used for leased space outside of these facilities, which are administered by the Department of Personnel and Administration, Division of Central Services. A matching amount of transfer spending authority, \$11.2 million for FY 2007-08, is appropriated to the Department of Personnel and Administration to pay all costs associated with maintenance and upkeep for 754,366 square feet of space in the Capitol Complex, 42,871 square feet of space in the North Campus, 116,448 square feet for the Pierce Street Building, 34,499 square feet in the Grand Junction State Office Building, and 285,755 square feet at Camp George West.

Communication Services Payments

This line item appears in each department's executive director's office, with some exceptions, and represents each department's share of the overhead related to the state's public safety communications infrastructure. For FY 2007-08, billings are sufficient to fund personal services, operating expenses, and indirect costs for the Communications Services program in the Division of Information Technology. This amounts to recoverable costs of \$4.4 million.

Community Provider Rates

The recommendation includes a 1.5 percent community provider rate increase applied to selected programs in the Departments of Human Services, Health Care Policy and Financing, Corrections, and Public Safety. In general, community provider rate increases apply to programs and services which, if not provided by contracted provider organizations or county staff, would need to be provided by state staff. Details on the programs affected are reflected by division in the Long Bill Narrative tables.

Health, Life, and Dental

This line item appears in each department's executive director's office. For FY 2007-08, the total statewide cost of health, life, and dental benefits for all employees except higher education faculty and administration is expected to be approximately \$97.9 million, including approximately \$58.2 million from the General Fund. For FY 2007-08, the state contribution rate for employee benefits is \$310.51 per month for a single employee, \$480.35 per month for an employee and one or more children, \$524.93 per month for an employee and spouse, and \$711.15 per month for an employee and family. State employees make payroll contributions to pay for the difference between the state contribution level and the premiums for the plans and coverages selected during the open enrollment period each year. Approximately 24,600 employees participate in the State's medical insurance plans, not including institutions of higher education.

Indirect Costs

Indirect costs are the overhead costs associated with the operation of general government functions and departmental administrative duties. Indirect cost recoveries are intended to offset these overhead costs, that otherwise would have been supported by the General Fund, from cash- and federally-funded sources. Recoveries from cash and federally-funded programs are calculated for statewide and departmental overhead costs.

Statewide indirect cost recoveries are designed to offset costs of operating general government functions that support the activities of all departments but for which no fee is charged. These costs are calculated by the State Controller's Office and approved by the Joint Budget Committee. In FY 2007-08, the statewide indirect cost recovery plan is estimated to recover \$1.26 million less than was recovered in FY 2006-07 from cash and federally-funded sources. Due to changes in the allocation of costs, departments may have an increase or a decrease in indirect costs assessed against them.

Departmental indirect cost recoveries are specific to the general administrative functions of each department, typically including the functions of the executive director's office. These costs are calculated and assessed based upon an allocation methodology adopted by the Joint Budget Committee. Generally, indirect cost recoveries are appropriated as cash funds exempt in the executive director's office, where they offset General Fund, and are appropriated as cash funds, cash funds exempt, or federal funds in the division in which they are earned.

Lease Purchase

The recommendation is for a continuation of existing lease purchase agreements. Requests for additional lease purchase funds are examined on an individual basis and funded where appropriate.

Leased Space

This line item appears in each department's executive director's office, with some exceptions. The intent is to ensure that each executive director reviews and manages a department's use of leased space.

Legal Services

This line item appears in each department's executive director's office, with some exceptions. Funding is recommended so each department can purchase necessary legal services from the Department of Law. For FY 2007-08, agencies will pay a blended rate of \$72.03 per hour, which provides for the purchase of services from both attorneys and paralegals. The appropriation to the Department of Law is sufficient to fund personal services and associated expenses, operating expenses, litigation expenses, and indirect costs for a projected 310,241 hours of statewide legal service at a cost of \$22.3 million in FY 2007-08.

Multiuse Network Payments

This line item appears in each department's executive director's office, with a few exceptions. The multiuse network aggregates the State's telecommunications infrastructure onto one medium of transport. The network carries the State's voice, video, text, and graphics communications needs, and it also serves as the Internet service provider for the State. Additionally, local governments and other governmental agencies can access the network through the State, rather than through its private sector partner, which is a consortium of several telecommunications providers. Costs for the multiuse network include Department of Personnel and Administration overhead, Internet access, and contractual obligations that provide the State with a reserved amount of bandwidth at each network access point. In FY 2007-08, the program's expenses that it will recover from other state agencies total \$11.5 million.

Operating Expenses

For FY 2007-08, the recommended amounts for operating expenses are funded at continuation levels, with the exception of base reductions which may have occurred. The Joint Budget

Committee recommends inflationary increases for operating expenses related to food, medical, and laboratory services in departments in which these costs are not incidental. Inflation rates are 1.8 percent for food and 2.0 percent for medical costs. The following five departments are generally affected by food and medical inflation: Corrections, Education, Human Services, Public Health and Environment, and Public Safety.

Payment to Risk Management and Property Funds

This line item appears in each department's executive director's office. The recommendation represents each department's share of the statewide cost of property and liability insurance coverage, based on a three-year average loss history as verified by an independent actuarial firm. A matching amount of spending authority is provided to the Department of Personnel and Administration to pay administrative, legal, and claims costs for the state's liability self-insurance and to pay premiums and the aggregate deductible of \$1.25 million for each policy year for the state's property insurance policies of \$500.0 million in total coverage. In FY 2007-08, the risk management and property program will cost \$18.4 million.

Personal Services

In FY 2007-08, the Joint Budget Committee adopted a common policy for calculating personal services costs which decreased most personal services line items by 0.5 percent of the previous year's base salaries. In previous years, the Joint Budget Committee applied a base reduction to personal services line items of between 0.2 and 2.5 percent to account for vacancies and turnovers. This policy saves approximately \$3.9 million General Fund in FY 2007-08.

Public Employees' Retirement Association (PERA)

Each personal services and salary survey recommendation includes the designated state retirement contribution to PERA for all eligible employees. Pursuant to Section 24-51-408.5 (6) (a), C.R.S., the contribution rate is adjusted based on any over- or under-funding of the PERA trust funds that may exist. For FY 2007-08, the contribution rate will be 10.15 percent of base salaries for most state employees. However, the rates for state troopers and judges are 12.85 percent and 13.66 percent of base salary, respectively. In general, state employees also contribute 8.0 percent of base salary to this defined benefit plan.

S.B. 04-257 Amortization Equalization Disbursement (AED)

Pursuant to S.B. 04-257, the State must contribute additional funds to assist in the amortization of the Public Employees' Retirement Association's (PERA) unfunded liability. The current amortization period is infinite. Beginning on January 1, 2006, the State provided an additional 0.5 percent of base salaries to the PERA trust fund. Beginning January 1, 2007, the State provided an additional 0.5 percent of base salaries to the PERA trust fund, thus bringing the total AED state contribution to 1.0 percent of base salaries. Beginning January 1, 2008, the State will provide an additional 0.4 percent of base salaries to the PERA trust fund, thus bringing the total AED state contribution to 1.4 percent of base salaries.

S.B. 06-235 Supplemental Amortization Equalization Disbursement (SAED)

Pursuant to S.B. 06-235, employees must contribute additional funds to assist in the amortization of the Public Employees' Retirement Association's (PERA) unfunded liability. Beginning January 1, 2008, employees will contribute an additional 0.5 percent of their total payroll to the PERA trust fund. This contribution rate is scheduled to increase by 0.5 percent per year, for a total of 3.0 percent by 2013. The SAED is to be funded from money otherwise available for use but not yet awarded as salary increases. Together, AED and SAED will contribute an additional six percent of total payroll to PERA by 2013.

Purchase of Services from Computer Center

Funds for General Government Computer Center (GGCC) services are included for all departments that use such services. The recommended billing is calculated by applying each department's percentage of actual GGCC use in FY 2005-06 to the Computer Services programs' overhead (personal services, centrally appropriated items such as salary survey and short-term disability insurance, operating expenses, and indirect costs). In FY 2007-08, spending authority for the computer services program totals approximately \$12.2 million.

Salary Survey and Senior Executive Service

This line item appears in each department's executive director's office, with the exception of the Department of Transportation, Administration Division. Recommended Long Bill funding for salary survey and senior executive service adjustments is based on the "2006 Total Compensation Survey" published on August 1, 2006, and submitted by the State Personnel Director pursuant to Section 24-50-104 (4) (c), C.R.S., and updated on December 14, 2006. This survey uses 17 third-party surveys to measure wages for the ten occupational groups in the State's classified personnel system. These increases are effective on July 1, 2007. The survey recommended wage increases for all ten occupational groups ranging from 2.8 percent to 3.9 percent, with an average salary survey increase of 3.7 percent. In FY 2007-08, these percentages will be applied to the salary ranges of the various occupational groups.

The total cost of salary survey increases for all classified and exempt state employees, excluding those in the Department of Higher Education, is approximately \$54.3 million, including approximately \$32.9 million from the General Fund.

Performance-based Pay Awards

This line item appears in each department's executive director's office, with the exception of the Department of Transportation, Administration Division. Recommended Long Bill funding for performance-based pay awards is based on the "2006 Total Compensation Survey" published on August 1, 2006, and submitted by the State Personnel Director pursuant to Section 24-50-104 (4) (c), C.R.S., and updated on December 14, 2006. For FY 2007-08 the funding for performance-based

pay awards is calculated at 1.37 percent of base salaries. The total cost of performance-based pay increases for all classified and exempt state employees, excluding those in the Department of Higher Education, is approximately 18.6 million, including approximately \$11 million from the General Fund.

Shift Differential

This line item appears in each applicable department's executive director's office, with the exception of the Department of Higher Education. Shift differential payments provide higher wages for evening, night, and weekend shifts. In FY 2007-08, shift differential payments for all state employees total approximately \$10.7 million, including approximately \$8.8 million from the General Fund.

Short-term Disability

All state employees are eligible for employer-paid short-term disability insurance. The recommended amounts are based on a factor of 0.13 percent of each employee's base salary. This line item appears in each department's executive director's office and cannot be expended for any other purpose.

Utilities

In general, departments pay for utility costs from either the base operating expenses appropriation or a separate utilities line item, which typically supports the cost of maintaining a state-owned facility. The recommendation for FY 2007-08 is dependant on specific circumstances regarding utilities in each department.

Vehicle Lease Payments

This line item appears in each department's executive director's office with an exception to the Department of Human Services. Motor vehicles can only be purchased through the Fleet Management Program in the Department of Personnel and Administration pursuant to Section 24-30-1117, C.R.S. The recommendation is based on the amount necessary for each department to make vehicle lease payments to the Fleet Management Program, which charges lease rates that vary by vehicle model and type. The lease payments are sufficient to recover the annual costs of program administration and the lease purchase installment payments for replacement and additional vehicles, which are financed by a private company. For FY 2007-08, the Joint Budget Committee approved the replacement of 596 vehicles and the acquisition of 64 additional vehicles statewide. Statewide vehicle variable costs (including fuel, maintenance, and insurance) are estimated to be \$18.5 million in FY 2007-08, for 5,462 vehicles, at an average cost of \$3,390 per vehicle.

Workers' Compensation

This line item appears in each department's executive director's office. The recommendation represents each department's share of the statewide cost of workers' compensation coverage, based

on a three-year average loss history as verified by an independent actuarial firm. This self-insured program is administered by Pinnacle Assurance (formerly Colorado Compensation Insurance Authority) and covers employees in all departments (except the University of Colorado and the Colorado State University, which operate separate, self-insured programs). A matching amount of spending authority is provided to the Department of Personnel and Administration to pay administrative, legal, and claims costs. In FY 2007-08, this coverage will cost \$31.2 million. Note that these figures include the institutions of the Department of Higher Education that have not exempted themselves from this program under the provisions of H.B. 04-1009.

Department of Agriculture

Department Description: The Department of Agriculture regulates, promotes and supports various agriculture activities throughout Colorado. Department personnel perform a wide range of services including policy analysis, regulation of the State's agricultural industries, and management of the Colorado State Fair. The Department is comprised of the Commissioner's Office and Administrative Services, the Agricultural Services Division, the Agricultural Markets Division, Brand Board, Special Purpose, the Colorado State Fair, and the Conservation Board.

Summary Table for Department of Agriculture						
	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$35,221,241	\$5,221,517	\$14,058,984	\$14,055,641	\$1,885,099	282.0
<i>Recommended Changes from FY 2006-07 by Long Bill Division</i>						
Commissioner's Office and Administrative Services	2,781,813	1,132,027	(91,692)	(268,132)	2,009,610	0.0
Agricultural Services Division	119,559	3,489,946	(3,385,833)	0	15,446	0.0
Agricultural Markets Division	(17,636)	7,364	(25,000)	0	0	0.0
Brand Board	129,627	0	0	129,627	0	0.0
Special Purpose	3,187	0	3,187	0	0	0.0
Colorado State Fair	(1,928,654)	0	6,201,538	(8,130,192)	0	0.0
Conservation Board	123,093	123,093	0	0	0	2.0
Total FY 2007-08 Long Bill Recommendation	\$36,432,230	\$9,973,947	\$16,761,184	\$5,786,944	\$3,910,155	284.0
<i>JBC Budget Package Legislation</i>						
H.B. 07-1198	\$119,352	(\$2,560,403)	\$2,560,403	\$119,352	\$0	0.0
Total FY 2007-08 JBC Recommendation	\$36,551,582	\$7,413,544	\$19,321,587	\$5,906,296	\$3,910,155	284.0
\$ Change from prior year	\$1,330,341	\$2,192,027	\$5,262,603	(\$8,149,345)	\$2,025,056	2.0
% Change from prior year	3.8%	42.0%	37.4%	(58.0)%	107.4%	0.7%

Recommendation Highlights:

1. Reflects the sunset of the Inspection and Consumer Services Cash Fund (pursuant to S.B. 05-176) in the fund sources for the Commissioner's Office, the Agricultural Services Division, and the Brand Board. The total Department impact is an increase of \$3.9 million General Fund and a corresponding decrease in cash funds and cash funds exempt;
2. Increases the General Fund by \$126,846 General Fund and 2.0 FTE for Conservation Field FTE;
3. Increases General Fund by \$6.2 million and increases cash funds by a corresponding amount as a result of the State Fair losing its enterprise status, pursuant to H.B. 06-1384 (Moneys Benefitting the State Fair); and

4. Increases General Fund by \$39,672 to lease purchase laboratory equipment for the biochemistry laboratory in the Division of Agricultural Services.

JBC Budget Package Legislation:

H.B. 07-1198: As a part of their budget package, the Joint Budget Committee is sponsoring S.B. 07-1198, which removes the Inspection and Consumer Services (ICS) Cash Fund sunset provision and refinances the programs the fund supports with a mix of cash funds and General Fund. On June 30, 2007, S.B. 05-176 will sunset the ICS Cash Fund which finances seven ICS programs. In addition, after this date, the fees established by statute will be collected by the Department of Agriculture and transmitted to the General Fund. This action will significantly reduce revenue generated from the program's current fee structures as the fees and fines set in statute are less than the fees and fines currently set by the Commissioner.

Budget Recommendation Detail by Long Bill Division

Commissioner's Office and Administrative Services: The Commissioner's Office, in conjunction with the Colorado Agricultural Commission, is responsible for the development and implementation of agricultural policies throughout the state. The Administrative Services section provides administrative and technical support for various programs within the Department, such as accounting, budgeting, human resources, and computer programming.

Commissioner's Office & Administrative Services	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$5,531,598	\$1,674,174	\$1,580,025	\$1,429,948	\$847,451	27.7
<i>Recommended Changes from FY 2006-07 Appropriation</i>						
Federal grants	2,004,114	0	0	0	2,004,114	0.0
Salary and benefits adjustments	575,370	279,502	185,383	100,704	9,781	0.0
Adjustments for central appropriations	172,821	122,338	61,701	(14,098)	2,880	0.0
Annualize salary survey	36,999	36,999	0	0	0	0.0
Cash fund sunset	(773)	697,758	(338,102)	(360,429)	0	0.0
Other changes	(6,718)	(4,570)	(674)	5,691	(7,165)	0.0
Total FY 2007-08 JBC Recommendation	\$8,313,411	\$2,806,201	\$1,488,333	\$1,161,816	\$2,857,061	27.7
\$ Change from prior year	\$2,781,813	\$1,132,027	(\$91,692)	(\$268,132)	\$2,009,610	0.0
% Change from prior year	50.3%	67.6%	(5.8)%	(18.8)%	237.1%	0.0%

Issue Descriptions

Federal grants: The recommendation includes various increases in federal funds for various programs related to the Farm Bill, invasive plants, the national animal identification program, pest survey program, pesticide data program, and communicable animal diseases.

Salary and benefits adjustments: The recommendation includes additional funds for increases in salary survey, health, life, and dental insurance, and performance-based pay awards for Department employees.

Adjustments for central appropriations: The recommendation reflects the rates approved for other centrally appropriated items by the JBC. Such items include the following: short-term disability, S.B. 04-257 amortization equalization disbursement, S.B. 06-235 supplemental amortization equalization disbursement, capital complex leased space, multiuse network payments, and purchased services from computer center. The recommendation contains various changes in centrally appropriated line items. These centrally appropriated items include workers' compensation, risk management and property, vehicle lease payments, and legal services.

Annualize salary survey: The recommendation includes an additional \$36,999 that represents the salary increases allocated to the Division for salary increases provided in FY 2006-07.

Cash fund sunset: These amounts show funding changes due to the sunset of the Inspection and Consumer Services Cash Fund at the end of FY 2006-07. The General Fund increase includes the refinance of centrally-appropriated line items from cash funds, as well as the elimination of indirect cost recoveries to offset personal services expenditures.

Other changes: This change includes various small changes to operating expenses.

Agricultural Services Division: This division administers most of the Department's major programs and various statutory responsibilities.

Inspection and Consumer Services

There are several programs within this section. The Fruit and Vegetable Inspection Program determines the grade, size, and quality of more than 2 billion pounds of fruits and vegetables each year. The Consumer and Producer Protection Program includes: the Farm Products Section, which assures a stable agricultural products distribution system; the Laboratory Services Section, which provides detailed analysis of agricultural products and related issues; and the Measurement Standards Section, which tests and inspects all commercial measuring devices within the State.

Pursuant to S.B. 05-176, the major source of funding for this division, the Inspection and Consumer Services (ICS) Cash Fund, will sunset and the seven programs it supports will revert to being funded by the General Fund. These moneys are primarily generated from fees collected for services provided by the Division.

Animal Industry

The Animal Health Program helps protect the economic viability of livestock producers and oversees several aspects of statewide animal welfare issues. These objectives are accomplished through the Veterinary and Animal Health Lab Section, the Rodent and Predatory Animal Control Section, the Bureau of Animal Protection, and the Pet Care Facilities Program.

Plant Industry

This section manages statewide pest control programs, registers pesticides and related applicators, and inspects plant products intended for domestic and overseas export or import to ensure they are free from pests and disease. Despite the elimination of General Fund dollars for the noxious weed management grant program in FY 2002-03, the State Weed Coordinator still assists local and regional efforts to manage and control noxious weeds. This section also maintains the State's Insectary, which rears and releases beneficial insects to help control insect and weed pests.

Agricultural Services Division	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$11,517,262	\$2,315,347	\$8,624,267	\$40,000	\$537,648	151.4
Recommended Changes from FY 2006-07 Appropriation						
Annualize salary survey	254,344	67,029	166,733	0	20,582	0.0
Measurement truck equipment	113,720	0	113,720	0	0	0.0
Lease purchase laboratory equipment	85,992	39,672	46,320	0	0	0.0
Measurement standards laboratory equipment	37,148	0	37,148	0	0	0.0
Aquaculture move from Agricultural Markets Division	25,000	0	25,000	0	0	0.0
Cash fund sunset	(421,375)	3,200,631	(3,621,929)	0	(77)	0.0
Other changes	24,730	182,614	(152,825)	0	(5,059)	0.0
Total FY 2007-08 JBC Recommendation	\$11,636,821	\$5,805,293	\$5,238,434	\$40,000	\$553,094	151.4
\$ Change from prior year	\$119,559	\$3,489,946	(\$3,385,833)	\$0	\$15,446	0.0
% Change from prior year	1.0%	150.7%	(39.3)%	0.0%	2.9%	0.0%

Issue Descriptions

Annualize salary survey: The recommendation includes an additional \$254,344 that represents the salary increases allocated to the Division in FY 2006-07.

Measurement truck equipment: The recommendation includes funds for large scale device testing equipment including two hoists (one large, one small), two sets of weights, and two test truck bed reconfigurations for the sets of weights.

Lease purchase laboratory equipment: The recommendation includes funds to lease purchase laboratory equipment for the Department's biochemistry laboratory.

Measurement standards laboratory equipment: The recommendation includes funds to replace precision laboratory equipment for the small mass lab, calibration of law enforcement equipment, grain moisture analysis, primary/secondary mass check standards calibration, volume standards calibration, temperature standards calibration, and laboratory space calibration.

Aquaculture move from Agricultural Markets Division: The recommendation includes transferring this program from the Agricultural Markets Division.

Cash fund sunset: The recommendation includes increasing General Fund and decreases in other fund sources, pursuant to the sunset of the Inspection and Consumer Services Cash Fund. Senate Bill 05-176 sunsets the Inspection and Consumer Services Cash Fund, which fully finances seven programs in the Inspection and Consumer Services Division through June 30, 2007. Pursuant to Section 35-1-106.5, funding for the affected programs will revert to the General Fund.

Other changes: Includes various changes to operating expenses from legislation.

Agricultural Markets Division: This division provides marketing assistance and related support to Colorado agricultural-based businesses competing in local, national, and international arenas. The Agricultural Markets Division also coordinates various market orders, promotes Colorado agricultural products, and works to assist start-up or expanding food processing companies within the state.

Agricultural Markets Division	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$1,097,430	\$402,256	\$75,337	\$619,837	\$0	5.2
Recommended Changes from FY 2006-07 Appropriation						
Annualize salary survey	8,526	8,526	0	0	0	0.0
Aquaculture move to Agricultural Services Division	(25,000)	0	(25,000)	0	0	0.0
Other changes	(1,162)	(1,162)	0	0	0	0.0
Total FY 2007-08 JBC Recommendation	\$1,079,794	\$409,620	\$50,337	\$619,837	\$0	5.2
\$ Change from prior year	(\$17,636)	\$7,364	(\$25,000)	\$0	\$0	0.0
% Change from prior year	(1.6)%	1.8%	(33.2)%	0.0%	n/a	0.0%

Issue Descriptions

Annualize salary survey: Includes an additional \$8,526 that represents the salary increases allocated to the Division in FY 2006-07.

Aquaculture move: The recommendation includes transferring this program to the Agricultural Services Division.

Other changes: Includes various small changes to personal services and operating expenses.

Brand Board: The Brand Board serves the livestock industry and assists the public with problems related to livestock management. This division also administers and records livestock brands. The Board also inspects cattle, horse, and alternative livestock brands (such as deer and elk) to verify ownership at the time of sale, transport, or slaughter. The source of funding is fees for service.

Brand Board	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$3,741,614	\$0	\$0	\$3,741,614	\$0	66.3
Recommended Changes from FY 2006-07 Appropriation						
Brand trucks	148,993	0	0	148,993	0	0.0
Annualize salary survey	80,251	0	0	80,251	0	0.0
Brand books	42,141	0	0	42,141	0	0.0
Other changes	(141,758)	0	0	(141,758)	0	0.0

Brand Board	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
Total FY 2007-08						
JBC Recommendation	\$3,871,241	\$0	\$0	\$3,871,241	\$0	66.3
\$ Change from prior year	\$129,627	\$0	\$0	\$129,627	\$0	0.0
% Change from prior year	3.5%	n/a	n/a	3.5%	n/a	0.0%

Issue Descriptions

Brand trucks: The recommendation includes \$148,993 cash funds exempt to replace 13 vehicles.

Annualize salary survey: Includes an additional \$80,251 that represents the salary increases allocated to the Division in FY 2006-07.

Brand books: The recommendation includes \$42,141 to revise and disencumber the brand records of unused brands and publishing a revised list of all current brands.

Other changes: The recommendation includes various small changes to personal services and the indirect cost assessment.

Special Purpose: This Long Bill section is comprised of the Wine Promotion Board, which promotes wines produced in Colorado; the Vaccine and Service Fund, which provides for the vaccination of calves against brucellosis; and the Brand Estray Fund, which funds the maintenance and sale or return of stray livestock. Cash funds are from the Colorado Wine Industry Development Fund, the Brand Estray Fund, and the Veterinary Vaccine and Service Fund. The source of cash funds exempt is reserves from the Brand Estray Fund.

Special Purpose	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$709,427	\$0	\$615,377	\$94,050	\$0	1.0
Recommended Changes from FY 2006-07 Appropriation						
Annualize salary survey	2,149	0	2,149	0	0	0.0
Other changes	1,038	0	1,038	0	0	0.0
Total FY 2007-08						
JBC Recommendation	\$712,614	\$0	\$618,564	\$94,050	\$0	1.0
\$ Change from prior year	\$3,187	\$0	\$3,187	\$0	\$0	0.0
% Change from prior year	0.4%	n/a	0.5%	0.0%	n/a	0.0%

Issue Descriptions

Annualize salary survey: Includes an additional \$2,149 that represents the salary increases allocated to the Division in FY 2006-07.

Other changes: The recommendation includes various small changes to personal services and the indirect cost assessment.

Colorado State Fair: This program includes personal services and operating expenses associated with the Colorado State Fair, which is administered by the State Fair Authority. The source of funding is fees collected by the Colorado State Fair during its 16-day run each August and from non-fair events held at the fairgrounds throughout the remainder of the year.

Pursuant to H.B. 06-1384, the State Fair Authority was provided moneys through the Colorado Travel and Tourism Promotion Cash Fund to (1) pay down remaining state Treasury loans; (2) upon repayment of the state Treasury loans, pay-off outstanding debt incurred to build the events center in Pueblo; (3) and provide an annual appropriation of for administrative expenses, operating costs, and event promotion. As a result of this legislation, the State Fair Authority lost its enterprise status upon receiving more than 10 percent of its annual revenue in grants, pursuant to Section 20 of Article X of the Colorado Constitution (TABOR).

Colorado State Fair	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$11,294,170	\$0	\$3,163,978	\$8,130,192	\$0	26.9
<i>Recommended Changes from FY 2006-07 Appropriation</i>						
Annualize salary survey	20,338	0	20,338	0	0	0.0
Cash fund reserves reduction	(1,929,502)	0	0	(1,929,502)	0	0.0
Enterprise status	0	0	6,181,302	(6,181,302)	0	0.0
Other changes	(19,490)	0	(102)	(19,388)	0	0.0
Total FY 2007-08 JBC Recommendation	\$9,365,516	\$0	\$9,365,516	\$0	\$0	26.9
\$ Change from prior year	(\$1,928,654)	\$0	\$6,201,538	(\$8,130,192)	\$0	0.0
% Change from prior year	(17.1)%	n/a	196.0%	(100.0)%	n/a	0.0%

Issue Descriptions

Annualize salary survey: The recommendation includes an additional \$20,338 that represents the salary increases allocated to the Division in FY 2006-07.

Cash fund reserves reduction: This change represents the decrease in required cash fund reserves. The amount of cash funds the State Fair was required in reserves was decreased as a result of funding appropriated pursuant to H.B. 06-1384 (Moneys Benefitting the State Fair).

Enterprise status: The funding mix was adjusted from cash funds exempt to cash funds as a result of the state fair losing its enterprise status from the funds received from H.B. 06-1384 (Moneys Benefitting the State Fair).

Other changes: The recommendation includes various small changes to personal services and the indirect cost assessment.

Conservation Board: The Conservation Board is responsible for providing administrative and fiscal oversight to Colorado's 77 conservation districts. The Board also coordinates various federal programs related to natural resource issues, provides guidance on stream bank erosion, and assists farmers and ranchers in implementing a variety of water and energy practices.

Conservation Board	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$1,329,740	\$829,740	\$0	\$0	\$500,000	3.5
<i>Recommended Changes from FY 2006-07 Appropriation</i>						
Conservation Field FTE	118,494	118,494	0	0	0	2.0
Annualize salary survey	5,900	5,900	0	0	0	0.0
Other changes	(1,301)	(1,301)	0	0	0	0.0
Total FY 2007-08 JBC Recommendation	\$1,452,833	\$952,833	\$0	\$0	\$500,000	5.5
\$ Change from prior year	\$123,093	\$123,093	\$0	\$0	\$0	2.0
% Change from prior year	9.3%	14.8%	n/a	n/a	0.0%	57.1%

Issue Descriptions

Conservation Field FTE: The recommendation includes funds and 2.0 FTE to work with conservation districts to deliver conservation practices to private lands.

Annualize salary survey: The recommendation includes an additional \$5,900 that represents the salary increases allocated to the Division in FY 2006-07.

Other changes: The recommendation includes various small changes to personal services.

Department of Corrections

Department Description: The Department of Corrections is responsible for the following activities: (1) managing, supervising, and controlling the correctional facilities operated and supported by the state; (2) supervising inmates who are placed on parole or who are placed in community corrections programs; (3) developing a systematic building program providing for the projected, long-range needs of the institutions under the Department's control; and (4) developing correctional industries within the institutions, which have a rehabilitative or therapeutic value for inmates.

Summary Table for Department of Corrections						
	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$650,728,934	\$584,748,410	\$2,628,871	\$60,986,913	\$2,364,740	6,098.1
<i>Recommended Changes from FY 2006-07 by Long Bill Division</i>						
Management	24,899,945	24,628,189	0	271,756	0	5.1
Institutions	17,461,059	17,451,059	10,000	0	0	175.9
Support Services	1,661,645	1,656,425	601	4,619	0	7.4
Inmate Programs	2,112,554	1,900,640	330,000	68,457	(186,543)	1.9
Community Services	4,488,989	4,553,764	0	(29,775)	(35,000)	46.8
Parole Board	255,866	255,866	0	0	0	0.0
Correctional Industries	929,904	0	0	929,904	0	4.0
Canteen Operation	337,373	0	0	337,373	0	0.7
Total FY 2007-08 JBC Long Bill Recommendation	\$702,876,269	\$635,194,353	\$2,969,472	\$62,569,247	\$2,143,197	6,339.9
Statutory Appropriations	1,249,047	1,249,047	0	0	0	0.0
Total FY 2007-08 JBC Recommendation	\$704,125,316	\$636,443,400	\$2,969,472	\$62,569,247	\$2,143,197	6,339.9
\$ Change from prior year	\$53,396,382	\$51,694,990	\$340,601	\$1,582,334	(\$221,543)	241.8
% Change from prior year	8.2%	8.8%	13.0%	2.6%	(9.4)%	4.0%

Recommendation Highlights:

1. Provides \$21.6 million General Fund for salary and benefits adjustments for salary survey, performance-based pay, health, life, and dental insurance, amortization equalization disbursement, supplemental amortization equalization disbursement, and shift differential.
2. Provides \$8.4 million General Fund for increases to reimburse private prison providers based on the anticipated caseload growth to the private prison population using the Legislative Council Staff inmate population projections.
3. Provides \$7.6 million General Fund associated with bringing beds online at state-operated prisons in FY 2006-07. These beds are being used to double bunk male inmates, and they were only funded for a partial year in FY 2006-07. The additional funds are required in FY 2007-08 to pay for a full year for costs associated with these beds.

4. Provides \$3.2 million General Fund associated with additional parole officers and community corrections officers based on the projected caseload of offenders in these programs.
5. Provides \$3.0 million General Fund associated with bringing beds online at the La Vista Correctional Facility in FY 2006-07. The beds were only funded for a partial year in FY 2006-07. The additional funds are required in FY 2007-08 to pay for a full year for costs associated with these beds.
6. Provides \$2.2 million for medical expenses associated with a growth in the inmate population.
7. Provides \$1.7 million General Fund for staff to supervise 76 female inmates who will be double bunked at the Denver Women's Correctional Facility in FY 2007-08.
8. Provides \$1.6 million General Fund associated with a provider rate increase for county jails and in-state private prison providers.
9. Provides \$1.5 million General Fund for additional housing and security staff and additional prison maintenance expenses.
10. Provides \$1.2 million General Fund for medical and food inflation.
11. Provides \$1.1 million General Fund to annualize supplemental appropriations for additional parole officers, additional resources to comply with a class action lawsuit settlement agreement, and additional staff to supervise inmates placed out of state.
12. Includes a reduction of \$3.5 million to eliminate one-time funds appropriated in FY 2006-07.
13. Includes a reduction of \$1.6 million General Fund associated with the Joint Budget Committee policy for a 0.5 percent reduction to personal services line items.

Budget Recommendation Detail by Long Bill Division

Management: The Management Division contains the main departmental management functions including the Executive Director's Office, the External Capacity Subprogram, and the Inspector General Subprogram. The Executive Director's Office provides general administrative oversight for the Department. The External Capacity Subprogram is used to reimburse private prisons, local jails, the pre-release parole revocation facility, and community programs created pursuant to S.B. 03-252. This subprogram also contains staff for the private prison monitoring unit which oversees the private prisons to determine their compliance with contractual provisions. The Inspector General Subprogram is responsible for investigating crimes in prisons.

Management	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$162,468,381	\$157,622,806	\$0	\$4,327,391	\$518,184	86.9
Recommended Changes from FY 2006-07 Appropriation						
Salary and benefits adjustments to centrally appropriated line items	22,280,062	21,646,418	0	633,644	0	0.0
External capacity caseload increase	8,484,224	8,484,224	0	0	0	1.5
Provider rate increase	1,560,289	1,560,289	0	0	0	0.0
Central impact of various decision items	732,093	732,093	0	0	0	0.0
Miscellaneous common policies	372,846	389,629	0	(16,783)	0	0.0
Leap year adjustment	303,992	303,992	0	0	0	0.0
Miscellaneous adjustments to annualize prior year decisions	211,971	211,971	0	0	0	1.4
Inspector general increase due to growing caseload	144,370	144,370	0	0	0	2.2
Distribution of FY 2006-07 salary and benefits adjustments	(9,134,174)	(8,789,069)	0	(345,105)	0	0.0
Personal services reduction	(30,101)	(30,101)	0	0	0	0.0
Eliminate one-time appropriation	(25,627)	(25,627)	0	0	0	0.0
Total FY 2007-08 JBC Recommendation	\$187,368,326	\$182,250,995	\$0	\$4,599,147	\$518,184	92.0
\$ Change from prior year	\$24,899,945	\$24,628,189	\$0	\$271,756	\$0	5.1
% Change from prior year	15.3%	15.6%	n/a	6.3%	0.0%	5.9%

Issue Descriptions

Salary and benefits adjustments to centrally appropriated line items: The recommendation includes increases for salary survey, performance-based pay, health, life, and dental insurance, amortization equalization disbursement, supplemental amortization equalization disbursement, and shift differential. These amounts are appropriated to the Executive Director's Office for allocation to all staff in the Department in FY 2007-08.

External capacity caseload increase: The recommended increase includes additional funds to support a higher average daily population in private prisons based on the December 2006 Legislative Council Staff inmate population projections, with an adjustment for \$3.0 million in estimated savings for items in the Governor's recidivism reduction and offender diversion package. This recommended increase also includes approximately \$100,000 General Fund and 1.5 FTE for the private prison monitoring unit based on projected growth in the average daily population of inmates housed in private prisons.

Provider rate increase: The recommendation includes funding to support a 1.5 percent increase in the rates paid to in-state private prison providers, county jails, and community corrections residential programs pursuant to the provisions of S.B. 03-252.

Central impact of various decision items: The recommendation includes health, life, and dental insurance, short-term disability insurance, amortization equalization disbursement, and leased space increases associated with various decision items to increase staff throughout the department.

Miscellaneous common policies: The recommendation includes adjustments to the following line items affected by common policies approved by the Joint Budget Committee: workers' compensation, payments to risk management and property funds, legal services, leased space, and capitol complex leased space.

Leap year adjustment: The recommendation includes an adjustment necessary to account for an additional day of services and contractual obligations for inmates housed in private prisons and county jails due to FY 2007-08 being a leap year.

Miscellaneous adjustments to annualize prior year decisions: The recommendation includes funding necessary in FY 2007-08 to provide a full year of funding for items that were only funded for a partial year in FY 2006-07. These items included FY 2006-07 funding for private prison monitors, and funding for employee benefits (health, life, and dental) for FTE associated with additional state beds that were brought online at the La Vista Correctional Facility, and four state-owned prisons to accommodate additional double bunking of male inmates in these facilities.

Inspector general increase due to growing caseload: The recommendation includes funding to support additional inspectors based on inmate population growth.

Distribution of FY 2006-07 salary and benefits adjustments: The recommended reduction for the Management Division reflects salary survey allocations that were made to other divisions throughout the Department for FY 2006-07.

Personal services reduction: The recommendation includes a 0.5 percent reduction to personal services line items in accordance with the common policy for these line items.

Eliminate one-time appropriation: The appropriation eliminates one-time appropriations made in FY 2006-07 for additional inspector general staff and private prison monitoring staff.

Institutions: The Institutions Division includes all costs directly attributable to the operation of state-owned and operated prisons. These costs include utilities, maintenance, housing and security, food service, medical services, laundry, superintendents, the Boot Camp, the Youth Offender System, case management, mental health, inmate pay, the San Carlos Correctional Facility, and legal access.

Institutions	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$344,175,405	\$342,900,845	\$224,679	\$969,881	\$80,000	4,783.5
<i>Recommended Changes from FY 2006-07 Appropriation</i>						
Annualize double bunking appropriation for FY 2006-07	6,428,908	6,428,908	0	0	0	123.2
FY 2006-07 salary and benefits adjustments	6,364,981	6,364,981	0	0	0	0.0

Institutions	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
Annualize additional beds at the La Vista Correctional Facility	2,423,500	2,423,500	0	0	0	34.8
Medical increases based on caseload growth	2,249,147	2,249,147	0	0	0	0.0
Double bunk female inmates at Denver Women's Correctional Facility	1,444,746	1,444,746	0	0	0	16.8
Housing and security staff increase	942,490	942,490	0	0	0	0.0
Medical inflation	916,098	916,098	0	0	0	0.0
Maintenance operating expenses	400,000	400,000	0	0	0	0.0
Food inflation	229,290	229,290	0	0	0	0.0
Annualize supplemental appropriations	197,323	197,323	0	0	0	1.1
Caseload increase for laundry operating expenses and dress out expenses	191,399	191,399	0	0	0	0.0
Annualize FY 2006-07 funding	40,584	40,584	0	0	0	0.0
Eliminate one-time appropriation	(1,848,668)	(1,848,668)	0	0	0	0.0
Personal services reduction	(1,269,692)	(1,268,569)	(1,123)	0	0	0.0
Reduction for five-year statutory appropriations	(1,249,047)	(1,249,047)	0	0	0	0.0
Fund mix adjustment	0	(11,123)	11,123	0	0	0.0
Total FY 2007-08 JBC Recommendation	\$361,636,464	\$360,351,904	\$234,679	\$969,881	\$80,000	4,959.4
\$ Change from prior year	\$17,461,059	\$17,451,059	\$10,000	\$0	\$0	175.9
% Change from prior year	5.1%	5.1%	4.5%	0.0%	0.0%	3.7%

Issue Descriptions

Annualize double bunking appropriation for FY 2006-07: The recommendation includes an increase associated with bringing beds online at state-operated prisons in FY 2006-07. These beds are being used to double bunk male inmates. The beds were only funded for a partial year in FY 2006-07. As such, additional funds will be required in FY 2007-08 to pay for a full year for costs associated with these beds.

FY 2006-07 salary and benefits adjustments: The recommendation includes salary survey increases allocated to FTE in state-owned prisons in FY 2006-07.

Annualize additional beds at the La Vista Correctional Facility: The recommendation includes an increase associated with bringing beds online at the La Vista Correctional Facility in FY 2006-07. The beds were only funded for a partial year in FY 2006-07. As such, additional funds will be required in FY 2007-08 to pay for a full year for costs associated with these beds.

Medical increases based on caseload growth: The recommendation includes increases associated with medical expenses for inmates based on projected growth in the inmate population.

Double bunk female inmates at Denver Women's Correctional Facility: The recommendation includes funding to begin double bunking in 76 beds at the Denver Women's Correctional Facility.

Housing and security staff increase: The recommendation includes funding for the Department to fill 25 vacant correctional officer positions that are vacant because of insufficient funding for the Housing and Security Subprogram. These staff will supervise inmates in the housing units.

Medical inflation: The recommendation includes increases associated with the common policy to provide a 2.0 percent increase for medical inflation.

Maintenance operating expenses: The recommendation includes a \$400,000 increase to partially restore \$470,000 operating expense budget reduction from the 2003 legislative session. This recommendation will provide funding for the Department to perform routine maintenance at the 23 state-owned and operated prisons. The maintenance is typically performed by inmates with the supervision of correctional officers in the Maintenance Subprogram.

Food inflation: The recommendation includes a 1.8 percent increase for food expenses in accordance with the common policy for food expenses in institutional facilities.

Annualize supplemental appropriations: The recommendation includes funding associated with the settlement of a class action lawsuit related to the American's with Disabilities Act. This funding has been provided for a partial year in FY 2006-07 for two purposes. A full year of funding for activities required by the settlement agreement will be necessary in FY 2007-08.

Caseload increase for laundry operating expenses and dress out expenses: The recommendation includes additional funding, based on inmate population growth, for clothing and dress out expenses for inmates who are released from prison (clothing, bus ticket, and \$100).

Annualize FY 2006-07 funding: The recommendation annualizes funding provided in FY 2006-07 for two purposes: (a) additional mental health staff in response to the growing caseload of mentally ill offenders in the criminal justice system; and (b) additional staff to work in the Legal Access program, based on the growing population of inmates.

Eliminate one-time appropriation: The recommendation eliminates funds that were appropriated on a one-time basis in FY 2006-07. These funds were appropriated to bring beds online at the La Vista Correctional Facility and double bunking of male inmates at four state-owned correctional facilities.

Personal services reduction: The recommendation includes a 0.5 percent reduction in accordance with the common policy for personal services line items.

Reduction for five-year statutory appropriations: The recommended appropriation has been adjusted to reflect the funding that will be provided to the Department of Corrections statutorily in FY 2007-08 for criminal sentencing bills that were enacted in prior legislative sessions.

Fund mix adjustment: The recommendation includes a fund mix adjustment based on an estimated increase cash revenue from inmate fees for the Medical Services Subprogram.

Support Services: The Support Services Division includes business operations, personnel, offender services, communication, transportation, training, information systems, and facility services.

Support Services	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$24,555,419	\$23,983,572	\$470,769	\$101,078	\$0	295.0
<i>Recommended Changes from FY 2006-07 Appropriation</i>						
FY 2006-07 salary and benefits adjustments	884,156	884,156	0	0	0	0.0
Information technology maintenance contracts	400,000	400,000	0	0	0	0.0
Transportation and offender services funding for inmate population growth	248,996	248,996	0	0	0	2.0
Annualize double bunking appropriation for FY 2006-07	241,389	241,389	0	0	0	3.0
Annualize miscellaneous supplemental appropriations	111,809	111,809	0	0	0	0.0
Annualize supplemental appropriations	166,109	166,109	0	0	0	1.7
Annualize additional beds at the La Vista Correctional Facility	81,130	81,130	0	0	0	0.7
Administrative impacts of staff increases	73,361	73,361	0	0	0	0.0
Eliminate one-time appropriation	(436,222)	(436,222)	0	0	0	0.0
Personal services reduction	(87,108)	(84,750)	(2,354)	(4)	0	0.0
Common policy adjustments	(21,975)	(26,963)	0	4,988	0	0.0
Fund mix adjustment	0	(2,590)	2,955	(365)	0	0.0
Total FY 2007-08 JBC Recommendation	\$26,217,064	\$25,639,997	\$471,370	\$105,697	\$0	302.4
\$ Change from prior year	\$1,661,645	\$1,656,425	\$601	\$4,619	\$0	7.4
% Change from prior year	6.8%	6.9%	0.1%	4.6%	n/a	2.5%

Issue Descriptions

FY 2006-07 salary and benefits adjustments: The recommendation includes an increase that reflects the salary increases allocated to the Division in FY 2006-07.

Information technology maintenance contracts: The recommendation includes funding to support contractual increases in maintenance contracts for the Department's computer systems.

Transportation and offender services funding for inmate population growth: The recommendation includes funding for the Department to lease two additional buses in FY 2007-08, for additional transportation staff, and for additional staff to work in the Offender Services Subprogram based on workload increases associated with the growing inmate population.

Annualize double bunking appropriation for FY 2006-07: The recommendation includes an increase associated with bringing beds online at state-operated prisons in FY 2006-07. These beds are being used to double bunk male inmates. The beds were only funded for a partial year in FY 2006-07. As such, additional funds will be required in FY 2007-08 to pay for a full year for costs associated with these beds.

Annualize miscellaneous supplemental appropriations: The recommendation includes funding to support a full-year of funding for supplemental appropriations that were only funded for a partial year in FY 2006-07. The supplemental funding was provided for a lawsuit settlement agreement related to the American's with Disabilities Act, staff in the private prison monitoring unit, and additional parole officers.

Annualize supplemental appropriations: The recommendation includes annualizes funding for support services for additional staff (vehicles and communications expenses) that were approved as a supplemental appropriation in FY 2006-07.

Annualize additional beds at the La Vista Correctional Facility: The recommendation includes an increase associated with bringing beds online at the La Vista Correctional Facility in FY 2006-07. The beds were only funded for a partial year in FY 2006-07. As such, additional funds will be required in FY 2007-08 to pay for a full year for costs associated with these beds.

Administrative impacts of staff increases: The recommendation includes adjustments for communication services payments and vehicle lease payments for various staffing increases.

Eliminate one-time appropriation: The recommendation eliminates funds that were appropriated on a one-time basis for FY 2006-07.

Personal services reduction: The recommendation includes a 0.5 percent reduction in accordance with the common policy for personal services line items.

Common policy adjustments: The recommendation includes adjustments to the following line items that were adjusted based on billing rate adjustments from the Department of Personnel and Administration: purchase of services from computer center, multiuse network, vehicle lease payments, and communication services payments.

Fund mix adjustment: The recommendation includes a fund mix adjustment to reflect a change in the amount of indirect cost recoveries used to offset the need for General Fund in the Business Operations Subprogram.

Inmate Programs: The Inmate Programs Division includes all inmate labor programs, educational programs, and recreational programs. This division is also responsible for sex offender treatment and drug and alcohol treatment.

Inmate Programs	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$35,933,104	\$30,234,177	\$1,933,423	\$2,654,121	\$1,111,383	417.6
Recommended Changes from FY 2006-07 Appropriation						
Annualize double bunking appropriation for FY 2006-07	825,611	812,768	0	12,843	0	0.0
Drug and alcohol treatment funds	587,527	257,527	330,000	0	0	0.0
FY 2006-07 salary and benefits adjustments	443,177	393,039	0	50,138	0	0.0
Annualize additional beds at the La Vista Correctional Facility	438,173	434,886	0	3,287	0	1.8
Medical inflation	84,521	84,521	0	0	0	0.0
Double bunk female inmates at Denver Women's Correctional Facility	68,958	64,016	0	4,942	0	0.8
Annualize S.B. 06-22	37,569	37,569	0	0	0	0.0
Federal funds adjustment	(186,174)	0	0	0	(186,174)	0.0
Personal services reduction	(114,334)	(111,581)	0	(2,753)	0	0.0
Eliminate one-time appropriation for FY 2006-07	(72,105)	(72,105)	0	0	0	(0.7)
Change in indirect cost recoveries	(369)	0	0	0	(369)	0.0
Total FY 2006-07 JBC Recommendation	\$38,045,658	\$32,134,817	\$2,263,423	\$2,722,578	\$924,840	419.5
\$ Change from prior year	\$2,112,554	\$1,900,640	\$330,000	\$68,457	(\$186,543)	1.9
% Change from prior year	5.9%	6.3%	17.1%	2.6%	(16.8)%	0.5%

Issue Descriptions

Annualize double bunking appropriation for FY 2006-07: The recommendation includes an increase associated with bringing beds online at state-operated prisons in FY 2006-07. These beds are being used to double bunk male inmates. The beds were only funded for a partial year in FY 2006-07. As such, additional funds will be required in FY 2007-08 to pay for a full year for costs associated with these beds.

Drug and alcohol treatment funds: The recommendation includes additional funds for contract drug and alcohol treatment services for offenders on parole and inmates in prison. This recommendation is based on projected caseload growth, and a projected fund balance in the Drug Offender Surcharge Fund.

FY 2006-07 salary and benefits adjustments: The recommendation includes the salary increases allocated to the Division in FY 2006-07.

Annualize additional beds at the La Vista Correctional Facility: The recommendation includes an increase associated with bringing beds online at the La Vista Correctional Facility in FY 2006-07. The beds were only funded for a partial year in FY 2006-07. As such, additional funds will be required in FY 2007-08 to pay for a full year for costs associated with these beds.

Medical inflation: The recommendation includes an adjustment for expenses that qualify for a 2.0 percent increase in accordance with the common policy for medical expenses.

Double bunk female inmates at Denver Women's Correctional Facility: The recommendation includes funding to begin double bunking in 76 beds at the Denver Women's Correctional Facility.

Annualize S.B. 06-22: The recommendation includes an adjustment to annualize the cost of S.B. 06-22 for expenses to supervise sexually violent predators who are released into the community.

Federal funds adjustment: The recommendation includes an adjustment to reflect the level of federal funding that the Department anticipates receiving in FY 2007-08.

Personal services reduction: The recommendation includes a 0.5 percent reduction in accordance with the common policy for personal services line items.

Eliminate one-time appropriation: The recommendation eliminates funds that were appropriated to the Department on a one-time basis for FY 2006-07.

Change in indirect cost recoveries: The recommendation reflects an adjustment in federal funds that are received by the Department in accordance with the statewide indirect cost plan. These funds are used to offset the need for General Fund in the Business Operations Subprogram.

Community Services: The Community Services Division includes the parole, parole Intensive Supervision Program (ISP), community supervision (transition), and community ISP (transition) subprograms. This section also provides funds to supervise offenders in the aftercare program for the Youthful Offender System. Finally, this section includes the Community Re-entry Subprogram to assist offenders in reintegrating to the community following their incarceration.

Community Services	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$29,701,951	\$28,855,609	\$0	\$191,169	\$655,173	322.6
Recommended Changes from FY 2006-07 Appropriation						
Additional parole officers	1,988,345	1,988,345	0	0	0	28.1
Psychotropic medication for mentally ill community corrections offenders	1,346,880	1,346,880	0	0	0	0.0
FY 2006-07 salary and benefits adjustments	960,101	960,101	0	0	0	0.0
Annualize supplemental appropriation for additional parole officers	643,030	643,030	0	0	0	11.6
Additional community corrections officers	637,292	637,292	0	0	0	7.1
Annualize funding added in FY 2006-07	164,033	164,033	0	0	0	0.0
Eliminate one-time appropriations	(1,096,309)	(1,096,309)	0	0	0	0.0

Community Services	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
Personal services reduction	(89,608)	(89,608)	0	0	0	0.0
Adjustment for anticipated federal grants funds	(64,775)	0	0	(29,775)	(35,000)	0.0
Total FY 2007-08 JBC Recommendation	\$34,190,940	\$33,409,373	\$0	\$161,394	\$620,173	369.4
\$ Change from prior year	\$4,488,989	\$4,553,764	\$0	(\$29,775)	(\$35,000)	46.8
% Change from prior year	15.1%	15.8%	n/a	(15.6)%	(5.3)%	14.5%

Issue Descriptions

Additional parole officers: The recommendation includes funds for additional parole officers based on the projected growth of offenders who will be placed on parole in FY 2007-08.

Psychotropic medication for mentally ill community corrections offenders: The recommendation includes funds to annualize an FY 2006-07 supplemental appropriation that was approved to supply mentally ill community corrections offenders with psychotropic medication.

FY 2006-07 salary and benefits adjustments: The recommendation includes the salary increases allocated to Community Services in FY 2006-07.

Annualize supplemental appropriation for additional parole officers: The recommendation supports a full year of funding for additional parole officers that were approved through a supplemental appropriation in FY 2006-07. These officers were approved based on the growth in population of offenders who have been placed on parole.

Additional community corrections officers: The recommendation includes funding for additional community corrections officers based on the anticipated growth in the number of transition offenders anticipated to be placed in community corrections programs prior to their parole.

Annualize funding added in FY 2006-07: The recommendation includes funding to support the additional costs necessary for positions that were approved for a partial year in FY 2006-07.

Eliminate one-time appropriations: The recommendation eliminates one-time funds that were appropriated in FY 2006-07 for additional parole officers and community corrections officers based on a growing caseload of offenders in community settings.

Personal services reduction: The recommendation includes a 0.5 percent reduction in accordance with the common policy for personal services line items.

Adjustment for anticipated federal grants funds: The recommendation includes adjustments to reflect the anticipated level of federal grants funds that will be received by the Department in FY 2007-08.

Parole Board: The Parole Board has discretion to grant or deny parole for persons who were not sentenced under mandatory parole. The Board can stipulate conditions of parole for discretionary and mandatory parolees.

Parole Board	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$1,151,401	\$1,151,401	\$0	\$0	\$0	13.5
<i>Recommended Changes from FY 2006-07 Appropriation</i>						
FY 2006-07 salary and benefits adjustments	186,647	186,647	0	0	0	0.0
Contract services for hearing officers	75,000	75,000	0	0	0	0.0
Personal services reduction	(5,781)	(5,781)	0	0	0	0.0
Total FY 2007-08 JBC Recommendation	\$1,407,267	\$1,407,267	\$0	\$0	\$0	13.5
\$ Change from prior year	\$255,866	\$255,866	\$0	\$0	\$0	0.0
% Change from prior year	22.2%	22.2%	n/a	n/a	n/a	0.0%

Issue Description

FY 2006-07 salary and benefits adjustments: The recommendation includes the salary increases allocated to the Division in FY 2006-07.

Contract services for hearing officers: The recommendation includes additional funds for contract hearing officers to conduct parole revocation hearings for the Parole Board based on a growing caseload associated with the growing inmate population.

Personal services reduction: The recommendation includes a 0.5 percent reduction in accordance with the common policy for personal services line items.

Correctional Industries: Correctional Industries manages profit-oriented work programs that provide inmates with training in various job skills while generating revenue to cover their costs. The major businesses operated by Correctional Industries include manufacturing operations for automobile license plates; office furniture, and modular office systems; a print shop; a leather products shop; and a garment production operation. Correctional Industries sells its products primarily to other government agencies. Correctional Industries is an enterprise. As such, revenues to Correctional Industries do not count toward the limit on state revenues pursuant to Article X, Section 20 of the State Constitution (TABOR). Appropriations for Correctional Industries are thus considered to be cash funds exempt.

Correctional Industries	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$39,097,780	\$0	\$0	\$39,097,780	\$0	151.0
<i>Recommended Changes from FY 2006-07 Appropriation</i>						

Correctional Industries	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
Additional resources for growth in correctional industries programs	898,239	0	0	898,239	0	4.0
FY 2006-07 salary and benefits adjustments	77,360	0	0	77,360	0	0.0
Change in indirect cost recoveries	491	0	0	491	0	0.0
Personal services reduction	(46,186)	0	0	(46,186)	0	0.0
Total FY 2007-08 JBC Recommendation	\$40,027,684	\$0	\$0	\$40,027,684	\$0	155.0
\$ Change from prior year	\$929,904	\$0	\$0	\$929,904	\$0	4.0
% Change from prior year	2.4%	n/a	n/a	2.4%	n/a	2.6%

Issue Descriptions

Additional resources for growth in correctional industries programs: The recommendation includes increases based on anticipated growth in correctional industries programs that provide job opportunities for inmates who are incarcerated.

FY 2006-07 salary and benefits adjustments: The recommendation includes the salary increases allocated to the Division in FY 2006-07.

Change in indirect cost recoveries: The recommendation includes an adjustment for indirect cost recoveries to offset the need for General Fund appropriations for administrative costs and to recover the Department's share of statewide indirect cost recoveries.

Personal services reduction: The recommendation includes a 0.5 percent reduction in accordance with the common policy for personal services line items.

Canteen Operation: The Canteen Operation provides various personal items for purchase by inmates including toiletries, snack foods, phone services, and other approved items. All net proceeds are required to be used to provide inmates with additional educational, recreational, and social benefits. The Canteen Operation is an enterprise. As such, canteen revenues do not count toward the limit on state revenues pursuant to Article X, Section 20 of the State Constitution (TABOR). Appropriations for the Canteen Operation are thus considered to be cash funds exempt.

Canteen Operation	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$13,645,493	\$0	\$0	\$13,645,493	\$0	28.0
Recommended Changes from FY 2006-07 Appropriation						
FY 2006-07 salary and benefits adjustments	217,751	0	0	217,751	0	0.0
Additional funds for canteen operations at private prisons	108,797	0	0	108,797	0	0.0

Canteen Operation	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
Annualize double bunking appropriation for FY 2006-07	21,634	0	0	21,634	0	0.7
Change in indirect cost recoveries	110	0	0	110	0	0.0
Personal services reduction	(7,481)	0	0	(7,481)	0	0.0
Eliminate one-time appropriations	(3,438)	0	0	(3,438)	0	0.0
Total FY 2007-08 JBC Recommendation	\$13,982,866	\$0	\$0	\$13,982,866	\$0	28.7
\$ Change from prior year	\$337,373	\$0	\$0	\$337,373	\$0	0.7
% Change from prior year	2.5%	n/a	n/a	2.5%	n/a	2.5%

Issue Descriptions

FY 2006-07 salary and benefits adjustments: The recommendation includes the salary increases allocated to this division in FY 2006-07.

Additional funds for canteen operations at private prisons: The recommendation includes funds associated with canteen operations that have expanded at private prisons used to house state inmates.

Annualize double bunking appropriation for FY 2006-07: The recommendation includes annualization of appropriations made in FY 2006-07 for a partial year to double bunk male inmates in four state-operated prisons. Additional funds are required in FY 2007-08 to pay for a full year of costs.

Change in indirect cost recoveries: The recommendation includes an adjustment for indirect cost recoveries to offset the need for General Fund appropriations for administrative costs and to recover the Department's share of statewide indirect cost recoveries.

Personal services reduction: The recommendation includes a 0.5 percent reduction in accordance with the common policy for personal services line items.

Eliminate one-time appropriations: The recommendation includes eliminates funds that were appropriated in FY 2006-07 for one-time costs associated with adding staff to the Canteen operation in 2006.

Department of Education

Department Description: The Department 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 it administers a variety of education-related programs, including educator licensure, education programs for children with special needs, English language proficiency programs, the Colorado Preschool and Kindergarten Program, and a variety of grant programs. The Department develops and maintains state model content standards, administers associated assessments, and issues annual accountability reports for every public school in the State. There are also two "type 1" agencies within the Department: (1) the State Charter School Institute Board, which is responsible for authorizing and monitoring institute charter schools; and (2) the Board of Trustees for the Colorado School for the Deaf and the Blind, a state-funded school in Colorado Springs which provides educational services to eligible children and youth under the age of 21. Finally, in addition to its responsibilities related to public schools, the Department is charged with ensuring equal access to information and encouraging resource sharing among libraries statewide.

Summary Table for Department of Education						
	Total Funds	General Fund/1	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$3,852,690,676	\$2,874,213,080	\$14,636,398	\$475,834,846	\$488,006,352	466.0
Long Bill Supplemental/2	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
FY 2006-07 Adjusted Appropriation	\$3,852,690,676	\$2,874,213,080	\$14,636,398	\$475,834,846	\$488,006,352	466.0
<i>Recommended Changes from FY 2006-07 by Long Bill Division</i>						
Management and Administration	1,834,492	721,036	5,581	588,977	518,898	(1.3)
Assistance to Public Schools	251,653,375	182,308,050	235,000	60,747,180	8,363,145	3.1
Library Programs	0	0	0	0	0	0.0
School for the Deaf and the Blind	379,846	139,464	200,000	40,382	0	3.1
Total FY 2007-08 Long Bill Recommendation	\$4,106,558,389	\$3,057,381,630	\$15,076,979	\$537,211,385	\$496,888,395	470.9
<i>JBC Sponsored Budget Legislation</i>						
Child Find Program legislation	2,200,000	2,200,000	0	0	0	0.0
Total FY 2007-08 Recommendation	\$4,108,758,389	\$3,059,581,630	\$15,076,979	\$537,211,385	\$496,888,395	470.9
\$ Change from prior year	\$256,067,713	\$185,368,550	\$440,581	\$61,376,539	\$8,882,043	4.9
% Change from prior year	6.6%	6.4%	3.0%	12.9%	1.8%	1.1%

/1 Includes General Fund Exempt. See Division Detail for information on General Fund Exempt recommended appropriations.

/2 The recommendation includes a section that adjusts FY 2006-07 appropriations in order to modify the portion of the General Fund appropriation that is identified as General Fund Exempt.

Recommendation Highlights:

1. Provides for a \$313.0 million increase (6.5 percent) in *total state and local* funding for schools pursuant to the School Finance Act of 1994, as amended, based on the following:
 - a projected 1.9 percent increase in the number of funded pupils (requiring \$89.5 million total funds); and
 - a 4.6 percent increase in the statewide base per-pupil funding amount, based on an actual inflation rate of 3.6 percent in CY 2006 plus an additional 1.0 percent as required by the State Constitution (requiring \$223.5 million total funds).

Although *total* funding will increase by \$313.0 million in FY 2007-08, it is anticipated that *local* property and specific ownership tax revenues (which are not reflected in the Long Bill) will increase by only \$71.3 million (4.1 percent). The recommendation thus reflects a \$241.7 million (7.9 percent) increase in the *State's* share of funding for districts' total program funding.

2. Includes a \$9.3 million increase (4.6 percent) in state funding for categorical programs as required by the State Constitution, including \$8.0 million General Fund and \$1.3 million from the State Education Fund (4.6 percent increases from each fund source).
3. Includes a \$5.0 million increase in General Fund appropriations for public school capital construction programs (from \$15.0 million for FY 2006-07 to \$20.0 million for FY 2007-08), as required by Section 24-75-201.1 (4) (b) (V) (A), C.R.S. Identifies \$5.0 million of the appropriation as exempt from the six percent statutory limitation on General Fund appropriations as it is appropriated as a result of a final state court order (the *Giardino* settlement agreement).
4. Consistent with current law, reflects the elimination of a \$2.8 million one-time increase in funding from the State Education Fund for charter school capital construction.

JBC Sponsored Budget Legislation Summary:

Child Find Program legislation: As part of their budget package, the Joint Budget Committee has voted to introduce legislation to statutorily clarify the distribution of responsibilities under the Child Find Program of the federal *Individuals with Disabilities Education Improvement Act of 2004*. The Committee recommends appropriating \$2.2 million of the total increase in state funding required for categorical programs for the purpose of reimbursing school districts for the costs of screening and evaluating children with disabilities under the Child Find Program.

Budget Recommendation Detail by Long Bill Division

Management and Administration: This section provides funding and staff for the State Board of Education, the administration of a variety of education- and library-related programs, educator licensure, and general department administration, including human resources, budgeting, accounting, information management, and facilities maintenance. This section also includes funding for administration of the Colorado Student Assessment Program and for related activities, as well as appropriations related to the State Charter School Institute.

Management and Administration	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$38,009,688	\$24,248,680	\$2,011,878	\$3,616,616	\$8,132,514	130.3
<i>Recommended Changes from FY 2006-07 Appropriation</i>						
FY 2007-08 salary and benefit adjustments	1,146,770	566,865	38,287	62,845	478,773	0.0
State Charter School Institute	524,685	0	0	524,685	0	2.7
Colorado Student Assessment Program	483,801	0	0	0	483,801	0.0
Annualize salary increases	199,994	121,666	33,632	44,696	0	0.0
Annualize funding for new staff	14,867	14,867	0	0	0	0.0
Federal assessment funds available for other activities	(412,976)	0	0	0	(412,976)	(4.0)
Eliminate one-time funding	(50,000)	0	(50,000)	0	0	0.0
Personal services base reductions	(35,211)	(23,551)	(5,402)	(6,258)	0	0.0
Other	(37,438)	41,189	(10,936)	(36,991)	(30,700)	0.0
Total FY 2007-08 JBC Recommendation	\$39,844,180	\$24,969,716	\$2,017,459	\$4,205,593	\$8,651,412	129.0
\$ Change from prior year	\$1,834,492	\$721,036	\$5,581	\$588,977	\$518,898	(1.3)
% Change from prior year	4.8%	3.0%	0.3%	16.3%	6.4%	(1.0)%

Issue Descriptions

FY 2007-08 salary and benefit adjustments: The recommendation includes adjustments to centrally-appropriated line items for salary and benefits, including the following increases: \$353,994 for health, life and dental benefits; \$352,370 for performance-based pay; \$273,242 for salary survey and senior executive service; and \$167,164 for Public Employees' Retirement Association (PERA) amortization equalization disbursement pursuant to S.B. 04-257 and S.B. 06-235.

State Charter School Institute: The recommendation includes increases in four cash funds exempt appropriations related to the State Charter School Institute, totaling \$524,685 and 2.7 FTE. These increases are based on enrollment projections for Institute charter schools and the associated per pupil funding for these schools.

Colorado Student Assessment Program (CSAP): The recommendation reflects increases in federal funding for statewide assessments for the following purposes: \$222,930 for ongoing development, scoring, and reporting for the Colorado English Language Assessment; \$134,512 for the primary contract with CTB -

McGraw Hill for ongoing developing, scoring, and reporting for assessments; \$112,696 for the statewide ACT test; and \$15,693 for staff salary increases that were awarded in FY 2006-07. These increases are offset by a reduction of \$2,030 for a 0.5 percent personal services base reduction.

Annualize salary increases: The recommendation includes \$199,994 to annualize salary increases awarded in FY 2006-07.

Annualize funding for new staff: The recommendation includes \$14,867 General Fund to annualize the 11 months of funding appropriated for FY 2006-07 for school finance and audit staffing increases.

Federal assessment funds available for other activities: The recommendation reflects a reduction in the portion of federal assessment funding that is anticipated to be available for purposes other than assessments based on the amount of funding that will be required for the statewide assessment program.

Eliminate one-time funding: The recommendation eliminates a one-time cash funds appropriation for the Educator Licensure unit to address a backlog that has developed due to recent changes in the process used by the Colorado Bureau of Investigation to provide background check results to the Department.

Personal services base reductions: The recommendation includes a reduction of \$35,211 associated with a 0.5 percent reduction in funding for personal services.

Other: The recommendation reflects relatively small changes in a number of centrally-appropriated line items, including: workers' compensation, administrative law judge services, payment to risk management and property funds, Capitol complex leased space, short-term disability, services from the general government computer center, multiuse network payments, legal services, and indirect costs. The recommendation also reflects a decrease of \$4,277 in emeritus retirement payments.

Assistance to Public Schools: This section includes all funding that is distributed to public schools or is used to directly support public schools. This section is comprised of the following four subsections: (1) Public School Finance; (2) Categorical Programs; (3) Grant Programs and Other Distributions; and, (4) Appropriated Sponsored Programs.

Assistance to Public Schools Section Summary Table	Total Funds	General Fund/1	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$3,800,678,350	\$2,839,440,172	\$12,539,520	\$468,824,820	\$479,873,838	173.8
Long Bill Supplemental	0	0	0	0	0	0.0
FY 2006-07 Adjusted Appropriation	\$3,800,678,350	\$2,839,440,172	\$12,539,520	\$468,824,820	\$479,873,838	173.8
Recommended Changes from FY 2006-07 Appropriation						
Public School Finance	241,653,327	171,758,357	0	69,894,970	0	0.0
Categorical Programs	7,507,383	5,833,070	0	1,674,313	0	1.0
Grant Programs and Other Distributions	(6,046,480)	4,716,623	0	(10,763,103)	0	(2.0)
Appropriated Sponsored Programs	8,539,145	0	235,000	(59,000)	8,363,145	4.1
Total FY 2007-08						
Long Bill Recommendation	\$4,052,331,725	\$3,021,748,222	\$12,774,520	\$529,572,000	\$488,236,983	176.9

Assistance to Public Schools Section Summary Table	Total Funds	General Fund/1	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
Child Find Program legislation	2,200,000	2,200,000	0	0	0	0.0
Total FY 2007-08 JBC Recommendation	\$4,054,531,725	\$3,023,948,222	\$12,774,520	\$529,572,000	\$488,236,983	176.9
\$ Change from prior year	\$253,853,375	\$184,508,050	\$235,000	\$60,747,180	\$8,363,145	3.1
% Change from prior year	6.7%	6.5%	1.9%	13.0%	1.7%	1.8%

/1 This amount includes a General Fund Exempt Appropriation. See Public School Finance Subsection Detail for information on General Fund Exempt recommended appropriations.

Subsection Detail

Public School Finance: This subsection reflects appropriations related to the state share of funding required pursuant to the School Finance Act of 1994, as amended. The local share of funding is not reflected in the appropriation to the Department. Approximately 794,000 children are currently enrolled in public schools.

Public School Finance Subsection	Total Funds	General Fund/1	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$3,061,168,835	\$2,648,814,840	\$9,491,876	\$402,862,119	\$0	0.0
Long Bill supplemental	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
FY 2006-07 Adjusted Appropriation	\$3,061,168,835	\$2,648,814,840	\$9,491,876	\$402,862,119	\$0	0.0
Recommended Changes from FY 2006-07 Appropriation						
Fund projected enrollment growth and 4.6 percent increase in base per pupil funding	241,653,327	171,758,357	0	69,894,970	0	0.0
Total FY 2007-08 JBC Recommendation	\$3,302,822,162	\$2,820,573,197	\$9,491,876	\$472,757,089	\$0	0.0
\$ Change from prior year	\$241,653,327	\$171,758,357	\$0	\$69,894,970	\$0	0.0
% Change from prior year	7.9%	6.5%	0.0%	17.4%	n/a	n/a

/1 This amount includes a General Fund Exempt Appropriation.

General Fund Summary	Total General Fund	General Fund	General Fund Exempt
FY 2006-07 Appropriation	\$2,648,814,840	\$2,392,714,840	\$256,100,000
Long Bill supplemental	<u>0</u>	<u>(87,000,000)</u>	<u>87,000,000</u>
FY 2006-07 Adjusted Appropriation	\$2,648,814,840	\$2,305,714,840	\$343,100,000
Fund projected enrollment growth and 4.6 percent increase in base per pupil funding	171,758,357	171,758,357	0
Adjust General Fund Exempt amount based on FY 2007-08 revenue projections	<u>0</u>	<u>(800,000)</u>	<u>800,000</u>
Total FY 2007-08 Long Bill Recommendation	\$2,820,573,197	\$2,476,673,197	\$343,900,000

General Fund Exempt

In November 2005, the Colorado voters passed Referendum C. Referendum C allows the State to retain all revenue that is collected above the TABOR limit for FY 2005-06 through FY 2009-10. This revenue must be placed in a General Fund Exempt Account (see Section 24-77-103.6 (2), Colorado Revised Statutes). The above table shows the amount of General Fund Exempt that the Joint Budget Committee recommends be appropriated for FY 2006-07 and FY 2007-08 from the General Fund Exempt Account for preschool through twelfth grade education pursuant to Sections 24-77-103.6 (2) (b) and 24-77-104.5 (3), C.R.S.

Overview: FY 2007-08 Funding for Public School Finance

The recommendation provides for a \$313.0 million increase (6.5 percent) in *total state and local* funding for schools pursuant to the School Finance Act of 1994, as amended, based on the following:

- a projected 1.9 percent increase in the number of funded pupils (requiring \$89.5 million total funds); and
- a 4.6 percent increase in the statewide base per-pupil funding amount, based on an actual inflation rate of 3.6 percent in CY 2006 plus an additional 1.0 percent as required by the State Constitution (requiring \$223.5 million total funds).

Although *total* funding will increase by 6.5 percent in FY 2007-08 (\$313.0 million), it is anticipated that *local* property and specific ownership tax revenues (which are not reflected in the Long Bill) will increase by only 4.1 percent (\$71.3 million). The recommendation thus reflects a 7.9 percent (\$241.7 million) increase in the *State's* share of funding for districts' total program funding to provide the total required increase. The following table details the data and figures related to overall school finance funding.

School Finance: Total Program	FY 06-07 Amended Appropriation	FY 07-08 Recommendation	Change
Funded Pupil Count	753,338.0	767,416.3	14,078.3
<i>Annual Percent Change</i>	<i>1.6%</i>	<i>1.9%</i>	
Statewide <u>Base</u> Per-Pupil Funding	\$4,863.87	\$5,087.61	\$223.74
<i>Annual Percent Change</i>	<i>3.1%</i>	<i>4.6%</i>	
Statewide <u>Average</u> Per-Pupil Funding	\$6,358.92	\$6,650.08	\$291.16
<i>Annual Percent Change</i>	<i>3.1%</i>	<i>4.6%</i>	
Total Program Funding	\$4,790,417,406	\$5,103,381,672	\$312,964,266
<i>Annual Percent Change</i>	<i>4.8%</i>	<i>6.5%</i>	
<u>Local Share</u> of Districts' Total Program Funding (excluding appropriation related to BIAs)	\$1,729,248,571	\$1,800,559,510	\$71,310,939
<i>Annual Percent Change</i>	<i>2.4%</i>	<i>4.1%</i>	
<u>State Share</u> of Districts' Total Program Funding (including appropriation related to BIAs)	\$3,061,168,835	\$3,302,822,162	\$241,653,327
<i>Annual Percent Change</i>	<i>6.5%</i>	<i>7.9%</i>	
<i>State Share as % of Districts' Total Program</i>	<i>63.9%</i>	<i>64.7%</i>	

Issue Descriptions

Long Bill supplemental: The FY 2007-08 Long Bill contains sections that adjust both FY 2005-06 and FY 2006-07 appropriations in order to modify the portion of the General Fund appropriation for the State Share of Districts' Total Program Funding that is identified as General Fund Exempt. These adjustments are based on the Legislative Council Staff March 2007 revenue forecast.

Fund projected enrollment growth and 4.6 percent increase in base per pupil funding: Section 17 of Article IX of the Colorado Constitution (Amendment 23) requires the General Assembly to increase the statewide base per-pupil funding amount by inflation plus one percent annually for FY 2001-02 through FY 2010-11, and by inflation annually thereafter. The recommendation provides the required \$241.7 million (7.9 percent) increase in *state* funding for the School Finance Act¹, including:

- General Fund increases totaling \$171.8 million (6.5 percent);
- a \$57.1 million increase (18.5 percent) in appropriations from the State Education Fund; and
- a \$12.8 million increase (13.6 percent) in appropriations from the State Public School Fund.

Amendment 23 includes a requirement related to the sources of funds the General Assembly uses to provide the required inflationary increases. Specifically, for FY 2001-02 through FY 2010-11, the General Assembly is required to annually increase the General Fund appropriation for districts' total program funding by at least five percent². The recommendation for FY 2007-08 reflects a 6.5 percent increase in the General Fund appropriation for districts' total program funding. While the recommended General Fund increase is more than the minimum required 5.0 percent General Fund increase, it is less than the overall 7.9 percent required increase in state funding for FY 2007-08.

The recommended cash funds exempt appropriation from the State Public School Fund is based on projected Fund revenues and expenditures. Finally, the State Education Fund appropriation is adjusted to support the remaining required increase in state funding.

Categorical Programs: This subsection includes appropriations for all "categorical programs", which are programs designed to serve particular groups of students (e.g., students with limited proficiency in English) or particular student needs (e.g., transportation). With the passage of Amendment 23 in 2000, this group of programs is now defined in Article IX, Section 17, of the State Constitution.

¹ The recommendation includes \$123,324 General Fund to backfill the property taxes foregone as a result of locally negotiated business incentive agreements. This amount is calculated based on one-half of the foregone property taxes under the six existing agreements except for El Paso - Colorado Springs' agreement with Intel Corporation.

² This five percent General Fund "maintenance of effort" requirement, however, does not apply in any fiscal year in which Colorado personal income grows less than 4.5 percent between the previous two calendar years. Current estimates indicate that it will apply for FY 2006-07 through FY 2010-11.

Categorical Programs Subsection	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$365,136,694	\$174,631,955	\$0	\$26,713,507	\$163,791,232	59.5
Recommended Changes from FY 2006-07 Appropriation						
Increase state funding by 4.6 percent	9,257,383	8,033,070	0	1,224,313	0	0.0
Less: Portion of required increase to be included in separate legislation	(2,200,000)	(2,200,000)	0	0	0	0.0
Public School Transportation Fund	450,000	0	0	450,000	0	0.0
Expelled and At-risk Student Services Grant Program	0	0	0	0	0	1.0
Total FY 2007-08 JBC Long Bill Recommendation	\$372,644,077	\$180,465,025	\$0	\$28,387,820	\$163,791,232	60.5
Child Find Program legislation	2,200,000	2,200,000	0	0	0	0.0
Total FY 2007-08 JBC Recommendation	\$374,844,077	\$182,665,025	\$0	\$28,387,820	\$163,791,232	60.5
\$ Change from prior year	\$9,707,383	\$8,033,070	\$0	\$1,674,313	\$0	1.0
% Change from prior year	2.7%	4.6%	n/a	6.3%	0.0%	1.7%

Issue Descriptions

Increase state funding by 4.6 percent: As required by Amendment 23, the FY 2007-08 recommendation includes a \$9.3 million (4.6 percent) increase in *state funding* for categorical programs (based on the actual inflation rate for 2006). This following table details the recommended allocation among categorical programs.

Recommended Increase in State Funding for Categorical Programs for FY 2007-08				
Long Bill Line Item	FY 2006-07 Appropriation of State Funds	Allocation of FY 2007-08 Increases in State Funds		FY 2007-08 Appropriation of State Funds
District Programs Required by Statute:				
Special education - children with disabilities	\$115,953,326	\$3,827,112	3.3%	\$119,780,438
Child Find Program (separate legislation)	0	2,200,000	100.0%	2,200,000
English Language Proficiency Program	6,132,897	1,068,216	17.4%	7,201,113
Other Categorical Programs:				
Public school transportation	42,869,585	1,345,720	3.1%	44,215,305
Colorado Vocational Act distributions	20,635,922	572,397	2.8%	21,208,319
Special education - gifted and talented children	7,808,744	188,433	2.4%	7,997,177
Expelled and at-risk student services grant program	6,285,171	55,505	0.9%	6,340,676
Small attendance center aid	961,817	0	0.0%	961,817
Comprehensive health education	600,000	0	0.0%	600,000
Total	\$201,247,462	\$9,257,383	4.6%	\$210,504,845

Less: Portion of required increase to be included in separate legislation: The Joint Budget Committee has voted to introduce legislation to statutorily clarify the distribution of responsibilities under the Child Find Program of the federal *Individuals with Disabilities Education Improvement Act of 2004*. The Committee recommends appropriating \$2.2 million of the total increase in state funding required for categorical programs for the purpose of reimbursing school districts for the costs of screening and evaluating children with disabilities under the Child Find Program.

Public School Transportation Fund: The recommendation includes a \$450,000 cash funds exempt appropriation from the Public School Transportation Fund to allow the Department to re-allocate recoveries of transportation overpayments collected in FY 2006-07 to school districts in FY 2007-08.

Expelled and At-risk Student Services Grant Program: The recommendation authorizes the Department to spend \$55,505 of the required increase in state funding for categorical programs to support 1.0 FTE for the Expelled and At-risk Student Services Grant Program. This individual will provide more technical assistance to school districts concerning suspension and expulsion, respond to inquiries from parents of suspended and expelled students, and respond to data requests.

Grant Programs and Other Distributions: This subsection includes funding for a variety of education-related grant programs and programs that distribute funds to public schools, other than those programs that are defined as categorical programs.

Grant Programs and Other Distributions Subsection	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$65,518,792	\$15,993,377	\$2,472,644	\$36,174,546	\$10,878,225	12.7
<i>Recommended Changes from FY 2006-07 Appropriation</i>						
Capital construction programs	10,000,000	5,000,000	0	5,000,000	0	0.0
Contingency Reserve	148,451	0	0	148,451	0	0.0
Other	7,176	0	0	7,176	0	0.0
Eliminate duplicative appropriation	(10,000,000)	0	0	(10,000,000)	0	(2.0)
Eliminate one-time increase for charter school capital construction	(2,800,000)	0	0	(2,800,000)	0	0.0
Aid to declining enrollment districts with new charter schools	(1,283,377)	(283,377)	0	(1,000,000)	0	0.0
Eliminate one-time funding for supplemental on-line education courses	(531,580)	0	0	(531,580)	0	0.0
Eliminate one-time spending authority from School Construction and Renovation Fund	(437,602)	0	0	(437,602)	0	0.0
Eliminate funding for Family Literacy Education Grant Program	(400,000)	0	0	(400,000)	0	0.0
Eliminate one-time funding for Reading Assistance Grant Program	(300,000)	0	0	(300,000)	0	0.0
Eliminate spending authority from Principal Development Scholarship Fund	(250,000)	0	0	(250,000)	0	0.0

Grant Programs and Other Distributions Subsection	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
Read-to-Achieve Grant Program	(199,548)	0	0	(199,548)	0	0.0
Total FY 2007-08 JBC Recommendation	\$59,472,312	\$20,710,000	\$2,472,644	\$25,411,443	\$10,878,225	10.7
\$ Change from prior year	(\$6,046,480)	\$4,716,623	\$0	(\$10,763,103)	\$0	(2.0)
% Change from prior year	(9.2)%	29.5%	0.0%	(29.8)%	0.0%	(15.7)%

Issue Descriptions

Capital construction programs: The recommendation includes a \$5.0 million increase in the General Fund appropriations for capital construction assistance programs (from \$15.0 million for FY 2006-07 to \$20.0 million for FY 2007-08). These appropriations are required under current law, based on the March 2007 Legislative Council Staff revenue forecast. The recommendation identifies \$5.0 million of the FY 2007-08 appropriation as exempt from the six percent statutory limitation on General Fund appropriations as it is appropriated as a result of a final state court order (the *Giardino* settlement agreement).

Contingency Reserve: The recommendation reflects a small increase in the balance available to the State Board of Education in the State Public School Fund, Contingency Reserve.

Other: The recommendation reflects a small increase in the costs of administering the S.B. 97-101 Public School Health Services program.

Eliminate duplicative appropriation: The recommendation eliminates a duplicative cash funds exempt appropriation from the School Capital Construction Expenditures Reserve, along with the appropriation for 2.0 FTE currently supported by moneys in the Reserve. The State Board of Education is authorized under current law to approve and order payments from the Reserve without an appropriation, so this duplicative appropriation is unnecessary.

Eliminate one-time increase for charter school capital construction: Consistent with current law, the recommendation reflects the elimination of a \$2.8 million one-time increase in funding for charter school capital construction.

Aid to declining enrollment districts with new charter schools: The recommendation does not include any funding for this program.

Eliminate one-time funding for supplemental on-line education courses: The recommendation does not include any funding for this program, as this program is repealed July 1, 2007.

Eliminate one-time spending authority from School Construction and Renovation Fund: The FY 2006-07 Long Bill authorized the Department to spend a \$437,602 balance in the School Construction and Renovation Fund. The recommendation eliminates this one-time appropriation.

Eliminate funding for Family Literacy Education Grant Program: The recommendation eliminates a one-time \$200,000 cash funds exempt appropriation from the State Education Fund for this program, along with the associated \$200,000 in cash funds exempt spending authority out of the Family Literacy Education Fund.

Eliminate one-time funding for Reading Assistance Grant Program: The recommendation eliminates a \$300,000 one-time cash funds exempt appropriation from the Read-to-Achieve Cash Fund for this program.

Eliminate spending authority from Principal Development Scholarship Fund: The recommendation eliminates \$250,000 in cash funds exempt spending authority for gifts, grants, and donations that may be credited to the Principal Development Scholarship Fund.

Read-to-Achieve Grant Program: The recommendation reflects a decrease in cash funds exempt spending authority from the Read-to-Achieve Cash Fund, including a \$1,006,647 decrease in the amount of tobacco settlement funding anticipated to be allocated to the Read-to-Achieve Cash Fund, offset by an increase of \$807,099 in spending authority from the Read-to-Achieve Cash Fund balance.

Appropriated Sponsored Programs: This subsection reflects the majority of federal funds available to the Department and the associated federally-funded department staff. The vast majority of these funds are distributed to local school districts. This section also provides cash funds spending authority for the Department to receive fees related to conferences, as well as cash funds exempt spending authority associated with funds transferred to the Department from other state agencies.

Appropriated Sponsored Programs Subsection	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$308,854,029	\$0	\$575,000	\$3,074,648	\$305,204,381	101.6
<i>Recommended Changes from FY 2006-07 Appropriation</i>						
Change in anticipated federal funds	8,363,145	0	0	0	8,363,145	4.4
Anticipated grants and donations	176,000	0	235,000	(59,000)	0	(0.3)
Total FY 2007-08 JBC Recommendation	\$317,393,174	\$0	\$810,000	\$3,015,648	\$313,567,526	105.7
\$ Change from prior year	\$8,539,145	\$0	\$235,000	(\$59,000)	\$8,363,145	4.1
% Change from prior year	2.8%	n/a	40.9%	(1.9)%	2.7%	4.0%

Issue Descriptions

Change in anticipated federal funds: The recommendation reflects an anticipated net increase in a variety of federal fund sources that are reflected in this subsection (compared to the FY 2006-07 appropriation), as well as a net increase in the number of federally-funded staff.

Anticipated grants and donations: The recommendation reflects an increase in anticipated conference fees. The recommendation also reflects a net decrease in the amount of grants and donations the Department anticipates receiving, along with the associated staffing level.

Library Programs: This section contains appropriations for all library-related programs, with the exception of department staff who administer library programs; funding for these positions is provided through the Management and Administration section. There are approximately 330 publicly-funded libraries in Colorado, including institutional libraries (e.g., nursing homes, correctional institutions, etc.), as well as libraries operated by school districts, higher education institutions, and counties and municipalities.

Library Programs	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$1,640,819	\$1,420,819	\$0	\$220,000	\$0	0.0
Recommended Changes from FY 2006-07 Appropriation						
None	0	0	0	0	0	0.0
Total FY 2007-08 JBC Recommendation	\$1,640,819	\$1,420,819	\$0	\$220,000	\$0	0.0
\$ Change from prior year	\$0	\$0	\$0	\$0	\$0	0.0
% Change from prior year	0.0%	0.0%	n/a	0.0%	n/a	n/a

School for the Deaf and the Blind: The Colorado School for the Deaf and the Blind provides educational services for children throughout the state who are deaf, hearing impaired, blind, or visually impaired, and under the age of 21. In FY 2005-06, the School had a total enrollment of 488 children, including 264 infants and toddlers and 224 students (ages 3 to 21) who received services on campus.

School for the Deaf and the Blind	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$12,361,819	\$9,103,409	\$85,000	\$3,173,410	\$0	161.9
Recommended Changes from FY 2006-07 Appropriation						
Annualize salary increases	232,731	232,731	0	0	0	0.0
Tuition for out-of-state students	200,000	0	200,000	0	0	0.0
Grant funding	3,608	0	0	3,608	0	3.1
Personal services base reduction	(42,412)	(42,412)	0	0	0	0.0
Utilities	(37,181)	(37,181)	0	0	0	0.0
Fund source adjustment	0	(26,774)	0	26,774	0	0.0
Other	23,100	13,100	0	10,000	0	0.0
Total FY 2007-08 JBC Recommendation	\$12,741,665	\$9,242,873	\$285,000	\$3,213,792	\$0	165.0
\$ Change from prior year	\$379,846	\$139,464	\$200,000	\$40,382	\$0	3.1
% Change from prior year	3.1%	1.5%	235.3%	1.3%	n/a	1.9%

Issue Descriptions

Annualize salary increases: The recommendation includes \$232,731 to annualize salary survey increases awarded in FY 2006-07.

Tuition for out-of-state students: The recommendation includes a \$200,000 cash funds appropriation to allow the School to receive tuition payments from other states (e.g., Wyoming) for up to four students.

Grant funding: The recommendation reflects an increase in the amount of grant funding the School anticipates receiving as well as the associated staff who are supported by grants.

Personal services base reduction: The recommendation includes a reduction of \$42,412 associated with a 0.5 percent reduction in funding for personal services

Utilities: The recommendation reflects a reduction of \$37,181 based on projected utilities expenses.

Fund source adjustment: The recommendation reflects an increase of \$26,774 cash funds exempt and a General Fund decrease of the same amount based on projected increases in per-pupil funding available to the School.

Other: The recommendation includes the following miscellaneous funding increases: \$10,000 in Medicaid reimbursements; \$6,420 for shift differential; \$4,997 for vehicle lease payments; \$1,694 for food expenses; and \$16 for medical expenses. These increases are offset by a decrease of \$27 for communications services payments.

Governor- Lieutenant Governor-State Planning and Budgeting

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

Summary Table for Department of Governor - Lieutenant Governor - State Planning and Budgeting						
	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$66,034,230	\$11,415,742	\$33,125,440	\$4,270,412	\$17,222,636	139.4
Long Bill Supplemental	<u>446,850</u>	<u>0</u>	<u>25,000</u>	<u>421,850</u>	<u>0</u>	<u>(0.9)</u>
FY 2006-07 Adjusted Appropriation	\$66,481,080	\$11,415,742	\$33,150,440	\$4,692,262	\$17,222,636	138.5
<i>Recommended Changes from FY 2006-07 by Long Bill Division</i>						
Office of the Governor	1,580,853	285,081	1,142,617	145,029	8,126	0.5
Office of Lieutenant Governor	10,333	10,333	0	0	0	0.0
Office of State Planning and Budgeting	33,472	0	0	33,472	0	0.0
Economic Development Programs	(1,445,723)	51,926	(25,854,587)	24,357,250	(312)	0.0
Office of Information Technology	(500,611)	11,789	0	(512,400)	0	0.0
Office of Colorado Benefits Management System	(222,852)	0	0	(222,852)	0	(1.1)
Office of the Chief Information Security Officer	(1,750,440)	0	0	2,449,560	(4,200,000)	1.0
Total FY 2007-08 JBC Recommendation	\$64,186,112	\$11,774,871	\$8,438,470	\$30,942,321	\$13,030,450	138.9
\$ Change from prior year	(\$2,294,968)	\$359,129	(\$24,711,970)	\$26,250,059	(\$4,192,186)	0.4
% Change from prior year	(3.5)%	3.1%	(74.5)%	559.4%	(24.3)%	0.3%

Recommendation Highlights:

- Includes Long Bill supplemental recommendations that include: (1) \$512,400 cash funds exempt to procure an outside vendor that will write an RFP for the ongoing maintenance and operation of the Colorado Benefits Management System (CBMS); (2) a decrease in the personal services expenses of \$100,550 and 0.9 FTE; and (3) \$35,000 in cash funds and cash funds exempt spending authority for the Mansion Activity Fund.
- Includes a \$24.3 million fund mix adjustment recommendation for the Colorado Travel and Tourism Promotion Fund, State Council on the Arts Cash Fund, the New Jobs Incentives Cash Fund, and the Film Incentives Cash Fund which are financed from Limited Gaming Funds and were initially funded as cash funds, however in subsequent years, these funds must be appropriated as cash funds exempt, pursuant to statute.
- Includes reductions of \$6.9 million in one-time cash funds and federal funding spending authority. This includes \$4.2 million in federal funds to create the Information Security Program and \$2.0 million cash

funds for the Bioscience Discovery Evaluation Program. Other reductions include \$512,400 cash funds exempt for the CBMS RFP and \$176,367 for the BENDEX modernization requirement.

4. Refinances the Office of the Chief Information Security Officer with \$2.5 million cash funds exempt and 2.0 FTE. In 2006, the office was created using federal funds, however, pursuant to Section 24-37.5-403 (3), C.R.S., it is the intent of the General Assembly to assume financial responsibility for the program but that funding be cash funds exempt.

Budget Recommendation Detail by Long Bill Division

Office of the Governor: As the chief executive of the State, the Governor is responsible for the overall operation of the executive branch of government. This office provides for coordination, direction, and planning of agency operations, as well as maintaining a liaison with local governments and the federal government.

Office of the Governor	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$22,111,359	\$3,495,034	\$7,200,837	\$309,636	\$11,105,852	35.9
Long Bill Supplemental	<u>35,000</u>	<u>0</u>	<u>25,000</u>	<u>10,000</u>	<u>0</u>	<u>0.0</u>
FY 2006-07 Adjusted Appropriation	\$22,146,359	\$3,495,034	\$7,225,837	\$319,636	\$11,105,852	35.9
Recommended Changes from FY 2006-07 Appropriation						
Low-income energy assistance	1,000,000	0	1,000,000	0	0	0.0
Adjustments for central appropriations	213,679	122,372	7,083	79,621	4,603	0.0
Health, life, and dental	118,763	59,332	0	56,842	2,589	0.0
Annualize special bills	75,837	0	75,837	0	0	0.5
Mansion activity funding	70,000		60,000	10,000	0	0.0
Salary survey	61,502	44,592	0	15,976	934	0.0
Annualize salary survey	57,011	57,011	0	0	0	0.0
Other changes	(15,939)	1,774	(303)	(17,410)	0	0.0
Total FY 2007-08 JBC Recommendation	\$23,727,212	\$3,780,115	\$8,368,454	\$464,665	\$11,113,978	36.4
\$ Change from prior year	\$1,580,853	\$285,081	\$1,142,617	\$145,029	\$8,126	0.5
% Change from prior year	7.1%	8.2%	15.8%	45.4%	0.1%	1.4%

Issue Descriptions

Long Bill Supplemental: The long bill supplemental includes an increase of \$25,000 cash funds and \$10,000 cash funds exempt spending authority for the Mansion Activity fund line item. The Mansion Activity Fund allows the Office of the Governor to collect fees from other state agencies and outside organizations that rent either the Governor's Mansion, or the Carriage House for events. The Carriage House was recently renovated and as such provides additional rental space and is therefore able to increase revenues.

Low-income energy assistance: The Governor's Office is appropriated a portion of the Operational Account of the Severance Tax Trust Fund for home energy efficiency improvements for low-income households, pursuant to H.B. 06-1200 (Low-Income Energy Assistance Funding).

Adjustments for central appropriations: These amounts reflect the rates approved for other centrally appropriated items by the JBC. Such items include the following: short-term disability, S.B. 04-257 amortization equalization disbursement, S.B. 06-235 supplemental amortization equalization disbursement, performance-based pay awards, capital complex leased space, multiuse network payments, and purchase of services from the computer center. The recommendation contains various changes in centrally appropriated line items. These centrally appropriated items include workers' compensation, risk management and property, vehicle lease payments, and legal services.

Health, life, and dental: The recommendation includes increases as recommended by the Joint Budget Committee's common policies.

Annualize special bills: The recommendation includes the annualized funding and 0.5 FTE, pursuant to H.B. 06-1400 (Interbasin Compact Charter).

Mansion activity funding: The recommendation includes increased cash funds and cash funds exempt spending authority for the increased demand for renting the Governor's Mansion and the newly rennovated Carriage House.

Salary survey: The recommendation includes increases as recommended by the Joint Budget Committee's common policies.

Annualize salary survey: The recommendation includes an additional \$78,837 that represents the salary increases allocated to the Division in FY 2006-07.

Other changes: The recommendation includes various small changes to personal services and operating expenses.

Office of the Lieutenant Governor: Colorado's Constitution provides for the Lieutenant Governor to become Governor in the case of the death, impeachment, felony conviction, incapacitation, or resignation of the Governor. The Lieutenant Governor serves as chairperson of the Colorado Commission of Indian Affairs and handles additional responsibilities assigned by the Governor.

Office of the Lieutenant Governor	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$286,689	\$285,189	\$0	\$1,500	\$0	5.0
<i>Recommended Changes from FY 2006-07 Appropriation</i>						
Annualize salary survey	6,352	6,352	0	0	0	0.0
Other changes	3,981	3,981	0	0	0	0.0
Total FY 2007-08 JBC Recommendation	\$297,022	\$295,522	\$0	\$1,500	\$0	5.0
\$ Change from prior year	\$10,333	\$10,333	\$0	\$0	\$0	0.0

Office of the Lieutenant Governor	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
% Change from prior year	3.6%	3.6%	n/a	0.0%	n/a	0.0%

Issue Descriptions

Annualize salary survey: The recommendation includes an additional \$6,352 that represents the salary increases allocated to the Division in FY 2006-07.

Other changes: The recommendation includes various small changes to personal services and operating expenses.

Office of State Planning and Budgeting: The Office of State Planning and Budgeting is responsible for the development of executive budget requests, the review and analysis of departmental expenditures, and preparation of revenue and economic forecasts for the State.

Office of State Planning and Budgeting	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$1,356,306	\$0	\$0	\$1,356,306	\$0	19.5
<i>Recommended Changes from FY 2006-07 Appropriation</i>						
Annualize salary survey	36,142	0	0	36,142	0	0.0
Other changes	(2,670)	0	0	(2,670)	0	0.0
Total FY 2007-08 JBC Recommendation	\$1,389,778	\$0	\$0	\$1,389,778	\$0	19.5
\$ Change from prior year	\$33,472	\$0	\$0	\$33,472	\$0	0.0
% Change from prior year	2.5%	n/a	n/a	2.5%	n/a	0.0%

Issue Descriptions

Annualize salary survey: The recommendation includes an additional \$36,142 that represents the salary increases allocated to the Division in FY 2006-07.

Other changes: The recommendation includes various small changes to personal services and operating expenses.

Economic Development Programs: The Office of Economic Development was formed in 1988 to centralize and coordinate the State's business assistance, retention, expansion, and recruitment programs. Other activities include international trade assistance and Colorado tourism promotion.

Economic Development Programs	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$34,652,578	\$6,449,050	\$25,924,603	\$362,141	\$1,916,784	39.0
<i>Recommended Changes from FY 2006-07 Appropriation</i>						

Economic Development Programs	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
Annualize salary survey	55,138	52,930	0	2,208	0	0.0
Fund mix adjustment	0	34	(24,292,533)	24,292,533	(34)	0.0
Eliminate one-time appropriations	(2,000,000)	0	(2,000,000)	0	0	0.0
Other changes	499,139	(1,038)	437,946	62,509	(278)	0.0
Total FY 2007-08 JBC Recommendation	\$33,206,855	\$6,500,976	\$70,016	\$24,719,391	\$1,916,472	39.0
\$ Change from prior year	(\$1,445,723)	\$51,926	(\$25,854,587)	\$24,357,250	(\$312)	0.0
% Change from prior year	(4.2)%	0.8%	(99.7)%	6725.9%	0.0%	0.0%

Issue Descriptions

Annualize salary survey: The recommendation includes an additional \$55,138 that represents the salary increases allocated to the Division in FY 2006-07.

Fund mix adjustment: Pursuant to H.B. 06-1201 (Increased Limited Gaming Funds for Tourism), funds for this program were properly appropriated as cash funds, however statute dictates that in subsequent years, funding from the Colorado Travel and Tourism Promotion Fund, the New Jobs Incentives Cash Fund, the State Council on the Arts Cash Fund, and the Film Incentives Cash Fund be appropriated as cash funds exempt in order to comply with law and the fiscal policies managed by the State Controller's Office.

Eliminate one-time appropriations: The recommendation includes reductions of \$2.0 million in one-time cash funds spending authority for the Bioscience Discovery Evaluation program.

Other changes: The recommendation includes various changes to personal services and operating expenses. Includes \$500,638 in operational cost increases for the program lines financed with Limited Gaming Funds, which includes the Colorado Promotion - Other, Council on the Arts Cash Fund, New Jobs Incentives, and the Film Incentives.

Office of Information Technology: The Office of Information Technology was created in 1999. Its first and foremost duty is to manage the strategic communication and information assets housed in various State agencies.

Office of Information Technology	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$1,186,469	\$1,186,469	\$0	\$0	\$0	13.0
Long Bill Supplemental	<u>512,400</u>	<u>0</u>	<u>0</u>	<u>512,400</u>	<u>0</u>	<u>0.0</u>
FY 2006-07 Adjusted Appropriation	\$1,698,869	\$1,186,469	\$0	\$512,400	\$0	13.0
Recommended Changes from FY 2006-07 Appropriation						
Annualized salary survey	22,789	22,789	0	0	0	0.0
Eliminate one-time appropriations	(512,400)	0	0	(512,400)	0	0.0
Other changes	(11,000)	(11,000)	0	0	0	0.0

Office of Information Technology	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
Total FY 2007-08 JBC Recommendation	\$1,198,258	\$1,198,258	\$0	\$0	\$0	13.0
\$ Change from prior year	(\$500,611)	\$11,789	\$0	(\$512,400)	\$0	0.0
% Change from prior year	(29.5)%	1.0%	n/a	n/a	n/a	0.0%

Issue Descriptions

Long Bill Supplemental: The long bill supplemental recommendation includes a one-time cash funds exempt appropriation of \$512,400 to procure an outside vendor that will write an RFP for the ongoing maintenance and operation of CBMS, in FY 2006-07.

Annualize salary survey: The recommendation includes an additional \$22,789 that represents the salary increases allocated to the Division in FY 2006-07.

Eliminate one-time appropriations: The recommendation includes the reduction of \$512,400 cash funds exempt spending authority for the CBMS RFP procurement request to hire outside experts to prepare an RFP for a new maintenance and operations support contract.

Other changes: The recommendation includes various small changes to personal services and operating expenses.

Office of Colorado Benefits Management System: The Office of the Colorado Benefits Management System (CBMS) was established by executive order. This office oversees the ongoing development and enhancements to CBMS. CBMS is a complex computer system whose role is to accurately and in a timely manner determine eligibility and calculate benefits for 14 high level program groups and their subgroups supporting the approximately 500,000 eligible Coloradans.

In February 2007, Governor Ritter issued Executive Order D 005 07 which dissolves both the Office of CBMS and the CBMS Steering Committee from the Department of Human Services and the Department of Health Care Policy and Financing. Due to the need for programmatic continuity, maintenance and operations support activities must continue and as such the the Office of CBMS and the CBMS Steering Committee will remain intact until the Governor's order can be properly executed.

Office of Colorado Benefits Management System	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$2,240,829	\$0	\$0	\$2,240,829	\$0	26.0
Long Bill Supplemental	<u>(100,550)</u>	<u>0</u>	<u>0</u>	<u>(100,550)</u>	<u>0</u>	<u>(0.9)</u>
FY 2006-07 Adjusted Appropriation	\$2,140,279	\$0	\$0	\$2,140,279	\$0	25.1
Recommended Changes from FY 2006-07 Appropriation						
Annualize salary survey	47,775	0	0	47,775	0	0.0
Elimination of one-time appropriations	(176,367)	0	0	(176,367)	0	0.0
Annualize Long Bill Supplemental	(89,880)	0	0	(89,880)	0	(1.1)

Office of Colorado Benefits Management System	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
Other changes	(4,380)	0	0	(4,380)	0	0.0
Total FY 2007-08 JBC Recommendation	\$1,917,427	\$0	\$0	\$1,917,427	\$0	24.0
\$ Change from prior year	(\$222,852)	\$0	\$0	(\$222,852)	\$0	(1.1)
% Change from prior year	(10.4)%	n/a	n/a	(10.4)%	n/a	(4.4)%

Issue Descriptions

Long Bill Supplemental: The long bill supplemental recommends decreasing the annualized cash funds appropriation for FY 2006-07 for the Office of CBMS by \$100,550 and 0.9 FTE.

Annualize salary survey: The recommendation includes an additional \$47,775 that represents the salary increases allocated to the Division in FY 2006-07.

Elimination of one-time appropriations: The recommendation includes the reduction of \$176,367 cash funds exempt spending authority for the Beneficiary and Data Exchange (BENDEX) modernization requirement, pursuant to the federal Medicare Modernization Act (MMA).

Annualize Long Bill Supplemental: The recommendation includes a decrease in cash funds exempt funding by \$89,880 and 1.1 FTE.

Other changes: The recommendation includes various small changes to personal services and operating expenses.

Office of the Chief Information Security Officer: The Office of the Chief Information Security Officer was created in 2006, pursuant to H.B. 06-1157. The office is charged with developing and updating information security policies, standards and guidelines for public agencies.

Office of the Chief Information Security Officer	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$4,200,000	\$0	\$0	\$0	\$4,200,000	1.0
Recommended Changes from FY 2006-07 Appropriation						
Refinanced program costs	2,449,782	0	0	2,449,782	0	1.0
Elimination of one-time appropriations	(4,200,000)	0	0	0	(4,200,000)	0.0
Other changes	(222)	0	0	(222)	0	0.0
Total FY 2007-08 JBC Recommendation	\$2,449,560	\$0	\$0	\$2,449,560	\$0	2.0
\$ Change from prior year	(\$1,750,440)	\$0	\$0	\$2,449,560	(\$4,200,000)	1.0
% Change from prior year	(41.7)%	n/a	n/a	n/a	(100.0)%	100.0%

Issue Descriptions

Refinanced program costs: The office of the CISO was originally financed through federal funding which was prompted by the recognition that the state's information and communication infrastructure is aging, vast and vulnerable to cyber attacks. However, pursuant to Section 24-37.5-403 (3), C.R.S., and the Legislative Council Staff (LCS) Fiscal Note for H.B. 06-1157, the costs of the services provided by the CISO should be adequately funded through an appropriation to the public agency to pay for such services. Therefore the recommendation includes cash funds exempt spending authority.

Elimination of one-time appropriations: The office was created utilizing one-time federal funds.

Other changes: Various small changes to personal services and operating expenses.

Department of Health Care Policy and Financing

Department Description: The Department of Health Care Policy and Financing provides health care services to approximately 630,000 Colorado residents through four major health care programs: (1) the State's Medicaid medical and mental health programs; (2) the Colorado Indigent Care program (CICP); 3) the Children's Basic Health Plan (CBHP); and (4) the Old Age Pensioner Medical program. In addition to these programs, the Department also administers the Primary Care Fund program and the Comprehensive Primary and Preventive Care Grant program to increase access to health care services for medically under-served populations or areas. The Medicaid, CICP, and CBHP programs are federal and state partnerships; therefore, the State receives approximately \$1.6 billion in federal matching funds for these programs. The Department also transfers approximately 12.0 percent of its appropriation to other state agencies that administer programs eligible for Medicaid funding, the majority of which goes to the Department of Human Services.

Summary Table for Department of Health Care Policy and Financing						
	Total Funds	General Fund/1	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$3,391,409,824	\$1,405,096,685	\$690,959	\$353,709,236	\$1,631,912,944	231.0
Long Bill Supplemental	(52,605,381)	(24,636,515)	(6,479)	2,815,733	(30,778,120)	0.8
FY 2006-07 Adjusted Appropriation	\$3,338,804,443	\$1,380,460,170	\$684,480	\$356,524,969	\$1,601,134,824	231.8
Recommended Changes from FY 2006-07 by Long Bill Division						
Executive Director's Office	(3,738,221)	185,641	4,549	422,484	(4,350,895)	6.2
Medical Services Premiums	86,384,640	21,798,502	0	21,720,429	42,865,709	0.0
Medicaid Mental Health Community Programs	8,387,445	2,940,316	0	1,071,719	4,375,410	0.0
Indigent Care Program	11,876,701	3,954,749	21,615	1,772,337	6,128,000	0.0
Other Medical Services	3,056,892	3,329,606	0	(367,892)	95,178	0.0
Department of Human Services Medicaid-Funded Programs	29,350,086	18,801,010	0	(4,389,757)	14,938,833	0.0
Total FY 2007-08 Long Bill Recommendation	\$3,474,121,986	\$1,431,469,994	\$710,644	\$376,754,289	\$1,665,187,059	238.0
S.B. 07-133	(\$11,942,390)	(\$7,173,368)	\$0	(\$2,111,664)	(\$2,657,358)	0.0
Total FY 2007-08 JBC Recommendation	\$3,462,179,596	\$1,424,296,626	\$710,644	\$374,642,625	\$1,662,529,701	238.0
\$ Change from prior year	\$123,375,153	\$43,836,456	\$26,164	\$18,117,656	\$61,394,877	6.2
% Change from prior year	3.7%	3.2%	3.8%	5.1%	3.8%	2.7%

/1 This amount includes General Fund Exempt that is describe in the Divisions that follow.

Recommendation Highlights:

- Includes an increase of \$64.7 million total funds (\$11.1 million General Fund) for caseload and medical cost growth for the Medicaid medical program. This appropriation will support health care services for an estimated 383,784 Medicaid clients in FY 2007-08 at an average per capita cost of \$5,530.49.

2. Provides a total increase of \$21.1 million total funds (\$10.4 million General Fund) for provider rate increases in the Medicaid medical program for various provider groups.
3. Adds a total of \$28.3 million (\$18.2 million General Fund) for programs for the developmentally disabled who qualify for Medicaid waiver programs. Included in this increase is \$5.4 million in provider rate increases. This funding is transferred to the Department of Human Services.
4. Includes an increase of \$15.0 million General Fund to provide partial reimbursement to health care providers serving the uninsured and under insured populations up to 250 percent of the federal poverty level pursuant to the requirements in S.B. 06-044.
5. Includes an increase of \$8.7 million total funds (\$3.0 million General Fund) for caseload and capitation rate increases for the Medicaid mental health program.

JBC Budget Package Legislation:

S.B. 07-133: As part of their budget package, the Joint Budget Committee is including the impact of S.B. 07-133 which moves the Children's Basic Health Plan, Old Age Pension Medical program, and the Medicare Modernization Act of 2003 State Contribution Payment to the cash basis of accounting. This action results in one-time savings in FY 2007-08 of \$11.9 million total funds (\$7.1 million General Fund). This bill has passed both houses and has been sent to the Governor for his consideration.

Budget Recommendation Detail by Long Bill Division

Executive Director's Office: This division contains the majority of administrative funding for the Department. Specifically, this division's funding supports the Department's personnel, operation of the Medicaid Management Information System, implementation of the federal Health Insurance Portability and Accountability Act (HIPAA) of 1996, provider audits, and the operating funds associated with the Department's Executive Director's Office, Medical Assistance Office, and Operations and Finance Office.

Executive Director's Office	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$97,536,894	\$32,303,651	\$422,375	\$5,768,013	\$59,042,855	231.0
Long Bill Supplemental	<u>615,665</u>	<u>309,171</u>	<u>0</u>	<u>(1,791)</u>	<u>308,285</u>	<u>0.8</u>
FY 2006-07 Adjusted Appropriation	\$98,152,559	\$32,612,822	\$422,375	\$5,766,222	\$59,351,140	231.8
<i>Recommended Changes from FY 2006-07 Appropriation</i>						
County administration increase	2,209,022	759,836	0	344,675	1,104,511	0.0
Salary and benefits adjustments	1,026,492	709,548	0	48,663	268,281	0.0
Provider rate increase	451,248	225,624	0	0	225,624	0.0
Operating expenses and other administrative cost adjustments	234,658	111,188	4,549	3,711	115,210	0.0
Facility survey increase	229,333	73,694	0	0	155,639	0.0
MMIS changes for CBHP Premium Assistance Program	180,558	0	0	63,195	117,363	0.0

Executive Director's Office	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
Increased hospital and FQHC audits	131,350	65,675	0	0	65,675	0.0
Audit Primary Care Fund	75,200	0	0	75,200	0	0.0
Annualize FY 2006-07 Legislation	45,049	(20,732)	0	1,689	64,092	0.0
Actuary contract for Denver Health incentive payment	20,000	10,000	0	0	10,000	0.0
Adjust FTE allotment	0	0	0	0	0	2.0
Eliminate one-time funding and annualize prior year adjustments	(7,982,256)	(1,716,887)	0	24,773	(6,290,142)	4.2
Technical Adjustments	(274,043)	(13,847)	0	(139,422)	(120,774)	0.0
Drug utilization contract review reduction	(84,832)	(18,458)	0	0	(66,374)	0.0
Total FY 2007-08 JBC Recommendation	\$94,414,338	\$32,798,463	\$426,924	\$6,188,706	\$55,000,245	238.0
\$ Change from prior year	(\$3,738,221)	\$185,641	\$4,549	\$422,484	(\$4,350,895)	6.2
% Change from prior year	(3.8)%	0.6%	1.1%	7.3%	(7.3)%	2.7%

Issue Descriptions

Long Bill Supplemental: The recommendation includes adjustments to FY 2006-07 appropriations that were not included in the regular supplemental bill. Specifically, the bill makes the following total fund adjustments to the FY 2006-07 appropriation: (1) provides a one-time funding increase of \$557,177 to settle a contract dispute with the transportation broker for the eight metro counties service area, and (2) provides a total increase of \$229,091 for administrative costs associated with developing a preferred drug list. These increases are offset by a total fund decrease of \$170,603 to the MMIS (Medicaid Management Information System) re-procurement contract. The re-procurement contract can be reduced due to the same vendor being chosen and therefore, the scope of work for the contract has been reduced from the original cost estimates.

County administration increase: The recommendation includes an increase of \$2.2 million total funds to narrow the gap between the funding the state provides the counties to perform eligibility determinations for programs administered by the Department and the amount of the funding the counties actually spend on such activities. A similar recommendation is made in the Department of Human Services. With these two recommendations, all counties will receive additional funding to alleviate the over expenditures at the county level for determining eligibility for state welfare, medical, and assistance programs. It is anticipated that a work study will be completed in FY 2007-08 that will quantify the true need for state funding for county administration. This recommendation is a partial solution until the comprehensive workload study is complete.

Salary and benefits adjustments: The recommendation includes an increase of \$1,026,492 total funds for salary and employee-related benefit adjustments for state employees. Specifically, the recommendation includes the following total fund increases: (1) \$480,923 for salary survey and senior executive pay; (2) \$299,653 for health, life, and dental benefits; (3) \$206,506 for performance-based pay awards; (4) \$116,745 for amortization of equalization disbursements for PERA; and (5) \$4,660 for short-term disability. These increases are offset with a 0.5 percent total fund base reduction of \$80,482 for vacancy savings and a decrease of \$1,513 total funds for worker's compensation assessments. The recommendation also adjusts funding splits and applies statewide indirect costs assessments. While the indirect cost assessments and fund split adjustments

net to zero total fund impact, these adjustment increase the General Fund appropriation by \$239,861 and decrease the cash funds exempt and federal funds appropriations by \$239,861.

Provider rate increases: The recommendation includes an increase of \$451,248 total funds. Specifically, the recommendation provides the following total fund provider rate increases: (1) \$317,344 for a 1.5 percent COLA increase for county administration; (2) \$110,000 for a 31.0 percent increase to the reimbursement rate when private vehicles are used to transport Medicaid clients to necessary medical appointments because transportation services are not available from the transportation broker or county health department; and (3) \$23,904 for a 1.5 percent COLA increase for administrative case management services provided by the counties.

Operating Expenses and other administrative cost adjustments: The recommendation includes a total fund increase of \$234,658 for various operating and administrative costs. Specifically, the recommendation includes the following total fund increases: (1) \$145,613 for commercial and capitol complex lease space; (2) \$54,034 due to an increase in the legal rate charged by the Department of Law; (3) \$26,579 based on the estimate of the number of administrative judge hours the Department will use; and (4) \$18, 516 for use of the central computer center for the state. These increases are offset by a total fund decrease of \$10,084 in the risk management assessment for the Department.

Facility survey increase: The recommendation includes a total fund increase of \$229,333 for the moneys transferred to the Department of Public Health and Environment to survey and certify hospital and nursing facilities. The increase is related to annualizing the salary survey and administrative costs adjustments that were initially provided in FY 2006-07.

Medicaid Management Information System (MMIS) changes for CBHP Premium Assistance Program: The recommendation includes a total fund increase of \$180,558 for the necessary system changes for the CBHP Premium Assistance Program. This program allows qualifying individuals to receive premium assistance for workplace health insurance if they would otherwise qualify for the CBHP program. The program allows premiums assistance up to \$100 per month. The system changes are needed to create a provider ID for the policy holder; update the MMIS for the amount of premium assistance awarded; and to make direct deposits into the policy holder's account.

Increased hospital and Federal Qualifying Health Center (FQHC) audits: The recommendation includes an increase of \$131,350 for additional hospital and FQHC desk and on-site audits. This issue's cost increase is fully offset by anticipated savings in the Medical Services Premiums line item due to the increased audit activity.

Audit Primary Care Fund: The recommendation includes a \$75,200 increase transferred from Primary Care Fund Program to perform an audit on how the Primary Care Fund is distributed to qualifying providers. In November 2004, the voters approved additional tobacco taxes to be distributed to providers who provide a disproportionate share of care to the under insured, uninsured, and Medicaid and CBHP clients. This audit will make sure that the Department has correctly identified qualifying providers and is distributing the funds in accordance to the requirements in the State Constitution.

Annualize FY 2006-07 Legislation: The recommendation annualizes costs and removes one-time funding for bills enacted during the 2006 and 2007 Legislative Session that impacted appropriations for FY 2006-07 other than the General Appropriations Act and supplemental bills. The impact of this issue is a total fund

increase of \$45,049. However, this amount reflects net increases of \$1,689 cash funds exempt and \$64,092 federal funds offset by a net decrease of \$20,732 General Fund.

Actuary contract for Denver Health incentive payment: The recommendation includes an increase of \$20,000 for actuary services related to reviewing a quality incentive payment program for Denver Health for the managed care caseloads.

Adjust FTE allotment: The recommendation includes an increase of 2.0 FTE to better align the Department's FTE allotment with the current number of employee positions at the Department. This is a technical adjustment and no increase in funding is necessary for this increase in FTE allotment.

Eliminate one-time funding and annualize prior year adjustments: The recommendations includes a total fund decrease of \$7.9 million to eliminate one-time funding and annualize adjustments from the General Appropriations Act and supplemental bills. Major reductions for this issue include the following total fund decreases: (1) \$4.9 million for MMIS system changes related to the re-procurement of the MMIS; (2) \$2.0 million to eliminate costs associated with MMIS changes for the HIPAA National Provider ID rule; (3) \$569,497 to eliminate the consulting contract for the re-procurement of the MMIS system; (4) \$394,459 to eliminate one-time funding provided in FY 2006-07 to settle a contract dispute with the transportation broker for the eight metro-counties; and (5) \$279,746 to eliminate the nursing facility appraisal funding in FY 2006-07 (these appraisals only needed to be done once every four years). These reductions are partially offset by a total fund increase of \$294,249 to annualize the Payment Error Rate Measurement Contract that was partially funded in FY 2006-07 and by \$41,184 to annualize the county administration costs associated with immigration reform. The recommendation makes various other changes to annualize part-year funding or remove one-time costs.

Technical adjustments: The recommendation includes a net decrease of \$274,043 total funds for decreases related to technical and Committee initiated actions. Specifically, the recommendation reduces the Managed Care Enrollment Broker Contract by \$242,784 to reflect a decrease in overall Medicaid caseload and the availability of managed care options in the state. The recommendation also includes a decrease of \$70,892 for the number of Medical ID cards that are produced related to the drop in Medicaid caseload. These decreases are partially offset by the following total fund increases: (1) \$16,577 in the amount transferred to the Department of Regulatory Agencies for nurse aid certifications; (2) a net increase of \$15,880 to the MMIS contract for changes in mailing and prior authorizations related to the preferred drug list; and (3) \$7,176 in the amount transferred to the Department of Education for the Public School Health program.

Drug utilization contract review reduction: The recommendation includes a total fund reduction of \$84,832 for the drug utilization review contract. The reduction is primarily the result of less reviews being necessary due to the passage of the Medicare Modernization Act of 2003 which moved individuals eligible for both Medicaid and Medicare to the Medicare drug benefit.

Medical Services Premiums: This division provides the health care funding for an estimated 383,784 Medicaid clients. Clients are determined eligible based on 11 different eligibility categories. Medical services provided include acute care services (i.e. physician visits, prescription drugs, hospitalization) and long-term care services (i.e. nursing home care and community-based services).

Medical Services Premiums	Total Funds	General Fund/1	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$2,111,287,559	\$996,821,857	\$76,512	\$55,563,806	\$1,058,825,384	0.0
Long Bill Supplemental	<u>(53,486,347)</u>	<u>(22,184,958)</u>	<u>(38,256)</u>	<u>(3,233,297)</u>	<u>(28,029,836)</u>	<u>0.0</u>
FY 2006-07 Adjusted Appropriation	\$2,057,801,212	\$974,636,899	\$38,256	\$52,330,509	\$1,030,795,548	0.0
Recommended Changes from FY 2006-07 Appropriation						
Base caseload and cost changes	64,714,021	11,101,307	0	21,582,316	32,030,398	0.0
Acute care provider rate increases	15,987,854	7,855,812	0	138,113	7,993,929	0.0
Community care provider rate increases	5,081,736	2,540,868	0	0	2,540,868	0.0
HPV vaccination costs	1,010,084	505,042	0	0	505,042	0.0
Incentive payment to Denver Health	758,467	379,234	0	0	379,233	0.0
Preferred drug list	(670,376)	(335,188)	0	0	(335,188)	0.0
Increased hospital and FQHC audits	(497,146)	(248,573)	0	0	(248,573)	0.0
Total FY 2007-08 JBC Recommendation	\$2,144,185,852	\$996,435,401	\$38,256	\$74,050,938	\$1,073,661,257	0.0
\$ Change from prior year	\$86,384,640	\$21,798,502	\$0	\$21,720,429	\$42,865,709	0.0
% Change from prior year	4.2%	2.2%	0.0%	41.5%	4.2%	n/a

/1 This amount includes a General Fund Exempt Appropriation.

General Fund Summary	Total General Fund	General Fund	General Fund Exempt
FY 2006-07 Appropriation	\$996,821,857	\$740,721,857	\$256,100,000
Long Bill supplemental	<u>(22,184,958)</u>	<u>(109,184,958)</u>	<u>87,000,000</u>
FY 2006-07 Adjusted Appropriation	974,636,899	631,536,899	343,100,000
Medical Services Premiums	<u>21,798,502</u>	<u>20,998,502</u>	<u>800,000</u>
Total FY 2007-08 Long Bill Recommendation	\$996,435,401	\$652,535,401	\$343,900,000

General Fund Exempt

In November 2005, the Colorado voters passed Referendum C that allowed the State to retain all revenue that is collected above the TABOR limit for FY 2005-06 through FY 2009-10. This revenue must be placed in a General Fund Exempt Account (see Section 24-77-103.6 (2), Colorado Revised Statutes). The above table shows the amount of General Fund Exempt that the Joint Budget Committee recommends be appropriated from the General Fund Exempt Account for purposes of funding health care for Colorado's elderly, low-income, and disabled populations pursuant to Sections 24-77-103.6 (2) (a) and 24-77-104.5 (2) (a) (I), Colorado Revised Statutes.

Issue Descriptions

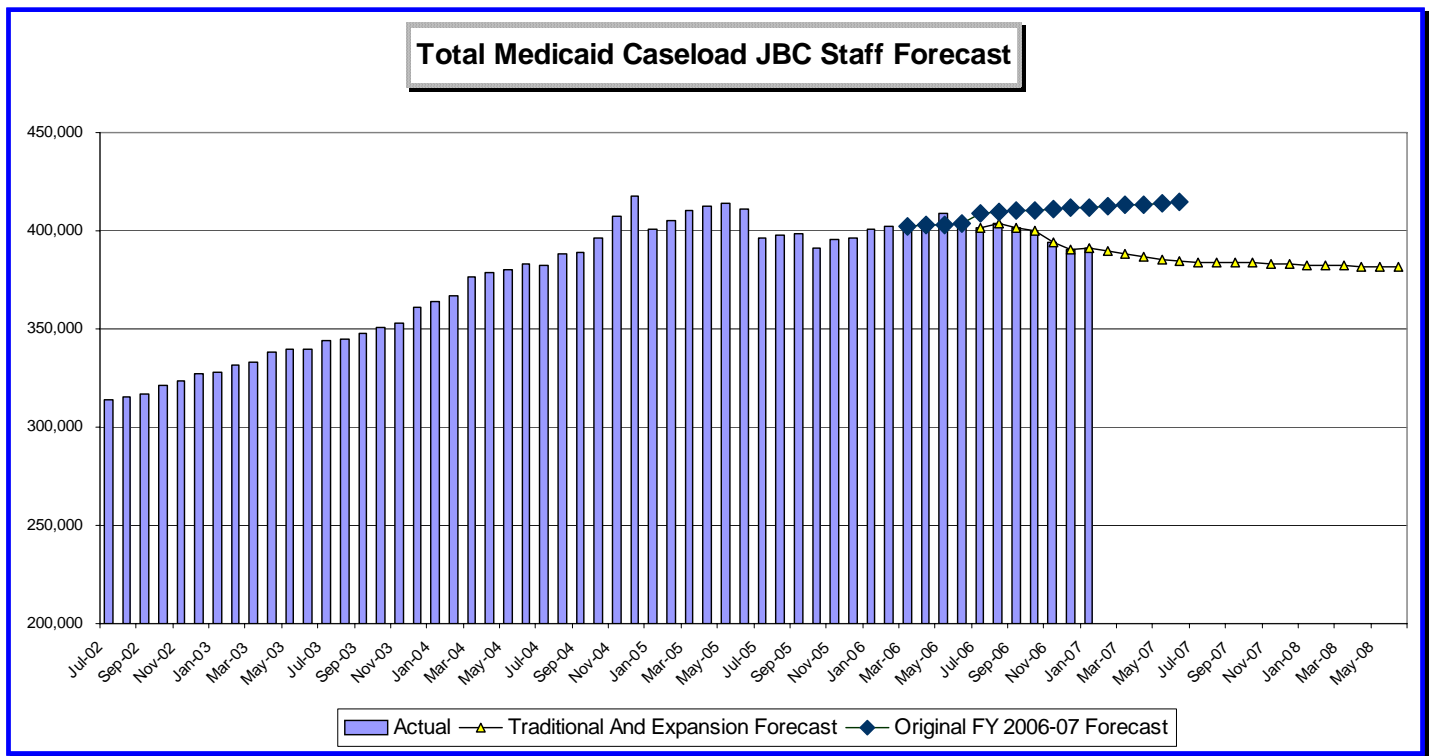
FY 2006-07 Discussion

Long Bill Supplemental: The recommendation reduces FY 2006-07 appropriations for Medicaid medical services premiums by a total \$53,486,347 (\$22,184,958 is from the General Fund). Table 1 below shows the supplemental recommendation by fund source.

Table 1: Fund Splits for FY 2006-07 Supplemental Recommendation			
Fund	Original FY 2006-07 Appropriation	JBC FY 2006-07 Recommendation	Difference
General Fund & GFE	\$996,821,857	\$974,636,899	(\$22,184,958)
Cash Funds	76,512	38,256	(38,256)
Certified Funds	14,364,778	13,582,466	(782,312)
Health Care Expansion Fund	37,756,482	35,695,626	(2,060,856)
Transfer from DPHE	2,503,961	2,555,236	51,275
Breast and Cervical Cancer Fund	311,835	340,493	28,658
<u>Autism Fund</u>	<u>626,750</u>	<u>156,688</u>	<u>(470,062)</u>
Subtotal Cash Fund Exempt	\$55,563,806	\$52,330,509	(\$3,233,297)
<u>Federal Funds</u>	<u>\$1,058,825,384</u>	<u>\$1,030,795,548</u>	<u>(\$28,029,836)</u>
TOTAL FUNDS	\$2,111,287,559	\$2,057,801,212	(\$53,486,347)

The supplemental recommendation is the result of both caseload adjustments and cost-per-client assumption changes for both the traditional Medicaid caseload and the expansion Medicaid caseloads (which includes clients added pursuant to Amendment 35 to the State Constitution and H.B. 05-1262). In addition, the supplemental recommendation also makes changes to the amount of funds that can be certified at public facilities under the Medicare Upper Payment Limit calculations. Each of these assumption changes are discussed below.

- ✓ *Caseload and cost-per-client changes:* For the most part, the supplemental is being driven by a reduction in caseload forecasts. Last year, the Joint Budget Committee assumed that the average monthly caseload would be 429,222 clients for FY 2006-07. However, based on more current data, the JBC now forecasts an average monthly caseload of 393,180 for FY 2006-07. This is a decrease of 36,042 total clients or 8.4 percent. The chart on the next page shows the original caseload forecast for FY 2006-07 compared to the new caseload forecast for FY 2006-07 and FY 2007-08.



- ✓ **Medical Services Costs:** While the FY 2006-07 caseload forecast has decreased by approximately 8.4 percent, the overall cost-per-client estimate has increased by 6.47 percent from the original appropriation assumptions. The total decrease for medical services for the Medicaid medical program is an approximate decrease of 2.5 percent. Table 2 summarizes the FY 2006-07 supplemental assumptions for the Medicaid caseload and the medical costs per aid category.

Table 2: FY 2006-07 Expansion Medicaid Caseload and Dollar Changes

	Original Caseload Estimate	New Caseload Estimate	Difference	Original Medical Cost	New Estimated Medical Cost	Difference
Elderly Caseloads						
SSI 65+	37,036	36,218	(818)	\$698,321,003	\$682,177,531	(\$16,143,472)
SSI 60-64	6,241	6,068	(173)	82,512,366	89,789,985	7,277,619
Partially Dual Eligible	12,570	12,706	136	11,895,106	15,665,640	3,770,534
Disabled Caseload						
SSI Disabled	48,447	48,489	42	561,543,629	572,752,647	11,209,018
Low-Income Adults						
Categorical Eligible Adults	63,127	52,115	(11,012)	234,039,521	183,555,689	(50,483,832)
Baby Care Adults	4,890	5,018	128	37,684,199	42,692,824	5,008,625
Expansion Adults	4,850	5,292	442	12,150,781	13,196,189	1,045,408
Breast and Cervical Cancer Adults	223	233	10	5,092,286	5,571,372	479,086
Children						
Categorical Eligible Children	228,438	205,213	(23,225)	333,275,823	329,235,692	(4,040,131)
Foster Children	17,091	16,580	(511)	57,568,724	53,439,293	(4,129,431)
Other						

Table 2: FY 2006-07 Expansion Medicaid Caseload and Dollar Changes

	Original Caseload Estimate	New Caseload Estimate	Difference	Original Medical Cost	New Estimated Medical Cost	Difference
Non-Citizens	6,309	5,248	(1,061)	61,593,434	55,792,092	(5,801,342)
Total	429,222	393,180	(36,042)	\$2,095,676,872	\$2,043,868,954	(\$51,807,918)
Average Cost Per Client				\$4,882.50	\$5,198.30	\$315.80
Percent Change			-8.40%			6.47%

- ✓ *Certification of Public Funds:* In addition to the medical cost changes noted above, the FY 2006-07 supplemental also makes adjustments to the assumptions regarding the amount of funding that can be certified by public entities in order to draw down additional federal match. The original FY 2006-07 appropriation assumed that \$15,610,688 could be certified by public entities. The current FY 2006-07 estimate is for \$13,932,258. Therefore, the amount of certified funds has been reduced by \$1,678,430.

FY 2007-08 Discussion

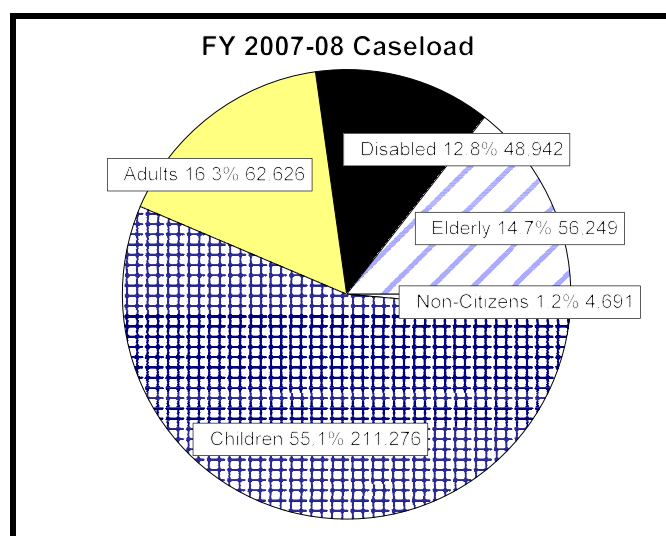
Base caseload and cost changes: The FY 2007-08 the JBC recommendation supports medical services for an estimated 383,784 total Medicaid clients. Of this number, 346,283 are traditional Medicaid clients and 37,501 are expansion Medicaid clients (eligible to be funded with Health Care Expansion Funds). The FY 2007-08 caseload forecast reflects a decrease of 9,396 clients from the recommended final FY 2006-07 caseload forecast. Table 3 shows the projected caseload growth from FY 2006-07 to FY 2007-08.

Table 3: FY 2007-08 Caseload

Eligibility Category	FY 2006-07	FY 2007-08	# Change	%
<i>Elderly Caseloads</i>				
SSI 65+	36,218	36,703	485	1.3%
SSI 60-64	6,068	6,252	184	2.9%
Partially Dual Eligible	12,706	13,294	588	4.4%
<i>Disabled Caseload</i>				
SSI Disabled	48,489	48,942	453	0.9%
<i>Low-Income Adults</i>				
Categorical Eligible Adults	52,115	46,708	(5,407)	-11.6%
Baby Care Adults	5,018	5,264	246	4.7%
Expansion Adults	5,292	10,377	5,085	49.0%
Breast and Cervical Cancer Adults	233	277	44	15.9%
Children				

Table 3: FY 2007-08 Caseload					
Eligibility Category	FY 2006-07	FY 2007-08	# Change	%	
Categorical Eligible					
Children	205,213	193,981	(11,232)	-5.8%	
Foster Children	16,580	17,295	715	4.1%	
Other					
Non-Citizens	5,248	4,691	(557)	-11.9%	
Total Caseload Forecast	393,180	383,784	(9,396)	-2.4%	

The majority of the caseload decline is in the low-income categorical eligible adults and children. However, the caseload forecast for these populations is anticipated to stabilize in FY 2007-08 and to begin to grow again beginning in FY 2009-10. Even though the low-income adult and children categories have been declining during the last two years, these aid categories continue to be the majority of the Medicaid caseload as shown in the pie chart below.



After the caseload forecast is established, then the base service costs are calculated. The base service costs is the amount of funding needed for the Medicaid program under current law before policy issues are added. The base service costs are a function of both the caseload forecast and well as the forecast for the cost of medical services based on prior year utilization patterns and rates. The base service costs include the following major groupings of medical services: (1) the cost of acute, community long-term care, institutional long-term care, supplemental insurance, and medical administrative costs; (2) the mix of services used by the different caseload aid categories described above; and (3) the acuity level of the caseload using the various array of services. Table 4 on the following table compares the FY 2006-07 estimated costs (including the FY 2006-07 Long Bill supplemental) with the FY 2007-08 base service cost recommendation for each service category.

Table 4: FY 2007-08 Medical Services Costs				
Service Category	FY 2006-07	FY 2007-08	\$ Change	%
Acute Care Services/1	\$1,189,301,733	\$1,206,780,201	\$17,478,468	1.5%
Community Long-Term Care Services/2	216,565,263	224,221,962	7,656,699	3.5%
Long-Term Care and Insurance	610,944,751	652,744,845	41,800,094	6.8%
Medical Administrative Costs	27,057,207	24,265,683	(2,791,524)	-10.3%
Bottom Line Financing	13,932,258	14,502,542	570,284	4.1%
Total Service Costs	\$2,057,801,212	\$2,122,515,233	\$64,714,021	3.1%

/1 FY 2007-08 does not include any policy rate increases. Rate increases are discussed as a separate issues.

/2 FY 2007-08 does not include any policy rate increases. Rate increases are discussed as a separate issue.

Acute Care Services: The recommendation includes an increase of \$17,478,468 total funds for acute care services. This amount includes the following increases: (1) \$13,174,275 for caseload and cost-per-client assumption changes; (2) \$4,097,363 to annualize rate increases that were provided to home health agencies on April 1, 2007; (3) \$466,712 to annualize costs associated with telemedicine; and (4) \$16,982 for claims adjustments for rural health centers. These increases are offset by the following decreases: (1) \$235,363 for estimated savings related to telemedicine services and (2) \$41,500 in estimated savings due to including an outpatient substance abuse treatment program (these are annualized savings).

Community Long-Term Care Services: The recommendation includes an increase of \$7,656,699 for community-based long term care services. This recommendation includes the following increases: (1) \$4,299,575 for caseload and cost-per-client assumption changes; (2) \$8,857,928 to annualize rate increases provided on April 1, 2007; and (3) \$940,125 to annualize the costs for the services for children on the autism waiver. These increases are offset by a decrease of \$6,440,928 in estimated savings for the consumer directed care waiver program.

Long-Term Care and Insurance: The recommendation includes a total increase of \$41,800,094 for institutional long-term care services and supplemental insurance for Medicare beneficiaries. The recommendation includes the following increases: (1) \$22,715,616 for class 1 nursing home rate increases and patient day assumptions; (2) \$55,673 for class II nursing homes; (3) \$12,119,364 for caseload and cost increases for the Program for All Inclusive Care of the Elderly; (4) \$6,889,992 for caseload and cost increases for supplemental Medicare insurance; and (5) \$19,449 for caseload assumptions for the Health Insurance Buy-In program.

Medical Administrative Costs: The recommendation includes a total decrease of \$2,791,524 for medical administrative costs. The decrease results from a \$2,932,071 decrease in the amount of funding transferred to the Department from the Department of Public Health and Environment pursuant to H.B. 05-1262 for disease management programs. This decrease is offset by increases of \$140,547 for single entry point contracts.

Bottom Line Financing: The recommendation includes an increase of \$570,285 for the estimated amount of funds that will be able to be certified at public facilities under the Medicare Upper Payment Limit financing option.

Lastly, after determining the caseload and estimated medical costs, the funding sources for the Medical Services Premiums are calculated. Certain populations are eligible to receive funding from different funding sources (i.e. some adults and children on Medicaid can be funded from the Health Care

Expansion Fund due to the elimination of the asset test in 2006, children on the autism waiver can receive funding from the Autism Fund, etc.). Table 5 shows the funding sources for the Medical Services Premiums line item for FY 2007-08 compared to FY 2006-07.

Table 5: Fund Splits for FY 2007-08 JBC Medical Services Premiums Recommendation			
Fund	JBC FY 2006-07 Recommendation	JBC FY 2007-08 Base Recommendation	Difference
General Fund & GFE	\$974,636,899	\$985,738,207	\$11,101,308
Cash Funds	\$38,256	\$38,256	\$0
Certified Funds	13,582,466	14,191,007	608,541
Health Care Expansion Fund	35,695,626	57,929,630	22,234,004
Transfer from DPHE	2,555,236	735,600	(1,819,636)
Breast and Cervical Cancer Fund	340,493	429,838	89,345
<u>Autism Fund</u>	<u>156,688</u>	<u>626,750</u>	<u>470,062</u>
Subtotal Cash Fund Exempt	\$52,330,509	\$73,912,825	\$21,582,316
<u>Federal Funds</u>	<u>\$1,030,795,548</u>	<u>\$1,062,825,945</u>	<u>\$32,030,397</u>
TOTAL FUNDS	\$2,057,801,212	\$2,122,515,233	\$64,714,021

Acute care provider rate increases: The recommendation includes a total fund increase of \$15,987,853 for acute care providers. Of this amount, \$7,855,812 is General Fund. Table 6 describes the rate increases provided in the recommendation.

Table 6: FY 2007-08 Acute Care Provider Rate Increases			
Issue	Total Fund Amount	Description	
Inpatient Hospital	\$4,446,001	Provides funding for a 2.0 percent increase to inpatient hospital rates. This rate increase will allow inpatient hospitals rates to be slightly higher than 90 percent of the Medicare rates. The JBC approves the Department's request to maintain inpatient hospital rates at or above 90 percent of the Medicare rate each year.	
Emergency Transportation	300,000	Provides a 5.0 percent increase for emergency transportation rates in order to restore the 5.0 percent rate reduction that occurred in FY 2002-03.	
Adult Immunizations	600,000	Approves rates at wholesale price plus 10 percent for adult immunizations in order to cover the cost to the practioner providing the immunizations. The recommendation also provides a \$2.00 administration fee.	
Anesthesia	3,150,000	Increases rates for anesthesia to \$21.49 for 15 minutes to address some of the disparity between Medicaid rates and insurance rates for this service.	

Table 6: FY 2007-08 Acute Care Provider Rate Increases

Issue	Total Fund Amount	Description
Durable Medical Equipment Repair	500,000	Increases wheelchair repair rates to \$35.48 per 15 minutes in order to cover the costs of travel and labor for providers.
Surgical Procedures	1,650,000	Adjusts surgical code rates by \$1.6 million to increase rates that have not been adjusted since 1990.
Therapy Services	1,000,000	Provides a 9.05 percent rate increase for outpatient physical therapy, speech therapy, and occupational therapy in order to address rate disparities that occurred when home health rates increased for these services but outpatient rates did not.
Corresponding Adjustment to Managed Care Rates	398,966	Includes an adjustment to the managed care rates to reflect the impact of the rates discussed in this table.
Single Entry Point Contracts	3,852,887	Increases rates for single entry point agencies in order to reimburse them for services they provide but are not currently reimbursed for.
<u>Intrauterine Devices</u>	<u>90,000</u>	<u>Increases rates to pay for the cost of the device.</u>
TOTAL	\$15,987,854	

Community care provider rate increases: The recommendation includes \$5,081,736 for a 1.5 percent provide rate increase for home and community-based waiver services, private-duty nursing, and home health.

HPV vaccination costs: The recommendation includes \$1,010,084 for the costs of administering the human papillomavirus (HPV) vaccine to women and children eligible for the federal Vaccine for Children's (VFC) program. The recommendation assumes that approximately 17 percent of the Medicaid female population under the age of 20 will request to receive the HPV vaccine. While the VFC program will cover the cost of the vaccination for Medicaid clients, it does not cover the administrative fee or office visit costs. Therefore, the recommendation adds \$1,010,084 for these costs.

Incentive payment to Denver Health: The recommendation includes an increase of \$758,468 for a quality incentive payment program for the Denver Health managed care program. The incentive program will provide additional funding to Denver if clients in their managed care program receive certain primary care services. The incentive program aims at keeping Denver Health as an at-risk managed care provider in the Medicaid program (the only at-risk managed care organization left serving the Medical program).

Preferred drug list: The recommendation includes a total fund decrease of \$670,376 for cost saving assumed in FY 2007-08 due to the implementation of a preferred drug list (PDL) in the fee-for-service Medicaid medical program. The Governor signed Executive Order D 004-07 in January 2007 to establish a PDL for the Medicaid program. The recommendation assumes that the PDL will be operational by January 2008 and includes six months of estimated savings for the program.

Increased hospital and FQHC audits: The recommendation includes a decrease of \$497,146 total funds based on the assumption that additional audits at hospitals and Federally Qualified Health Centers will identify improper payments and will result in recoupments from these providers. These estimated savings are partially offset by increased costs in the Executive Director's Office.

Medicaid Mental Health Community Programs: This division provides for mental health services through the purchase of services from five regional behavioral health organizations (BHOs), which manage mental health services for eligible Medicaid recipients in a capitated, risk-based model. This division contains funding for Medicaid mental health fee-for-service and shows, for informational purposes, the anti-psychotic pharmaceutical expenditures appropriated for this population in the Medical Services Premiums section. Funding for FY 2007-08 reflects funding for 365,799 Medicaid clients who are eligible for mental health services.

Medicaid Mental Health Community Programs	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$222,955,281	\$93,506,318	\$0	\$33,783,245	\$95,665,718	0.0
Long Bill Supplemental	(5,609,348)	(4,386,486)	0	2,105,707	(3,328,569)	0.0
FY 2006-07 Adjusted Appropriation	\$217,345,933	\$89,119,832	\$0	\$35,888,952	\$92,337,149	0.0
Recommended Changes from FY 2006-07 Adjusted Appropriation						
Capitation caseload and costs	8,781,767	2,957,057	0	1,432,558	4,392,152	0.0
Anti-psychotic pharmaceutical increases	(360,839)	0		(360,839)	0	0.0
Fee for service increases	(33,483)	(16,741)		0	(16,742)	0.0
Total FY 2007-08 JBC Recommendation	\$225,733,378	\$92,060,148	\$0	\$36,960,671	\$96,712,559	0.0
\$ Change from prior year	\$8,387,445	\$2,940,316	\$0	\$1,071,719	\$4,375,410	0.0
% Change from prior year	3.9%	3.3%	n/a	3.0%	4.7%	n/a

Issue Descriptions

Long Bill Supplemental: The Long Bill supplemental includes the components shown on the table below.

	Total Funds	General Fund	Cash Funds Exempt	Federal Funds
Anti-psychotic pharmaceutical increases	\$1,052,430	\$0	\$1,052,430	\$0
Capitation caseload and costs	(6,448,245)	(4,279,719)	1,053,277	(3,221,803)
Fee for service costs	(213,534)	(106,767)	0	(106,767)
Total	(\$5,609,349)	(\$4,386,486)	\$2,105,707	(\$3,328,570)

The FY 2006-07 *mental health capitation* reduction of \$6.4 million is primarily based on revised estimates of program cost projected from actual expenditures and caseload for the first half of the year.

These changes are based on the population of individuals eligible for the Medicaid program across the state, partially offset by higher actuarially-certified rates. The table below compares the projected changes in rates and caseload by eligibility category.

Budget Projection - FY 2006-07 Staff Projection compared to FY 2006-07 Appropriation							
	Approp.	Caseload	Per Capita	Caseload	Per Capita		
	Caseload	Change	Rate Chg	Impact	Rate Impact	Compound	Total
Elderly	37,036	(818)	-9.8%	(\$148,016)	(\$658,800)	\$14,551	(\$792,265)
Disabled	54,563	(6)	13.9%	(7,081)	8,966,194	(986)	8,958,127
Adults	72,867	(10,442)	9.4%	(1,946,268)	1,281,843	(183,691)	(848,116)
Children	228,438	(23,225)	-3.1%	(4,011,793)	(1,212,091)	123,232	(5,100,652)
Foster Care	17,091	(511)	-8.5%	(1,956,379)	(5,591,684)	167,185	(7,380,879)
BCCP*	<u>223</u>	<u>10</u>	68.1%	<u>921</u>	<u>13,992</u>	<u>627</u>	<u>15,540</u>
Subtotal	410,218	(34,992)		(\$8,068,617)	\$2,799,454	\$120,917	(\$5,148,245)
					Recoupment adjustment		(\$1,300,000)
					Total Difference		(\$6,448,245)

*Breast and Cervical Cancer Program

Fee for service reductions are also based on revised estimates of individuals receiving mental health treatment who are not covered by the mental health capitation program. Similarly, the *Anti-psychotic pharmaceutical* increase, which reflects a portion of overall Medicaid pharmaceutical costs and is shown here for informational purposes, also reflects revised estimates of drug cost and utilization projected from actual expenditures for the first half of the year.

Capitation caseload and costs (FY 2007-08): The amount shown reflects projected program costs based on the projected population of individuals eligible for the Medicaid mental health capitation program and an average increase of 3.76 percent from FY 2006-07 rates based on the estimated results of an actuarial evaluation that will occur later in the year. The components of the increase over the FY 2006-07 estimate, by eligibility category, are reflected in the table below.

Budget Projection - FY 2007-08 compared to FY 2006-07							
	FY 2006-07 Caseload	Change	Rate Change*	Caseload Impact	Rate Impact	Compound	Total
Elderly	162	485	3.9%	\$78,519	\$230,606	\$3,088	\$312,213
Disabled	1,337	637	3.9%	851,636	2,835,280	33,104	3,720,020
Adults	203	(76)	3.9%	(15,410)	495,971	(604)	479,957
Children	166	(11,232)	4.0%	(1,865,412)	1,358,578	(74,360)	(581,193)
Foster Care Children	3,472	715	3.9%	2,482,323	2,262,426	97,565	4,842,314
BCCP**	<u>154</u>	<u>44</u>	3.9%	<u>6,798</u>	<u>1,394</u>	<u>263</u>	<u>8,455</u>
Subtotal	5,494	(9,427)		\$1,538,455	\$7,184,254	\$59,058	\$8,781,767

*Note that the rate change appears higher than the 3.76 percent used in calculations due to the impact of the “add back” of \$300,000 in FY 2006-07 retroactivity adjustments in FY 2007-08.

**Breast and Cervical Cancer Program

Anti-psychotic pharmaceutical increases: Anti-psychotic pharmaceutical appropriations are a portion of the overall Medicaid pharmaceutical budget and are shown here for informational purposes. The adjustment shown reflects revised estimates of the size of the Medicaid population, as well as drug cost and utilization, for FY 2007-08.

Fee for service costs increases: Certain individuals and certain costs for mental health services are excluded from the mental health capitation program. This line item reflects projected cost changes for this population. The projected reduction primarily reflects the overall estimated reduction in the Medicaid population.

Indigent Care Program: This division contains funding for the following programs:

Safety Net Provider Payment Program -- This program provides partial reimbursement to participating hospitals and clinics that serve uninsured or under-insured clients. To be eligible for this program, clients must have income or assets equal to or lower than 250 percent of the federal poverty level (FPL) and may not qualify for assistance through the Medicaid program. This program serves approximately 180,000 clients each year.

Children's Basic Health Plan -- This program provides health insurance to otherwise uninsured children from families at or below 200 percent of the FPL. The program also provides health insurance to eligible adult women between 133 percent and 200 percent of FPL. The Children's Basic Health Plan (CBHP) provides health insurance to an estimated 50,051 children and an average monthly caseload of 1,407 adult pregnant women.

Primary Care Fund Program and Comprehensive Primary and Preventive Care Grant Program -- These two programs provide funding to medical providers that serve indigent populations or provide services in a designated medically under-served area.

Indigent Care Program	Total Funds	General Fund/1	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$446,446,893	\$22,559,913	\$192,072	\$216,151,813	\$207,543,095	0.0
Long Bill Supplemental	<u>20,233,553</u>	<u>8,700,000</u>	<u>31,777</u>	<u>4,046,279</u>	<u>7,455,497</u>	<u>0.0</u>
FY 2006-07 Adjusted Appropriation	\$466,680,446	\$31,259,913	\$223,849	\$220,198,092	\$214,998,592	0.0
<i>Recommended Changes from FY 2006-07 Appropriation</i>						
Colorado Health Care Services Fund	15,000,000	15,000,000	0	0	0	0.0
CBHP caseload and medical costs	8,341,843	0	0	2,933,692	5,408,151	0.0
CBHP dental and administration costs	803,080	0	0	281,195	521,885	0.0
Pediatric Hospital provider rate increase	395,928	201,000	0	(3,036)	197,964	0.0
Increase to Colorado Health Care Services Fund programs	37,592	0	0	37,592	0	0.0

Indigent Care Program	Total Funds	General Fund/1	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
CBHP Trust Fund adjustments	(11,221,600)	(11,243,215)	21,615	0	0	0.0
Amendment 35 Tobacco Tax revenue adjustments & transfer to DPHE	(1,021,568)	(3,036)	0	(1,018,532)	0	0.0
Reduction of revenue for the Comprehensive Primary and Preventive Care Grant Program	(383,374)	0	0	(383,374)	0	0.0
Primary Care Fund audit transfer	(75,200)	0	0	(75,200)	0	0.0
Total FY 2007-08 JBC Recommendation	\$478,557,147	\$35,214,662	\$245,464	\$221,970,429	\$221,126,592	0.0
\$ Change from prior year	\$11,876,701	\$3,954,749	\$21,615	\$1,772,337	\$6,128,000	0.0
% Change from prior year	2.5%	12.7%	9.7%	0.8%	2.9%	n/a

/1 This amount includes a General Fund Exempt Appropriation.

General Fund Summary	Total General Fund	General Fund	General Fund Exempt
FY 2006-07 Appropriation	\$22,559,913	\$22,043,877	\$516,036
Long Bill Supplemental	<u>8,700,000</u>	<u>8,700,000</u>	<u>0</u>
FY 2006-07 Adjusted Appropriation	31,259,913	30,743,877	516,036
Program General Fund Issues	\$3,957,785	\$3,957,785	\$0
<u>Tobacco Tax Revenue adjustment</u>	<u>(\$3,036)</u>	<u>\$0</u>	<u>(\$3,036)</u>
Total FY 2007-08 Long Bill Recommendation	\$35,214,662	\$34,701,662	\$513,000

General Fund Exempt

In November 2004, the Colorado voters passed Amendment 35 to the Colorado Constitution. Amendment 35 requires that 3.0 percent of the new tobacco tax be appropriated to the General Fund and the Old Age Pension Fund, and be distributed to the counties and cities. Because Amendment 35 moneys are exempt from the TABOR limit, the General Fund appropriations of these moneys are General Fund Exempt. House Bill 05-1262 requires that beginning in FY 2006-07, 50 percent of the tobacco tax revenues appropriated to the General Fund be appropriated to the Pediatric Specialty Hospital Fund pursuant to Section 24-22-117 (1) (c) (I) (B), C.R.S.

Issue Descriptions

Long Bill Supplemental: The recommendation includes a total fund increase of \$20.2 million to FY 2006-07 appropriations for the Children's Basic Health Plan (CBHP) program line items. Of this amount, \$8.7 million transfer of General Fund into the CBHP Trust Fund in order to keep the fund solvent in FY 2006-07 and to reduce the amount of General Fund needed in FY 2007-08. In addition, the increase in caseload will result in an additional \$31,777 in enrollment fees being collected and deposited into the CBHP Trust Fund. The remaining increase is \$4.0 million cash funds exempt and \$7.5 million in matching federal funds for increased caseload and costs for the CBHP medical and dental program. As children have become ineligible for the Medicaid program due to improved economic

conditions, some children are becoming eligible for the CBHP program instead. This has resulted in larger than anticipated caseload for the CBHP program. In addition, the capitation rates and the mix of children in the self-funded network and managed care need to be adjusted based on up-to-date information and assumptions. The following table summarizes the impact of the caseload and cost adjustments that are recommended for FY 2006-07.

FY 2006-07 Children's Basic Health Caseload and Dollar Changes/1			
	Children's Premium Caseload	Children's Dental Caseload/2	Adult Prenatal Member Months
Original FY 2006-07 Caseload Estimate	42,590	37,053	18,936
New FY 2006-07 Caseload Estimate	<u>50,051</u>	<u>39,490</u>	<u>16,878</u>
Increase/ (Decrease) in Caseload	7,461	2,437	(2,058)
Original Per Capita Estimate (Monthly)	\$104.14	\$13.30	\$905.54
New Per Capita Estimate (Monthly)	<u>\$106.29</u>	<u>\$13.30</u>	<u>\$1,045.44</u>
Increase/ (Decrease) in Per Capita Cost	\$2.15	\$0.00	\$139.90
Estimated Costs			
Original Caseload and Cost	\$53,223,887	\$5,913,659	\$17,147,289
<u>New Caseload Estimate and Cost</u>	<u>63,839,049</u>	<u>6,302,642</u>	<u>17,644,920</u>
Total Change In Cost	\$10,615,162	\$388,983	\$497,631
Total Fund Increase for CBHP Medical and Dental Costs			\$11,501,776
Increase recommended to CBHP Trust Fund (General Fund & Cash Funds)			<u>\$8,731,777</u>
TOTAL SUPPLEMENTAL RECOMMENDATION			\$20,233,553

/1 Slight rounding differences are contained in the table.

/2 Dental Caseload is approximately 79 percent of the Medical caseload to reflect a delay of one month from the time a child is eligible to enroll in the dental program after enrolling in the Medical program.

Colorado Health Care Services Fund: Senate Bill 06-044 requires that \$15.0 million be transferred from the General Fund into the Colorado Health Care Services Fund in FY 2007-08, FY 2008-09, and FY 2009-10. In FY 2005-06, a total of \$14.9 million was transferred from the General Fund into the Colorado Health Care Services Fund at the end of the fiscal year. This appropriation was used to fund the program costs in FY 2006-07. Beginning in FY 2007-08, in order for the program costs to be paid there needs to be a General Fund appropriation into the Colorado Health Care Services Fund as required under S.B. 06-044. The Colorado Health Care Services Fund provides additional funding for the Indigent Care Program. This program reimburses providers who provide health care services to uninsured clients up to 250 percent of the federal poverty level (\$51,625 for a family of four).

CBHP caseload and medical costs: The recommendation provides a total fund increase of \$9.1 million for caseload and cost changes for the CBHP program based on the following assumptions: (1) an overall increase to the children's caseload of 3,665 clients or 7.3 percent; (2) an increase in the adult prenatal program of 2,997 member months or 17.8 percent; (3) an increase in the per capita rate for the children's medical program of \$6.39 or 6.0 percent; (4) an increase in the per capita rate for the children's dental program of \$0.67 or 5.0 percent; and (5) a decrease in the adult prenatal program per capita of \$180.34 or 17.25 percent. The per capita rate changes are based on an actuary recommendation based on current health care trends in the community and for the program. The adult prenatal costs are anticipated to decrease due to program being able to spread the costs of

higher risk pregnancies amongst a larger risk pool as the program matures. The table below shows the FY 2007-08 caseload assumptions and per-capita costs compared to the final recommended caseload and per-capita costs for FY 2006-07.

FY 2007-08 Children's Basic Health Plan						
	FY 2006-07 Final Caseload Estimate	FY 2007-08 Recommended caseload Estimate	Difference	FY 2006-07 Per Capita Cost Monthly	FY 2007-08 Per Capita Cost Monthly	Difference
Children Medical Clients	50,051	53,716	3,665	\$106.29	\$112.68	\$6.39
Children Dental Clients/1	39,490	42,382	2,892	\$13.30	\$13.97	\$0.67
Prenatal Adults Member Months	16,878	19,875	2,997	\$1,045.44	\$865.10	(\$180.34)

/1 Dental Caseload is approximately 79% of the Medical caseload to reflect a delay of one month from the time a child is eligible to enroll in the dental program after enrolling in the Medical program.

CBHP dental and administration cost: The recommendation also includes a total fund increase of \$803,080 for dental and administrative costs for the CBHP program. The dental costs are related to the caseload growth described above and to an increase in dental monthly rate from \$13.30 to \$13.97 per eligible child.

Pediatric hospital provider rate increase: The recommendation includes a total fund increase of \$402,000 to reflect a 6.0 percent increase to General Fund and matching federal fund appropriations for the pediatric speciality hospital line item. This line provides additional Medicaid reimbursement to qualifying children hospitals that see a disproportionate share of low-income children. The reimbursement comes from the hospitals Medicare upper payment limit financing. The recommendation is partially offset with a total fund decrease \$6,072. This decrease is based on a \$3,036 forecasted decrease for the Amendment 35 Tobacco Tax revenue and a matching decrease of \$3,036 in federal funds that are provided to this program.

Increase to Colorado Health Care Services Fund programs: The recommendation includes an increase of \$37,592 to reflect the increase in the amount of funding available for health care providers pursuant to the provisions of S.B. 04-066. In FY 2006-07 only \$14,962,408 was available for distribution. However, in FY 2007-08 the full amount of \$15.0 million in the fund will be available. The recommendation reflects the available increase.

CBHP Trust Fund adjustments: The recommendation reflects a decrease of \$11.3 million General Fund into the CBHP Trust Fund. In FY 2006-07 the appropriation and supplemental recommendation results in a total of \$11.3 million being deposited into the CBHP Trust Fund. Some of this funding is available as fund balance to be used in FY 2007-08. Because the fund balance is estimated to be sufficient in FY 2007-08, the General Fund deposit into the CBHP is eliminated in FY 2007-08 resulting a General Fund decrease of \$11.3 million on compared to the FY 2006-07 appropriation. This decrease is offset slightly by an increase in enrollment fees of \$21,615 due to the higher caseload that is anticipated in FY 2007-08 for this program.

Amendment 35 tobacco tax revenue adjustments and transfer to DPHE: The recommendation reflects a decrease of \$513,000 to reflect that this appropriation will now appear in the Department

of Public Health and Environment in order to foster more clarity and transparency in the Long Bill. In addition, the recommendation reflects a total decrease of \$511,604 to reflect the revenue forecast decrease for the Tobacco Tax Fund.

Reduction of revenue for the Comprehensive Primary and Preventive Care Grant Program:

The recommendation reflects a decrease of \$383,374 in the amount of Tobacco Settlement moneys that will be available for the Comprehensive Primary and Preventive Care Grant Program. This is based on the Legislative Council Staff revenue forecast that assumes the tobacco companies will continue to withhold a percentage of their payments in FY 2007-08.

Primary Care Fund audit transfer: The recommendation reflects a \$75,200 transfer from the Indigent Care division into the Executive Director's Office division in order for the Department to audit the distribution of the Primary Care Fund.

Other Medical Services: This division contains the funding for the following programs: (1) Old Age Pension Health and Medical Program; (2) Home Care Allowance; (3) Adult Foster Care; (4) Primary Care Physician Reimbursement; (5) H.B. 92-1208 Immunizations (administered by the Department of Public Health and Environment); (6) Family Medicine Residency Training (administered by the Commission on Family Medicine at the University of Colorado); (7) Public School Health Services (administered jointly with the Department of Education); and (8) Medicare Modernization Act of 2003 State Contribution Payment.

Other Medical Services	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$126,488,250	\$74,396,494	\$0	\$34,354,864	\$17,736,892	0.0
Recommended Changes from FY 2006-07 Appropriation						
Medicare Modernization Act of 2003 State contribution payment	3,226,279	3,226,279	0	0	0	0.0
Family medicine residency training program increase	200,000	100,000	0	0	100,000	0.0
Enhanced prenatal care program increase	6,654	3,327	0	0	3,327	0.0
Eliminate one-time funding from Old Age Pension medical program	(288,212)	0	0	(288,212)	0	0.0
Amendment 35 Tobacco Tax revenue adjustments	(79,680)	0	0	(79,680)	0	0.0
Technical adjustment to public school health services	(8,149)	0	0	0	(8,149)	0.0
Total FY 2007-08 JBC Recommendation	\$129,545,142	\$77,726,100	\$0	\$33,986,972	\$17,832,070	0.0
\$ Change from prior year	\$3,056,892	\$3,329,606	\$0	(\$367,892)	\$95,178	0.0
% Change from prior year	3.9%	4.5%	n/a	(1.1)%	0.5%	n/a

Issue Descriptions

Medicare Modernization Act of 2003 State contribution payment: The state pays the federal government a "contribution" payment for providing a prescription drug benefit under the Medicare program for individuals eligible for both the Medicare and Medicaid programs. This payment is based on a statutory formula provided by the federal government. The recommendation contains an increase of \$3.2 million General Fund for the state's contribution payment. The increase is based on an average monthly caseload estimate of 51,502 individuals for the first six months of the fiscal year at a monthly per capita cost of \$120.56. For the second half of the fiscal year, the average monthly caseload is estimated at 51,905 individuals at a monthly per capita cost of \$126.72.

Family medicine residency training program increase: The recommendation includes a total fund increase of \$200,000 to provide additional funding for the family medicine residency training programs. The increase partially restores some of the funding that was cut from this program during the recession in the early 2000s.

Enhanced prenatal care program increase: The recommendation includes a total fund increase of \$6,654 for the amount of funding transferred to the Department of Public Health and Environment for the enhanced prenatal care program. This amount reflects the increase in the program for salary survey and other administrative costs incurred by the Department of Public Health and Environment for this program.

Eliminate one-time funding from Old Age Pension medical program: The recommendation reflects a decrease of \$79,680 cash funds exempt to eliminate one-time funding that was available in FY 2006-07 for the Old Age Pension (OAP) Medical program but will not be available in FY 2007-08. In FY 2006-07 the appropriation spent fund balance from the OAP Supplemental Medical Fund in order to avoid rate and benefit cuts in the program. However, these funds are not available for expenditure in FY 2007-08 and therefore, these funds have been eliminated for the FY 2007-08 appropriation recommendation.

Amendment 35 Tobacco Tax revenue adjustments: The recommendation includes a decrease of \$79,680 in the amount of revenue that is transferred from the Tobacco Tax Fund into the OAP Supplemental Medical Fund based on the Legislative Council Staff Revenue forecast for FY 2007-08.

Technical adjustment to public school health services: The recommendation includes a decrease of \$8,149 in federal funds to reflect a transfer of funds to the Department of Education for administrative costs associated with their oversight responsibilities for the Public School Health Services program.

Department of Human Services Medicaid-Funded Programs: This division contains funding for programs administered by the Department of Human Services that are eligible for Medicaid funding. The funds appropriated in this division are transferred to the Department of Human Services as cash funds exempt. Detail about the programs funded with these dollars can be found in the Department of Human Services section.

Department of Human Services Medicaid-Funded Programs	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$386,694,947	\$185,508,452	\$0	\$8,087,495	\$193,099,000	0.0
Long Bill Supplemental	<u>(14,358,904)</u>	<u>(7,074,242)</u>	<u>0</u>	<u>(101,165)</u>	<u>(7,183,497)</u>	<u>0.0</u>

Department of Human Services Medicaid-Funded Programs	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Adjusted Appropriation	\$372,336,043	\$178,434,210	\$0	\$7,986,330	\$185,915,503	0.0
Recommended Changes from FY 2006-07 Appropriation						
Services for People with Disabilities	26,953,400	17,570,984	0	(4,096,296)	13,478,712	0.0
Executive Director's Office	2,781,326	1,391,589	0	0	1,389,737	0.0
Division of Child Welfare	812,604	406,302	0	0	406,302	0.0
Office of Information Tech. Services	774,635	362,821	0	(238,210)	650,024	0.0
Division of Youth Corrections	132,831	66,416	0	0	66,415	0.0
Office of Operations	97,486	48,744	0	0	48,742	0.0
Division of Mental Health and Alcohol and Drug Abuse Services	(2,202,196)	(1,045,847)	0	(55,251)	(1,101,098)	0.0
Total FY 2007-08 JBC Recommendation	\$401,686,129	\$197,235,219	\$0	\$3,596,573	\$200,854,337	0.0
\$ Change from prior year	\$29,350,086	\$18,801,009	\$0	(\$4,389,757)	\$14,938,834	0.0
% Change from prior year	7.9%	10.5%	n/a	(55.0)%	8.0%	n/a

Issue Descriptions

Long Bill Supplemental: This includes a reduction of \$15.7 million in Medicaid funding for Services for People with Developmental Disabilities based on projected FY 2006-07 Medicaid waiver program utilization and the impact of Medicaid cash accounting and a new billing structure. This is partially offset by a projected increase of \$1.2 million for the mental health institutes based on revised Medicaid revenue projections for FY 2006-07. The recommendation also includes funding for development of an RFP for the required reprocurement of maintenance and operations support services for CBMS. This CBMS expense is partially offset by savings due to the dissolution of the Office of CBMS by the Governor.

Services for People with Disabilities: This includes increases of \$23.2 million associated with reversing one-time FY 2006-07 supplemental adjustments. The FY 2006-07 supplementals were based on projected Medicaid waiver program utilization, as well as restrictions associated with federal Medicaid waiver caps. The increase also includes \$4.1 million for community provider cost of living increases, \$3.3 million for new resources, including 78 new residential adult resources and 24 new supported living adult resources for six months in FY 2007-08, and \$3.1 million to annualize new resources first added for six months in FY 2006-07, among other adjustments. The increases are partially offset by a decrease of \$8.2 million for Federally-matched local program costs, due to changes in this program, which uses certified local funds to draw down federal match.

Executive Director's Office: The recommendation reflects an increase of \$1.6 million for salary and benefits adjustments, \$500,000 related to JBC common policy changes, and \$300,000 for the annualization of FY 2006-07 supplemental funding.

Division of Child Welfare: The recommendation reflects an increase of \$390,000 for a 1.5 percent provider rate increase, \$380,000 for population impacts on the child welfare system, and \$40,000 for a leap year adjustment.

Office of Information Technology Services: This includes increases for payments to other agencies for the multi-use network, for purchases from the computer center, and for emergency communications services. It also includes a variety of CBMS-related changes: one-time funding for county-oriented improvements, an increase in the base funding for change requests, the EDS annual contract increase, disaster recovery hardware expansion, and the elimination of one-time funding for various purposes.

Division of Youth Corrections: The recommendation reflects an increase of \$1.2 million for annualization of FY 2006-07 supplemental funding, \$500,000 for annualization of the H.B. 06-1395, which redesigned Residential Treatment Centers, \$40,000 for a 1.5 percent provider rate increase, and \$13,000 for a leap year adjustment. The recommendation also reflects a decrease of \$1.6 million to account for population projections and bed utilization.

Office of Operations: The recommendation reflects an increase of \$97,486 for administrative expenses and facilities maintenance in the Office of Operations that qualify for Medicaid funding.

Mental Health and Alcohol and Drug Abuse Services: This primarily reflects Medicaid revenue projections for the mental health institutes.

Department of Higher Education

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

Summary Table for Department of Higher Education						
	Total Funds	General Fund ¹	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$2,346,230,955	\$691,107,312	\$24,345,935	\$1,610,697,386	\$20,080,322	18,876.2
Long Bill supplemental	<u>2,967,187</u>	<u>2,967,187</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
FY 2006-07 Adjusted Appropriation	\$2,349,198,142	\$694,074,499	\$24,345,935	\$1,610,697,386	\$20,080,322	18,876.2
Recommended Changes from FY 2006-07 by Long Bill Division						
Department Administrative Office	342,361	(37,070)	137,107	199,098	43,226	0.0
Colorado Commission on Higher Education	48,367	0	15,964	31,367	1,036	0.0
Colorado Commission on Higher Education Financial Aid	8,011,519	7,416,519	0	(5,000)	600,000	0.0
College Opportunity Fund Program	46,102,315	43,135,128	0	2,967,187	0	0.0
Governing Boards	111,387,499	0	(500,000)	111,887,499	0	403.9
Local District Junior Colleges	1,154,950	1,154,950	0	0	0	0.0
Advisory Commission on Family Medicine	200,000	0	0	200,000	0	0.0
Division of Occupational Education	1,125,896	962,495	(148,261)	572,397	(260,735)	(2.2)
Auraria Higher Education Center	(1,518,674)	0	(1,518,674)	0	0	0.0
State Historical Society	612,035	(410,000)	(2,599)	1,010,247	14,387	0.0
Total FY 2007-08 JBC Recommendation	\$2,516,664,410	\$746,296,521	\$22,329,472	\$1,727,560,181	\$20,478,236	19,277.9
\$ Change from prior year	\$167,466,268	\$52,222,022	(\$2,016,463)	\$116,862,795	\$397,914	401.7
% Change from prior year	7.1%	7.5%	(8.3)%	7.3%	2.0%	2.1%

¹ This amount includes a General Fund Exempt Appropriation. See the division detail for more information on General Fund Exempt recommended appropriations.

Recommendation Highlights:

1. Provides \$64.1 million in additional tuition spending authority for the governing boards, including:
 - a. a 7.0 percent increase for the research institutions;
 - b. a 5.0 percent increase for state colleges; and
 - c. a 3.5 percent increase for the community colleges.
2. Adds \$48.9 million General Fund for an 8.5 percent increase in the combined stipends and fee-for-service contracts for each governing board;

3. Increases financial aid programs by \$7.4 million, or 8.5 percent, including \$6.9 million for need based financial aid;
4. Adds \$1.2 million General Fund for an 8.5 percent increase for the Local District Junior Colleges;
5. Adds \$572,397 General Fund for an 8.5 percent increase for the Area Vocational Schools;
6. Provides another \$160,000 General Fund for stipends for students attending participating private institutions based on the projected eligible enrollment; and
7. Reduces General Fund appropriations for the operating budget of the Cumbres and Toltec Scenic Railroad by \$410,000 to match the operating support provided by New Mexico.

Budget Recommendation Detail by Long Bill Division

Department Administrative Office: This division includes funding for centrally appropriated items for the Colorado Commission on Higher Education, Division of Private Occupational Schools, and the Historical Society. These centrally appropriated items include salary survey, risk management, leased space, health benefits, and other miscellaneous expenses. These expenses are not appropriated centrally for the other divisions within the Department.

Department Administrative Office	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$1,326,546	\$37,070	\$693,010	\$573,130	\$23,336	0.0
Recommended Changes from FY 2006-07 Appropriation						
Salary and benefits adjustments	319,125	0	73,933	201,966	43,226	0.0
Operating adjustments	60,306	0	63,174	(2,868)	0	0.0
One-time legal services	(37,070)	(37,070)	0	0	0	0.0
Total FY 2007-08 JBC Recommendation	\$1,668,907	\$0	\$830,117	\$772,228	\$66,562	0.0
\$ Change from prior year	\$342,361	(\$37,070)	\$137,107	\$199,098	\$43,226	0.0
% Change from prior year	25.8%	(100.0)%	19.8%	34.7%	185.2%	n/a

Issue Descriptions

Salary and benefits adjustments: The recommendation includes an increase of \$319,125 for salary and benefit increases, including: 1) \$123,924 for performance-based pay; 2) \$117,918 for health, life, and dental premiums; 3) \$40,552 for salary survey; and 4) \$36,731 for miscellaneous other benefits.

Operating adjustments: The recommendation includes a net increase of \$60,306 for risk management premiums, leased space, legal services, and purchases of services from the state computer center.

One-time legal services: The recommendation reflects a \$37,070 decrease for one-time funding provided in FY 2006-07 for legal services related to a lawsuit over the eligibility of private institutions to participate in the College Opportunity Fund program.

Colorado Commission on Higher Education: This division includes funding for the Commission's staff, the Division of Private Occupational Schools, and special purpose initiatives of the Department. The sources of cash funds include indirect cost recoveries and fees paid to the Division of Private Occupational Schools. The sources of cash funds exempt include indirect cost recoveries and waste tire fees transferred from the Department of Local Affairs and deposited in the Advanced Technology Fund.

Colorado Commission on Higher Education	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$24,626,366	\$0	\$3,267,118	\$21,009,248	\$350,000	37.9
<i>Recommended Changes from FY 2006-07 Appropriation</i>						
Annualize salary increases	44,367	0	44,252	(921)	1,036	0.0
WICHE Dues	4,000	0	4,000	0	0	0.0
Fund source adjustment	0	0	(32,288)	32,288	0	0.0
Total FY 2007-08 JBC Recommendation	\$24,674,733	\$0	\$3,283,082	\$21,040,615	\$351,036	37.9
\$ Change from prior year	\$48,367	\$0	\$15,964	\$31,367	\$1,036	0.0
% Change from prior year	0.2%	n/a	0.5%	0.1%	0.3%	0.0%

Issue Descriptions

Annualize salary increases: The recommendation includes \$37,170 for the Commission on Higher Education and \$7,197 for the Division of Private Occupational Schools to annualize salary survey increases awarded in FY 2006-07. These figures are net of the 0.5 percent common policy personal services base reduction.

WICHE Dues: The recommendation includes a \$4,000 increase for WICHE (Western Interstate Commission on Higher Education) membership dues.

Fund source adjustment: The recommendation reflects a decrease in the amount of indirect cost recoveries that are subject to TABOR because they are paid by enterprises, and an increase in indirect cost recoveries from non-enterprises.

Colorado Commission on Higher Education Financial Aid: This division includes the state funded financial aid programs administered by CCHE.

Colorado Commission on Higher Education Financial Aid	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$89,062,759	\$87,757,759	\$0	\$5,000	\$1,300,000	0.0

Colorado Commission on Higher Education Financial Aid	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
Recommended Changes from FY 2006-07 Appropriation						
Need based grants	6,926,583	6,926,583	0	0	0	0.0
GEAR UP	600,000	0	0	0	600,000	0.0
Native American students	429,207	429,207	0	0	0	0.0
National guard tuition assistance	60,729	60,729	0	0	0	0.0
Early childhood professionals	(5,000)	0	0	(5,000)	0	0.0
Total FY 2007-08 JBC Recommendation	\$97,074,278	\$95,174,278	\$0	\$0	\$1,900,000	0.0
\$ Change from prior year	\$8,011,519	\$7,416,519	\$0	(\$5,000)	\$600,000	0.0
% Change from prior year	9.0%	8.5%	n/a	(100.0)%	46.2%	n/a

Issue Descriptions

Need based grants: The recommendation includes a \$6.9 million, or 11.5 percent, General Fund increase for need based financial aid. The recommendation reflects the Colorado Commission on Higher Education's decision to discontinue the Governor's Opportunity Scholarship program. The amount previously appropriated specifically for the Governor's Opportunity Scholarships is being recommended for general need based grants.

Section 23-3.3-103, C.R.S. requires that the annual appropriations for all student financial assistance programs increase by at least the same percentage as the aggregate percentage increase of all general fund appropriations to the institutions of higher education. The recommendation applies the majority of increases in financial aid programs necessary to comply with this statute to the need based grants line item.

GEAR UP: The recommendation reflects an anticipated \$600,000 in expenditures of federal funds for the GEAR UP (Gaining Early Awareness and Readiness for Undergraduate Programs) program.

Native American students: The recommendation includes a \$429,207 General Fund increase for payments for Fort Lewis College for Native American student tuition waivers pursuant to Section 23-52-105, C.R.S.

National guard tuition assistance: The recommendation includes a \$60,729 General Fund increase for the National Guard Tuition Assistance program based on projected eligible enrollment. This brings the total appropriation to the \$650,000 cap on the amount the Department is required to transfer to the Department of Military Affairs pursuant to Section 23-5-111.4, C.R.S. If there are further enrollment increases, the Department of Military Affairs can prorate the grants to match available funds pursuant to statute, or request additional appropriations directly to the Department of Military Affairs.

Early childhood professionals: The recommendation reflects the sunset of the statutory authorization for the Early Childhood Professional Loan Repayment program.

College Opportunity Fund Program: This section includes General Fund for student stipend payments for students attending state-operated higher education institutions and students attending private institutions, and

for fee-for-service contracts between CCHE and the institutions. *For a summary of the impact of these changes by governing board, see the Governing Boards section.*

College Opportunity Fund Program	Total Funds	General Fund ¹	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$579,498,530	\$579,498,530	\$0	\$0	\$0	0.0
Long Bill supplemental	<u>2,967,187</u>	<u>2,967,187</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
FY 2006-07 Adjusted Appropriation	\$582,465,717	\$582,465,717	\$0	\$0	\$0	0.0
Recommended Changes from FY 2006-07 Appropriation						
Fee-for-service contracts	41,468,432	41,468,432	0	0	0	0.0
Stipend rate increase \$90 per full-time student (from \$2,580 to \$2,670)	10,993,230	8,026,043	0	2,967,187	0	0.0
Private stipends	160,500	160,500	0	0	0	0.0
Stipend enrollment adjustment	(3,552,660)	(3,552,660)	0	0	0	0.0
One-time appropriation to the College Opportunity Fund	(2,967,187)	(2,967,187)	0	0	0	0.0
Total FY 2007-08 JBC Recommendation	\$628,568,032	\$625,600,845	\$0	\$2,967,187	\$0	0.0
\$ Change from prior year	\$46,102,315	\$43,135,128	\$0	\$2,967,187	\$0	0.0
% Change from prior year	7.9%	7.4%	n/a	n/a	n/a	n/a

¹ This amount includes a General Fund Exempt Appropriation.

General Fund Summary	Total General Fund	General Fund	General Fund Exempt
FY 2006-07 Appropriation	\$579,498,530	\$344,098,530	\$235,400,000
Stipend payments	0	(84,065,920)	84,065,920
Fee-for-service contracts	0	(2,934,080)	2,934,080
One-time appropriation to the College Opportunity Fund	<u>2,967,187</u>	<u>2,967,187</u>	<u>0</u>
FY 2006-07 Adjusted Appropriation	\$582,465,717	\$260,065,717	\$322,400,000
Stipend payments	7,440,570	19,140,570	(11,700,000)
All other changes	<u>38,661,745</u>	<u>38,661,745</u>	<u>0</u>
Total FY 2007-08 Long Bill Recommendation	\$628,568,032	\$317,868,032	\$310,700,000

General Fund Exempt

In November 2005, the Colorado voters passed Referendum C that allowed the State to retain all revenue that is collected above the TABOR limit for FY 2005-06 through FY 2009-10. This revenue must be placed in a General Fund Exempt Account (see Section 24-77-103.6 (2), Colorado Revised Statutes). The above table shows the amount of General Fund Exempt that the Joint Budget Committee recommends be appropriated from the General Fund Exempt Account for higher education pursuant to Sections 24-77-103.6 (2) (b) and 24-77-104.5 (1) (b) (III), Colorado Revised Statutes.

Issue Descriptions

Long Bill supplemental: The FY 2007-08 Long Bill contains sections that adjust both FY 2005-06 and FY 2006-07 appropriations in order to modify the portion of the General Fund appropriation for stipends that is identified as General Fund Exempt. These adjustments are based on the Legislative Council Staff March 2007 revenue forecast.

Fee-for-service contracts: The recommendation includes a net increase of \$41,468,532 General Fund for fee-for-service contracts. The combined recommended changes in stipends and fee-for-service contracts provides an 8.5 percent increase for each governing board.

Stipend rate increase \$90 per full-time student (from \$2,580 to \$2,670): The recommendation includes a \$90 inflationary increase in the stipend rate for full-time students attending public higher education institutions (from \$2,580 per 30 credit hours to \$2,670 per 30 credit hours). With a projected stipend-eligible population of 122,147 student full-time equivalents (SFTE) the inflationary increase in the rate costs \$10,993,230. Of this amount, \$8,026,043 is General Fund and \$2,967,187 is cash funds exempt from reserves in the College Opportunity Fund. Section 23-18-202 (2) (c), C.R.S. requires that CCHE annually request at least inflation and enrollment for the stipends.

Private stipends: The recommendation includes \$160,500 for stipends for eligible students attending participating private institutions. To be eligible a student attending a private institution must demonstrate financial need by qualifying for the federal Pell grant. In FY 2006-07, Regis University and Denver University qualified and elected to participate in the College Opportunity Fund program. The private stipend rate is set by statute at 50 percent of the public stipend rate. Of the increase, \$129,000 is attributable to an increase in the projected stipend-eligible population, and \$31,500 is attributable to increasing the private stipend rate by \$45 (from \$1,290 per 30 credit hours to \$1,335 per 30 credit hours) commensurate with the increase in the stipend rate for students attending public institutions.

Stipend enrollment adjustment: The recommendation includes a net decrease of \$3,552,660 for projected changes in the stipend-eligible population from the FY 2006-07 appropriation. The FY 2006-07 actual stipend-eligible enrollment is trending below appropriated levels.

One-time appropriation to the College Opportunity Fund: The recommendation does not continue a one-time \$2,967,187 General Fund appropriation to the College Opportunity Fund in FY 2006-07 that increased the balance in the fund.

Governing Boards: This division includes cash funds exempt spending authority for the state-operated higher education institutions from student stipend payments, fee-for-service contracts, tuition, academic and academic facility fees, and appropriated grants.

Governing Boards	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$1,536,451,060	\$0	\$500,000	\$1,535,951,060	\$0	18,553.6
<i>Recommended Changes from FY 2006-07 Appropriation</i>						
Tuition	64,049,519	0	0	64,049,519	0	0.0

Governing Boards	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
Fee-for-service contracts	41,468,432	0	0	41,468,432	0	0.0
Stipends	7,440,570	0	0	7,440,570	0	0.0
Academic fees	128,978	0	0	128,978	0	0.0
FTE adjustment	0	0	0	0	0	403.9
Appropriated grants	(1,700,000)	0	(500,000)	(1,200,000)	0	0.0
Total FY 2007-08 JBC Recommendation	\$1,647,838,559	\$0	\$0	\$1,647,838,559	\$0	18,957.5
\$ Change from prior year	\$111,387,499	\$0	(\$500,000)	\$111,887,499	\$0	403.9
% Change from prior year	7.3%	n/a	(100.0)%	7.3%	n/a	2.2%

Issue Descriptions

Tuition: The recommendation provides increases in tuition spending authority of 7.0 percent for the University of Colorado System, Colorado State University System, Colorado School of Mines, and University of Northern Colorado. It provides a 5.0 percent increase for Adams State College, Mesa State College, Western State College, and Fort Lewis College. Finally, it provides a 3.5 percent increase for the two-year Community Colleges. Combined with projected enrollment changes, the increase in projected tuition revenues is \$64.1 million.

Tuition Spending Authority					
	FY 2006-07 Appropriation	Revised Estimate of FY 2006-07 Revenues	Projected Enrollment Changes FY 2007-08	Recommended Authority for Rate Increases	FY 2007-08 Recommended Appropriation
Adams	\$6,368,109	\$6,364,607	(\$175,269)	\$309,467	\$6,498,805
Mesa	19,958,072	19,958,072	489,110	1,022,359	21,469,541
Metro	44,214,860	42,902,156	849,590	2,187,588	45,939,334
Western	8,980,816	8,717,028	(14,300)	435,137	9,137,865
CSU System	163,433,524	160,710,700	436,173	11,280,281	172,427,154
Fort Lewis	22,407,865	21,907,865	292,915	1,110,039	23,310,819
CU Regents	453,264,459	443,635,332	6,977,378	31,542,890	482,155,600
Mines	40,759,486	42,040,873	760,444	2,996,092	45,797,409
UNC	51,043,730	49,526,272	(148,746)	3,456,427	52,833,953
Com Colleges	110,930,010	121,993,724	(409,212)	4,255,458	125,839,970
TOTAL	\$921,360,931	\$917,756,629	\$9,058,083	\$58,595,738	\$985,410,450

Fee-for-service contracts: The recommendation includes a net increase of \$41,468,532 General Fund for fee-for-service contracts. The combined recommended changes in stipends and fee-for-service contracts provides an 8.5 percent increase for each governing board.

Fee-for-service contracts			
	FY 2006-07 Appropriation	FY 2007-08 Recommendation	Difference
Adams	\$8,664,032	\$9,854,040	\$1,190,008
Mesa	9,045,856	10,289,250	1,243,394
Metro	4,163,555	3,948,770	(214,785)

Fee-for-service contracts			
	FY 2006-07 Appropriation	FY 2007-08 Recommendation	Difference
Western	6,577,560	7,489,531	911,971
CSU System	73,786,913	82,555,299	8,768,386
Fort Lewis	4,094,553	4,824,075	729,522
CU Regents	106,912,038	121,911,110	14,999,072
Mines	13,067,037	14,501,571	1,434,534
UNC	14,870,911	17,839,060	2,968,149
Com. Colleges	18,850,155	28,288,336	9,438,181
TOTAL	\$260,032,610	\$301,501,042	\$41,468,432

Stipends: The recommendation includes a net increase of \$7,440,570 for stipends, including a decrease of \$3,552,660 for projected changes in the stipend-eligible population from the FY 2006-07 appropriation and \$10,993,230 for a \$90 inflationary increase in the stipend rate for full-time students attending public higher education institutions (from \$2,580 for 30 credit hours to \$2,670).

Stipends			
	FY 2006-07 Appropriation	FY 2007-08 Recommendation	Difference
Adams	\$3,898,380	\$3,770,040	(\$128,340)
Mesa	11,586,780	12,087,090	500,310
Metro	37,002,360	40,696,140	3,693,780
Western	3,893,220	3,866,160	(27,060)
CSU System	49,577,280	51,234,630	1,657,350
Fort Lewis	6,651,240	6,829,860	178,620
CU Regents	72,879,840	73,075,230	195,390
Mines	6,976,320	7,235,700	259,380
UNC	23,078,100	23,317,110	239,010
Com. Colleges	103,148,400	104,020,530	872,130
TOTAL	\$318,691,920	\$326,132,490	\$7,440,570

Academic fees: The recommendation includes a net increase of \$128,978 for academic fees and academic facility fees. Academic fees and academic facility fees are a small subset of total fees charged by campuses. These fees directly support the academic mission of the institutions. Fees for auxiliary programs like housing, food services, parking, and student government are not appropriated in the Long Bill. This line item appeared for the first time in FY 2005-06. The governing boards have been working on using more consistent definitions to report these fees. Changes in which revenues are reported account for the large percentage changes for some of the governing boards.

Academic Fees and Academic Facility Fees				
	FY 2006-07	FY 2007-08	Difference	Percent
Adams	\$92,096	\$96,240	4,144	4.5%
Mesa	150,000	360,000	210,000	140.0%
Metro	559,650	750,000	190,350	34.0%
Western	300,000	26,000	(274,000)	-91.3%
CSU System	6,224,000	4,250,000	(1,974,000)	-31.7%
Fort Lewis	1,150,000	1,150,000	0	0.0%
CU Regents	17,357,531	20,762,313	3,404,782	19.6%
Mines	142,475	150,000	7,525	5.3%
UNC	738,017	756,467	18,450	2.5%
Com Colleges	7,076,299	5,618,026	(1,458,273)	-20.6%

Academic Fees and Academic Facility Fees				
	FY 2006-07	FY 2007-08	Difference	Percent
TOTAL	\$33,790,068	\$33,919,046	128,978	0.4%

FTE adjustment: The FTE for the higher education institutions are included in the Long Bill for informational purposes only. Pursuant to statute, each governing board retains control over the number of employees hired. Projections submitted by the schools of employment in the current year are used as the best indicator of employment levels in FY 2007-08.

Full-time Equivalent Employees				
	FY 2006-07 Long Bill	Estimate in FY 2007-08 Request	Difference	Percent
Adams	286.1	271.5	(14.6)	-5.1%
Mesa	426.6	452.2	25.6	6.0%
Metro	1,023.1	1,056.3	33.2	3.2%
Western	205.1	230.9	25.8	12.6%
CSU System	3,750.1	3,852.4	102.3	2.7%
Fort Lewis	425.2	432.3	7.1	1.7%
CU Regents	6,169.8	6,441.1	271.3	4.4%
Mines	591.2	629.4	38.2	6.5%
UNC	1,006.9	1,015.0	8.1	0.8%
Com. Colleges	4,669.5	4,576.4	(93.1)	-2.0%
TOTAL	18,553.6	18,957.5	403.9	2.2%

Appropriated grants: The recommendation reflects the discontinuance of one-time appropriations in FY 2006-07 of \$1,200,000 cash funds exempt from the Oil and Gas Conservation and Environmental Response Fund for the Colorado Energy Research Institute at the Colorado School of Mines pursuant to S.B. 05-66, and \$500,000 cash funds from the Operational Account of the Severance Tax Trust Fund for the Colorado Water Resources Research Institute at Colorado State University pursuant to S.B. 06-183.

Local District Junior Colleges: This section subsidizes the operations of the state's two local district junior colleges: Aims Community College and Colorado Mountain College. Institutions that are set up as local district junior colleges have special property tax districts that also support their operations and governing boards that are independent from the rest of the community college system. Students from the special property tax districts pay discounted tuition rates. These two schools serve approximately 5,029 SFTE, based on the Spring 2007 Census.

Local District Junior Colleges	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$13,668,051	\$13,668,051	\$0	\$0	\$0	0.0
<i>Recommended Changes from FY 2006-07 Appropriation</i>						
Increase grants	1,154,950	1,154,950	0	0	0	0.0
Total FY 2007-08 JBC Recommendation	\$14,823,001	\$14,823,001	\$0	\$0	\$0	0.0
\$ Change from prior year	\$1,154,950	\$1,154,950	\$0	\$0	\$0	0.0

Local District Junior Colleges	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
% Change from prior year	8.5%	8.5%	n/a	n/a	n/a	n/a

Issue Descriptions

Increase grants: The recommendation includes a \$1,154,950 General Fund increase, or 8.5 percent, for the two local district junior colleges. This percentage increase is equal to the combined stipend and fee-for-service percentage increase for the governing boards.

Advisory Commission on Family Medicine: The Commission distributes funds for the support of ten family medicine residency programs throughout the state and assists in the recruitment of family medicine residents.

Advisory Commission on Family Medicine	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$1,703,558	\$0	\$0	\$1,703,558	\$0	0.0
<i>Recommended Changes from FY 2006-07 Appropriation</i>						
Residency program increases	200,000	0	0	200,000	0	0.0
Total FY 2007-08 JBC Recommendation	\$1,903,558	\$0	\$0	\$1,903,558	\$0	0.0
\$ Change from prior year	\$200,000	\$0	\$0	\$200,000	\$0	0.0
% Change from prior year	11.7%	n/a	n/a	11.7%	n/a	n/a

Issue Descriptions

Residency program increases: The recommendation includes a total fund increase of \$200,000 to provide additional funding for the family medicine residency training programs. The increase partially restores some of the funding that was cut from this program during the recession in the early 2000s.

Division of Occupational Education: This division supervises and administers the occupational education programs of the state and approves the allocation and distribution of state and federal vocational education funds to the community colleges, local district junior colleges, area vocational schools, secondary school districts, and any other appropriate state and local educational agencies or institutions. This division also coordinates resources available for the promotion of job development, job training, and job retraining in the state.

Division of Occupational Education	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$51,435,112	\$9,635,902	\$900,000	\$23,360,944	\$17,538,266	34.2
<i>Recommended Changes from FY 2006-07 Appropriation</i>						
Area vocational school support	814,234	814,234	0	0	0	0.0

Division of Occupational Education	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
Colorado Vocational Act distributions	572,397	0	0	572,397	0	0.0
Sponsored programs	(260,735)	0	0	0	(260,735)	(2.2)
Fund source adjustment	0	148,261	(148,261)	0	0	0.0
Total FY 2007-08 JBC Recommendation	\$52,561,008	\$10,598,397	\$751,739	\$23,933,341	\$17,277,531	32.0
\$ Change from prior year	\$1,125,896	\$962,495	(\$148,261)	\$572,397	(\$260,735)	(2.2)
% Change from prior year	2.2%	10.0%	(16.5)%	2.5%	(1.5)%	(6.4)%

Issue Descriptions

Area vocational school support: The recommendation includes an \$814,234 General Fund increase, or 8.5 percent, for the post-secondary activities of the four area vocational schools (Emily Griffith Opportunity School, Delta-Montrose Area Vocational-Technical Center, San Juan Basin Technical College, and Pickens Technical College). This percentage increase is equal to the combined stipend and fee-for-service percentage increase for the governing boards.

Colorado Vocational Act distributions: The recommendation includes a \$572,397, or 2.8 percent, increase in the transfer from the Department of Education to secondary career and technical education programs through the Colorado Vocational Act. The cash funds exempt originates as General Fund or State Education Funds in the Department of Education.

Sponsored programs: The recommendation reflects an anticipated decrease of \$260,735 federal funds and 2.2 FTE for the Division of Occupational Education for the federal Perkins program.

Fund source adjustment: The recommendation includes a decrease of \$148,261 cash funds and an increase of \$148,261 General Fund for administration of the Division of Occupational Education based on lower indirect cost recoveries.

Auraria Higher Education Center: Established by statute in 1974, the Auraria Higher Education Center (AHEC) is governed by a Board of Directors who oversee the centralized operations of the campus located in Denver. AHEC houses and provides common services to the Community College of Denver, Metropolitan State College of Denver, and the University of Colorado at Denver and Health Sciences Center.

Auraria Higher Education Center	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$17,254,761	\$0	\$17,254,761	\$0	\$0	123.6
<i>Recommended Changes from FY 2005-06 Appropriation</i>						
One-time supplemental	(2,390,000)	0	(2,390,000)	0	0	0.0
Increase in campus operating budget	871,326	0	871,326	0	0	0.0
Total FY 2007-08 JBC Recommendation	\$15,736,087	\$0	\$15,736,087	\$0	\$0	123.6

Auraria Higher Education Center	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
\$ Change from prior year	(\$1,518,674)	\$0	(\$1,518,674)	\$0	\$0	0.0
% Change from prior year	(8.8)%	n/a	(8.8)%	n/a	n/a	0.0%

Issue Descriptions

One-time supplemental: The recommendation does not continue \$2,390,000 in one-time supplemental cash funds spending authority provided in FY 2006-07 for charges by auxiliary businesses operated by AHEC to enterprises. The Auraria Higher Education Center is exploring designating these auxiliary businesses as enterprises, which would eliminate the need for the cash funds spending authority. The activities of auxiliary businesses operated by the higher education institutions are not traditionally appropriated in the Long Bill unless the revenues are subject to TABOR.

Increase in campus operating budget: The board for the Auraria Higher Education Center, which includes representatives from the three tenant institutions, annually establishes the operating budget for the campus and bills the tenant institutions for the costs. The recommendation includes an additional \$871,326 cash funds spending authority based on the requested operating budget, which allows for a maximum increase of 5.9 percent.

State Historical Society: The State Historical Society, founded in 1879, is an educational institution of the State and acts as trustee for the State in collecting, preserving, exhibiting and interpreting collections and properties of state historical significance. The Society maintains museums and historical sites throughout Colorado and provides assistance to local and regional historical societies and museums. It also distributes gaming revenue to gaming cities and through a state-wide grant program for historic preservation.

State Historical Society	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$31,204,212	\$510,000	\$1,731,046	\$28,094,446	\$868,720	126.9
<i>Recommended Changes from FY 2006-07 Appropriation</i>						
Statewide preservation grant program	692,936	0	0	692,936	0	0.0
Gaming cities distribution	209,190	0	0	209,190	0	0.0
Annualize salary increases	119,909	0	(2,599)	108,121	14,387	0.0
Cumbres and Toltec Scenic Railroad	(410,000)	(410,000)	0	0	0	0.0
Total FY 2007-08 JBC Recommendation	\$31,816,247	\$100,000	\$1,728,447	\$29,104,693	\$883,107	126.9
\$ Change from prior year	\$612,035	(\$410,000)	(\$2,599)	\$1,010,247	\$14,387	0.0
% Change from prior year	2.0%	(80.4)%	(0.2)%	3.6%	1.7%	0.0%

Issue Descriptions

Statewide preservation grant program: The recommendation reflects an anticipated \$692,936 increase in statewide preservation grants based on projected gaming revenues that will be deposited in the State Historical

Fund through the constitutional formula, less costs for the Society Museum and Preservation Operations appropriated pursuant to Section 12-47.1-1202 (5), C.R.S.

Gaming cities distribution: The recommendation includes an increase of \$209,190 in the forecast of the amount of gaming revenues that will be distributed to gaming cities for historic preservation through the constitutional formula.

Annualize salary increases: The recommendation includes an increase of \$119,909 to annualize salary survey increases awarded in FY 2006-07. This amount is net of the 0.5 percent common policy base personal services reduction. Of the increase, \$108,121 is from the State Historical Fund for the Society Museum and Preservation Operations and reduces the amount of total funds available in the State Historical Fund for the statewide preservation grant program.

Cumbres and Toltec Scenic Railroad: The recommendation includes a reduction of \$410,000 General Fund for the operations of the Cumbres and Toltec Scenic Railroad. The remaining appropriation of \$100,000 matches the operating support provided by New Mexico for the railroad. Ridership in 2006 was up 34.1 percent from 2005 when the extra \$410,000 General Fund was originally provided by the General Assembly to ensure that the railroad had sufficient funds to prepare for the next season (40,662 riders compared to 30,332).

Department of Human Services

Department Description: The Department of Human Services (DHS) is charged with the administration and supervision of all non-medical public assistance and welfare activities of the State, including assistance payments, food stamps, child welfare services, rehabilitation programs, alcohol and drug treatment programs, and programs for the aging. The Department is also responsible for inspecting and licensing child care facilities and for the care and treatment of the state's dependent citizens who are mentally ill, developmentally disabled, or juvenile offenders. The Department operates two Mental Health Institutes, three Regional Centers for the developmentally disabled, and ten institutions for juvenile delinquents. The Department also provides funding for indigent mentally ill people, funds Community Centered Boards for the Developmentally Disabled, and contracts for the supervision and treatment of delinquent juveniles.

Summary Table for Department of Human Services						
	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$1,936,754,496	\$611,863,427	\$104,441,178	\$617,829,866	\$602,620,025	5,365.7
Long Bill Supplemental	<u>(7,545,604)</u>	<u>7,802,659</u>	<u>588,616</u>	<u>(16,108,085)</u>	<u>171,206</u>	<u>0.0</u>
FY 2006-07 Adjusted Appropriation	\$1,929,208,892	\$619,666,086	\$105,029,794	\$601,721,781	\$602,791,231	5,365.7
<i>Recommended Changes from FY 2006-07 by Long Bill Division</i>						
Executive Director's Office	14,371,269	8,479,186	226,955	4,039,882	1,625,246	7.6
Information Technology Services	2,892,462	847,961	161,233	788,263	1,095,005	(3.0)
Office of Operations	893,013	(109,188)	12,130	752,989	237,082	(7.2)
County Administration	3,698,710	761,561	0	929,646	2,007,503	0.0
Division of Child Welfare	10,894,935	4,848,666	0	3,519,949	2,526,320	0.0
Division of Child Care	3,548,492	2,532,620	(7,774)	247,157	776,489	(0.5)
Office of Self Sufficiency	(4,087,094)	94,112	2,808	(30,479)	(4,153,535)	10.0
Mental Health and ADAD Services	9,954,353	9,722,219	793,980	(1,027,065)	465,219	34.4
Services for People with Disabilities	19,580,537	(12,365,062)	(193,889)	31,188,321	951,167	7.1
Adult Assistance Programs	3,909,871	112,082	3,035,147	69,077	693,565	0.0
Division of Youth Corrections	7,318,175	7,166,867	0	132,468	18,840	17.4
Total FY 2007-08						
JBC Recommendation	\$2,002,183,615	\$641,757,110	\$109,060,384	\$642,331,989	\$609,034,132	5,431.5
\$ Change from prior year	\$72,974,723	\$22,091,024	\$4,030,590	\$40,610,208	\$6,242,901	65.8
% Change from prior year	3.8%	3.6%	3.8%	6.7%	1.0%	1.2%

Recommendation Highlights:

- Provides an increase of \$15.3 million total funds for developmental disability programs based on federal Medicaid match transferred from the Department of Health Care Policy and Financing. In FY 2006-07, Colorado was unable to fully access federal matching funds normally available for developmental disability Medicaid waiver programs due to federal waiver restrictions. Federal matching funds are expected to be fully accessed in FY 2007-08.

2. Adds \$6.1 million General Fund for the mental health institutes, primarily to cover common policy salary survey adjustments and address declining revenue. Includes \$0.5 million for nurse retention.
 3. Reflects an increase of \$5.5 million General Fund for salary and benefits, such as salary survey and performance-based pay.
 4. Reflects an increase of \$4.3 million General Fund for a 1.5 percent provider rate increase.
 5. Adds \$4.3 million for County Administration to address additional workload related to determining eligibility for state assistance programs.
 6. Adds \$4.3 million for new developmental disability resources including funding to serve 78 adults in residential placements for six months, to serve 26 adults in supported living placements for six months, and to provide early intervention services to 104 infants and toddlers for a year. Also annualizes amounts added in FY 2006-07 for new placements.
 7. Restores \$3.4 million for the Child Care Assistance Program that was temporarily eliminated in FY 2006-07 due to under-utilization; demand is expected to increase in FY 2007-08.
 8. Reflects an increase of \$1.8 million General Fund to restore funding for the S.B. 91-94 programs. These programs provide alternatives to detention in order to reduce the reliance on the State's secure detention beds.
 9. Reflects an increase of \$1.7 million General Fund for caseload increases within the child welfare system.
 10. Adds \$1.6 million to expand the Short-term Residential Remediation and Treatment (STIRRT) program for adults involved in the criminal justice system.
 11. Reflects a one-time increase of \$1.6 million to implement county-oriented updates and improvements to the Colorado Benefits Management System (CBMS) system.
 12. Reflects an increase to the base funding for CBMS change requests by \$1.5 million in response to the actual experience with the system.
 13. Adds \$1.4 million to provide mental health services to an additional 446 indigent mentally ill clients.
 14. Reflects an increase of \$1.4 million to annualize salary increases awarded in FY 2006-07.
 15. Adds 29.0 FTE and associated funding for six months for the Regional Centers for the developmentally disabled to increase staffing intensity.
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Budget Recommendation Detail by Long Bill Division

Executive Director's Office: This office is responsible for the management and administration of the Department, performing such functions as budgeting, human resources, quality control, as well as some program supervision, coordination, and evaluation. This section includes centrally appropriated line items, such as workers' compensation, legal services, administrative law judge services, and payments related to risk management. In addition, this office includes funding for specific functions including: (1) the Juvenile Parole Board; (2) the Developmental Disabilities Council; (3) funding for the state to comply with the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA); (4) the child welfare administrative review unit; and (5) functions related to maintaining records and reports of child abuse and neglect and using such records to conduct employment/background screenings.

Executive Director's Office	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$48,555,878	\$26,849,145	\$1,189,633	\$11,626,143	\$8,890,957	130.1
Recommended Changes from FY 2006-07 Appropriation						
Salary and benefits adjustments	9,046,389	5,541,800	143,609	1,900,645	1,460,335	0.0
Salary survey adjustment	1,733,278	1,283,078	4,655	422,759	22,786	0.0
Common policy adjustments	1,445,002	613,042	16,737	715,114	100,109	0.0
Annualize FY 2006-07 supplemental funding	987,636	694,703	0	292,933	0	0.0
Transfer of line item from DD	775,888	131,164	0	644,724	0	2.3
HIPAA maintenance	222,375	166,781	0	44,475	11,119	0.0
Annualize salary increases	192,702	85,122	11,090	25,024	71,466	0.0
Records and reports staff increase	61,326	0	61,326	0	0	1.3
DD Council	6,563	0	0	0	6,563	0.0
CBMS emergency processing unit	(52,818)	(18,223)	(4,225)	0	(30,370)	4.0
Base reduction	(44,067)	(18,281)	(3,232)	(5,792)	(16,762)	0.0
Eliminate one-time funding	(3,005)	0	(3,005)	0	0	0.0
Total FY 2007-08 JBC Recommendation	\$62,927,147	\$35,328,331	\$1,416,588	\$15,666,025	\$10,516,203	137.7
\$ Change from prior year	\$14,371,269	\$8,479,186	\$226,955	\$4,039,882	\$1,625,246	7.6
% Change from prior year	29.6%	31.6%	19.1%	34.7%	18.3%	5.8%

Note: The cash funds exempt amounts reflected in this section of the budget include Medicaid funds transferred from the Department of Health Care Policy and Financing (HCPF). Most of these funds are appropriated as 50 percent General Fund and 50 percent federal funds in HCPF.

Issue Descriptions

Salary and benefits adjustments: The recommendation reflects an increase to various line items that contain salary and benefits funding. These items include salary survey, state contributions to health, life, and dental, and others such as shift differential and S.B. 04-257 amortization equalization disbursement for PERA.

Salary survey adjustment: The recommendation reflects increases to the salary survey base due to a FY 2006-07 supplemental decrease resulting from a miscalculation because of a database problem.

Common policy adjustments: The recommendation reflects an increase for common policy adjustments to line items such as vehicle lease payments and communication services payments.

Annualize FY 2006-07 supplemental funding: The recommendation reflects an increase related to the annualization of FY 2006-07 funding for health, life, and dental benefits and short-term disability associated with operating the 20-bed mental health facility in Pueblo.

Transfer of line item from DD: The recommendation reflects the transfer of the Colorado Commission for the Deaf and Hard of Hearing line item from Services for People with Disabilities to the Executive Director's Office.

HIPAA maintenance: The recommendation reflects an increase for ongoing maintenance costs for information technology hardware and software in order to adhere to federal HIPAA security rules and regulations.

Annualize salary increases: The recommendation includes salary increases allocated to the Division in FY 2006-07.

Records and reports staff increase: The recommendation reflects an increase to allow the Department to process child abuse dispute reviews and background investigations in a timely manner and to address caseload increases and backlogs.

DD Council: The recommendation reflects an increase in federal funding for the Developmental Disabilities Council.

Eliminate one-time funding: The recommendation eliminates one-time funding for computer costs associated with S.B. 06-45.

Base reduction: The recommendation reflects a base reduction of 0.5 percent of base salaries.

CBMS emergency processing unit: The recommendation reflects a decrease in funding but an increase in FTE for the CBMS emergency processing unit. This line item, recently added for FY 2006-07, will support FTE in FY 2007-08 due to the expected duration of the project.

Office of Information Technology Services: This section includes funding for expenses associated with departmental information systems, including systems that support public benefits programs administered through the State's 64 counties and other local entities. Appropriations in this section include personnel and operating funds that support information systems used by over 8,800 Department and county staff. Major systems funded through this section of the budget include the Colorado Benefits Management System (CBMS), the Colorado Financial Management System, and the Colorado Trails information system, among others.

Office of Information Technology Services	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$46,584,708	\$17,457,701	\$1,863,813	\$8,825,727	\$18,437,467	165.3
Long Bill Supplemental	<u>411,850</u>	<u>64,640</u>	<u>33,051</u>	<u>142,953</u>	<u>171,206</u>	<u>0.0</u>
FY 2006-07 Adjusted Appropriation	\$46,996,558	\$17,522,341	\$1,896,864	\$8,968,680	\$18,608,673	165.3
Recommended Changes from FY 2006-07 Appropriation						
CBMS one-time county-oriented funding	1,585,924	248,911	127,270	550,475	659,268	0.0
CBMS change request base increase	1,543,425	242,240	123,860	535,723	641,602	0.0
Payments to other agencies	813,357	389,842	(14,827)	18,763	419,579	0.0
CBMS disaster recovery hardware	562,418	88,272	45,134	195,215	233,797	0.0
EDS annual contract increase	555,226	64,392	32,924	142,403	315,507	0.0
Personal services adjustments	228,038	121,548	4,681	28,247	73,562	0.0
CBMS Children's Basic Health Plan premiums assistance	183,000	28,721	14,686	63,520	76,073	0.0
HIMS annualization	1,400	1,400	0	0	0	0.0
Client index project	0	0	0	0	0	3.0
Eliminate one-time funding	(1,958,217)	(307,347)	(157,146)	(679,696)	(814,028)	0.0
Transfer IT support staff	(430,847)	0	0	0	(430,847)	(6.0)
Dissolve Office of CBMS	(191,262)	(30,018)	(15,349)	(66,387)	(79,508)	0.0
Total FY 2007-08 JBC Recommendation	\$49,889,020	\$18,370,302	\$2,058,097	\$9,756,943	\$19,703,678	162.3
\$ Change from prior year	\$2,892,462	\$847,961	\$161,233	\$788,263	\$1,095,005	(3.0)
% Change from prior year	6.2%	4.8%	8.5%	8.8%	5.9%	(1.8)%

Note: The cash funds exempt amounts reflected in this section of the budget include Medicaid funds transferred from the Department of Health Care Policy and Financing (HCPF). Most of these funds are appropriated as 50 percent General Fund and 50 percent federal funds in HCPF.

Issue Descriptions

Long Bill Supplemental: The recommendation includes a mid-year adjustment to FY 2006-07 appropriations for CBMS. The Governor issued an Executive Order dissolving the Office of CBMS, so the recommendation reflects decreased funding for the current fiscal year as the Director of CBMS and the corresponding administrative assistant position will remain vacant. The recommendation also reflects an increase in order to fund the use of outside consultants to prepare an RFP for the required procurement of maintenance and operations support services for CBMS after the current contract expires.

CBMS one-time county-oriented funding: The recommendation includes one-time funding for expanding and updating several aspects of the CBMS system that impact county operations. These include modifications to the online help system and increased training of county personnel.

CBMS change request base increase: The recommendation includes an increase in the base appropriation for CBMS change requests. Experience with the system to date indicates that the initial estimates for the cost of keeping the system current with changing federal and state requirements, as well as adding features based on user feedback, were too low. This increase is expected to stem, in large part, the need for mid-year funding adjustments.

Payments to other agencies: The recommendation reflects common policy for payments to other agencies for the state multiuse network, for purchase of services from the state computer center, and for the state emergency communication services.

CBMS disaster recovery hardware: The current disaster recovery hardware for the CBMS system would be able to serve only a small fraction of the normal system load if the primary system were to fail. The recommendation includes funding to upgrade the disaster recovery system so that it can serve the full load if necessary.

EDS annual contract increase: The State's contract with EDS, Inc. for maintenance and operations support for the CBMS system includes a payment schedule which increases each year. The recommendation reflects the annual increase in this contractual payment.

Personal services adjustments: The recommendation reflects common policy with regard to adjustments to personal services line items. The adjustments include annualizing salary survey amounts awarded in FY 2006-07 and a 0.5 percent base reduction.

CBMS Children's Basic Health Plan premium assistance: The recommendation reflects one-time funding for CBMS changes to support this new program. An adjustment appears within the Department of Human Services because of the way that CBMS changes must be funded. A more complete description of this project is included in the Department of Health Care Policy and Financing.

HIMS annualization: The recommendation annualizes funding for a Health Information Management System (HIMS) terminal that the Department must maintain due to changes at a youth corrections facility.

Client Index Project: The Client Index Project has been staffed with contract employees. The project will be ongoing, and the recommendation includes an authorization to convert contract staff to full-time state employees.

Eliminate one-time funding: The recommendation eliminates several one-time appropriations.

Transfer IT support staff: The recommendation transfers 6.0 FTE to the Disability Determination unit to better track the expenditure of federal Social Security Administration funds.

Dissolve Office of CBMS: The Governor issued an Executive Order dissolving the Office of CBMS. The recommendation eliminates funding for this Office for FY 2007-08. The recommendation also reflects the transfer of the remaining employees to the Departments of Human Services and Health Care Policy and Financing where they will continue their current CBMS-related assignments.

Office of Operations: This section contains appropriations for various central departmental functions including accounting, auditing, contracting, purchasing, vehicle leases, and facilities management. This

includes housekeeping and maintenance for direct-service facilities such as the mental health institutes, regional centers for persons with developmental disabilities, and youth corrections facilities.

Office of Operations	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$37,932,169	\$19,878,647	\$754,551	\$13,039,136	\$4,259,835	470.4
Recommended Changes from FY 2006-07 Appropriation						
Annualize salary survey awarded in FY 2006-07	347,663	88,737	15,441	81,157	162,328	0.0
Facilities maintenance operating costs	288,753	225,227	0	63,526	0	0.0
Annualize prior year increases	154,014	71,638	0	80,015	2,361	2.8
Capitol complex leased space	151,159	75,579	0	0	75,580	0.0
Vehicle lease common policy	65,491	28,175	(405)	31,996	5,725	0.0
Base reduction	(114,067)	(56,619)	(2,906)	(45,630)	(8,912)	0.0
Nursing home indirect costs adjustment	0	(541,925)	0	541,925	0	0.0
Unused FTE authority	0	0	0	0	0	(10.0)
Total FY 2007-08 JBC Recommendation	\$38,825,182	\$19,769,459	\$766,681	\$13,792,125	\$4,496,917	463.2
\$ Change from prior year	\$893,013	(\$109,188)	\$12,130	\$752,989	\$237,082	(7.2)
% Change from prior year	2.4%	(0.5)%	1.6%	5.8%	5.6%	(1.5)%

Note: The cash funds exempt amounts reflected in this section of the budget include Medicaid funds transferred from the Department of Health Care Policy and Financing (HCPF). Most of these funds are appropriated as 50 percent General Fund and 50 percent federal funds in HCPF.

Issue Descriptions

Annualize salary survey awarded in FY 2006-07: The recommendation includes salary increases allocated to this division in FY 2006-07.

Facilities maintenance operating costs: The recommendation includes an increase for operating costs associated with ongoing upkeep and maintenance of buildings including the mental health institutes, regional centers, and youth corrections facilities.

Annualize prior year increases: The recommendation includes annualization primarily associated with the opening of the Sol Vista youth corrections facility and the Department of Corrections La Vista facility on the Pueblo campus, and the opening of a new mental health institute competency evaluation unit in FY 2006-07.

Capitol complex leased space: The recommendation includes adjustments that are a function of recoverable overhead amounts in the Department of Personnel and Administration and the Department of Human Services' proportionate share of utilization.

Vehicle lease common policy: The recommendation includes the replacement of 35 vehicles and the annualization of vehicles replaced and added in FY 2006-07.

Nursing home indirect costs adjustment: This recommendation has a net zero General Fund impact department-wide. The recommendation moves General Fund that supports indirect costs for the state and veterans nursing homes and moves the General Fund to the Services for People with Disabilities section so that funds supporting the nursing homes are more visible. The General Fund in the Office of Operations is replaced with cash funds exempt.

Base reduction. The recommendation reflects a base reduction of 0.5 percent of base salaries.

Unused FTE authority: The recommendation includes a reduction of 10.0 FTE (but no associated funding) to more closely align the appropriation with actual FTE utilization in the division.

County Administration: This section contains appropriations for 64 county departments of social services to administer several programs including: Food Stamps, Adult Cash Assistance Programs (except Old Age Pension), Adult Protection, Low Income Energy Assistance, and Child Support Enforcement. Administration for the Colorado "Works" Program, child welfare, and child care programs, however, are included in the respective sections for these programs.

County Administration	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$55,183,168	\$26,535,699	\$0	\$13,725,106	\$14,922,363	0.0
Recommended Changes from FY 2006-07 Appropriation						
Increased funding for county administration	4,350,410	1,740,164	0	826,578	1,783,668	0.0
Provider rate increase	540,694	214,088	0	102,771	223,835	0.0
Annualization for H.B. 06S-1023	1,483	1,186	0	297	0	0.0
Eliminate one-time funding	(1,193,877)	(1,193,877)	0	0	0	0.0
Total FY 2007-08 JBC Recommendation	\$58,881,878	\$27,297,260	\$0	\$14,654,752	\$16,929,866	0.0
\$ Change from prior year	\$3,698,710	\$761,561	\$0	\$929,646	\$2,007,503	0.0
% Change from prior year	6.7%	2.9%	n/a	6.8%	13.5%	n/a

Issue Descriptions

Increased funding for county administration: Colorado employs a highly decentralized state-supervised, county-administered model for the delivery of social services. The recommendation includes an increase of \$4.3 million in state payments to Colorado counties for their role in administering social service programs.

Provider rate increase: The General Assembly has traditionally applied the common policy provider rate increase to the county administration line to adjust for inflation. The recommendation includes a 1.5 percent increase calculated from last year's base appropriation.

Annualization for H.B. 06S-1023: The counties incur additional costs in administering social services as a result of the requirements of H.B. 06S-1023 (immigration reform). The recommendation includes an increase due to annualizing those expenses, less one-time costs incurred only in FY 2006-07.

Eliminate one-time funding: In FY 2006-07, one-time funding for emergency property tax relief for certain counties where the cost of delivering social services is high relative to their property tax valuation base was included in the budget. The recommendation eliminates this one-time appropriation.

Division of Child Welfare: This section provides funding and state staff associated with the state supervision and county administration of programs that protect children from harm and assist families in caring for and protecting their children. In FY 2003-04, county departments of social services received approximately 63,000 reports of abuse or neglect and provided child welfare services to approximately 40,000 children and their families.

Division of Child Welfare	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$397,992,160	\$189,174,644	\$0	\$101,997,387	\$106,820,129	32.0
Recommended Changes from FY 2006-07 Appropriation						
Cost-of-living adjustment	5,636,813	2,832,762	0	1,343,814	1,460,237	0.0
Population increases	3,690,262	1,661,450	0	967,306	1,061,506	0.0
Collaborative management incentive increase	1,088,750	0	0	1,088,750	0	0.0
Leap year adjustment	495,077	364,605	0	130,472	0	0.0
Annualize salary increases	54,735	28,953	0	1,153	24,629	0.0
Annualize costs for H.B. 06S-1023	(57,768)	(31,879)	0	(10,939)	(14,950)	0.0
Base reduction	(12,934)	(7,225)	0	(607)	(5,102)	0.0
Total FY 2007-08						
JBC Recommendation	\$408,887,095	\$194,023,310	\$0	\$105,517,336	\$109,346,449	32.0
\$ Change from prior year	\$10,894,935	\$4,848,666	\$0	\$3,519,949	\$2,526,320	0.0
% Change from prior year	2.7%	2.6%	n/a	3.5%	2.4%	0.0%

Note: Most of the cash funds exempt amounts reflected in this section of the budget are Medicaid funds transferred from the Department of Health Care Policy and Financing (HCPF). Most of these funds are appropriated as 50 percent General Fund and 50 percent federal funds in HCPF.

Issue Descriptions

Cost-of-living adjustment: The recommendation includes an increase of 1.5 percent for cost-of-living adjustments.

Population increases: The child and adolescent population (ages 0-17) is projected to grow at 1.10 percent in FY 2007-08. To account for this growth, the recommendation includes funding increases equal to the projected population increase, which are then allocated to each county.

Collaborative management incentive increase: The recommendation adds funding for additional counties participating in the Collaborative Management Program.

Leap year adjustment: The recommendation reflects an increase to account for an additional day of services and contractual obligations due to FY 2007-08 being a leap year.

Annualize salary increases: The recommendation includes salary increases allocated to the Division in FY 2006-07.

Base reduction: The recommendation reflects a base reduction of 0.5 percent of base salaries.

Eliminate one-time funding: The recommendation eliminates one-time funding to cover county costs to implement H.B. 06S-1023 (immigration reform).

Division of Child Care: This section provides funding and state staff associated with the state supervision and the county administration of the Colorado Child Care Assistance Program (CCAP), through which counties provide child care subsidies to low income families and families transitioning from the Colorado Works Program. In addition, this section provides funding and state staff for the administration of various child care grant programs, and for licensing and monitoring child care facilities. Cash funds amounts reflect fees and fines associated with the licensing of child care facilities. Cash funds exempt amounts reflect expenditures by counties and donations. Federal funds primarily reflect Child Care Development Funds, which the General Assembly has authority to appropriate, pursuant to federal law.

Division of Child Care	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$87,654,251	\$16,118,916	\$735,782	\$9,184,636	\$61,614,917	64.5
<i>Recommended Changes from FY 2006-07 Appropriation</i>						
Reverse one-time FY 2006-07 reduction	5,132,628	2,500,000	0	525,962	2,106,666	0.0
Annualize salary increases	89,008	44,231	13,269	0	31,508	0.0
CHATs system rebuild	73,924	0	0	0	73,924	0.0
Provider rate increase	27,053	0	0	0	27,053	0.0
Child Care Assistance Program utilization	(1,728,805)	0	0	(278,805)	(1,450,000)	0.0
Base reduction	(20,472)	(9,949)	(2,861)	0	(7,662)	0.0
Annualize prior year bill	(19,844)	0	(19,844)	0	0	(0.5)
Sunset provider loan program	(5,000)	0	0	0	(5,000)	0.0
Fund split adjustment	0	(1,662)	1,662	0	0	0.0
Total FY 2007-08 JBC Recommendation	\$91,202,743	\$18,651,536	\$728,008	\$9,431,793	\$62,391,406	64.0
\$ Change from prior year	\$3,548,492	\$2,532,620	(\$7,774)	\$247,157	\$776,489	(0.5)
% Change from prior year	4.0%	15.7%	(1.1)%	2.7%	1.3%	(0.8)%

Issue Descriptions

Reverse one-time FY 2006-07 reduction: The appropriation for the Colorado Child Care Assistance Program (CCAP) was reduced in FY 2006-07 based on projected underutilization of the program that provides child care subsidies to low-income families. The reduction is reversed in FY 2007-08, based on the expectation that utilization will rebound.

Annualize salary increases: The recommendation includes salary increases allocated to this division in FY 2006-07.

CHATs system rebuild: The recommendation includes a rebuild of the Child Care Automated Tracking System. The majority of the associated \$8.6 million in funding associated with this project is included in the capital construction budget.

Provider rate increase: The recommendation includes a cost-of-living adjustment for child care licensing contracts. No increase is provided for the CCAP program due to FY 2006-07 underutilization.

Child Care Assistance Program utilization: The recommendation includes a reduction of \$1.7 million associated with recent low utilization of the Child Care Assistance Program. The reduction also helps to limit the rate at which the State is spending down reserves of federal Child Care Development Funds.

Base reduction: The recommendation a base reduction of 0.5 percent of base salaries.

Annualize prior year bill: The recommendation annualizes costs associated with S.B. 06-45, consistent with the fiscal note.

Sunset provider loan program: The recommendation eliminates funding for a educational loan program for child care providers, as the program sunsets in June 2007.

Fund split adjustment: The recommendation includes a small fund split adjustment to offset General Fund with anticipated cash funds revenues.

Office of Self Sufficiency: This section includes appropriations for various cash assistance programs, including the Colorado Works, Low-income Energy Assistance Program (LEAP), child support enforcement, and disability determination programs.

Office of Self Sufficiency	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$301,630,191	\$6,778,374	\$6,635,559	\$29,235,188	\$258,981,070	269.1
<i>Recommended Changes from FY 2006-07 Appropriation</i>						
Administration	79,038	55,388	0	0	23,650	3.0
Colorado Works Program	(4,974,327)	0	0	(25,000)	(4,949,327)	1.0
Special Purpose Welfare Programs	33,039	12,733	2,808	(5,479)	22,977	0.0
Child Support Enforcement	76,319	25,991	0	0	50,328	0.0
Disability Determination Services	698,837	0	0	0	698,837	6.0

Office of Self Sufficiency	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
Total FY 2007-08 JBC Recommendation	\$297,543,097	\$6,872,486	\$6,638,367	\$29,204,709	\$254,827,535	279.1
\$ Change from prior year	(\$4,087,094)	\$94,112	\$2,808	(\$30,479)	(\$4,153,535)	10.0
% Change from prior year	(1.4)%	1.4%	0.0%	(0.1)%	(1.6)%	3.7%

Subsection Detail

Administration: This subsection of the Office of Self Sufficiency includes the State's share of administrative funding for self sufficiency programs.

Administration	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$1,611,947	\$614,607	\$0	\$0	\$997,340	19.0
<i>Recommended Changes from FY 2006-07 Appropriation</i>						
Additional Food Stamp FTE	163,395	81,697	0	0	81,698	3.0
Personal services adjustment	18,388	25,063	0	0	(6,675)	0.0
Eliminate one-time funding	(102,745)	(51,372)	0	0	(51,373)	0.0
Total FY 2007-08 JBC Recommendation	\$1,690,985	\$669,995	\$0	\$0	\$1,020,990	22.0
\$ Change from prior year	\$79,038	\$55,388	\$0	\$0	\$23,650	3.0
% Change from prior year	4.9%	9.0%	n/a	n/a	2.4%	15.8%

Issue Descriptions

Additional Food Stamp FTE: The state has experienced a large increase in Food Stamp caseload in recent years, and has encountered a variety of problems in supervising the counties' administration. This has led to potential problems with federal sanctions for failing to meet the necessary targets. The recommendation includes funding for 3.0 FTE who will be responsible for additional county training and development of improved compliance plans.

Personal services adjustment: The recommendation reflects common policy with regard to adjustments to personal services line items. The adjustments include annualizing salary survey amounts awarded in FY 2006-07 and a 0.5 percent base reduction.

Eliminate one-time funding: The recommendation a one-time appropriation for.

Colorado Works Program: This subsection of the Office of Self Sufficiency provides funding and spending authority associated with the Colorado Works Program, through which counties provide cash and other benefits and services intended to promote sustainable employment for low income families with children.

<i>Colorado Works Program</i>	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$220,885,140	\$627,726	\$0	\$25,673,033	\$194,584,381	17.0
Recommended Changes from FY 2006-07 Appropriation						
CBMS changes due to federal TANF reauthorization	150,000	0	0	0	150,000	0.0
Personal services adjustment	18,998	0	0	0	18,998	0.0
Eliminate one-time funding	(5,118,325)	0	0	0	(5,118,325)	0.0
JBC reduction	(25,000)	0	0	(25,000)	0	0.0
Fraud investigation staff	0	0	0	0	0	1.0
Total FY 2007-08						
JBC Recommendation	\$215,910,813	\$627,726	\$0	\$25,648,033	\$189,635,054	18.0
\$ Change from prior year	(\$4,974,327)	\$0	\$0	(\$25,000)	(\$4,949,327)	1.0
% Change from prior year	(2.3)%	0.0%	n/a	(0.1)%	(2.5)%	5.9%

Issue Descriptions

CBMS changes due to federal TANF reauthorization: In 2006, the federal government reauthorized the Temporary Assistance for Needy Families (TANF) program and made substantial changes in the requirements which state programs must meet. The recommendation includes increased funding for modifications to the CBMS system to support the collection of additional information which will allow counties to better meet the new federal requirements.

Personal services adjustment: The recommendation reflects common policy with regard to adjustments to personal services line items. The adjustments include annualizing salary survey amounts awarded in FY 2006-07 and a 0.5 percent base reduction.

Eliminate one-time funding: The recommendation eliminates a one-time appropriations for FY 2006-07 legislation.

Domestic abuse program: The recommendation reduces cash fund exempt spending from the Colorado Domestic Abuse Program Fund based on the projected level of funds that will be available.

Fraud investigation staff: The recommendation adds 1.0 FTE, paid for within existing resources, dedicated to managing the fraud investigation activities.

Special Purpose Welfare Programs: This subsection of the Office of Self Sufficiency contains appropriations for cash assistance programs for specific purposes, such as energy assistance, food stamp job search, food distribution, telephone assistance, income tax offset, and refugee assistance. This section also contains funding for Systematic Alien Verification for Eligibility (SAVE) and the electronic benefits transfer service (EBTS).

<i>Special Purpose Welfare Programs</i>	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$49,424,270	\$1,109,719	\$6,490,549	\$3,280,666	\$38,543,336	36.2
<i>Recommended Changes from FY 2006-07 Appropriation</i>						
Personal services adjustments	33,039	12,733	2,808	(5,479)	22,977	0.0
Total FY 2007-08 JBC Recommendation	\$49,457,309	\$1,122,452	\$6,493,357	\$3,275,187	\$38,566,313	36.2
\$ Change from prior year	\$33,039	\$12,733	\$2,808	(\$5,479)	\$22,977	0.0
% Change from prior year	0.1%	1.1%	0.0%	(0.2)%	0.1%	0.0%

Issue Descriptions

Personal services adjustments: The recommendation reflects common policy with regard to adjustments to personal services line items. The adjustments include annualizing salary survey amounts awarded in FY 2006-07 and a 0.5 percent base reduction.

Child Support Enforcement: This subsection of the Office of Self Sufficiency contains appropriations for the computer system used by county staff to establish paternity, locate absent parents, manage child support enforcement caseloads, track collection efforts, and several administrative programs.

<i>Child Support Enforcement</i>	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$13,445,094	\$4,426,322	\$145,010	\$281,489	\$8,592,273	62.4
<i>Recommended Changes from FY 2006-07 Appropriation</i>						
Personal services adjustments	76,319	25,991	0	0	50,328	0.0
Total FY 2007-08 JBC Recommendation	\$13,521,413	\$4,452,313	\$145,010	\$281,489	\$8,642,601	62.4
\$ Change from prior year	\$76,319	\$25,991	\$0	\$0	\$50,328	0.0
% Change from prior year	0.6%	0.6%	0.0%	0.0%	0.6%	0.0%

Issue Descriptions

Personal services adjustments: The recommendation reflects common policy with regard to adjustments to personal services line items. The adjustments include annualizing salary survey amounts awarded in FY 2006-07 and a 0.5 percent base reduction.

Disability Determination Services: This subsection of the Office of Self Sufficiency provides the federal Social Security Administration with medical disability decisions for Colorado residents applying for Social Security Disability Insurance and Supplemental Security Income Programs.

<i>Disability Determination Services</i>	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$16,263,740	\$0	\$0	\$0	\$16,263,740	134.5

<i>Disability Determination Services</i>	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
<i>Recommended Changes from FY 2006-07 Appropriation</i>						
Transfer IT support staff	430,847	0	0	0	430,847	6.0
Personal services adjustments	160,223	0	0	0	160,223	0.0
Medical inflation adjustment	107,767	0	0	0	107,767	0.0
Total FY 2007-08 JBC Recommendation	\$16,962,577	\$0	\$0	\$0	\$16,962,577	140.5
\$ Change from prior year	\$698,837	\$0	\$0	\$0	\$698,837	6.0
% Change from prior year	4.3%	n/a	n/a	n/a	4.3%	4.5%

Issue Descriptions

Transfer IT support staff: The recommendation includes the transfer of 6.0 FTE from the Department's Office of Information Technology Services to the Disability Determination unit. These individuals are specialists who support only the systems required by the federal Social Security Administration. The realignment allows the unit to better track the expenditure of federal funds.

Personal services adjustments: The recommendation reflects common policy decisions with regard to adjustments to personal services line items. The adjustments include annualizing salary survey amounts awarded in FY 2006-07 and a 0.5 percent base reduction.

Medical inflation adjustment: The recommendation reflects common policy that provides a 2.0 percent rate increase for selected expenditures. Disability determination services buys a variety of physician services and hospital and laboratory tests in order to determine applicants' actual medical condition.

Mental Health and Alcohol and Drug Abuse Services: This section includes largely non-Medicaid funded Mental Health Community Programs, the Mental Health Institutes, the Alcohol and Drug Abuse Division, Supportive Housing and Homelessness programs, and funds for central administration of these programs.

Mental Health and Alcohol and Drug Abuse Services	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$201,817,810	\$114,820,073	\$7,684,719	\$22,562,834	\$56,750,184	1,351.1
Long Bill Supplemental	<u>0</u>	<u>0</u>	<u>555,565</u>	<u>(555,565)</u>	<u>0</u>	<u>0.0</u>
FY 2006-07 Adjusted Appropriation	\$201,817,810	\$114,820,073	\$8,240,284	\$22,007,269	\$56,750,184	1,351.1
<i>Recommended Changes from FY 2006-07 Appropriation</i>						
Administration	399,306	124,172	427,304	32,611	(184,781)	3.0
Mental Health Community Programs	1,159,065	1,387,848	0	(228,783)	0	0.0
Mental Health Institutes	4,532,436	6,114,568	0	(1,582,132)	0	31.4
Alcohol and Drug Abuse Division	3,863,546	2,095,631	366,676	751,239	650,000	0.0
Total FY 2007-08 JBC Recommendation	\$211,772,163	\$124,542,292	\$9,034,264	\$20,980,204	\$57,215,403	1,385.5
\$ Change from prior year	\$9,954,353	\$9,722,219	\$793,980	(\$1,027,065)	\$465,219	34.4

Mental Health and Alcohol and Drug Abuse Services	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
% Change from prior year	4.9%	8.5%	9.6%	(4.7)%	0.8%	2.5%

Subsection Detail

Administration: This subsection of Mental Health and Alcohol and Drug Abuse Services contains appropriations for the central administration of mental health and alcohol and drug abuse services for adults and children. It also includes funding for traumatic brain injury programs and for federal housing programs for low income and indigent persons who require specialized care.

<i>Administration</i>	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$26,247,471	\$623,721	\$1,505,318	\$862,177	\$23,256,255	48.6
<i>Recommended Changes from FY 2006-07 Appropriation</i>						
Traumatic brain injury services	445,195	0	425,336	19,859	0	0.5
Mental health administration	116,224	116,224	0	0	0	2.0
Annualize salary increases	89,925	11,017	2,515	14,772	61,621	0.0
Supportive housing and homelessness	(234,588)	0	0	0	(234,588)	(1.0)
Base reduction	(17,450)	(3,069)	(547)	(2,020)	(11,814)	0.0
Add FTE authority	0	0	0	0	0	1.5
Total FY 2007-08 JBC Recommendation	\$26,646,777	\$747,893	\$1,932,622	\$894,788	\$23,071,474	51.6
\$ Change from prior year	\$399,306	\$124,172	\$427,304	\$32,611	(\$184,781)	3.0
% Change from prior year	1.5%	19.9%	28.4%	3.8%	(0.8)%	6.2%

Issue Descriptions

Traumatic brain injury services: The recommendation includes an increase for the Traumatic Brain Injury Trust Fund program, based on revenues anticipated to be received by the program from various offense surcharges. The program funds one year of case management and other support services for children and adults who have had traumatic brain injuries. It also supports related research and education programs.

Mental health administration: The recommendation includes an increase of 2.0 FTE for state administration of mental health services.

Annualize salary increases: The recommendation includes salary increases allocated to this Division in FY 2006-07.

Supportive housing and homelessness: The recommendation reflects a reduction in the estimated funding received from federal sources for supportive housing and homelessness programs.

Base reduction: The recommendation reflects a base reduction of 0.5 percent of base salaries.

Add FTE authority: The recommendation restores 1.5 FTE (no dollars) previously eliminated due in part to FTE-underutilization.

Mental Health Community Programs: This subsection of Mental Health and Alcohol and Drug Abuse Services includes funding for over 10,000 indigent mentally ill people. [Please note, funding for the Medicaid mental health community services is reflected in the Department of Health Care Policy and Financing which administers that program.]

<i>Mental Health Community Programs</i>	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$43,493,601	\$36,077,357	\$0	\$1,433,036	\$5,983,208	0.0
Recommended Changes from FY 2006-07 Appropriation						
Add services for 446 indigent mentally ill clients	1,372,788	1,372,788	0	0	0	0.0
Provider rate increase	538,700	527,720	0	10,980	0	0.0
H.B. 99-1116 residential treatment	103,250	158,501	0	(55,251)	0	0.0
Reduce backfill for services to former Goebel lawsuit population	(486,649)	(486,649)	0	0	0	0.0
Sunset H.B. 00-1034 juvenile mental health pilot services	(369,024)	(184,512)	0	(184,512)	0	0.0
Total FY 2007-08 JBC Recommendation	\$44,652,666	\$37,465,205	\$0	\$1,204,253	\$5,983,208	0.0
\$ Change from prior year	\$1,159,065	\$1,387,848	\$0	(\$228,783)	\$0	0.0
% Change from prior year	2.7%	3.8%	n/a	(16.0)%	0.0%	n/a

Issue Descriptions

Add services for 446 indigent mentally ill clients: The recommendation adds funding that will enable community mental health centers to serve an additional 466 children and adults at an average cost of \$3,078 per person.

Provider rate increase: The recommendation includes a 1.5 percent cost-of-living adjustment for all mental health community programs funded in this section.

H.B. 99-1116 residential treatment: The recommendation restores funding for transitional services that was cut in FY 2006-07 due to under-utilization. Overall funding is based on the projected program caseload.

Reduce backfill for services to former Goebel lawsuit population: The recommendation reduces the amount of General Fund provided to maintain certain services for indigent severely-mentally ill people in northwest Denver. The services were developed under court order and some efficiencies are anticipated now that the program is no longer operating under court supervision.

Sunset H.B. 00-1034 juvenile mental health pilot services: The recommendation eliminates funding associated with a program that sunsets in June 2007. The program funded two pilot programs. Evaluations

concluded that the pilots were no more effective than the less expensive mental health services provided to a control group.

Mental Health Institutes: This subsection of Mental Health and Alcohol and Drug Abuse Services contains appropriations for inpatient mental health services provided at the state mental health institute in Pueblo and the state mental health institute at Fort Logan in Denver. The mental health institute at Pueblo is expected to have an average daily census of 382 in FY 2006-07 and the mental health institute at Fort Logan is expected to have an average daily census of 143 in FY 2006-07. The average cost per bed for the institutes is estimated at \$190,000 in FY 2006-07, including additional costs in the Office of Operations.

<i>Mental Health Institutes</i>	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$89,194,354	\$66,659,845	\$4,288,838	\$18,245,671	\$0	1,272.5
Long Bill Supplemental	0	0	555,565	(555,565)	0	0.0
FY 2006-07 Adjusted Appropriation	\$89,194,354	\$66,659,845	\$4,844,403	\$17,690,106	\$0	1,272.5
Recommended Changes from FY 2006-07 Appropriation						
Annualize salary increases	2,235,028	2,235,028	0	0	0	0.0
Annualize competency unit added in FY 2006-07	1,523,257	1,523,257	0	0	0	27.8
Support for nurse retention	500,000	500,000	0	0	0	0.0
Medical inflation	349,091	349,091	0	0	0	0.0
Food inflation	31,995	31,995	0	0	0	0.0
Annualize service costs for DOC and DYC facilities added in FY 2006-07	304,294	304,294	0	0	0	3.6
Revenue adjustment	0	1,582,132	0	(1,582,132)	0	0.0
Base reduction	(411,229)	(411,229)	0	0	0	0.0
Total FY 2007-08 JBC Recommendation	\$93,726,790	\$72,774,413	\$4,844,403	\$16,107,974	\$0	1,303.9
\$ Change from prior year	\$4,532,436	\$6,114,568	\$0	(\$1,582,132)	\$0	31.4
% Change from prior year	5.1%	9.2%	0.0%	(8.9)%	n/a	2.5%

Issue Descriptions

Long Bill supplemental: The recommendation includes an adjustment to FY 2006-07 revenue sources for the institutes based on projected receipts of cash and cash exempt funds.

Annualize salary increases: The recommendation includes salary increases allocated to this Division in FY 2006-07.

Annualize competency unit added in FY 2006-07: The recommendation annualizes costs associated with a 20 bed competency evaluation and restoration unit at the mental health institute at Pueblo that was opened mid-year in FY 2006-07.

Support for nurse retention: The recommendation adds \$500,000 to assist the institutes in nurse retention.

Medical inflation: The recommendation reflects an inflationary increase of 2.0 percent for medical, laboratory, and pharmaceutical expenditures. At the institutes, this includes an increase on contractual salaries for physicians and other medical personnel.

Food inflation: The recommendation reflects an inflationary increase of 1.8 percent for food.

Annualize service costs for DOC and DYC facilities added in FY 2006-07: The recommendation includes increases to annualize costs associated with the DOC La Vista facility and the DYC Sol Vista facility on the Pueblo campus. The mental health institute at Pueblo provides various support services for these facilities.

Revenue adjustment: The recommendation is based on cash and cash exempt revenue projected to be received by the institutes in FY 2007-08. This revenue offsets General Fund otherwise required. As the institutes project a reduction in cash exempt revenue for FY 2007-08, additional General Fund is required.

Base reduction: The recommendation reflects a base reduction of 0.5 percent of base salaries.

Alcohol and Drug Abuse Division: This subsection of Mental Health and Alcohol and Drug Abuse Services contains appropriations for alcohol and drug abuse prevention, intervention, and treatment services. Treatment, prevention, and detoxification services are provided primarily through six managed service organizations, each of which is responsible for managing the provision of services to residents of a specified geographic area of the State. The Division also funds and oversees involuntary commitments to detoxification facilities and substance abuse treatment programs.

<i>Alcohol and Drug Abuse Division</i>	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$42,882,384	\$11,459,150	\$1,890,563	\$2,021,950	\$27,510,721	30.0
<i>Recommended Changes from FY 2006-07 Appropriation</i>						
Expand STIRRT program	1,330,655	730,655	0	600,000	0	0.0
Reflect anticipated block grant spending	650,000		0	0	650,000	0.0
Parenting female residential services	395,000	395,000	0	0	0	0.0
Provider performance monitoring system	310,661	310,661	0	0	0	0.0
Multi-systemic therapy for dually-diagnosed adolescents	288,000	288,000	0	0	0	0.0
Persistent Drunk Driver program expansion	273,424	0	0	273,424	0	0.0
Drug offender surcharge program expansion	268,000	0	268,000	0	0	0.0
Provider rate increase	185,872	171,114	0	14,758	0	0.0
Support for rural detoxification services	160,000	160,000	0	0	0	0.0
FY 2006-07 salary and benefits adjustments	49,814	49,814	0	0	0	0.0

<i>Alcohol and Drug Abuse Division</i>	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
Annualize prior year legislation and supplementals	(38,268)	0	(25,743)	(12,525)	0	0.0
Base reduction	(9,613)	(9,613)	0	0		0.0
Fund split adjustment	1	0	124,419	(124,418)	0	0.0
Total FY 2007-08 JBC Recommendation	\$46,745,930	\$13,554,781	\$2,257,239	\$2,773,189	\$28,160,721	30.0
\$ Change from prior year	\$3,863,546	\$2,095,631	\$366,676	\$751,239	\$650,000	0.0
% Change from prior year	9.0%	18.3%	19.4%	37.2%	2.4%	0.0%

Issue Descriptions

Expand STIRRT program: The recommendation includes the statewide expansion of the Short-term Intensive Residential Remediation and Treatment (STIRRT) Program as part of the Governor's recidivism reduction package. STIRRT provides alcohol and drug abuse treatment for adults with criminal justice involvement in a two-week residential setting and through eight months of aftercare. This initiative adds a total of 25 new beds in Rifle and Fort Collins and funds aftercare services at the existing Denver and Pueblo locations.

Reflect anticipated block grant spending: The recommendation is to more accurately reflect the Division's anticipated expenditures from the Substance Abuse Prevention and Treatment federal block grant for FY 2007-08. While the Long Bill will be more accurate, there is no projected increase in federal funds to be allocated.

Parenting female residential services: The recommendation includes an increase of \$395,500 General Fund for the purpose of providing residential treatment for parenting female offenders with substance abuse and co-occurring mental illness who are at high risk to enter jail or prison as a result of substance abuse. The program is anticipated to include a 60-day residential program plus a 16-week aftercare program for 30 families over the course of a year.

Provider performance monitoring system: The recommendation includes an increase to support the first year of a two-year project that will enable a managed service organization to acquire, expand, and maintain software for a performance monitoring and treatment outcomes information system. This system, when implemented, is anticipated to enable Colorado's managed services organizations to monitor and improve the performance of alcohol and drug abuse treatment providers in their networks.

Multi-systemic therapy for dually-diagnosed adolescents: The recommendation includes an increase of \$288,000 General Fund for the purpose of supporting enhanced multi-systemic family therapy services for adolescents using a community reinforcement approach. This funding is anticipated to partially fund such services in the Denver metropolitan area for 120 adolescents per month who have co-occurring psychiatric and substance abuse disorders.

Provider rate increase: The recommendation includes a 1.5 percent cost-of-living adjustment for alcohol and drug abuse treatment and prevention programs funded in this section.

Support for rural detoxification services: The recommendation includes an increase of \$160,000 General Fund for the purpose of supporting the Trinidad and Las Animas detoxification facility and the San Luis Valley detoxification facility, in light of new state-imposed staffing requirements.

Annualize salary increases: The recommendation includes salary survey increases allocated to this division in FY 2006-07.

Annualize prior year legislation and supplementals: The recommendation includes various adjustments related to FY 2006-07 appropriations, consistent with fiscal notes and the expectations reflected in prior year budget requests.

Base reduction: The recommendation reflects a base reduction of 0.5 percent of base salaries.

Fund split adjustment: The recommendation includes an adjustment to reflect funding anticipated to come from current cash flows, as opposed to reserves.

Services for People with Disabilities: This section includes all funding for Developmental Disability Services, the Division of Vocational Rehabilitation, and Homelake Domiciliary and the State and Veterans Nursing Homes.

Services for People with Disabilities	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$496,421,919	\$43,311,893	\$3,630,018	\$392,587,952	\$56,892,056	1,867.8
Long Bill Supplemental	<u>(7,957,454)</u>	<u>7,738,019</u>	<u>0</u>	<u>(15,695,473)</u>	<u>0</u>	<u>0.0</u>
FY 2006-07 Adjusted Appropriation	\$488,464,465	\$51,049,912	\$3,630,018	\$376,892,479	\$56,892,056	1,867.8
Recommended Changes from FY 2006-07 Appropriation						
Developmental Disability Services	15,387,896	(12,675,687)	27,285	28,036,299	(1)	16.0
Division of Vocational Rehabilitation	1,065,187	(38,408)	(221,174)	(121,005)	1,445,774	7.5
Homelake Domiciliary and State and Veterans Nursing Homes	3,127,454	349,033	0	3,273,027	(494,606)	(16.4)
Total FY 2007-08 JBC Recommendation	\$508,045,002	\$38,684,850	\$3,436,129	\$408,080,800	\$57,843,223	1,874.9
\$ Change from prior year	\$19,580,537	(\$12,365,062)	(\$193,889)	\$31,188,321	\$951,167	7.1
% Change from prior year	4.0%	(24.2)%	(5.3)%	8.3%	1.7%	0.4%

Subsection Detail

Developmental Disability Services: This subsection of Services for People with Disabilities includes funding for community and institutional services for adults with developmental disabilities, services for children with developmental disabilities and their families, and the work therapy program. This last program provides supportive employment for people with developmental disabilities and mental illness who are served in state-run facilities. Overall funding changes are reflected in the table immediately below. The details of these changes are discussed in the relevant subsections that follow.

<i>Developmental Disability Services</i>	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$400,097,707	\$36,295,048	\$2,933,294	\$353,962,398	\$6,906,967	927.8
Long Bill Supplemental	<u>(7,957,454)</u>	<u>7,738,019</u>	<u>0</u>	<u>(15,695,473)</u>	<u>0</u>	<u>0.0</u>
FY 2006-07 Adjusted Appropriation	\$392,140,253	\$44,033,067	\$2,933,294	\$338,266,925	\$6,906,967	927.8
<i>Recommended Changes from FY 2006-07 Appropriation</i>						
Community Services	45,033,060	5,206,479	0	32,919,615	6,906,966	6.5
Regional Centers	1,725,685	0	27,558	1,698,127	0	16.0
Services for Children and Families	(31,370,538)	(17,882,166)	0	(6,581,405)	(6,906,967)	(6.5)
Work Therapy	(311)	0	(273)	(38)	0	0.0
Total FY 2007-08 JBC Recommendation	\$407,528,149	\$31,357,380	\$2,960,579	\$366,303,224	\$6,906,966	943.8
\$ Change from prior year	\$15,387,896	(\$12,675,687)	\$27,285	\$28,036,299	(\$1)	16.0
% Change from prior year	3.9%	(28.8)%	0.9%	8.3%	0.0%	1.7%

Community Services (Subsection of Developmental Disabilities Services): This section has been integrated with the former Developmental Disability Services, Services for Children and Families section in FY 2007-08 and thus includes all funding associated with community-based services available to adults and children with developmental disabilities. Twenty Community Centered Boards (CCBs) located throughout the state provide case management and much of the direct services for over 11,000 Coloradans with developmental disabilities. This includes "comprehensive" (24-hour residential care), and supported living services (day-time care and employment support) for adults with developmental disabilities, early intervention services for infants and toddlers, children's extensive support services for children with intensive in-home supervision needs, and family support services (flexible assistance to families caring for a child with a developmental disability). The majority of funding supports adult residential care.

<i><u>Community Services</u></i>	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$323,482,066	\$18,168,422	\$0	\$305,313,644	\$0	32.4
Long Bill Supplemental	<u>(6,390,063)</u>	<u>7,738,019</u>	<u>0</u>	<u>(14,128,082)</u>	<u>0</u>	<u>0.0</u>
FY 2006-07 Adjusted Appropriation	\$317,092,003	\$25,906,441	\$0	\$291,185,562	\$0	32.4
<i>Recommended Changes from FY 2006-07 Appropriation</i>						
Consolidate Services for Children and Families funding	32,665,848	17,186,364	0	8,572,518	6,906,966	6.5
Annualize one-time supplementals	8,691,320	(12,268,447)	0	20,959,767	0	0.0
Provider rate increase	4,313,629	200,409	0	4,113,220	0	0.0
Annualize adult resources added in FY 2006-07	3,429,729	0	0	3,429,729	0	0.0
78 Adult residential resources for six months	3,418,821	0	0	3,418,821	0	0.0
Leap year adjustment	822,865	26,157	0	796,708	0	0.0

<u>Community Services</u>	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
24 Adult supported living resources for six months	216,712	0	0	216,712	0	0.0
Case management for 104 early intervention resources	113,993	78,539	0	35,454	0	0.0
Personal services and operating expense adjustments	52,776	5,469	0	47,307	0	0.0
Annualize other FY 2006-07 adjustments	684	(18,736)	0	19,420	0	0.0
Federally-matched Local Program Costs changes	(8,682,397)	0	0	(8,682,397)	0	0.0
CCMS system cost adjustment	(10,920)	(3,276)	0	(7,644)	0	0.0
Total FY 2007-08 JBC Recommendation	\$362,125,063	\$31,112,920	\$0	\$324,105,177	\$6,906,966	38.9
\$ Change from prior year	\$45,033,060	\$5,206,479	\$0	\$32,919,615	\$6,906,966	6.5
% Change from prior year	14.2%	20.1%	n/a	11.3%	n/a	20.1%

Note: Most of the cash funds exempt amounts reflected in this section of the budget are Medicaid funds transferred from the Department of Health Care Policy and Financing (HCPF). In the Department of Health Care Policy and Financing, these amounts are generally appropriated as 50 percent General Fund and 50 percent federal funds.

Issue Descriptions

Long Bill Supplemental: The recommendation includes a mid-year adjustment to FY 2006-07 appropriations that reduces this section's Medicaid cash funds exempt appropriation and increases the General Fund appropriation. This adjustment is due to projected under-utilization of the FY 2006-07 Medicaid appropriation. The underutilization is largely associated with one-time Medicaid cash accounting savings as well as changes in the state's Medicaid waiver billing structure. The General Fund increase reflected in the supplemental will be used in part to provide a full-year 3.25 community provider cost-of-living adjustment for developmental disability providers for FY 2006-07. The balance will be rolled-forward to FY 2007-08 to help address additional changes to the Medicaid waiver rate structure that will occur in FY 2007-08. The net General Fund impact of this supplemental *statewide*, including adjustments in the Department of Health Care Policy and Financing, is \$0.

Consolidate Services for Children and Families funding: The recommendation is to move all funding previously located in the Services for Children and Families section into this section. This change in location has no impact on total FY 2007-08 funding for Developmental Disability Services.

Provider rate increase: The recommendation includes a 1.5 percent cost-of-living adjustment for programs funded in this section.

Annualize adult resources added in FY 2006-07: The recommendation annualizes 79 comprehensive resources and nine supported living resources added for six months in FY 2006-07.

78 Adult residential resources for six months: The recommendation includes funding to add comprehensive residential services for 78 adults with developmental disabilities for six months. The amount shown will annualize (double) in FY 2008-09. The resources are targeted to individuals transitioning from foster care, emergency placements, and individuals at high-risk of out-of-home placement due to age or medical or behavioral issues.

Leap year adjustment: The recommendation adds funding for an additional day of direct services for adults in FY 2007-08, due to the leap year.

24 Adult supported living resources for six months: The recommendation includes funding to provide supported living services for 24 adults with developmental disabilities for six months. The resources are targeted to youth transitioning from the Children's Extensive Support program.

Case management for 104 early intervention resources: The recommendation includes funding to add early intervention services for 104 infants and toddlers with developmental disabilities for a full year. The majority of the funding is described in the Services for Children and Families section, but associated case management funding is included here. Beginning in FY 2007-08, funding for adults and children will be consolidated in this section.

Personal services and operating expense adjustments: The recommendation includes adjustments for state staff who administer community-based services. This includes: (1) salary increases allocated to this division in FY 2006-07; a common policy reduction of 0.5 percent of base salaries; and (3) annualization of funding for 1.0 FTE added in FY 2006-07.

Annualize other FY 2006-07 adjustments: The recommendation annualizes various FY 2006-07 actions, including a fund split adjustment for the case management of 30 Children's Extensive Support resources added in FY 2006-07.

Federally-matched Local Program Costs changes: The recommendation reflects the anticipated size of a program that uses certified county funds to draw down federal Medicaid funds for developmental disability services. The program has been greatly reduced as a result of federally-imposed changes that transferred much of the costs associated with this program to the State. While these changes were fully implemented in FY 2006-07, residual billing for services provided in FY 2005-06 but billed in FY 2006-07 required a higher level of appropriation in FY 2006-07.

CCMS system cost adjustments: The recommendation reflects a reduction associated with ongoing maintenance of the Community Contract and Management System. The reduction is based on services from the general government computer center that will ultimately be reflected in the Department's Office of Information Technology Services.

Regional Centers (Subsection of Developmental Disabilities Services): This section contains appropriations for three regional centers operated by the Department for persons with developmental disabilities. Persons served by the regional centers in Wheat Ridge, Grand Junction, and Pueblo usually have multiple disabling conditions that may include maladaptive behaviors or severe, chronic medical conditions that require specialized and intensive levels of services. The regional centers have the capacity to serve 403 persons, including 108 on-campus intermediate care facility (ICF) and skilled nursing beds and 295 Medicaid waiver beds. The average annual cost per bed, including costs that are charged to other parts of the Department and

depreciation costs, is projected to be \$134,739 in FY 2006-07. Most of the cash funds exempt amounts reflected in this section of the budget are Medicaid funds transferred from the Department of Health Care Policy and Financing (HCPF). Most of these funds are appropriated as 50 percent General Fund and 50 percent federal funds in HCPF.

<i>Regional Centers</i>	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$43,212,812	\$244,460	\$2,608,448	\$40,359,904	\$0	887.4
<i>Recommended Changes from FY 2006-07 Appropriation</i>						
Annualize salary increases	1,343,798	0	0	1,343,798	0	0.0
Increase staffing	359,211	0	0	359,211	0	14.5
Add General Fund physician services	244,460	244,460	0	0	0	1.5
Medical inflation	11,941	0	0	11,941	0	0.0
Food inflation	10,735	0	0	10,735	0	0.0
Eliminate one-time funding	(244,460)	(244,460)	0	0	0	0.0
Fund split adjustment	0	0	27,558	(27,558)	0	0.0
Total FY 2007-08						
JBC Recommendation	\$44,938,497	\$244,460	\$2,636,006	\$42,058,031	\$0	903.4
\$ Change from prior year	\$1,725,685	\$0	\$27,558	\$1,698,127	\$0	16.0
% Change from prior year	4.0%	0.0%	1.1%	4.2%	n/a	1.8%

Issue Descriptions

Annualize salary increases: The recommendation includes salary increases allocated to this division in FY 2006-07.

Increase staffing: The recommendation includes an increase of 29.0 FTE for six months (shown as 14.5 FTE for the first year) to increase staffing at the regional centers. The regional centers serve a more needy population than in the past because they limit admission to clients with the most serious medical and behavioral problems. As a result, the regional centers require higher staff-to-client ratios.

Add General Fund physician services: The recommendation includes funding for 1.5 FTE physicians. Medicaid funds for physician services were previously transferred to the Medicaid State Plan under a federal mandate. However, the regional centers have not been able to identify Medicaid State Plan-funded physicians who will serve their population. As a result, the Department requested, and the Joint Budget Committee recommends, adding General Fund physician services. Funding for contract physician services was also provided on a one-time basis in FY 2006-07.

Medical inflation: The recommendation reflects the application of a common policy inflationary increase of 2.0 percent for medical, laboratory, and pharmaceutical expenditures.

Food inflation: The recommendation reflects the application of a common policy inflationary increase of 1.8 percent for food.

Fund split adjustment: The recommendation includes an adjustment to anticipated revenue from patients (e.g., for room and board) that offsets Medicaid funds otherwise required.

Eliminate one-time funding: The recommendation eliminates one-time funding for contract physician services.

Services for Children and Families (Subsection of Developmental Disabilities Services): This section previously contained appropriations for the Early Intervention, Family Support Services and Children's Extensive Support programs for children with developmental disabilities, as well as the federal Part C grant program. For FY 2007-08, funding is transferred to the Community Services section of Developmental Disability Services.

<u><i>Services for Children and Families</i></u>	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$31,370,538	\$17,882,166	\$0	\$6,581,405	\$6,906,967	6.5
Long Bill Supplemental	<u>(1,567,391)</u>	<u>0</u>	<u>0</u>	<u>(1,567,391)</u>	<u>0</u>	<u>0.0</u>
FY 2006-07 Adjusted Appropriation	\$31,370,538	\$17,882,166	\$0	\$6,581,405	\$6,906,967	6.5
<i>Recommended Changes from FY 2006-07 Appropriation</i>						
Add 104 early intervention resources	537,432	510,560	0	26,872	0	0.0
Annualize one-time supplementals	385,149	(1,182,242)	0	1,567,391	0	0.0
Provider rate increase	372,730	246,440	0	126,290	0	0.0
Consolidate funding	(32,665,848)	(17,186,364)	0	(8,572,518)	(6,906,966)	(6.5)
Annualize funds added in FY 2006-07	(1)	(270,560)	0	270,560	(1)	0.0
Total FY 2007-08 JBC Recommendation	\$0	\$0	\$0	\$0	\$0	0.0
\$ Change from prior year	(\$31,370,538)	(\$17,882,166)	\$0	(\$6,581,405)	(\$6,906,967)	(6.5)
% Change from prior year	(100.0)%	(100.0)%	n/a	(100.0)%	(100.0)%	(100.0)%

Issue Descriptions

Long Bill Supplemental: The recommendation includes a mid-year adjustment to FY 2006-07 appropriations that reduces this section's Medicaid cash funds exempt appropriation and increases the General Fund appropriation to the Community Services, Adult Program Costs line item. The adjustment in this section is due to projected under-utilization of the FY 2006-07 Medicaid appropriation for the Children's Extensive Support program. The net General Fund impact of this supplemental *statewide*, combined with the adjustment to Community Services, Adult Program Costs and including adjustments in the Department of Health Care Policy and Financing, is \$0.

Add 104 early intervention resources: The recommendation includes funding to add early intervention services for 104 infants and toddlers with developmental disabilities for a full year. The case management portion of the funding is described in the Community Services section. Beginning in FY 2007-08, funding for adults and children, including case management, will be consolidated in the Community Services section.

Annualize one-time supplementals: The recommendation annualizes one-time FY 2006-07 adjustments. This includes: (a) reversing the adjustment made in the Long Bill supplemental described above; (b) eliminating a one-time \$1.0 million General Fund appropriation for child find services for infants and toddlers; and (c) eliminating a one-time appropriation of \$182,242 General Fund to limit the impact of changes in the regional allocation of early intervention funding.

Provider rate increase: The recommendation includes a 1.5 percent cost-of-living adjustment for programs funded in this section.

Consolidate funding: The recommendation moves all funding previously located in the Services for Children and Families section into the Community Services section. This change in location has no impact on total FY 2007-08 funding for Developmental Disability Services.

Annualize funds added in FY 2006-07: The recommendation reduces General Fund and increases Medicaid cash funds to reflect full Medicaid funding for 30 new Children's Extensive Support resources added in FY 2006-07. The original appropriation was based on six months General Fund and six months Medicaid support. The recommendation also includes a \$1 decrease to the anticipated federal Part C early intervention grant.

Work Therapy Program (Subsection of Developmental Disabilities Services): This section appropriates Work Therapy Enterprise Funds for the mental health institute at Fort Logan and the Regional Centers for persons with developmental disabilities in Grand Junction, Pueblo, and Wheat Ridge. These funds support sheltered workshop programs for training and employment of clients. Revenue is derived from contracts with area businesses and organizations for work performed.

<u><i>Work Therapy Program</i></u>	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$464,900	\$0	\$324,846	\$140,054	\$0	1.5
<i>Recommended Changes from FY 2006-07 Appropriation</i>						
Base reduction	(311)	0	(273)	(38)	0	0.0
Total FY 2007-08 JBC Recommendation	\$464,589	\$0	\$324,573	\$140,016	\$0	1.5
\$ Change from prior year	(\$311)	\$0	(\$273)	(\$38)	\$0	0.0
% Change from prior year	(0.1)%	n/a	(0.1)%	0.0%	n/a	0.0%

Issue Descriptions

Base reduction: The recommendation reflects a base reduction of 0.5 percent of base salaries.

Division of Vocational Rehabilitation: This subsection of Services for People with Disabilities contains appropriations to assist persons with physical and mental disabilities in overcoming barriers to employment. Vocational counseling services are provided statewide satellite offices, and associated educational and medical services are purchased for program participants. In addition to providing vocational services, the Division assists persons with disabilities in achieving independent living and integrating successfully in their communities. Most funding for the Division is based on a match of 78.7 percent federal vocational

rehabilitation funds to 21.3 percent non-federal funds. Cash and cash exempt amounts are from various local and government sources.

<i>Division of Vocational Rehabilitation</i>	Total	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$52,480,015	\$6,449,438	\$696,724	\$5,883,406	\$39,450,447	250.2
<i>Recommended Changes from FY 2006-07 Appropriation</i>						
Add disability navigators and expand Rehabilitation Program - Local Match	1,180,000	0	0	290,690	889,310	9.0
Expand Business Enterprise Program	1,047,322	0	0	223,080	824,242	0.0
Commission on Deaf ongoing funding	632,978	0	316,489	316,489	0	1.5
Annualize salary increases	296,285	57,837	3,514	5,519	229,415	0.0
Provider rate increase	294,778	27,542	0	50,760	216,476	0.0
Annualize S.B. 06-61 (legal interpreter)	224,592	17,130	103,731	103,731	0	0.3
Medical inflation	71,365	3,420	0	11,781	56,164	0.0
Move Commission on Deaf line items	(1,420,290)	(130,842)	(644,724)	(644,724)	0	(2.3)
Eliminate one-time funding	(907,480)	0	0	(193,293)	(714,187)	0.0
Eliminate spending authority reserves	(283,750)	0	0	(283,750)	0	(1.0)
Base reduction	(70,613)	(13,495)	(184)	(1,288)	(55,646)	0.0
Total FY 2007-08 JBC Recommendation	\$53,545,202	\$6,411,030	\$475,550	\$5,762,401	\$40,896,221	257.7
\$ Change from prior year	\$1,065,187	(\$38,408)	(\$221,174)	(\$121,005)	\$1,445,774	7.5
% Change from prior year	2.0%	(0.6)%	(31.7)%	(2.1)%	3.7%	3.0%

Issue Descriptions

Add disability navigators and expand Rehabilitation Program - Local Match: The recommendation transfers 9.0 FTE disability navigators and related contract staff from the Department of Local Affairs to the Division of Vocational Rehabilitation. The transfer was requested due to the end of the federal grant that previously supported this program. In the Division of Vocational Rehabilitation, costs will be temporarily supported through Division reserve funds (deferred revenue) and 78.7 percent federal match. The recommendation also includes funding for additional one-time Division special projects.

Expand Business Enterprise Program: The recommendation includes spending authority to allow renovation and expansion of food vending facilities operated by blind vendors. This program assists people who are blind in developing food service businesses in state and federal buildings. Funds for this initiative come from assessments on blind vendors who participate in the program and 78.7 percent federal match.

Commission on Deaf ongoing funding: The recommendation is to provide an appropriation from the Disabled Telephone Users Fund for the Colorado Commission on the Deaf and Hard of Hearing. This will enable the Commission to fulfill its statutory functions of serving as a liaison and referral agency between hearing impaired and deaf citizens and the state government and distributing telecommunications equipment to the deaf and hard of hearing community.

Annualize salary increases: The recommendation includes salary increases allocated to this division in FY 2006-07.

Provider rate increase: The recommendation includes a 1.5 percent cost-of-living adjustment for programs funded in this section.

Annualize S.B. 06-61 (legal interpreters): This bill moved responsibility and funding for oversight of legal interpreters for the deaf and hard of hearing from the Division of Vocational Rehabilitation and the Judicial Department to the Colorado Commission on the Deaf and Hard of Hearing. Consistent with the fiscal note, amounts are annualized in FY 2007-08.

Medical inflation: The recommendation reflects the application of a common policy inflationary increase of 2.0 percent for medical, laboratory, and pharmaceutical expenditures.

Move Commission on Deaf line items: The recommendation moves all funding associated with the Commission on the Deaf and Hard of Hearing (including legal interpreter funding and the various increases and decreases reflected in this table) to the Human Services' Executive Director's Office (for cash funds exempt and General Fund appropriations to the Commission on the Deaf and Hard of Hearing) and to the Department of Regulatory Agencies (for cash funds appropriations from the Disabled Telephone Users Fund to the Colorado Commission on the Deaf and Hard of Hearing Cash Fund).

Eliminate one-time funding: The recommendation eliminates several one-time appropriations, including funding for Business Enterprise Program projects.

Eliminate reserve spending authority: The recommendation eliminates spending from reserves for the Commission on the Deaf, as reserves are now exhausted. As discussed above, reserve spending is recommended to be replaced with ongoing funding from the Disabled Telephone Users Fund.

Base reduction: The recommendation reflects a base reduction of 0.5 percent of base salaries.

Homelake Domiciliary and State and Veterans Nursing Homes: This subsection of Services for People with Disabilities reflects funding for: (1) Homelake Domiciliary, a 46-bed group living facility which serves residents who do not require continuous nursing or medical care but who may need assistance with meals, housekeeping, personal care, laundry, and access to a physician; and (2) the six state nursing homes, five of which are classified as veterans nursing homes and are eligible for federal Veterans Administration support. Homelake Domiciliary and the State and Veterans Nursing Homes are enterprises that have been granted continuous spending authority; therefore, with the exception of any General Fund appropriations, amounts shown are for informational purposes only. Cash funds exempt amounts reflect estimated resident payments for services; federal funds amounts reflect estimated U.S. Veteran's Administration per diem support.

<i>Homelake Domiciliary and State and Veterans Nursing Homes</i>	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$43,844,197	\$567,407	\$0	\$32,742,148	\$10,534,642	689.8
<i>Recommended Changes from FY 2006-07 Appropriation</i>						
Nursing home expense projection	3,892,637	0	0	3,971,619	(78,982)	0.0
Nursing home indirect cost location	541,925	541,925	0	0	0	0.0
Homelake common policy adjustments	14,074	2,734	0	7,231	4,109	0.0
Homelake Long Bill restructure	(1,088,956)	0	0	(669,223)	(419,733)	(16.4)
Nursing home consulting services	(195,626)	(195,626)	0	0	0	0.0
Oversight commission	(36,600)	0	0	(36,600)	0	0.0
Total FY 2007-08 JBC Recommendation	\$46,971,651	\$916,440	\$0	\$36,015,175	\$10,040,036	673.4
\$ Change from prior year	\$3,127,454	\$349,033	\$0	\$3,273,027	(\$494,606)	(16.4)
% Change from prior year	7.1%	61.5%	n/a	10.0%	(4.7)%	(2.4)%

Issue Descriptions

Nursing home expense projection: The recommendation includes an adjustment to the overall amount shown for state and veterans nursing home program costs, based on the homes' anticipated FY 2007-08 expenditures.

Nursing home indirect cost location: The recommendation moves General Fund that has historically been used to cover nursing home indirect costs from the Office of Operations to this section. The adjustment is solely for the purpose of making this support visible; it will have no material impact on nursing home support.

Homelake common policy adjustments: The recommendation includes adjustments for salary and benefits allocated in FY 2006-07, the 0.5 percent base reduction, and medical and food inflation.

Homelake Long Bill restructure: The recommendation is to change the Long Bill format for the Domiciliary to eliminate cash funds exempt and federal amounts over which the General Assembly has no control and to instead reflect Homelake General Fund support in a single line item. This does not change total funds available for Homelake.

Nursing home consulting services: The recommendation reduces by 50 percent the General Fund subsidy for consulting services at the nursing homes. It is anticipated that the balance of costs for such services will be covered by the nursing homes.

Oversight committee: The recommendation eliminates funding for the Legislative Oversight Committee on the State and Veterans Nursing Homes, as the Committee is scheduled to sunset.

Adult Assistance Programs: This section includes funding for the Old Age Pension Program, for various adult cash assistance programs and for community services for the elderly, including Older Americans Act programs. Additional detail on funding changes in Adult Assistance Programs is reflected in the subsection tables and narratives below.

Adult Assistance Programs	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$131,436,094	\$25,265,022	\$81,857,677	\$10,574,340	\$13,739,055	28.5
Recommended Changes from FY 2006-07 Appropriation						
Administration	8,054	349	0	1,777	5,928	0.0
Old Age Pension Program	3,035,147	0	3,035,147	0	0	0.0
Other Grant Programs	136,500	109,200	0	27,300	0	0.0
Community Services for the Elderly	730,170	2,533	0	40,000	687,637	0.0
Total FY 2007-08 JBC Recommendation	\$135,345,965	\$25,377,104	\$84,892,824	\$10,643,417	\$14,432,620	28.5
\$ Change from prior year	\$3,909,871	\$112,082	\$3,035,147	\$69,077	\$693,565	0.0
% Change from prior year	3.0%	0.4%	3.7%	0.7%	5.0%	0.0%

Subsection Detail

Administration: This subsection of Adult Assistance Programs includes funding and staffing for management of all programs within Adult Assistance and for oversight of programs within the Other Grant Programs subsection.

Administration	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$537,855	\$95,587	\$0	\$94,773	\$347,495	6.0
Recommended Changes from FY 2006-07 Appropriation						
Personal services adjustments	\$8,054	349	0	1,777	5,928	0.0
Total FY 2007-08 JBC Recommendation	\$545,909	\$95,936	\$0	\$96,550	\$353,423	6.0
\$ Change from prior year	\$8,054	\$349	\$0	\$1,777	\$5,928	0.0
% Change from prior year	1.5%	0.4%	n/a	1.9%	1.7%	0.0%

Issue Descriptions

Personal services adjustments: The recommendation reflects common policy with regard to adjustments to personal services line items. The adjustments include annualizing salary survey amounts awarded in FY 2006-07 and a 0.5 percent base reduction.

Old Age Pension Program: This program, authorized by the State Constitution, provides cash assistance, up to a maximum of \$604 per person, per month (as of January 2005) to eligible individuals age 60 and older. Revenue for the Old Age Pension Fund is generated through 85 percent of license fees, liquor and excise taxes, and 100 percent of inheritance and incorporation taxes; revenues that are not utilized for the OAP Program "spill over" into the General Fund. As the earmarked revenues are continuously appropriated by the State Constitution, the Long Bill simply reflects anticipated program expenditures for informational purposes.

<i>Old Age Pension Program</i>	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$79,446,039	\$0	\$78,857,677	\$588,362	\$0	14.0
<i>Recommended Changes from FY 2006-07 Appropriation</i>						
Caseload and average payment increases	2,978,897	0	2,978,897	0	0	0.0
Provider rate increase	35,430	0	35,430	0	0	0.0
Personal services adjustments	16,373	0	16,373	0	0	0.0
H.B. 06S-1023 annualization	4,447	0	4,447	0	0	0.0
Total FY 2007-08 JBC Recommendation	\$82,481,186	\$0	\$81,892,824	\$588,362	\$0	14.0
\$ Change from prior year	\$3,035,147	\$0	\$3,035,147	\$0	\$0	0.0
% Change from prior year	3.8%	n/a	3.8%	0.0%	n/a	0.0%

Issue Descriptions

Caseload and average payment increases: The recommendation funding based on the forecast for the total benefits that will be paid under the Old Age Pension Program. The funds for the program are continuously appropriated, and this amount is shown for informational purposes only.

Provider rate increase: The General Assembly has traditionally applied the community provider rate increase to the county administration portion of this program. The recommendation reflects the common policy 1.5 percent community provider rate increase.

Personal services adjustments: The recommendation reflects common policy with regard to adjustments to personal services line items. The adjustments include annualizing salary survey amounts awarded in FY 2006-07 and a 0.5 percent base reduction.

H.B. 06S-1023 annualization: The counties incur additional administration costs due to the requirements of H.B. 06S-1023. The recommendation reflects annualization of those costs, less one-time costs incurred in FY 2006-07.

Other Grant Programs: This subsection of Adult Assistance Programs contains appropriations for programs providing cash assistance to disabled individuals and individuals needing assistance with the activities of daily living. Cash fund exempt sources include county matching funds and interim assistance reimbursements from the federal government for individuals who become eligible for Supplemental Security Income (SSI).

<i>Other Grant Programs</i>	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$28,837,875	\$22,201,242	\$0	\$6,636,633	\$0	0.0
Recommended Changes from FY 2006-07 Appropriation						
Expected benefits adjustments	136,500	109,200	0	27,300	0	0.0
Total FY 2007-08 JBC Recommendation	\$28,974,375	\$22,310,442	\$0	\$6,663,933	\$0	0.0
\$ Change from prior year	\$136,500	\$109,200	\$0	\$27,300	\$0	0.0
% Change from prior year	0.5%	0.5%	n/a	0.4%	n/a	n/a

Issue Descriptions

Expected benefits adjustments: The recommendation reflects more current estimates of the benefits that will be paid under the various programs funded in this unit.

Community Services for the Elderly: This subsection of Adult Assistance Programs includes appropriations for programs associated with the Older Americans Act, including the Older Coloradans Program established by H.B. 00-1072. These programs are administered by 16 Area Agencies on Aging (AAA) located throughout the state. Services include: supportive services, senior centers, nutrition services, in-home services for persons above the eligibility thresholds for Medicaid, and disease prevention and health promotion services.

<i>Community Services for the Elderly</i>	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$22,614,325	\$2,968,193	\$3,000,000	\$3,254,572	\$13,391,560	8.5
Recommended Changes from FY 2006-07 Appropriation						
Increased funding for federal matching purposes	720,000	0	0	40,000	680,000	0.0
Personal services adjustments	10,170	2,533	0	0	7,637	0.0
Refinance	0	0	0	0	0	0.0
Total FY 2007-08 JBC Recommendation	\$23,344,495	\$2,970,726	\$3,000,000	\$3,294,572	\$14,079,197	8.5
\$ Change from prior year	\$730,170	\$2,533	\$0	\$40,000	\$687,637	0.0
% Change from prior year	3.2%	0.1%	0.0%	1.2%	5.1%	0.0%

Issue Descriptions

Increased funding for federal matching purposes: From time to time, the federal government makes additional funds available to the states if they increase their own spending on Older Americans Act programs. The federal match is 17:1. The recommendation reflects the anticipated level of spending required to maximize federal matching dollars.

Personal services adjustments: The recommendation reflects common policy with regard to adjustments to personal services line items. The adjustments include annualizing salary survey amounts awarded in FY 2006-07 and a 0.5 percent base reduction.

Refinance: The recommendation reflects a refinancing necessary to replace local dollars with General Fund dollars in order to achieve the level of spending that will draw down the maximum amount of federal matching funds.

Division of Youth Corrections: The Division of Youth Corrections (DYC) is responsible for the supervision, care, and treatment of: (1) detained juveniles awaiting adjudication; (2) juveniles committed or sentenced to the Department of Human Services by courts; and (3) juveniles on parole from a facility operated or contracted for by the Division. The Division is not responsible for juveniles sentenced as adults to the Department of Corrections' Youthful Offender System. In addition to treating incarcerated and paroled juveniles, DYC administers the S.B. 91-94 grant program intended to divert juveniles from detention and commitment, or to reduce their length of stay. DYC maintains institutional centers and augments this capacity with contracts for community placements, secure placements, and detention placements.

Division of Youth Corrections	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$131,546,148	\$125,673,313	\$89,426	\$4,471,417	\$1,311,992	986.9
Recommended Changes from FY 2006-07 Appropriation						
S.B. 91-94	1,856,017	1,856,017	0	0	0	0.0
Annualize FY 06-07 supplemental	1,620,620	464,439	0	1,156,181	0	0.0
Provider rate increase	1,100,888	1,043,515	0	41,443	15,930	0.0
Annualize salary increases	1,275,545	1,273,782	0	1,763	0	0.0
20-bed mental health facility	900,327	900,327	0	0	0	11.8
Annualize RTC redesign	513,126	0	0	513,126	0	0.0
Medical services	456,570	456,570	0	0	0	0.0
Critical post staffing	212,638	212,638	0	0	0	5.6
Leap year adjustment	190,259	174,391	0	12,958	2,910	0.0
Food and medical increases	111,409	111,409	0	0	0	0.0
Case management and parole services	(525,182)	1,067,086	0	(1,592,268)	0	0.0
Base reduction	(283,494)	(282,759)	0	(735)	0	0.0
One-time funding reductions	(110,548)	(110,548)	0	0	0	0.0
Total FY 2007-08 JBC Recommendation	\$138,864,323	\$132,840,180	\$89,426	\$4,603,885	\$1,330,832	1,004.3
\$ Change from prior year	\$7,318,175	\$7,166,867	\$0	\$132,468	\$18,840	17.4
% Change from prior year	5.6%	5.7%	0.0%	3.0%	1.4%	1.8%

Note: The cash funds exempt amounts reflected in this section of the budget include Medicaid funds transferred from the Department of Health Care Policy and Financing (HCPF). Most of these funds are appropriated as 50 percent General Fund and 50 percent federal funds in HCPF.

Issue Descriptions

S.B. 91-94: The recommendation restores funding for S.B. 91-94 programs, which provide alternatives to secure detention.

Annualize FY 06-07 supplemental: The recommendation reflects an increase to annualize the funding added for FY 2006-07.

Provider rate increase: The recommendation includes an increase of 1.5 percent for cost-of-living adjustments.

Annualize salary increases: The recommendation includes salary increases allocated to the Division in FY 2006-07.

20-bed mental health facility: The recommendation reflects an increase primarily related to the annualization of the 20-bed mental health facility in Pueblo.

Annualize RTC redesign: The recommendation reflects an increase related to the annualization of H.B. 06-1395, which redesigned the residential treatment centers.

Medical services increase: The recommendation reflects an increase related to escalating medical and psychiatric services costs (primarily pharmaceuticals).

Critical post staffing: The recommendation adds funding for critical post staffing at the Marvin W. Foote Youth Services Center. The recommendation brings the relief factor for critical post staffing to 5.22 FTE per 24/7 post, compared with the current relief factor of 4.8 FTE. The 5.22 FTE relief factor is the same factor that was approved for the 20-bed mental health facility in Pueblo. [The Division plans to request additional staffing increases at its other facilities in future years in order to bring all of its facilities up to the 5.22 FTE relief factor for critical post staffing.]

Leap year adjustment: The recommendation reflects an increase to account for an additional day of services and contractual obligations due to FY 2007-08 being a leap year.

Food and medical increases: The recommendation reflects an increase of 1.8 percent and 2.0 percent for food and medical expenses, respectively, which are not incidental.

Case management and parole services: The recommendation reflects a decrease related to case management and parole based on the December 2006 Legislative Council Staff (LCS) population projections for committed youths and juvenile parolees.

Base reduction: The recommendation reflects a base reduction of 0.5 percent of base salaries.

Eliminate one-time funding: The recommendation eliminates one-time capital outlay appropriations associated with the 20-bed mental health facility in Pueblo.

Judicial Department

Department Description: The Judicial Department is comprised of the state court system, which includes the Supreme Court, the Court of Appeals, district courts in 22 judicial districts, and 64 county courts (Denver County Court is not part of the state court system). The Judicial Department is also responsible for the operation of the State's probation system, and monitoring and regulating the practice of law within the State. Additionally, the Judicial Department houses three independent agencies, the Colorado State Public Defender's Office, the Office of Alternate Defense Counsel, and the Office of the Child's Representative.

Summary Table for Judicial Department						
	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$341,391,982	\$264,610,489	\$64,937,225	\$9,548,021	\$2,296,247	3,544.6
<i>Recommended Changes from FY 2006-07 by Long Bill Division</i>						
Supreme Court/Court of Appeals	6,414	(38,586)	45,000	0	0	5.0
Courts Administration	12,109,104	10,275,987	1,768,579	69,321	(4,783)	2.3
Trial Courts	2,649,366	2,533,656	115,710	0	0	29.0
Probation and Related Services	10,480,517	9,500,756	215,987	763,774	0	113.4
Public Defender	6,320,904	6,194,295	133,000	(6,391)	0	83.1
Alternate Defense Counsel	3,349,041	3,349,041	0	0	0	1.5
Office of the Child's Representative	1,044,876	1,044,876	0	0	0	21.8
Total FY 2007-08 JBC Recommendation	\$377,352,204	\$297,470,514	\$67,215,501	\$10,374,725	\$2,291,464	3,800.7
\$ Change from prior year	\$35,960,222	\$32,860,025	\$2,278,276	\$826,704	(\$4,783)	256.1
% Change from prior year	10.5%	12.4%	3.5%	8.7%	(0.2)%	7.2%

Recommendation Highlights:

1. Adds \$11.0 million General Fund and \$1.7 million cash funds for adjustments to centrally-appropriated line items such as salary survey, short-term disability, state contributions to health, life, and dental benefits, state contributions to the Public Employees' Retirement Association (PERA) pension fund, workers' compensation, and risk management.
2. Adds \$6.0 million General Fund for 111.5 FTE additional probation officers, supervisors, and secretaries.
3. Adds \$5.3 million General Fund and \$310,000 cash funds to annualize salary increases awarded in FY 2006-07. These increases are partially offset by reductions of \$779,000 General Fund and \$56,000 cash funds due to the 0.5 percent personal services base reduction.
4. Adds \$3.6 million General Fund for 81.1 FTE attorneys, secretaries, and investigators in the Public Defender's Office to address caseload growth.

5. Adds \$2.4 million and \$265,000 General Fund to address case cost and caseload increases for the Alternate Defense Counsel and the Office of the Child's Representative, respectively.
6. Adds \$2.2 million General Fund for community-based treatment services for probationers; this funding is associated with S.B. 03-318, which reduced felony levels for certain drug possession and use offenses.
7. Adds a total of \$2.0 million General Fund (including \$520,000 for the Judicial Department, \$863,000 for the Alternate Defense Counsel, and \$640,000 for the Office of the Child's Representative) to raise court-appointed counsel hourly rates from \$57 per hour to \$60 per hour.
8. Adds \$1.0 million General Fund for 28.0 FTE additional Trial Courts staff.

Budget Recommendation Detail by Long Bill Division

Supreme Court/Court of Appeals: This division is comprised of the Supreme Court and the Court of Appeals. The Supreme Court is the highest court in the State and general supervisory control over the lower courts. The Supreme Court provides appellate review of final judgements of lower courts and has original jurisdiction over cases relating to the constitutionality of law; decisions of the state Public Utilities Commission; writs of habeas corpus; certain water cases; certain proceedings arising from the state election code; and some prosecutorial appeals. The Court of Appeals has initial appellate jurisdiction over appeals from district courts and Denver's probate and juvenile courts. In addition, the Court of Appeals has initial statutory jurisdiction over appeals of certain final orders from various state agencies.

Supreme Court/Court of Appeals	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$16,069,867	\$9,671,867	\$6,193,000	\$205,000	\$0	180.2
Recommended Changes from FY 2006-07 Appropriation						
Personal services adjustments	203,351	203,351	0	0	0	0.0
Continuously appropriated funds	45,000	0	45,000	0	0	5.0
Eliminate one-time funding	(241,937)	(241,937)	0	0	0	0.0
Total FY 2007-07 JBC Recommendation	\$16,076,281	\$9,633,281	\$6,238,000	\$205,000	\$0	185.2
\$ Change from prior year	\$6,414	(\$38,586)	\$45,000	\$0	\$0	5.0
% Change from prior year	0.0%	(0.4)%	0.7%	0.0%	n/a	2.8%

Issue Descriptions

Personal services adjustments: The recommendation includes \$250,990 General Fund for FY 2006-07 to annualize salary increases awarded in FY 2006-07. This increase is partially offset by a reduction of \$47,639 General Fund for the 0.5 percent personal services base reduction.

Continuously appropriated funds: The recommendation includes increases of \$45,000 cash funds for continuing legal education and 5.0 FTE for the Attorney Regulation Committees based on anticipated

expenditures and FTE use. These line items are shown for information purposes only as they are continuously appropriated as part of the Supreme Court's constitutional responsibilities.

Eliminate one-time funding: The recommendation includes the elimination of one-time funding for capital outlay associated with judges and staff added in FY 2006-07.

Courts Administration: This division contains appropriations for the administration of Colorado's courts and probation department. It also includes several specialized programs. The division contains the following subdivisions: (1) Administration (State Court Administrator's Office); (2) Administrative Special Purpose; and (3) Integrated Information Services. Prior to FY 2007-08, funding for the Judicial Performance Program appeared as a separate subdivision in this section. For FY 2007-08, the recommendation includes moving the appropriation for Judicial Performance into the Administration subdivision.

Courts Administration	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$41,532,346	\$30,668,703	\$8,545,776	\$2,307,532	\$10,335	197.8
Recommended Changes from FY 2006-07 Appropriation						
Administration (State Court Administrator's Office)	1,130,889	421,919	644,432	69,321	(4,783)	2.3
Administrative Special Purpose	11,501,346	9,696,282	1,805,064	0	0	0.0
Judicial Performance	(565,997)	0	(565,997)	0	0	(1.0)
Integrated Information Services	42,866	157,786	(114,920)	0	0	1.0
Total FY 2007-08 JBC Recommendation	\$53,641,450	\$40,944,690	\$10,314,355	\$2,376,853	\$5,552	200.1
\$ Change from prior year	\$12,109,104	\$10,275,987	\$1,768,579	\$69,321	(\$4,783)	2.3
% Change from prior year	29.2%	33.5%	20.7%	3.0%	(46.3)%	1.2%

Subdivision Detail

Administration (State Court Administrator's Office): Responsibilities of the State Court Administrator's Office include: (1) coordination and control of budgeting, human resources, data processing, and management services for the entire Judicial Department; (2) internal audits, training, and technical assistance for court programs, judicial districts, and probation offices; and (3) support for the probation offices.

Administration (State Court Administrator's Office)	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$8,340,535	\$5,594,225	\$1,283,672	\$1,452,303	\$10,335	64.5
Recommended Changes from FY 2006-07 Appropriation						
Long Bill reorganization	568,294	0	568,294	0	0	1.0
Personal services adjustments	407,787	407,787	0	0	0	0.0
HR staff increase due to additional probation staff	61,405	61,405	0	0	0	1.0
HR staff increase due to additional trial courts staff	17,992	17,992	0	0	0	0.3

Administration (State Court Administrator's Office)	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
Other	75,411	(65,265)	76,138	69,321	(4,783)	0.0
Total FY 2007-08 JBC Recommendation	\$9,471,424	\$6,016,144	\$1,928,104	\$1,521,624	\$5,552	66.8
\$ Change from prior year	\$1,130,889	\$421,919	\$644,432	\$69,321	(\$4,783)	2.3
% Change from prior year	13.6%	7.5%	50.2%	4.8%	(46.3)%	3.6%

Issue Descriptions

Long Bill reorganization: The recommendation includes merging the Judicial Performance Personal Services and Operating Expenses line items to provide the program with additional flexibility and moving the appropriation from a separate subdivision into the Administration subdivision.

Personal services adjustments: The recommendation includes \$426,943 General Fund to annualize salary increases awarded in FY 2006-07. This increase is partially offset by a reduction of \$19,156 General Fund for the 0.5 percent personal services base reduction.

HR staff increase due to additional probation staff: Due to the increase of 111.5 probation staff, the recommendation also includes funding for 1.0 Human Resources FTE to allow the Department to maintain a certain base level of support functions.

HR staff increase due to additional trial courts staff: Due to the increase of 28.0 trial courts staff, the recommendation also includes funding for 0.3 Human Resources FTE to allow the Department to maintain a certain base level of support functions.

Other: The recommendation includes: (1) an increase of \$11,082 General Fund to annualize new FTE salaries that were only appropriated for 11 months in FY 2006-07; (2) a \$6,010 General Fund reduction to eliminate one-time funding for capital outlay in FY 2006-07; and (3) adjustments to the Department's indirect cost assessments.

Administrative Special Purpose: This subdivision includes several programs within the Judicial Department, such as the Office of Dispute Resolution, the Child Support Enforcement Program, and the Retired Judge Program. The subdivision also includes centrally appropriated line items, such as salary survey, workers' compensation, legal services, and payments related to risk management.

Administrative Special Purpose	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$24,884,639	\$19,925,615	\$4,322,795	\$636,229	\$0	84.2
Recommended Changes from FY 2006-07 Appropriation						
Salary survey and anniversary funding	7,205,844	6,398,094	807,750	0	0	0.0
State contribution for health, life and dental	2,697,053	1,990,506	706,547	0	0	0.0
PERA amortization equalization disbursement	1,173,003	973,949	199,054	0	0	0.0
Miscellaneous common policy changes	470,542	456,434	14,108	0	0	0.0
FY 2006-07 Salary survey awards	78,205	0	78,205	0	0	0.0
Other	(123,301)	(122,701)	(600)	0	0	0.0
Total FY 2007-08 JBC Recommendation	\$36,385,985	\$29,621,897	\$6,127,859	\$636,229	\$0	84.2
\$ Change from prior year	\$11,501,346	\$9,696,282	\$1,805,064	\$0	\$0	0.0
% Change from prior year	46.2%	48.7%	41.8%	0.0%	n/a	0.0%

Issue Descriptions

Salary survey and anniversary funding: The recommendation includes increases for salary survey and anniversary increases which are funded through centrally-appropriated line items in the Administration Division in the year of the award and are incorporated into base funding for each division in the subsequent year.

State contribution for health, life and dental: The recommendation includes adjustments to this centrally-appropriated line item.

PERA amortization equalization disbursement: The recommendation includes increases for Public Employees' Retirement Association (PERA) amortization equalization disbursement pursuant to S.B. 04-257 and S.B. 06-235.

Miscellaneous common policy changes: The recommendation includes the following increases for centrally-appropriated line items: \$417,404 for workers' compensation; \$67,651 for short-term disability; \$18,007 for legal services; and \$17,856 for vehicle lease payments. These increases are partially offset by a \$50,376 reduction in payment to risk management.

FY 2006-07 Salary survey awards: The recommendation includes \$78,205 to annualize salary increases awarded in FY 2006-07.

Other: The recommendation includes a reduction of \$139,462 General Fund based on anticipated costs for retired judges. The recommendation also includes an increase of \$16,761 General Fund and a reduction of \$600 cash funds to align the Leased Space line item with anticipated expenditures.

Judicial Performance: This program provides a system of evaluating judicial performance in order to: (1) provide persons who are voting on the retention of justices and judges with fair, responsible, and constructive information about judicial performance; and (2) provide justices and judges with useful information concerning their own performances.

Judicial Performance	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$565,997	\$0	\$565,997	\$0	\$0	1.0
Recommended Changes from FY 2006-07 Appropriation						
FY 2006-07 Salary survey awards	2,297	0	2,297	0	0	0.0
Long Bill reorganization	(568,294)	0	(568,294)	0	0	(1.0)
Total FY 2007-08 JBC Recommendation	\$0	\$0	\$0	\$0	\$0	0.0
\$ Change from prior year	(\$565,997)	\$0	(\$565,997)	\$0	\$0	(1.0)
% Change from prior year	(100.0)%	n/a	(100.0)%	n/a	n/a	(100.0)%

Issue Descriptions

FY 2006-07 Salary survey awards: The recommendation includes \$2,297 to annualize salary increases awarded in FY 2006-07.

Long Bill reorganization: The recommendation includes merging the Judicial Performance Personal Services and Operating Expenses line items to provide the program with additional flexibility and moving the appropriation from a separate subdivision into the Administration subdivision.

Integrated Information Services: This subdivision provides automated data processing services to the state courts and probation offices. Major systems supported by this subdivision include: (1) the Integrated Colorado On-line Network (ICON), which handles case tracking and financial functions for the trial courts and probation departments; (2) the Colorado Integrated Criminal Justice Information System (CICJIS), which shares and tracks data concerning offenders among the various criminal justice agencies, including law enforcement, district attorneys, courts, and adult and youth corrections; (3) the appellate case tracking system; (4) the court-appointed counsel system; and (5) the state court administrator's local-area network.

Integrated Information Services	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$7,741,175	\$5,148,863	\$2,373,312	\$219,000	\$0	48.1
Recommended Changes from FY 2006-07 Appropriation						
Personal services adjustments	73,759	73,759	0	0	0	0.0
IT staff increase due to additional probation staff	53,757	53,757	0	0	0	1.0
Miscellaneous common policy changes	20,799	20,799	0	0	0	0.0
IT staff increase due to additional trial courts staff	16,080	16,080	0	0	0	0.3
Other	(121,529)	(6,609)	(114,920)	0	0	(0.3)

Integrated Information Services	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
Total FY 2007-08 JBC Recommendation	\$7,784,041	\$5,306,649	\$2,258,392	\$219,000	\$0	49.1
\$ Change from prior year	\$42,866	\$157,786	(\$114,920)	\$0	\$0	1.0
% Change from prior year	0.6%	3.1%	(4.8)%	0.0%	n/a	2.1%

Issue Descriptions

Personal services adjustments: The recommendation includes \$88,670 General Fund to annualize salary increases awarded in FY 006-07. This increase is partially offset by a reduction of \$14,911 General Fund for the 0.5 percent personal services base reduction.

IT staff increase due to additional probation staff: Due to the increase of 111.5 FTE probation staff, the recommendation also includes funding for 1.0 FTE information technology support staff to allow the Department to maintain a certain base level of support functions.

Miscellaneous common policy changes: The recommendation includes an increase of \$34,364 for multiuse network payments. This increase is partially offset by reductions of \$12,482 for the purchase of services from computer center and \$1,083 for communication services payments.

IT staff increase due to additional trial courts staff: Due to the increase of 28.0 FTE trial courts staff, the recommendation also includes funding for 0.3 FTE information technology support staff to allow the Department to maintain a certain base level of support functions.

Other: The recommendation includes the following reductions: \$114,920 cash funds to eliminate one-time funding for hardware replacement in FY 2006-07; \$17,130 and 0.3 FTE to eliminate one-time funding associated with S.B. 06-61; and \$15,025 to eliminate a one-time capital outlay appropriation. These reductions are partially offset by an increase of \$25,546 General Fund to annualize new FTE salaries that were only appropriated for 11 months in FY 2006-07.

Trial Courts: This division includes district courts in 22 judicial districts, 64 county courts, and seven water courts. Each judicial district includes one district court and a county court in each county served by the district. The Second Judicial District (Denver) also includes a probate court and a juvenile court. However, the Denver County Court is not part of the state court system. The district courts are trial courts of general jurisdiction and have appellate jurisdiction over final judgments of county courts and municipal courts. The county courts have limited jurisdiction, as set by statute. County courts have appellate jurisdiction over municipal courts. Water courts are separately created by the Water Right Determination and Administration Act of 1969 and have general jurisdiction over water use, water rights, and water administration.

Trial Courts	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$145,122,497	\$107,375,284	\$35,422,586	\$1,274,469	\$1,050,158	1,719.5
Recommended Changes from FY 2006-07 Appropriation						
Personal services adjustments	1,686,393	1,720,683	(34,290)	0	0	0.0

Trial Courts	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
Additional trial courts staff	967,772	967,772	0	0	0	28.0
Court-appointed counsel rate increase	520,000	520,000	0	0	0	0.0
Annualize FY 2006-07 funding	289,714	289,714	0	0	0	0.0
Federal funding and grants adjustment	150,000	0	150,000	0	0	0.0
Additional magistrate and staff	107,973	107,973	0	0	0	1.0
Eliminate one-time funding	(1,029,387)	(1,029,387)	0	0	0	0.0
Other	(43,099)	(43,099)	0	0	0	0.0
Total FY 2007-08 JBC Recommendation	\$147,771,863	\$109,908,940	\$35,538,296	\$1,274,469	\$1,050,158	1,748.5
\$ Change from prior year	\$2,649,366	\$2,533,656	\$115,710	\$0	\$0	29.0
% Change from prior year	1.8%	2.4%	0.3%	0.0%	0.0%	1.7%

Issue Descriptions

Personal services adjustments: The recommendation includes \$2,175,866 General Fund to annualize salary increases awarded in FY 2006-07. This increase is partially offset by reductions of \$455,183 General Fund and \$34,290 cash funds for the 0.5 percent personal services base reduction.

Additional trial courts staff: The recommendation includes funding for 28.0 FTE additional trial courts staff to partially address increased case filings.

Court-appointed counsel rate increase: The recommendation includes funding to raise the hourly court-appointed counsel rate from \$57 per hour to \$60 per hour.

Annualize FY 2006-07 funding: The recommendation includes funding to annualize new FTE salaries that were only appropriated for 11 months in FY 2006-07.

Federal funding and grants adjustment: The recommendation includes an increase of \$150,000 cash funds to better reflect anticipated grant receipts.

Additional magistrate and staff: The recommendation includes funding for 0.25 FTE additional magistrates for Fremont County and 0.75 FTE associated support staff to address increased case filings.

Eliminate one-time funding: The recommendation includes a reduction to eliminate one-time capital outlay funding for FY 2006-07.

Other: The recommendation includes an increase of \$3,967 for administration costs associated with the Sex Offender Surcharge Fund, and a reduction of \$47,066 for District Attorney Mandated Costs.

Probation and Related Services: This division administers the court probation and related service programs. Probation is a sentencing alternative available to the courts. The offender serves a sentence in the community under the supervision of a probation officer, subject to the conditions imposed by the court. In addition,

probation officers are responsible for investigating the background of persons brought before the court for sentencing.

Probation and Related Services	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$69,326,742	\$47,749,933	\$14,594,973	\$5,746,082	\$1,235,754	1,042.2
<i>Recommended Changes from FY 2006-07 Appropriation</i>						
Additional probation staff	5,867,477	5,867,477	0	0	0	111.5
S.B. 03-318 Community treatment funding	2,200,000	2,200,000	0	0	0	0.0
Personal services adjustments	1,481,205	1,273,468	207,737	0	0	0.0
S.B. 91-94 Contract funding	431,561	0	0	431,561	0	0.0
Drug Offender Surcharge Fund	332,213	0	0	332,213	0	0.0
S.B. 06-150 Funding	164,065	155,815	8,250	0	0	1.9
Annualize FY 2006-07 funding	91,287	91,287	0	0	0	0.0
Eliminate one-time funding	(87,291)	(87,291)	0	0	0	0.0
Total FY 2007-08 JBC Recommendation	\$79,807,259	\$57,250,689	\$14,810,960	\$6,509,856	\$1,235,754	1,155.6
\$ Change from prior year	\$10,480,517	\$9,500,756	\$215,987	\$763,774	\$0	113.4
% Change from prior year	15.1%	19.9%	1.5%	13.3%	0.0%	10.9%

Issue Descriptions

Additional probation staff: The recommendation includes funding for 111.5 FTE additional probation staff (comprised of 81.1 FTE probation officers, 12.4 FTE probation supervisors, and 18.0 FTE secretaries) to maintain personnel at 75 percent of full staffing.

S.B. 03-318 Community treatment funding: The recommendation includes community treatment funding pursuant to S.B. 03-318. This bill reduced the penalties for the use and possession of certain controlled substances. A minimum of \$2.2 million in anticipated savings derived from the sentences changes must be appropriated for community treatment annually beginning in FY 2007-08 or the sentencing changes will be reversed.

Personal services adjustments: The recommendation includes increases \$1,507,066 General Fund and \$229,823 cash funds to annualize salary increases awarded in FY 2006-07. These increases are partially offset by reductions of \$233,598 General Fund and \$22,086 cash funds for the 0.5 percent personal services base reduction.

S.B. 91-94 Contract funding: The recommendation aligns the appropriation with the anticipated contract for S.B. 91-94 services with the Department of Human Services. The actual contract will not be finalized until after the Long Bill has passed; the Judicial Department plans to submit a supplemental funding request in FY 2007-08 to align the appropriation with the actual contract amount.

Drug Offender Surcharge Fund: The recommendation includes an increase in cash funds exempt spending authority from the Drug Offender Surcharge Fund to address a growing fund balance. The funding will be used

to provide training for criminal justice and treatment agency staff, and to provide increased access to inpatient treatment facilities.

S.B. 06-150 Funding: Beginning July 1, 2007, S.B. 06-150 (Grossman/Hefley) expands DNA testing requirements to include all persons sentenced for felony convictions, as well as all juveniles if the offense committed would constitute a felony if it was committed by an adult. The recommendation includes funding for the probation program to administer and conduct the newly required DNA tests.

Annualize FY 2006-07 funding: The recommendation includes funding to annualize new FTE salaries that were only appropriated for 11 months in FY 2006-07.

Eliminate one-time funding: The recommendation eliminates one-time FY 2006-07 capital outlay funding.

Public Defender: The Public Defender is responsible for providing legal counsel for criminal defendants whom the courts have found to be indigent and who are facing the possibility of incarceration. The Public Defender maintains 21 regional trial offices and an appellate division. The Public Defender is appointed by an independent Public Defender Commission.

Public Defender	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$38,399,193	\$38,211,365	\$172,890	\$14,938	\$0	395.9
<i>Recommended Changes from FY 2006-07 Appropriation</i>						
Additional staffing	3,557,551	3,557,551	0	0	0	81.1
Leased space	855,408	855,408	0	0	0	0.0
FY 2006-07 Salary survey awards	843,028	843,028	0	0	0	0.0
Salary survey and anniversary funding	495,024	495,024	0	0	0	0.0
State contribution to health, life and dental	370,146	370,146	0	0	0	0.0
PERA amortization equalization disbursement	168,788	168,788	0	0	0	0.0
Annualize FY 2006-07 supplemental	131,250	0	131,250	0	0	2.0
Miscellaneous common policy changes	17,031	17,031	0	0	0	0.0
Other	(117,322)	(112,681)	1,750	(6,391)	0	0.0
Total FY 2007-08 JBC Recommendation	\$44,720,097	\$44,405,660	\$305,890	\$8,547	\$0	479.0
\$ Change from prior year	\$6,320,904	\$6,194,295	\$133,000	(\$6,391)	\$0	83.1
% Change from prior year	16.5%	16.2%	76.9%	(42.8)%	n/a	21.0%

Issue Descriptions

Additional staffing: The recommendation includes funding for 81.1 FTE additional staff to address caseload growth. The new staff include 48.8 FTE attorneys, 16.2 FTE investigators/paralegals, 12.2 FTE trial secretaries, and 3.9 FTE administrative staff. This increase includes \$936,317 General Fund associated with 21.2 new FTE that is exempt from the statutory limit on state General Fund appropriations due to a federal court order, pursuant to Section 24-75-201.1 (1) (a) (III) (B), C.R.S.

Leased space: The recommendation includes funding for annual leased space escalators, new leased space contract negotiations, and additional leased space.

FY 2006-07 Salary survey awards: The recommendation includes \$843,028 to annualize salary increases awarded in FY 2006-07.

Salary survey and anniversary funding: The recommendation includes adjustments to these centrally-appropriated line item.

State contribution to health, life and dental: The recommendation includes adjustments to these centrally-appropriated line items.

PERA amortization equalization disbursement: The recommendation includes increases for the Public Employees' Retirement Association (PERA) amortization equalization disbursement pursuant to S.B. 04-257 and S.B. 06-235.

Annualize FY 2006-07 supplemental: The recommendation includes funding to annualize funding added to provide cash funds spending authority so that the Denver court system can contract with the Public Defender's Office to provide services to indigent clients in the new Denver Drug Court.

Miscellaneous common policy changes: The recommendation includes increases of \$37,546 for multiuse network payments, \$5,820 for purchase of services from computer center, and \$5,264 for short-term disability. These increases are partially offset by a reduction of \$14,667 for vehicle lease payments.

Other: The recommendation includes reductions of \$112,681 General Fund to eliminate capital outlay funding provided in FY 2006-07, and \$6,391 cash funds exempt in anticipated grant receipts. These reductions are partially offset by an increase of \$1,750 cash funds in anticipated cost recoveries from registration fees paid by private attorneys at the Public Defender's annual training conference.

Alternate Defense Counsel: The Office of Alternate Defense Counsel (ADC) is an independent agency that provides representation for indigent defendants when the Public Defender is precluded from doing so because of a conflict of interest. Private attorneys are appointed by the courts and are hired on a per hour contract basis by the Office. The Office also contracts with private investigators to assist in the defense of the appointed cases, and the Office is responsible for the payment of expenses for discovery and interpreters in the appointed cases.

Alternate Defense Counsel	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$18,291,224	\$18,283,224	\$8,000	\$0	\$0	5.0
<i>Recommended Changes from FY 2006-07 Appropriation</i>						
Case cost and caseload growth increase	2,383,314	2,383,314	0	0	0	0.0
Court-appointed counsel rate increase	862,533	862,533	0	0	0	0.0
Attorney oversight and training	68,731	68,731	0	0	0	0.5
Operating expenses base increase	38,700	38,700	0	0	0	0.0
Appellate case manager	(41,973)	(41,973)	0	0	0	1.0
Other	37,736	37,736		0	0	0.0
Total FY 2007-08 JBC Recommendation	\$21,640,265	\$21,632,265	\$8,000	\$0	\$0	6.5
\$ Change from prior year	\$3,349,041	\$3,349,041	\$0	\$0	\$0	1.5
% Change from prior year	18.3%	18.3%	0.0%	n/a	n/a	30.0%

Issue Descriptions

Case cost and caseload growth increase: The recommendation includes funding to account for caseload growth and increases in average costs per case.

Court-appointed counsel rate increase: The recommendation includes funding to raise the hourly court-appointed counsel rate paid from an average of \$57 per hour to an average of \$60 per hour.

Attorney oversight and training: The recommendation includes \$48,731 for staff to evaluate and monitor contract attorneys as part of the ADC's effort to comply with state audit recommendations. The recommendation also includes an increase of \$20,000 to enable the ADC to provide training to its contract attorneys.

Operating expenses base increase: The recommendation includes an increase in the Operating Expenses appropriation for previously unfunded information technology costs and base operating expenses.

Appellate case manager: The recommendation includes funding for 1.0 FTE to manage appellate case filings. Since most contract attorneys do not readily know the correct appellate procedures and contacts, transferring the responsibility for appellate case filings to a staff paralegal will streamline the process and result in a cost savings, as has been demonstrated by a "pilot" effort this year. Therefore, the cost of the FTE (\$53,787) is offset by a reduction in costs associated with Conflict of Interest Contracts (\$95,760).

Other: The recommendation includes the following increases associated with common policies: \$14,543 for the state contribution to employee health, life and dental benefits; \$7,439 for salary survey; \$7,300 for anniversary increases; \$2,489 for the PERA amortization equalization disbursement pursuant to S.B. 04-257 and S.B. 06-235, \$587 for the purchase of services from the computer center; and \$49 for short-term disability. The recommendation also includes \$10,983 to annualize salary increases awarded in FY 2006-07 and a \$9,000 increase for computer programming costs. These increases are partially offset by a reduction of \$14,654 to adjust the Leased Space appropriation.

Office of the Child's Representative: The Office of the Child's Representative (OCR) is an independent agency within the Judicial Department that is responsible for providing legal representation for children involved in the court system due to abuse, neglect, high conflict divorce, or delinquency.

Office of the Child's Representative	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$12,650,113	\$12,650,113	\$0	\$0	\$0	4.0
<i>Recommended Changes from FY 2006-07 Appropriation</i>						
Court-appointed counsel rate increase	640,401	640,401	0	0	0	0.0
Case cost and caseload growth increase	264,515	264,515	0	0	0	0.0
Miscellaneous common policies	80,630	80,630	0	0	0	0.0
Personal services adjustments	32,354	32,354	0	0	0	0.0
Miscellaneous changes	26,976	26,976	0	0	0	0.0
Long Bill technical adjustment	0	0	0	0	0	21.8
Total FY 2007-08 JBC Recommendation	\$13,694,989	\$13,694,989	\$0	\$0	\$0	25.8
\$ Change from prior year	\$1,044,876	\$1,044,876	\$0	\$0	\$0	21.8
% Change from prior year	8.3%	8.3%	n/a	n/a	n/a	545.0%

Issue Descriptions

Court-appointed counsel rate increase: The recommendation includes funding to raise the hourly court-appointed counsel rate paid from \$57 per hour to \$60 per hour.

Case cost and caseload growth increase: The recommendation includes funding to account for caseload growth increases and increases in average costs per case.

Miscellaneous common policies: The recommendation includes the following increases associated with common policies: \$38,735 for the state contribution to employee health, life and dental benefits; \$12,615 for salary survey; \$20,344 for anniversary increases; \$8,249 for the PERA amortization equalization disbursement pursuant to S.B. 04-257 and S.B. 06-235, \$424 for the purchase of services from computer center, and \$83 for short-term disability.

Personal services adjustments: The recommendation includes \$40,544 to annualize salary increases awarded in FY 2006-07. This increase is partially offset by a reduction of \$8,190 for the 0.5 percent personal services base reduction.

Miscellaneous changes: The recommendation includes the following General Fund increases: \$10,000 for one-time training costs to help send guardians ad litem (GALs) from every judicial district to the National Association of Counsel for Children's annual children's law conference which is being held in Colorado this summer; \$7,841 for subscriptions to Westlaw for legal research for the staff GALs (previously they had subscribed to Loislaw which is less expensive but provides access to fewer resources); \$4,891 for the annual leased space escalator for the administrative office; and \$4,244 to cover the increased mileage costs incurred by the staff GALs due to S.B. 06-173.

Long Bill technical adjustment: When OCR was formed in 2000, it assumed responsibility for all contract GALs and for a pilot project in El Paso County (known as the GAL Office) that provides guardian ad-litem services through a centralized office rather than through contracted services. The goal of the pilot was to determine if high quality services could be provided through a "staff model" at the same or a lower cost as the existing process of contracting with independent GALs. The GAL Office employees have proven to be both highly effective and cost-efficient; therefore, it is now considered a part of OCR's regular operations. The recommendation reflects the 21.8 FTE associated with the GAL Office; the funding associated with these FTE is already included in OCR appropriations.

Department of Labor and Employment

Department Description: The Department is responsible for: administering state and federal employment and training programs; enforcing state and federal labor laws; operating state regulatory programs for the petroleum industry, school construction, and boilers; and administering the workers' compensation program.

Summary Table for Department of Labor and Employment						
	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$153,779,486	\$140,666	\$30,918,188	\$19,874,799	\$102,845,833	1,098.8
Long Bill Supplemental	<u>12,933</u>	<u>0</u>	<u>12,933</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
FY 2006-07 Adjusted Appropriation	\$153,792,419	\$140,666	\$30,931,121	\$19,874,799	\$102,845,833	1,098.8
<i>Recommended Changes from FY 2006-07 by Long Bill Division</i>						
Executive Director's Office	3,595,397	(140,666)	3,631,874	371,100	(266,911)	0.0
Employment and Training	(202,415)	0	541,365	24,911	(768,691)	(7.9)
Labor	129,798	0	129,798	0	0	2.0
Oil and Public Safety	241,209	0	159,598	68,571	13,040	2.3
Workers' Compensation	413,272	0	381,161	32,111	0	0.0
Total FY 2007-08 JBC Recommendation	\$157,969,680	\$0	\$35,774,917	\$20,371,492	\$101,823,271	1,095.2
\$ Change from prior year	\$4,177,261	(\$140,666)	\$4,843,796	\$496,693	(\$1,022,562)	(3.6)
% Change from prior year	2.7%	(100.0)%	15.7%	2.5%	(1.0)%	(0.3)%

Recommendation Highlights:

1. Increases by \$2.7 million from various sources for adjustments to line items used to provide employee benefits to state employees. This increase contains a greater share of state funds than in past years as federal funding has not grown at a pace consistent with common policy increases.
2. Provides an increase of \$243,000 from various sources to allow the Department to replace aging personal computers. Over 40 percent of the Department's personal computers are more than four years old.
3. Includes an increase of \$135,000 cash funds and 2.3 FTE for expansion of the boiler inspection program due to the termination of Denver's inspection program. The Department anticipates that the cost of this expansion will be offset by increased fees.
4. Increases the Labor Certification unit by \$40,000 cash funds to allow the unit to process an increased number of H-2A and H-2B visa applications from employers seeking to hire temporary foreign workers.
5. Reflects an anticipated decrease of \$1.2 million in the amount of federal funds available for some programs. There is a corresponding decrease of 7.9 FTE.

Budget Recommendation Detail by Long Bill Division

Executive Director's Office: The Executive Director's Office performs departmental administrative functions including public relations, information management, accounting, budgeting, data processing, and personnel management. The Office also administers the Industrial Claims Appeal Panel, which adjudicates appeals relating to unemployment insurance and workers' compensation issues, the Public Employees' Social Security Program, which administers the federal-state agreement with the U.S. Social Security Administration, and Investigations and Criminal Enforcement, which investigates potential fraud in the Workers' Compensation programs.

Executive Director's Office	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$26,124,124	\$140,666	\$9,750,443	\$1,888,996	\$14,344,019	166.9
Recommended Changes from FY 2006-07 Appropriation						
Employee benefits	2,512,935	12,213	844,070	192,780	1,463,872	0.0
Payments to other agencies	525,703	0	197,273	38,219	290,211	0.0
Personal services adjustments	256,850	(41)	96,400	18,676	141,815	0.0
Leased space escalator	249,867	0	93,764	18,165	137,938	0.0
IT asset replacement	55,483	0	20,820	4,034	30,629	0.0
Eliminate FY 2006-07 one-time funding	(5,441)	0	(5,441)	0	0	0.0
Refinance	0	(152,838)	2,384,988	99,226	(2,331,376)	0.0
Total FY 2007-08 JBC Recommendation	\$29,719,521	\$0	\$13,382,317	\$2,260,096	\$14,077,108	166.9
\$ Change from prior year	\$3,595,397	(\$140,666)	\$3,631,874	\$371,100	(\$266,911)	0.0
% Change from prior year	13.8%	(100.0)%	37.2%	19.6%	(1.9)%	0.0%

Issue Descriptions

Employee benefits: The recommendation includes adjustments for centrally appropriated items including (1) salary survey, (2) health, life, and dental, (3) short-term disability insurance, (4) amortization equalization disbursement and the new supplemental amortization equalization disbursement, and (5) shift differential. These adjustments reflect the change in benefits for all employees in the Department.

Payments to other agencies: The recommendation includes adjustments to payments to the Department of Law for the provision of legal services, as well as adjustments to several line items used to reimburse the Department of Personnel and Administration for services it provides, including: payments to the computer center, the multi-use network, vehicle lease payments and capitol complex leased space.

Personal services adjustments: The recommendation includes increases for annualizing FY 2006-07 salary survey awards, which are partially offset by a 0.5 percent base reduction.

Leased space escalator: The recommendation includes additional funds based on anticipated increases in the rates for the Department's leased space. In addition to space in Denver, the Department leases space at various locations about Colorado for workforce centers.

IT asset replacement: The recommendation includes additional funds for the replacement of aging personal computers, both desktop and laptop systems. Such replacements were curtailed during the economic downturn, and over 40 percent of the Department's systems are more than four years old. The recommendation includes the distribution of funds for this purpose to all divisions within the Department.

Eliminate FY 2006-07 one-time funding: The recommendation reflects the elimination of one-time funding for decision items and special bills in FY 2006-07.

Refinance: The recommendation reflects two refinancing issues. The first is an adjustment for the anticipated level of federal funds that will be available. The second is a refinancing of certain employee benefits using state funds to offset state-mandated increases (e.g., salary survey increases) in cases where federal funds have not increased correspondingly.

Employment and Training: The Division administers the following programs: (1) unemployment insurance, which is responsible for administering all aspects of unemployment insurance, including benefits, taxes, appeals, and fraud detection; (2) employment and training programs, which provide job placement and related services to job-seeking applicants and employers; and (3) the Labor Market Information section, which tracks and disseminates labor market and economic trend information and statistics.

Employment and Training	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$98,640,826	\$0	\$9,975,163	\$715,236	\$87,950,427	746.9
Long Bill supplemental	<u>12,933</u>	<u>0</u>	<u>12,933</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
FY 2006-07 Adjusted Appropriation	\$98,653,759	\$0	\$9,988,096	\$715,236	\$87,950,427	746.9
<i>Recommended Changes from FY 2006-07 Appropriation</i>						
Personal services adjustment	925,043	0	152,687	23,645	748,711	0.0
IT asset replacement	135,792	0	59,603	0	76,189	0.0
Labor certification adjustment	39,224	0	39,224	0	0	0.0
Decrease in federal funds	(1,240,481)	0	0	0	(1,240,481)	(7.9)
Eliminate FY 2006-07 one-time funding	(61,993)	0	(61,993)	0	0	0.0
Refinance	0	0	351,844	1,266	(353,110)	0.0
Total FY 2007-08 JBC Recommendation	\$98,451,344	\$0	\$10,529,461	\$740,147	\$87,181,736	739.0
\$ Change from prior year	(\$202,415)	\$0	\$541,365	\$24,911	(\$768,691)	(7.9)
% Change from prior year	(0.2)%	n/a	5.4%	3.5%	(0.9)%	(1.1)%

Issue Descriptions

Long Bill supplemental: The Foreign Labor Certification unit provides certification to employers seeking to bring foreign workers into the United States under the H-2A (temporary agricultural workers) and H-2B (other temporary workers) visa programs. In recent months, the number of applications which must be processed have increased sharply. The recommendation includes an increased level of funding for the remainder of FY 2006-07, and annualizes that increase for FY 2007-08 (described below).

Personal services adjustment: The recommendation includes increases for annualizing FY 2006-07 salary survey awards, which are partially offset by a 0.5 percent base reduction.

IT asset replacement: The recommendation includes additional funds for the replacement of aging personal computers, both desktop and laptop systems. Such replacements were curtailed during the economic downturn, and over 40 percent of the Department's systems are more than four years old. The recommendation includes the distribution of funds for this purpose to all divisions within the Department.

Labor certification adjustment: The increased demand for services provided by the Labor Certification unit are described above. The recommendation reflects the annualization of the costs associated with this increased activity.

Decrease in federal funds: The recommendation reflects an anticipated decrease in the amount of federal funds that will be available.

Eliminate FY 2006-07 one-time funding: The recommendation reflects the elimination of one-time funding for decision items and special bills in FY 2006-07.

Refinance: The recommendation reflects a refinancing of certain employee benefits using state funds to offset state-mandated increases (e.g., salary survey increases) in cases where federal funds have not increased correspondingly.

Division of Labor: The Division ensures compliance with wage, youth employment, and labor practice laws. This division also administers labor relations programs in the public and private sectors.

Division of Labor	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$967,590	\$0	\$967,590	\$0	\$0	14.0
<i>Recommended Changes from FY 2006-07 Appropriation</i>						
H.B. 06S-1017	92,417	0	92,417	0	0	2.0
Personal services adjustments	32,087	0	32,087	0	0	0.0
IT asset replacement	5,294	0	5,294	0	0	0.0
Total FY 2007-08 JBC Recommendation	\$1,097,388	\$0	\$1,097,388	\$0	\$0	16.0
\$ Change from prior year	\$129,798	\$0	\$129,798	\$0	\$0	2.0
% Change from prior year	13.4%	n/a	13.4%	n/a	n/a	14.3%

Issue Descriptions

H.B. 06S-1017: H.B. 06S-1017 requires employers to demonstrate compliance with federal employment verification requirements. The Department is authorized to conduct random audits, to accept complaints, and to request documentation from an employer upon receipt of a creditable complaint. The recommendation includes annualization of the expenses associated with those activities, less one-time getting-started costs.

Personal services adjustments: The recommendation includes increases for annualizing FY 2006-07 salary survey awards, which are partially offset by a 0.5 percent base reduction.

IT asset replacement: The recommendation includes additional funds for the replacement of aging personal computers, both desktop and laptop systems. Such replacements were curtailed during the economic downturn, and over 40 percent of the Department's systems are more than four years old. The recommendation includes the distribution of funds for this purpose to all divisions within the Department.

Division of Oil and Public Safety: This division is comprised of the Public Safety unit and the Office of the State Oil Inspector. The Public Safety unit conducts inspections of all boilers and pressure vessels in commercial and multi-unit residential buildings; regulates the distribution and storage of petroleum products; regulates the remediation of contamination caused by leaking underground storage tanks; enforces statutory requirements pertaining to safety in public schools and carnivals; and regulates and monitors proper storage of explosives. The Office of the State Oil Inspector is responsible for monitoring and expediting the clean-up of leaking petroleum storage tanks and monitoring the sale and distribution of petroleum products.

Division of Oil and Public Safety	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$5,012,173	\$0	\$1,213,267	\$3,247,519	\$551,387	53.0
<i>Recommended Changes from FY 2006-07 Appropriation</i>						
Boiler inspection expansion	135,343	0	135,343	0	0	2.3
Personal services adjustments	99,851	0	21,031	68,109	10,711	0.0
Indirect cost assessment	33,000	0	0	33,000	0	0.0
IT asset replacement	21,015	0	4,203	15,761	1,051	0.0
Ultra-low sulfur test equipment	(48,000)	0	(48,000)	0	0	0.0
Refinance	0	0	47,021	(48,299)	1,278	0.0
Total FY 2007-08 JBC Recommendation	\$5,253,382	\$0	\$1,372,865	\$3,316,090	\$564,427	55.3
\$ Change from prior year	\$241,209	\$0	\$159,598	\$68,571	\$13,040	2.3
% Change from prior year	4.8%	n/a	13.2%	2.1%	2.4%	4.3%

Issue Descriptions

Boiler inspection expansion: On January 1, 2007, the City of Denver terminated its boiler inspection program. Under statute, the Department is required to assume responsibility for the necessary inspections. Expansion of the program for the remainder of FY 2006-07 was funded by a supplemental request. The recommendation reflects annualization of the program expansion.

Personal services adjustment: The recommendation includes increases for annualizing FY 2006-07 salary survey awards, which are partially offset by a 0.5 percent base reduction.

Indirect cost assessment: For TABOR purposes, the Petroleum Storage Tank Fund has been granted enterprise status. This line covers administrative costs incurred by the Department for which the enterprise must be charged. The recommendation reflects higher administrative costs for FY 2007-08.

IT asset replacement: The recommendation includes additional funds for the replacement of aging personal computers, both desktop and laptop systems. Such replacements were curtailed during the economic downturn, and over 40 percent of the Department's systems are more than four years old. The recommendation includes the distribution of funds for this purpose to all divisions within the Department.

Ultra-low sulfur test equipment: The recommendation removes \$48,000 in FY 2006-07 one-time funding for new test equipment.

Refinance: The recommendation reflects the anticipated reserve balances in various cash funds, and the anticipated cash funds revenues.

Division of Workers' Compensation: The Division of Workers' Compensation is responsible for assuring the quick and efficient delivery of disability and medical benefits to injured workers at a reasonable cost to employers. The Division is comprised of five major sections: Customer Service, Dispute Resolution, Medical Cost Containment, Employer Services, and Special Funds.

Division of Workers' Compensation	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$23,034,773	\$0	\$9,011,725	\$14,023,048	\$0	118.0
<i>Recommended Changes from FY 2006-07 Appropriation</i>						
Personal services adjustment	224,675	0	197,527	27,148	0	0.0
Administrative law judge services	161,613	0	154,392	7,221	0	0.0
IT asset replacement	25,512	0	29,242	(3,730)	0	0.0
Legal services	1,472	0	0	1,472	0	0.0
Total FY 2007-08 JBC Recommendation	\$23,448,045	\$0	\$9,392,886	\$14,055,159	\$0	118.0
\$ Change from prior year	\$413,272	\$0	\$381,161	\$32,111	\$0	0.0
% Change from prior year	1.8%	n/a	4.2%	0.2%	n/a	0.0%

Issue Descriptions

Personal services adjustments: The recommendation includes increases for annualizing FY 2006-07 salary survey awards, which are partially offset by a 0.5 percent base reduction.

Administrative law judge services: The recommendation reflects common policy adjustments for the services of administrative law judges.

IT asset replacement: The recommendation includes additional funds for the replacement of aging personal computers, both desktop and laptop systems. Such replacements were curtailed during the economic downturn, and over 40 percent of the Department's systems are more than four years old. The recommendation includes the distribution of funds for this purpose to all divisions within the Department.

Legal services: The recommendation reflects common policy adjustments to the cost of legal services obtained from the Department of Law.

Department of Law

Department Description: The Attorney General's Office serves as the chief legal counsel for the State's various agencies and departments. The Department represents the State in criminal appeals; in legal actions before the Colorado Supreme Court, the State Court of Appeals, and federal courts; and in other circumstances as required by law.

Summary Table for Department of Law						
	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$40,031,464	\$9,080,436	\$3,926,951	\$26,140,331	\$883,746	362.2
Recommended Changes from FY 2006-07 by Long Bill Division						
Administration	1,021,081	(15,826)	86,110	900,668	50,129	1.0
Legal Services to State Agencies	1,014,908	0	55,000	959,908	0	0.9
Criminal Justice and Appellate	597,761	348,001	29,336	58,591	161,833	4.0
Water and Natural Resources	1,902,051	1,923,506	0	(21,455)	0	0.5
Consumer Protection	289,863	112,521	63,021	114,321	0	2.5
Special Purpose	54,827	57,832	(3,005)	0	0	(0.5)
Total FY 2007-08 Long Bill Recommendation	\$44,911,955	\$11,506,470	\$4,157,413	\$28,152,364	\$1,095,708	370.6
S.B. 07-113, Use of Tobacco Settlement Defense Account Moneys	0	(100,000)	0	100,000	0	0.0
Proposed legislation to use Hazardous Substance Response Fund for litigation	0	(2,661,667)	2,661,667	0	0	0.0
Total FY 2007-08 JBC Recommendation	\$44,911,955	\$8,744,803	\$6,819,080	\$28,252,364	\$1,095,708	370.6
\$ Change from prior year	\$4,880,491	(\$335,633)	\$2,892,129	\$2,112,033	\$211,962	8.4
% Change from prior year	12.2%	(3.7)%	73.6%	8.1%	24.0%	2.3%

Recommendation Highlights:

- Rocky Mountain Arsenal Natural Resource Damage Assessment:** Provides \$1.9 million cash funds for a Natural Resource Damage Assessment at the Rocky Mountain Arsenal. The assessment will be the basis of a multi-million dollar claim for Natural Resource Damages from the U.S. Army and Shell Oil Company.
- Medicaid fraud:** Provides an additional \$194,967 and 3.0 FTE for the Department's Medicaid Fraud Unit. Three fourths of the funding is federal.
- Added FTE for enforcement:** Provides an additional \$183,997 and 2.5 FTE for enhanced enforcement by the Consumer Protection Unit, the Collection Agency Board and the Uniform Consumer Credit Code Unit.
- Special Prosecutions:** Provides an additional \$88,531 for an additional criminal investigator in the Special Prosecutions Unit.

JBC Sponsored Legislation Summary:

S.B. 07-113, Use of Tobacco Settlement Defense Account Moneys: This recommended bill allows moneys in the Defense Account of the Tobacco Litigation Settlement Cash Fund, which derives its fund balance from payments the state received under the tobacco Master Settlement Agreement (MSA), to be used to pay for MSA litigation expenses. The Long Bill recommendation includes an extra \$100,000 General Fund to prepare for an MSA arbitration proceeding. Senate Bill 07-113 will replace this \$100,000 General Fund appropriation with a \$100,000 cash funds exempt appropriation from the Defense Account of the Tobacco Litigation Settlement Cash Fund.

Proposed legislation to use the Hazardous Substance Response Fund for litigation: This recommended bill allows moneys in the Hazardous Substance Response Fund to be used to pay for litigation expenses at superfund pollution sites. The Long Bill recommendation includes an appropriation of \$2,661,667 General Fund for such an action at Rocky Mountain Arsenal. This bill substitutes a \$2,661,667 appropriation from the Hazardous Substance Response Fund for the General Fund appropriation in the Long Bill. The Department of Law estimates that 90 to 95 percent of this appropriation will be recovered and returned to the Hazardous Substance Response Fund if the state prevails in this legal action.

Budget Recommendation Detail by Long Bill Division

Administration: This division includes overhead costs for the entire Department as well as personal services and operating costs that include: the Attorney General's staff, human resources, accounting and budgeting, information technology services, and text management.

Administration	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$6,938,006	\$1,446,237	\$248,395	\$5,159,036	\$84,338	38.7
Recommended Changes from FY 2006-07 Appropriation						
Central appropriations	664,618	222,858	66,408	346,992	28,360	0.0
Operating adjustments	137,833	28,396	19,702	83,097	6,638	0.0
Additional information technology professional	85,345	7,225	0	78,120	0	1.0
Annualize salary and benefits adjustments	78,235	90,606	(25)	(12,346)	0	0.0
ADP capital outlay	55,050	26,394	0	13,525	15,131	0.0
Fund mix adjustment	0	(391,305)	25	391,280	0	0.0
Total FY 2007-08 JBC Recommendation	\$7,959,087	\$1,430,411	\$334,505	\$6,059,704	\$134,467	39.7
\$ Change from prior year	\$1,021,081	(\$15,826)	\$86,110	\$900,668	\$50,129	1.0
% Change from prior year	14.7%	(1.1)%	34.7%	17.5%	59.4%	2.6%

Issue Descriptions

Central appropriations: These items are appropriated to the Administration Division and are then used throughout the Department. The recommendation includes increased appropriations for Health, Life, and Dental, Short Term Disability, Amortization Equalization Disbursement, Supplemental Amortization Equalization Disbursement, Salary Survey for Classified Employees, Performance-based Pay for Classified Employees, Performance-based Pay for Exempt Employees, and Worker's Compensation. Netted against these increases is a \$228,123 decrease of the appropriation for Salary Survey for Exempt Employees, which is set separately from the salary survey appropriation for classified employees.

Operating adjustments: The recommended appropriation includes increases for the following items, which are governed by common policy: Administrative Law Judges, Purchase of Services from Computer Center, Payment to Risk Management and Property Funds, Vehicle Lease, Capital Complex Leased Space, and Communications Services Payments. It also includes IT Asset Maintenance and Leased Space, which are not common-policy items.

Additional information technology professional: The recommendation includes funding for an additional IT professional who will specialize in networking and security.

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey that were awarded in FY 2006-07. Salary survey increases are funded through centrally-appropriated line items in the Administration Division in the year of the award and are incorporated into base personal-services funding for each division in the subsequent year. The adjustment shown also includes a 0.5 percent reduction to the base personal services appropriations for the division.

ADP capital outlay: The recommendation reflects one-time expenditures for personal computers and office equipment for new FTE that are added by Long Bill decision items and by special bills.

Fund mix adjustment: The recommendation includes increased indirect cost assessments, which are largely driven by common policy items, particularly an increased statewide indirect charge.

Legal Services to State Agencies: The attorneys and paralegals of this division supply legal services to other state agencies, to enterprises, and to non-State agencies such as the Public Employees Retirement Association, Correctional Industries, the State Lottery, the Colorado Student Obligation Bonding Authority, and the Auraria Higher Education Center.

Legal Services to State Agencies	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$18,442,852	\$0	\$945,000	\$17,497,852	\$0	199.7
<i>Recommended Changes from FY 2006-07 Appropriation</i>						
Annualize salary and benefits adjustments	707,228	0	(4,725)	711,953	0	0.0
Indirect cost assessment	299,646	0	0	299,646	0	0.0
Increases to support initiatives in other departments	283,849	0	0	283,849	0	3.1

Legal Services to State Agencies	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
Second year impact of prior session bills	44,693	0	0	44,693	0	0.5
Legal rate reconciliation	(320,508)	0	59,725	(380,233)	0	(2.7)
Total FY 2007-08 JBC Recommendation	\$19,457,760	\$0	\$1,000,000	\$18,457,760	\$0	200.6
\$ Change from prior year	\$1,014,908	\$0	\$55,000	\$959,908	\$0	0.9
% Change from prior year	5.5%	n/a	5.8%	5.5%	n/a	0.5%

Issue Descriptions

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey that were awarded in FY 2006-07. Salary survey increases are funded through centrally-appropriated line items in the Administration Division in the year of the award and are incorporated into base personal-services funding for each division in the subsequent year. The adjustment shown also includes a 0.5 percent reduction to the base personal services appropriations for the division.

Indirect cost assessment: The recommendation adjusts indirect cost assessments to reflect changes in the distribution of FTE and funding sources within the Department as well as changing costs for common policy items.

Increases to support initiatives in other departments: The recommendation provides increased legal services for initiative that are recommended for other departments.

Second year impact of prior session bills: The recommendation reflects the second year effect of prior session bills that required the Department of Law to supply legal services to other departments, including S.B. 06-20 (Nurse Licensure, \$10,312 decrease), S.B. 06-230 (Drug Wholesalers, \$967 decrease), H.B. 06-1085 (Building Regulation Fund, \$2,578 decrease), H.B. 06-1161 (Mortgage Brokers, \$73,473 increase), H.B. 06-1257 (Highway Noise, \$3,000 decrease), H.B. 06-1274 (Pesticide Regulation, \$11,601 decrease), and H.B. 06-1395 (Child Health, \$322 decrease).

Legal rate reconciliation: The recommendation reflects the expectation that the Department will supply relatively more legal services to enterprises, colleges and other entities that are outside the state TABOR district. Legal-services supplied to such entities are classified as cash funds. The recommendation also reflects a variety of small recommended decreases in the amount of legal services supplied to other departments in support of existing programs.

Criminal Justice and Appellate: This division includes the Special Prosecutions unit, the Insurance and Securities Fraud units, the Appellate unit, Medicaid fraud, Capital Crimes Prosecution, and the Peace Officers Standards and Training (P.O.S.T.) Board.

Criminal Justice and Appellate	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$6,994,298	\$3,662,856	\$1,442,510	\$1,089,524	\$799,408	75.0

Criminal Justice and Appellate	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
<i>Recommended Changes from FY 2006-07 Appropriation</i>						
Annualize salary and benefits adjustments	221,629	169,367	16,573	15,153	20,536	0.0
Medicaid Fraud	194,967	48,742	0	0	146,225	3.0
Special Prosecutions	88,531	88,531	0	0	0	1.0
Indirect cost assessment	83,411	0	12,763	70,648	0	0.0
Digitize P.O.S.T. Board records	44,638	44,638	0	0	0	0.0
Fund mix adjustment	0	3,113	0	1,815	(4,928)	0.0
Second year impact of prior session bills	(35,415)	(6,390)	0	(29,025)	0	0.0
Total FY 2007-08 JBC Recommendation	\$7,592,059	\$4,010,857	\$1,471,846	\$1,148,115	\$961,241	79.0
\$ Change from prior year	\$597,761	\$348,001	\$29,336	\$58,591	\$161,833	4.0
% Change from prior year	8.5%	9.5%	2.0%	5.4%	20.2%	5.3%

Issue Descriptions

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey that were awarded in FY 2006-07. Salary survey increases are funded through centrally-appropriated line items in the Administration Division in the year of the award and are incorporated into base personal-services funding for each division in the subsequent year. The adjustment shown also includes a 0.5 percent reduction to the base personal services appropriations for the division.

Medicaid fraud: The recommendation adds two criminal investigators and one paralegal to the Medicaid Fraud Unit.

Special Prosecutions: The recommendation includes an additional criminal investigator for the special prosecutions unit.

Indirect cost assessment: The recommendation adjusts indirect cost assessments to reflect changes in the distribution of FTE and funding sources within the Department as well as changing costs for common policy items.

Digitize P.O.S.T. Board records: The recommendation will allow the Peace Officer Standards and Training Board to scan and store digital images of approximately 400,000 pages of pre-2004 documents.

Fund mix adjustment: The recommendation reflects an anticipated decrease in federal funding and increased use of cash fund reserves.

Second year impact of prior session bills: The recommendation reflects the impact in 2007-08 of S.B. 06-38 (Insurance Fraud, \$29,025 decrease) and H.B. 06-1028 (Increase Number of Judges, \$6,390 decrease).

Water and Natural Resources: This division contains the Federal and Interstate Water Unit which provides legal counsel and representation for cases related to federal water rights, compliance with federal regulatory programs, and interstate water allocation agreements such as the Arkansas River compact. This division also include appropriations for litigation and remediation contracts at sites contaminated by hazardous substances under the federal Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA).

Water and Natural Resources	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$3,102,923	\$1,821,710	\$0	\$1,281,213	\$0	15.8
<i>Recommended Changes from FY 2006-07 Appropriation</i>						
Rocky Mountain Arsenal Natural Resource Damage Assessment	1,922,695	1,922,695	0	0	0	0.0
Annualize salary and benefits adjustments	28,702	28,824	0	(122)	0	0.0
Arkansas River litigation	(49,346)	(28,013)	0	(21,333)	0	0.5
Total FY 2007-08 JBC Recommendation	\$5,004,974	\$3,745,216	\$0	\$1,259,758	\$0	16.3
\$ Change from prior year	\$1,902,051	\$1,923,506	\$0	(\$21,455)	\$0	0.5
% Change from prior year	61.3%	105.6%	n/a	(1.7)%	n/a	3.2%

Issue Descriptions

Rocky Mountain Arsenal Natural Resource Damage Assessment: The recommendation includes funding for a Natural Resource Damage Assessment at the Rocky Mountain Arsenal, a study that will be prepared by a private contractor. The assessment will be the basis of a multi-million dollar claim for Natural Resource Damages from the U.S. Army and Shell Oil Company.

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey that were awarded in FY 2006-07. Salary survey increases are funded through centrally-appropriated line items in the Administration Division in the year of the award and are incorporated into base personal-services funding for each division in the subsequent year. The adjustment shown also includes a 0.5 percent reduction to the base personal services appropriations for the division.

Arkansas River litigation: As the Arkansas River lawsuit winds down, the recommendation provides funding that will allow the Department to gradually stop using outside counsel as it trains a Department of Law attorney to take over the case at a lower cost.

Consumer Protection: This division includes the State's anti-trust program, consumer protection, the Collection Agency Board, and enforcement of the Uniform Consumer Credit Code (UCCC).

Consumer Protection	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$2,614,226	\$729,353	\$1,222,167	\$662,706	\$0	31.0
<i>Recommended Changes from FY 2006-07 Appropriation</i>						

Consumer Protection	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FTE for the Uniform Consumer Credit Code Unit and the Collection Agency Board	99,514	0	0	99,514	0	1.5
FTE for consumer protection	84,483	84,483	0	0	0	1.0
Annualize salary and benefits adjustments	57,432	28,038	20,594	8,800	0	0.0
Indirect cost assessment	48,434	0	42,427	6,007	0	0.0
Total FY 2007-08 JBC Recommendation	\$2,904,089	\$841,874	\$1,285,188	\$777,027	\$0	33.5
\$ Change from prior year	\$289,863	\$112,521	\$63,021	\$114,321	\$0	2.5
% Change from prior year	11.1%	15.4%	5.2%	17.3%	n/a	8.1%

Issue Descriptions

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey that were awarded in FY 2006-07. Salary survey increases are funded through centrally-appropriated line items in the Administration Division in the year of the award and are incorporated into base personal-services funding for each division in the subsequent year. The adjustment shown also includes a 0.5 percent reduction to the base personal services appropriations for the division.

FTE for the Uniform Consumer Credit Code Unit and the Collection Agency Board: The recommendation includes an extra attorney and half a legal assistant for the Uniform Consumer Credit Code Unit and the Collection Agency Board Units.

FTE for consumer protection: The recommendation includes an extra attorney for the Department's consumer protection program.

Indirect cost assessment: The recommendation adjusts indirect cost assessments to reflect changes in the distribution of FTE and funding sources within the Department as well as changing costs for common policy items.

Special Purpose: This division contains the appropriation that subsidizes Colorado's twenty-two district attorneys' salaries, as well as separate line items to fund large dollar lawsuits and various special programs or projects.

Special Purpose	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$1,939,159	\$1,420,280	\$68,879	\$450,000	\$0	2.0
Recommended Changes from FY 2006-07 Appropriation						
Tobacco Litigation	100,000	100,000	0	0	0	0.0
Second year impact of prior session bills.	(48,827)	(45,822)	(3,005)	0	0	(0.5)
Other	3,654	3,654	0	0	0	0.0

Special Purpose	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
Total FY 2007-08 JBC Recommendation	\$1,993,986	\$1,478,112	\$65,874	\$450,000	\$0	1.5
\$ Change from prior year	\$54,827	\$57,832	(\$3,005)	\$0	\$0	(0.5)
% Change from prior year	2.8%	4.1%	(4.4)%	0.0%	n/a	(25.0)%

Issue Descriptions

Tobacco litigation: The recommendation includes an extra \$100,000 to prepare for an arbitration proceeding concerning master settlement agreement payments that tobacco manufacturers have withheld and placed in escrow. The Long Bill recommendation funds this increase with General Fund. If S.B. 07-113, Use of Tobacco Settlement Defense Account Moneys, a JBC bill, becomes law, it will replace this \$100,000 General Fund appropriation with a \$100,000 cash funds exempt appropriation from the Defense Account of the Tobacco Litigation Settlement Cash Fund.

Second year impact of prior session bills: The recommendation reflects a decreased of \$45,822 General Fund for the second year implementation of S.B. 06S-1014 (Federal Reimbursement for Illegal Immigration Costs) and \$3,005 cash funds for S.B. 06-110 (Fraudulent Documents).

Other: The recommendation includes an extra \$2,356 to pay the State's share of the salaries of District Attorneys and an extra \$1,278 for HIPAA legal services to state agencies.

Legislative Branch

Department Description: 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 majority of the legislative appropriation is contained in a separate legislative appropriation bill. However, several specific lines are contained in the Long Bill. This narrative only addresses the lines contained in the Long Bill.

Summary Table for Legislative Branch						
	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$2,454,681	\$2,454,681	\$0	\$0	\$0	0.0
<i>Recommended Changes from FY 2006-07 by Long Bill Division</i>						
Legislative Council	250,000	0	0	250,000	0	0.0
General Assembly	156,838	156,838	0	0	0	0.0
Total FY 2007-08 JBC Recommendation	\$2,861,519	\$2,611,519	\$0	\$250,000	\$0	0.0
\$ Change from prior year	\$406,838	\$156,838	\$0	\$250,000	\$0	0.0
% Change from prior year	16.6%	6.4%	n/a	n/a	n/a	n/a

Recommendation Highlights:

1. Contains various changes in the centrally appropriated line items that resulted in an increase of \$156,838 General Fund.
2. Provides an increase of \$250,000 cash fund exempt for the school district cost-of-living analysis.

Budget Recommendation Detail by Long Bill Division

Legislative Council: This section contains line items the Legislative Branch is required by statute or the Constitution to fund.

Legislative Council	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$1,130,500	\$1,130,500	\$0	\$0	\$0	0.0
<i>Recommended Changes from FY 2006-07 Appropriation</i>						
Cost of Living Analysis	250,000	0	0	250,000	0	0.0
Total FY 2007-08 JBC Recommendation	\$1,380,500	\$1,130,500	\$0	\$250,000	\$0	0.0
\$ Change from prior year	\$250,000	\$0	\$0	\$250,000	\$0	0.0
% Change from prior year	22.1%	0.0%	n/a	n/a	n/a	n/a

Issue Descriptions

Cost of Living Analysis: Legislative Council staff, pursuant to Section 22-54-104 (5)(c)(III)(A), C.R.S., is required to certify the cost of living factor for each school district every two years based on a cost-of-living analysis that is typically conducted through a contract. The funds are transferred from the Department of Education for the cost of the study.

General Assembly: This section contains line items associated with statewide appropriations, such as, workers' compensation, legal services, purchase of services from the computer center, risk management, and capitol complex leased space.

General Assembly	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$1,324,181	\$1,324,181	\$0	\$0	\$0	0.0
<i>Recommended Changes from FY 2006-07 Appropriation</i>						
Operating adjustments	156,838	156,838	0	0	0	0.0
Total FY 2007-08						
JBC Recommendation	\$1,481,019	\$1,481,019	\$0	\$0	\$0	0.0
\$ Change from prior year	\$156,838	\$156,838	\$0	\$0	\$0	0.0
% Change from prior year	11.8%	11.8%	n/a	n/a	n/a	n/a

Issue Descriptions

Operating adjustments: The recommendation contains various changes in currently appropriated line items. These centrally appropriated line items include workers' compensation, payments to risk management and property funds, legal services, purchase of services from the computer center, and capitol complex. Operating adjustments are a function of recoverable costs in the Department of Personnel and Administration or the Department of Law, as is the case with Legal Services, that are allocated to other departments based on a proportionate share of risk or utilization.

Department of Local Affairs

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

Summary Table for Department of Local Affairs						
	Total Funds	General Fund ¹	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$239,223,420	\$10,298,959	\$29,211,540	\$101,962,367	\$97,750,554	192.8
Recommended Changes from FY 2006-07 by Long Bill Division						
Executive Director's Office	482,738	278,194	10,237	101,743	92,564	0.0
Property Taxation	33,161	259,004	10,168	(236,011)	0	0.0
Division of Housing	539,839	14,636	12,550	8,282	504,371	0.0
Division of Local Government	(12,447,201)	51,838	(15,349)	5,599,762	(18,083,452)	(9.0)
Total FY 2007-08 JBC Recommendation	\$227,831,957	\$10,902,631	\$29,229,146	\$107,436,143	\$80,264,037	183.8
\$ Change from prior year	(\$11,391,463)	\$603,672	\$17,606	\$5,473,776	(\$17,486,517)	(9.0)
% Change from prior year	(4.8)%	5.9%	0.1%	5.4%	(17.9)%	(4.7)%

¹ This amount includes a General Fund Exempt appropriation.

Recommendation Highlights:

1. Adjusts projected funding for various programs with statutorily, constitutionally, or federally dedicated fund sources, including:
 - a. an increase of \$5.5 million lottery funds for Conservation Trust Fund disbursements;
 - b. an anticipated increase of \$483,299 federal funds for affordable housing, rental assistance, and emergency shelters;
 - c. an increase of \$242,810 in limited gaming impact grants;
 - d. an anticipated decrease of \$1.1 million federal funds for business and infrastructure grants through the Community Development Block Grant program; and
 - e. an anticipated decrease of \$60,888 federal funds for the Community Services Block Grant.
2. Reflects an anticipated \$16.5 million decrease in federal funds for disaster preparedness grants. Of the decrease, \$16.0 million is attributable to homeland security grants.
3. Moves \$444,065 federal funds and 9.0 FTE associated with the administration of the federally-funded Disability Navigator Project that provides employment and training services to people with disabilities to the Division of Vocational Rehabilitation in the Department of Human Services.

Budget Recommendation Detail by Long Bill Division

Executive Director's Office: This division is responsible for the management and administration of the Department, including accounting, budgeting, and human resources. The appropriation to this office includes centrally-appropriated funds which are further distributed to the various divisions. The Division also conducts several miscellaneous functions statutorily assigned to the Department, including administration of the Moffat Tunnel Improvement District and support of the federally-funded Workforce Development Council.

Executive Director's Office	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$4,348,137	\$1,126,801	\$207,097	\$2,066,731	\$947,508	19.0
<i>Recommended Changes from FY 2006-07 Appropriation</i>						
Salary and benefit increases	387,766	212,940	10,714	69,962	94,150	0.0
Leased space	48,317	45,331	2,147	5,742	(4,903)	0.0
Operating expenses	26,791	19,923	(46)	3,597	3,317	0.0
Annualize salary increases	22,442	0	0	22,442	0	0.0
One-time legal expenses	(2,578)	0	(2,578)	0	0	0.0
Total FY 2007-08 JBC Recommendation	\$4,830,875	\$1,404,995	\$217,334	\$2,168,474	\$1,040,072	19.0
\$ Change from prior year	\$482,738	\$278,194	\$10,237	\$101,743	\$92,564	0.0
% Change from prior year	11.1%	24.7%	4.9%	4.9%	9.8%	0.0%

Issue Descriptions

Salary and benefit increases: The recommendation includes \$387,766 for salary and benefit increases, including: \$181,676 for performance based pay; \$100,361 for health, life and dental premiums; \$83,688 for salary survey; and \$22,041 for miscellaneous other changes.

Leased space: The recommendation includes an increase of \$48,317 for leased space. Of this total, \$44,596 is for leased space in the capitol complex, and \$735 is for private leases.

Operating expenses: The recommendation includes an increase of \$26,791 for various operating expenses. The largest increase is \$14,416 for vehicle lease payments based on replacing vehicles projected to exceed 100,000 miles in the next fiscal year.

Annualize salary increases: The recommendation includes an increase of \$22,442 to annualize salary survey increases provided in FY 2006-07. This amount is net of the 0.5 percent common policy base reduction for personal services expenses.

One-time legal expenses: The recommendation includes a reduction of \$2,578 cash funds for one-time legal services expenses that occurred in FY 2006-07 related to implementing H.B. 06-1085 (Garcia/Entz) Building Regulation Fund Expenditures.

Property Taxation: This division supervises property tax collection by local governments to ensure property tax laws are administered consistently and fairly throughout the State. This includes training county assessors, calculating property tax for certain multi-county companies such as utilities, pipelines, and railroads, as well as determining eligibility for property tax exemptions. The Division includes the Board of Assessment Appeals, which is responsible for hearing appeals of decisions by county boards of equalization, county boards of commissioners, and the State Property Tax Administrator on the valuation of real and personal property, property tax abatements, and property tax exemptions.

Property Taxation	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$3,357,295	\$1,633,147	\$644,588	\$1,079,560	\$0	53.5
Recommended Changes from FY 2006-07 Appropriation						
Annualize salary increases	52,553	26,022	10,168	16,363	0	0.0
Fund source adjustment	0	232,982	0	(232,982)	0	0.0
Indirect cost assessment	(19,392)	0	0	(19,392)	0	0.0
Total FY 2007-08 JBC Recommendation	\$3,390,456	\$1,892,151	\$654,756	\$843,549	\$0	53.5
\$ Change from prior year	\$33,161	\$259,004	\$10,168	(\$236,011)	\$0	0.0
% Change from prior year	1.0%	15.9%	1.6%	(21.9)%	n/a	0.0%

Issue Descriptions

Annualize salary increases: The recommendation includes an increase of \$52,553 to annualize salary survey increases provided in FY 2006-07. This amount is net of the 0.5 percent common policy base reduction for personal services expenses.

Fund source adjustment: The recommendation includes a decrease in the amount of indirect cost recoveries applied to offset the need for General Fund in this division, which necessitates an increase in the General Fund appropriation.

Indirect cost assessment: The recommendation includes a decrease of \$19,392 cash funds exempt for a lower indirect cost assessment against this division.

Division of Housing: The Division provides financial and technical assistance to help communities provide affordable housing to low-income, elderly, and disabled people. Financial assistance programs include state and federal grants, loans, loan guarantees, and other means to provide incentives for the construction, acquisition, and rehabilitation of affordable housing.

Division of Housing	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$30,671,711	\$1,425,053	\$1,261,867	\$178,368	\$27,806,423	32.1
<i>Recommended Changes from FY 2006-07 Appropriation</i>						
Federal housing funds	483,299	0	0	0	483,299	0.0
Annualize salary increases	70,404	14,636	1,084	17,948	36,736	0.0
Indirect cost assessment	(13,864)	0	11,466	(9,666)	(15,664)	0.0
Total FY 2007-08 JBC Recommendation	\$31,211,550	\$1,439,689	\$1,274,417	\$186,650	\$28,310,794	32.1
\$ Change from prior year	\$539,839	\$14,636	\$12,550	\$8,282	\$504,371	0.0
% Change from prior year	1.8%	1.0%	1.0%	4.6%	1.8%	0.0%

Issue Descriptions

Federal housing funds: The recommendation includes a projected net increase in federal funds for affordable housing and rental assistance of \$483,299. Of this amount, \$321,825 is for construction grants, \$81,220 is for emergency shelters, and the remainder is for grant administration and technical assistance.

Annualize salary increases: The recommendation includes \$70,404 to annualize salary survey increases awarded in FY 2006-07. This figure is net of the common policy 0.5 percent base personal services reduction.

Indirect cost assessment: The recommendation includes a decrease of \$13,864 cash funds exempt for a lower indirect cost assessment against this division.

Division of Local Government: This division includes programs to assist local governments in identifying and responding to financial issues, problem-solving, administrative, and leadership developments needs. To provide this assistance to local governments, the Division operates eight field offices.

Division of Local Government	Total Funds	General Fund ¹	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$200,846,277	\$6,113,958	\$27,097,988	\$98,637,708	\$68,996,623	88.2
<i>Recommended Changes from FY 2006-07 Appropriation</i>						
Conservation Trust Fund disbursements	5,500,000	0	0	5,500,000	0	0.0
Limited gaming impact grants	242,810	0	0	242,810	0	0.0
Annualize salary increases	133,159	46,384	1,718	22,237	62,820	0.0
Volunteer firefighter retirement plans	5,454	5,454	0	0	0	0.0
Disaster preparedness grants	(16,500,000)	0	0	0	(16,500,000)	0.0
Community Development Block Grant	(1,133,794)	0	0	0	(1,133,794)	0.0
Disability navigator project	(444,065)	0	0	0	(444,065)	(9.0)
Indirect cost assessment	(177,725)	0	(17,067)	(153,133)	(7,525)	0.0
Community Services Block Grant	(60,888)	0	0	0	(60,888)	0.0

Division of Local Government	Total Funds	General Fund ¹	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
Disaster response and recovery	(12,152)	0	0	(12,152)	0	0.0
Total FY 2007-08 JBC Recommendation	\$188,399,076	\$6,165,796	\$27,082,639	\$104,237,470	\$50,913,171	79.2
\$ Change from prior year	(\$12,447,201)	\$51,838	(\$15,349)	\$5,599,762	(\$18,083,452)	(9.0)
% Change from prior year	(6.2)%	0.8%	(0.1)%	5.7%	(26.2)%	(10.2)%

¹ This amount includes a General Fund Exempt appropriation.

General Fund Summary	Total General Fund	General Fund	General Fund Exempt
FY 2006-07 Appropriation	\$6,113,958	\$2,288,099	\$3,825,859
Volunteer firefighter retirement plans	5,454	8,485	(3,031)
Annualize salary increases	<u>46,384</u>	<u>46,384</u>	<u>0</u>
Total FY 2007-08 Long Bill Recommendation	\$6,165,796	\$2,342,968	\$3,822,828

General Fund Exempt

In November 2005, the Colorado voters passed Referendum C. Referendum C allowed the State to retain all revenue that is collected above the TABOR limit for FY 2005-06 through FY 2009-10. This revenue must be placed in a General Fund Exempt Account (see Section 24-77-103.6 (2), Colorado Revised Statutes). The above table shows the amount of General Fund Exempt that the Joint Budget Committee recommends be appropriated from the General Fund Exempt Account for purposes of funding retirement plans for firefighters and police officers pursuant to Sections 24-77-103.6 (2) and 24-77-104.5 (1) (a), Colorado Revised Statutes.

Issue Descriptions

Conservation Trust Fund disbursements: The recommendation includes a projected \$5.5 million increase in Conservation Trust Fund disbursements based on projected lottery revenues deposited in the Conservation Trust Fund.

Limited gaming impact grants: The recommendation includes a \$242,810 increase in limited gaming impact grants based on projected limited gaming revenues that will be distributed pursuant to statute to the Limited Gaming Impact Fund.

Annualize salary increases: The recommendation includes \$127,648 to annualize salary survey increases awarded in FY 2006-07. This figure is net of the common policy 0.5 percent base personal services reduction. It also includes a net increase of \$8,741 federal funds for administration of various federal programs.

Volunteer firefighter retirement plans: The recommendation includes an increase of \$5,454 for the state's statutory obligations to contribute to volunteer firefighter retirement plans, which is exempt from the six percent limit on the annual growth of General Fund expenditures.

Disaster preparedness grants: The recommendation reflects a projected \$16.5 million decrease in federal funds for disaster preparedness grants. Of the decrease, \$16.0 million is attributable to homeland security grants.

Community Development Block Grant: The recommendation reflects a projected decrease of \$1,133,794 federal funds for business and infrastructure development through the Community Development Block Grant program.

Disability navigator project: The recommendation includes moving the administration of the federally-funded Disability Navigator Project that provides employment and training services to people with disabilities to the Division of Vocational Rehabilitation in the Department of Human Services.

Indirect cost assessment: The recommendation includes a decrease of \$177,725 cash funds exempt for a lower indirect cost assessment against this division.

Community Services Block Grant: The recommendation includes an anticipated decrease of \$60,888 federal funds for the Community Services Block Grants.

Disaster response and recovery: The recommendation reflects a \$12,152 decrease in projected expenditures from the Disaster Emergency Fund administered by the Governor for the response to and recovery from disasters. This appropriation is a placeholder to track actual expenditures. In a declared disaster emergency, the Governor has broad statutory authority to make necessary expenditures to respond.

Department of Military and Veterans Affairs

Department Description: 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 the public arms, military records, relics and banners of the state; assists veterans and National Guard members with benefits claims; maintains the Western Slope Veterans' Cemetery; supports the Civil Air Patrol, Colorado Wing; and assists in fighting the spread of drug trafficking and abuse.

Summary Table for Department of Military and Veterans Affairs						
	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$152,555,620	\$5,214,226	\$76,413	\$1,475,343	\$145,789,638	1,187.8
<i>Recommended Changes from FY 2006-07 by Long Bill Division</i>						
Executive Director and Army National Guard	1,817,158	273,913	(73)	51,626	1,491,692	34.0
Division of Veterans Affairs	(143,261)	14,772	0	(158,033)	0	0.0
Air National Guard	60,949	6,085	0	0	54,864	0.0
Federal Funded Programs	18,137,381	0	0	0	18,137,381	162.0
Civil Air Patrol	12,337	12,337	0	0	0	0.0
Total FY 2007-08 JBC Recommendation	\$172,440,184	\$5,521,333	\$76,340	\$1,368,936	\$165,473,575	1,383.8
\$ Change from prior year	\$19,884,564	\$307,107	(\$73)	(\$106,407)	\$19,683,937	196.0
% Change from prior year	13.0%	5.9%	(0.1)%	(7.2)%	13.5%	16.5%

Recommendation Highlights:

1. Includes an anticipated increase of almost \$20 million federal funds for Army and Air National Guard cooperative agreements for additional troops and equipment.
2. Decreases Veterans Trust Fund expenditures to reflect the lower amount of tobacco settlement proceeds transferred to the Trust Fund and to reflect the lower allowable expenditure level, which decreased from 75 percent to 65 percent of the amount transferred, pursuant to S.B.06-126.

Budget Recommendation Detail by Long Bill Division

Executive Director and Army National Guard: The federal government fully funds National Guard training and provides most of the funding for construction of armories and other military facilities. Under its cooperative agreements with the federal government, the Department provides 100 percent of maintenance and utilities costs at fifteen armories, and 20 or 25 percent of the costs at four other facilities. Most of the Department's General Fund personnel expenditures are for administrative and professional staff in the Executive Director/Army National Guard office, and for the labor trades and crafts employees who maintain and repair the armories and other military facilities.

Executive Director and Army National Guard	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$8,473,823	\$3,894,359	\$51,413	\$654,425	\$3,873,626	51.2
Recommended Changes from FY 2006-07 Appropriation						
Army National Guard cooperative agreement with federal government	1,127,981	0	0	0	1,127,981	31.0
Personal services and benefits adjustments	430,790	98,680	(73)	(9,103)	341,286	0.0
Colorado National Guard Tuition Fund	219,803	0	0	219,803	0	0.0
Personal services increase	133,764	133,764	0	0	0	3.0
Other centrally appropriated items	(66,071)	70,578	0	(159,074)	22,425	0.0
Armory maintenance	(29,109)	(29,109)	0	0	0	0.0
Total FY 2007-08 JBC Recommendation	\$10,290,981	\$4,168,272	\$51,340	\$706,051	\$5,365,318	85.2
\$ Change from prior year	\$1,817,158	\$273,913	(\$73)	\$51,626	\$1,491,692	34.0
% Change from prior year	21.4%	7.0%	(0.1)%	7.9%	38.5%	66.4%

Issue Descriptions

Army National Guard cooperative agreement with the federal government: Includes an expected increase in federal funds and an additional 31 authorized troops under the Army National Guard cooperative agreement.

Personal services and benefits adjustments: Annualizes FY 2006-07 salary survey and benefits adjustments, including health, life, and dental insurance; short-term disability insurance; pension amortization disbursements; and workers compensation insurance.

Colorado National Guard Tuition Fund: Appropriates the maximum amount allowed in statute from Department of Higher Education Financial Aid funds to the Colorado National Guard tuition fund.

Personal services increase: Increases General Fund for two new armory maintenance staff for Western Slope facilities and one new information technology and purchasing support staff, primarily for the Division of Veterans Affairs.

Other centrally appropriated items: Adjusts centrally appropriated expenses, including variable vehicle, information technology asset maintenance, legal services, purchase of services from computer center, multiuse network payments, risk management and property payments, vehicle lease payments, leased space, communications services, and utilities.

Armory maintenance: Eliminates a one-time General Fund appropriation of \$224,000 to address the armory maintenance backlog, and adds a one-time General Fund appropriation of \$194,891 to address the armory maintenance backlog.

Division of Veterans Affairs: The Division represents veterans in federal benefits claims, provides information and training to county veterans service officers, and maintains the Western Slope Veterans' Cemetery in Grand Junction. The State Board of Veterans Affairs makes grants to veterans service organizations from the Veterans Trust Fund, which is derived from tobacco settlement proceeds.

Division of Veterans Affairs	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$1,662,448	\$765,530	\$25,000	\$820,918	\$51,000	12.5
Recommended Changes from FY 2006-07 Appropriation						
Colorado State Veterans Trust Fund expenditures	(218,255)	0	0	(218,255)	0	0.0
Personal services and benefits adjustments	74,994	14,772	0	60,222	0	0.0
Total FY 2007-08 JBC Recommendation	\$1,519,187	\$780,302	\$25,000	\$662,885	\$51,000	12.5
\$ Change from prior year	(\$143,261)	\$14,772	\$0	(\$158,033)	\$0	0.0
% Change from prior year	(8.6)%	1.9%	0.0%	(19.3)%	0.0%	0.0%

Issue Descriptions

Colorado State Veterans Trust Fund expenditures: Reduces the appropriation for Veterans Trust Fund expenditures because 1) the transfer of funds from tobacco settlement proceeds to the Veterans Trust Fund was significantly less than expected this year, and 2) the allowable expenditure level was reduced pursuant to statute from 75 percent to 65 percent of the transfer amount.

Personal services and benefits adjustments: Annualizes FY 2006-07 salary survey and benefits adjustments, including health, life, and dental insurance; short-term disability insurance; pension amortization disbursements; and workers compensation insurance..

Air National Guard: This division provides funding for personal services, operating expenses, and utilities for the Buckley and Greeley Air National Guard bases. The state's share of operating and maintenance costs varies under its agreements with the federal government, based on the type and use of the building and whether it is on state or federal land. The federal government pays the state to employ five full-time security guards at the space command facility at Greeley.

Air National Guard	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$3,106,095	\$442,010	\$0	\$0	\$2,664,085	46.1
Recommended Changes from FY 2006-07 Appropriation						
Air National Guard cooperative agreements with the federal government	54,864	0	0	0	54,864	0.0
Air National Guard cooperative agreements with the federal government	6,085	6,085	0	0	0	0.0
Total FY 2007-08 JBC Recommendation	\$3,167,044	\$448,095	\$0	\$0	\$2,718,949	46.1
\$ Change from prior year	\$60,949	\$6,085	\$0	\$0	\$54,864	0.0
% Change from prior year	2.0%	1.4%	n/a	n/a	2.1%	0.0%

Issue Descriptions

Air National Guard cooperative agreements with the federal government: Includes an expected increase in federal funds for Air National Guard cooperative agreements for Buckley and security for the Space Command facility at Greeley.

Air National Guard cooperative agreements with the federal government: Increases General Fund for the state share of armory maintenance and utilities, under Air National Guard cooperative agreements.

Federal Funded Programs: This section of the Long Bill is included for informational purposes only. It describes funding that is managed by the Department but which is not subject to state appropriation and does not flow through the state accounting system. These programs provide training each weekend and two weeks per year for members of the Colorado National Guard. The requested level of federal funding reflects estimates of the federal appropriation for federal fiscal year 2008.

Federal Funded Programs	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$139,200,927	\$0	\$0	\$0	\$139,200,927	1,077.0
Recommended Changes from FY 2006-07 Appropriation						
Federal Funded Programs	18,137,381	0	0	0	18,137,381	162.0
Total FY 2007-08 JBC Recommendation	\$157,338,308	\$0	\$0	\$0	\$157,338,308	1,239.0
\$ Change from prior year	\$18,137,381	\$0	\$0	\$0	\$18,137,381	162.0
% Change from prior year	13.0%	n/a	n/a	n/a	13.0%	15.0%

Issue Descriptions

Federal Funded Programs: Reflects an expected increase in federal funds and an additional 162 authorized National Guard troops.

Civil Air Patrol: The Civil Air Patrol is a federally-chartered nonprofit corporation, created as an auxiliary to the U.S. Air Force and funded primarily by the U.S. Air Force and user fees. The organization has five statutory purposes, including: encouraging citizens to contribute to developing aviation and maintaining air supremacy; providing aviation education and training; and fostering civil aviation in local communities. The Colorado Division of Civil Air Patrol was created to support the Civil Air Patrol, Colorado Wing.

Civil Air Patrol	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$112,327	\$112,327	\$0	\$0	\$0	1.0
<i>Recommended Changes from FY 2006-07 Appropriation</i>						
Aircraft Maintenance	10,414	10,414	0	0	0	0.0
Personal Services	1,923	1,923	0	0	0	0.0
Total FY 2007-08 JBC Recommendation	\$124,664	\$124,664	\$0	\$0	\$0	1.0
\$ Change from prior year	\$12,337	\$12,337	\$0	\$0	\$0	0.0
% Change from prior year	11.0%	11.0%	n/a	n/a	n/a	0.0%

Issue Descriptions

Aircraft maintenance: Increases funding to reflect increased labor and parts costs.

Personal services: Annualizes FY 2006-07 salary survey and benefits adjustments, including health, life, and dental insurance; short-term disability insurance; pension amortization disbursements; and workers compensation insurance..

Department of Natural Resources

Department Description: The Department is responsible for developing, protecting and enhancing Colorado's natural resources. The Department is comprised of the following agencies and divisions: Executive Director's Office, Reclamation, Mining, and Safety, Geological Survey, Oil and Gas Conservation Commission, State Board of Land Commissioners, Parks and Outdoor Recreation, Colorado Water Conservation Board, Water Resources (State Engineer's Office), and the Division of Wildlife.

Summary Table for Department of Natural Resources						
	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$194,758,787	\$28,427,902	\$40,311,776	\$109,269,434	\$16,749,675	1,466.8
Recommended Changes from FY 2006-07 by Long Bill Division						
Executive Director's Office	680,873	(1,473,844)	3,532,163	(1,163,387)	(214,059)	2.0
Reclamation, Mining, and Safety	402,235	0	458,608	4,733	(61,106)	1.0
Geological Survey	(292,507)	0	24,506	(315,675)	(1,338)	(1.0)
Oil and Gas Conservation Commission	504,535	0	2,149,749	(1,650,771)	5,557	6.0
State Board of Land Commissioners	347,434	0	147,440	199,994	0	4.0
Parks and Outdoor Recreation	2,834,780	2,756,764	(587,302)	643,098	22,220	30.5
Colorado Water Conservation Board	(3,156,539)	0	326,000	(3,473,343)	(9,196)	0.0
Water Resources (State Engineer's Office)	418,423	625,464	17,642	(250,098)	25,415	5.1
Division of Wildlife	1,782,464	0	0	1,393,207	389,257	0.0
Total FY 2007-08 JBC Recommendation	\$198,280,485	\$30,336,286	\$46,380,582	\$104,657,192	\$16,906,425	1,514.4
\$ Change from prior year	\$3,521,698	\$1,908,384	\$6,068,806	(\$4,612,242)	\$156,750	47.6
% Change from prior year	1.8%	6.7%	15.1%	(4.2)%	0.9%	3.2%

Recommendation Highlights:

1. Provides \$1.6 million total funds, including \$265,000 General Fund for additional staff and operating expenses associated with the state park system.
2. Provides \$1.3 million General Fund for benefits increases for staff throughout the Department.
3. Provides \$1.3 million cash funds exempt to reflect anticipated increases in lottery proceeds and funds from Great Outdoors Colorado (GOCO).
4. Provides \$568,000 total funds (cash and cash exempt) for additional staff and contract employees to process oil and gas permit applications.
5. Provides \$511,000 General Fund for additional water commissioners and hydrographers in the Division of Water Resources based on the need for additional monitoring of groundwater augmentation.

6. Provides \$435,500 cash funds (Operational Account of the Severance Tax Trust Fund) for projects in the Colorado Water Conservation Board.
7. Provides \$427,000 total funds for additional contract staff and state FTE to process permit applications for five oil shale pilot projects in Northwestern Colorado, and to respond to the growing energy development throughout the state.
8. Provides \$342,000 for the reclamation of forfeited mine sites.
9. Provides \$288,000 for information technology resources in the Oil and Gas Conservation Commission.
10. Reduces \$9.4 million total funds for one-time appropriations in FY 2006-07, primarily from special legislation that did not require an ongoing appropriation in FY 2007-08.
11. Reduces \$540,000 total funds for a 0.5 percent reduction to personal services throughout the Department.

Budget Recommendation Detail by Long Bill Division

Executive Director's Office: This office is responsible for the management and administration of the Department, including the following functional areas: departmental administration and policy development, human resources, accounting and purchasing, budgeting, and information technology services.

Executive Director's Office	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$30,187,626	\$7,137,197	\$6,740,725	\$15,147,758	\$1,161,946	58.6
<i>Recommended Changes from FY 2006-07 Appropriation</i>						
FY 2006-07 salary and benefits adjustments	3,762,831	1,262,405	646,048	1,725,773	128,605	0.0
Central impacts for various decision items	439,063	37,534	231,117	170,412	0	0.0
Energy development staff	146,940	0	8,708	138,232	0	2.0
Annualize 2006 appropriation	2,400	2,400	0	0	0	0.0
Eliminate one-time appropriations in FY 2006-07	(3,160,417)	0	(10,417)	(3,150,000)	0	0.0
Reduction in federal funds	(364,605)	0	0	0	(364,605)	0.0
Common policy adjustments	(121,093)	80,891	(136,118)	(87,807)	21,941	0.0
Personal services reduction	(24,246)	0	(12,104)	(12,142)	0	0.0

Executive Director's Office	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
Refinance state parks central appropriations	0	(2,857,074)	2,857,074	0	0	0.0
Fund mix adjustments	0	0	(52,145)	52,145	0	0.0
Total FY 2007-08 JBC Recommendation	\$30,868,499	\$5,663,353	\$10,272,888	\$13,984,371	\$947,887	60.6
\$ Change from prior year	\$680,873	(\$1,473,844)	\$3,532,163	(\$1,163,387)	(\$214,059)	2.0
% Change from prior year	2.3%	(20.7)%	52.4%	(7.7)%	(18.4)%	3.4%

Issue Descriptions

FY 2006-07 salary and benefits adjustments: The recommendation includes benefits increases for the entire department for the following line items: health, life, and dental, short-term disability, amortization equalization disbursement, supplemental amortization equalization disbursement, salary survey and senior executive service, performance-based pay, and shift differential.

Central impacts for various decision items: The recommendation includes adjustments for legal services for three decision items: \$136,857 cash funds and 1,900 legal hours for oil shale permit processing, \$115,248 cash funds exempt and 1,600 legal hours for conservation easements in the Division of Wildlife, and \$64,827 cash funds and 900 legal hours for mineral audits for the State Land Board. The recommendation also includes miscellaneous increases associated with new vehicles, and leased space increases.

Energy development staff: The recommendation includes \$147,000 and 2.0 FTE to assist the Executive Director's Office in responding to the rapid pace of energy development in the state. Of these positions, 1.0 FTE is for a staff person to coordinate responses from the Department of Natural Resources for environmental impact statements, as required by the National Environmental Policy Act (NEPA). The second FTE is recommended to assist the director of the Department in responding to and representing the Department on issues related to the development of energy resources throughout the state.

Annualize 2006 appropriation: The recommendation will annualize a lease that was authorized for part of FY 2006-07.

Eliminate one-time appropriations in FY 2006-07: The recommendation eliminates one-time funding that was provided to the Department in FY 2006-07 through H.B. 06-1311 (Species Conservation Trust Fund) and miscellaneous one-time funds provided for leased space and operating expenses.

Reduction in federal funds: The recommendation includes an adjustment to reflect the amount of federal funds that the Department anticipates receiving in FY 2007-08.

Common policy adjustments: The recommendation includes adjustments for line items that provide employee benefits to all department employees and for programs that provide statewide services to divisions throughout the Department. These increases include adjustments to the following line items: health, life, dental, short-term disability, amortization equalization disbursement, supplemental amortization equalization disbursement, salary survey, performance-based pay, shift differential, administrative law judge services, multi-use network payments, vehicle lease payments, workers' compensation, payments to risk management, capitol complex leased space, and communications services payments.

Personal services reduction: The recommendation includes a 0.5 percent reduction in accordance with the JBC policy for personal services line items.

Refinance state parks central appropriations: The recommendation includes a reduction in General Fund, with a corresponding increase in cash funds from the Parks and Outdoor Recreation Cash Fund for line items in the Executive Director's Office used to provide central support and employee benefits for the Division of Parks and Outdoor Recreation. In the Division of Parks and Outdoor Recreation, there is a corresponding adjustment to increase General Fund and decrease cash funds. This recommendation will allow the cash funds to support the costs of administration for the Division.

Fund mix adjustments: The recommendation includes fund mix adjustments pursuant to the Department's indirect cost plan, which is used to offset the need for General Fund in the Executive Director's Office.

Division of Reclamation, Mining, and Safety: This division includes the following programs:

- Coal Land Reclamation -- This program protects society and the environment from the adverse effects of coal mining, as well as complying with the requirements of the federal Surface Mining Control and Reclamation Act.
- Inactive Mines -- This program safeguards mine openings, inspects and monitors mine sites, and reclaims abandoned mines. There are over 23,000 hazardous mine openings in Colorado, of which only about 6,000 have been safeguarded.
- Minerals -- This program issues and enforces mining and reclamation permits for all non-coal mines in Colorado on state, federal, and private lands. The program permits and inspects the 1,735 non-coal mines in Colorado with permitted areas covering 100,386 acres and regulates 374 active prospecting operations.
- Mine Safety Training -- This program regulates active mines for safety, inspects tourist mines, performs safety audits, administers certification programs for mining employees, provides training in mine rescue/safety, and regulates underground diesel equipment and mining explosives.

Division of Reclamation, Mining, and Safety	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$6,854,928	\$0	\$3,433,254	\$628,376	\$2,793,298	65.7
Recommended Changes from FY 2006-07 Appropriation						
Reclamation of forfeited mine sites	342,000	0	342,000	0	0	0.0
FY 2006-07 salary and benefits adjustments	98,471	0	46,670	0	51,801	0.0
Staff for oil shale development	76,210	0	76,210	0	0	1.0
Change in indirect cost recoveries	(89,115)	0	19,974	0	(109,089)	0.0
Personal services reduction	(25,331)	0	(12,710)	(730)	(11,891)	0.0
Fund mix adjustments	0	0	(13,536)	5,463	8,073	0.0

Division of Reclamation, Mining, and Safety	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
Total FY 2007-08 JBC Recommendation	\$7,257,163	\$0	\$3,891,862	\$633,109	\$2,732,192	66.7
\$ Change from prior year	\$402,235	\$0	\$458,608	\$4,733	(\$61,106)	1.0
% Change from prior year	5.9%	n/a	13.4%	0.8%	(2.2)%	1.5%

Issue Descriptions

Reclamation of forfeited mine sites: The recommendation includes an appropriation to reclaim and control hazardous conditions and ten forfeited mine sites.

FY 2006-07 salary and benefits adjustments: The recommendation includes salary survey increases allocated to this division in FY 2006-07.

Staff for oil shale development: The recommendation includes an additional staff person that will be dedicated to the processing of oil shale permits being submitted for oil shale pilot projects administered by the Bureau of Land Management.

Change in indirect cost recoveries: The recommendation reflects adjustments to the indirect cost plan which is used to offset the need for General Fund in the Executive Director's Office based on Department-wide and state-wide indirect cost recoveries.

Personal services reduction: The recommendation includes a 0.5 percent reduction in accordance with the JBC policy for personal services line items.

Fund mix adjustments: The recommendation includes fund mix adjustments based on the anticipated fund sources needed to fund the recommendation.

Geological Survey: This division includes the following three programs:

- Environmental Geology and Geological Hazards -- This program is designed to lessen the impact of, and increase the awareness and understanding of, geological hazards in Colorado.
- Mineral Resources and Mapping -- This program promotes the development of the state's mineral resources through the publication and distribution of maps, reports, and presentations on geological conditions, mineral potential, mineral reserves, and actual mineral production.
- Colorado Avalanche Information Center -- This program provides avalanche forecasting services and education to back country recreation users, industry, and travelers.

Geological Survey	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$4,677,684	\$0	\$2,530,739	\$1,176,585	\$970,360	35.0

Geological Survey	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
Recommended Changes from FY 2006-07 Appropriation						
Staff for oil shale development and groundwater mapping	153,705	0	153,705	0	0	2.0
FY 2006-07 salary and benefits adjustments	54,469	0	35,217	15,747	3,505	0.0
Eliminate vacant positions	(327,125)	0	0	(327,125)	0	(3.0)
Eliminate one-time appropriations in FY 2006-07	(153,000)	0	(153,000)	0	0	0.0
Personal services reduction	(20,167)	0	(10,421)	(5,224)	(4,522)	0.0
Change in indirect cost recoveries	(389)	0	0	0	(389)	0.0
Fund mix adjustments	0	0	(995)	927	68	0.0
Total FY 2007-08 JBC Recommendation	\$4,385,177	\$0	\$2,555,245	\$860,910	\$969,022	34.0
\$ Change from prior year	(\$292,507)	\$0	\$24,506	(\$315,675)	(\$1,338)	(1.0)
% Change from prior year	(6.3)%	n/a	1.0%	(26.8)%	(0.1)%	(2.9)%

Issue Descriptions

Staff for oil shale development and groundwater mapping: The recommendation includes cash funds (Operational Account of the Severance Tax Trust Fund) for 1.0 FTE with oil shale expertise. This FTE will provide scientific research, monitoring, and support for a multi-disciplinary team responding to oil shale development on the Western Slope. The recommendation also includes 1.0 FTE to conduct groundwater quality studies and to study the potential impact of more development on the quantity and quality of groundwater along the Front Range.

FY 2006-07 salary and benefits adjustments: The recommendation includes salary survey increases allocated to this division in FY 2006-07.

Eliminate vacant positions: The recommendation includes reductions for vacant positions that had previously been filled with transfer payments from other state agencies.

Eliminate one-time appropriations in FY 2006-07: The recommendation includes a reduction associated with a one-time appropriation made in FY 2006-07 for a coalbed methane stream depletion study that was cash funded with appropriations from the Operational Account of the Severance Tax Trust Fund.

Personal services reduction: The recommendation includes a 0.5 percent reduction in accordance with the JBC policy for personal services line items.

Change in indirect cost recoveries: The recommendation reflects adjustments to the indirect cost plan which is used to offset the need for General Fund in the Executive Director's Office based on Department-wide and state-wide indirect cost recoveries.

Fund mix adjustments: The recommendation includes miscellaneous fund mix adjustments based on the anticipated revenues that will be used to support the recommended appropriation in FY 2007-08.

Oil and Gas Conservation Commission: The Commission is responsible for promoting the exploration, development, and conservation of Colorado's oil and natural gas resources. The Commission also has the authority to regulate oil and gas operations so as to protect public health, prevent significant adverse environmental impacts, and prevent waste. In addition to enforcement, this responsibility involves answering complaints and inquiries, responding to oil and gas spills and other environmental emergencies at production sites, managing plugging and reclamation work at abandoned well sites, and performing baseline water quality studies. The appropriation reflects the workload attributable to the increase in active wells statewide.

The bulk of the funding for the Oil and Gas Conservation Commission is from the Oil and Gas Conservation and Environmental Response Fund and its associated reserves, and secondarily from the Operational Account of the Severance Tax Trust Fund.

Oil and Gas Conservation Commission	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$7,325,191	\$0	\$3,159,670	\$4,068,962	\$96,559	49.0
<i>Recommended Changes from FY 2006-07 Appropriation</i>						
Permit staff increase	542,784	0	0	542,784	0	4.0
Information technology resources	287,963	0	210,694	77,269	0	1.0
Hearings officer	75,447	0	75,447	0	0	1.0
FY 2006-07 salary and benefits adjustments	62,463	0	62,463	0	0	0.0
Oil shale consultant	60,000	0	0	60,000	0	0.0
Change in indirect cost recoveries	41,109	0	35,552	0	5,557	0.0
Establish office in Rifle	18,138	0	0	18,138	0	0.0
Eliminate one-time appropriations in FY 2006-07	(567,011)	0	(378,386)	(188,625)	0	0.0
Personal services reduction	(16,358)	0	(16,358)	0	0	0.0
Fund mix adjustments	0	0	2,160,337	(2,160,337)	0	0.0
Total FY 2007-08 JBC Recommendation	\$7,829,726	\$0	\$5,309,419	\$2,418,191	\$102,116	55.0
\$ Change from prior year	\$504,535	\$0	\$2,149,749	(\$1,650,771)	\$5,557	6.0
% Change from prior year	6.9%	n/a	68.0%	(40.6)%	5.8%	12.2%

Issue Descriptions

Permit staff increase: The recommendation includes funds for a combination of FTE and contract well-permitting staff to address the significant increase in workload associated with process oil and gas permits.

Information technology resources: The recommendation includes the following adjustments for information technology in the Oil and Gas Conservation Commission: (1) \$119,356 in one-time cash funds for contract workers to clean up data that was migrated from an old database to a new Internet enabled information management system; (2) \$91,338 cash funds for funds to replace information technology equipment used by

the OGCC; and (3) \$77,269 cash funds for a computer application programmer to maintain the Oil and Gas Conservation Information System and to provide technical support to the Commission's Geographic Information System (GIS) administrator.

Hearings officer: The recommendation includes funds for an additional hearings officer to assist the Division in reducing the backlog for hearings and to improve customer service levels.

FY 2006-07 salary and benefits adjustments: The recommendation includes salary survey increases allocated to this division in FY 2006-07.

Oil shale consultant: The recommendation includes \$60,000 cash funds exempt (reserves in the Oil and Gas Conservation Commission Environmental Response Fund) for a contract staff person to provide advice to the Division of Reclamation, Mining, and Safety regarding the processing of oil shale permits submitted for pilot projects administered by the Bureau of Land Management in Northwestern Colorado.

Change in indirect cost recoveries: The recommendation reflects adjustments to the indirect cost plan which is used to offset the need for General Fund in the Executive Director's Office based on Department-wide and state-wide indirect cost recoveries.

Establish office in Rifle: The recommendation includes funding for leased space in Rifle. This space is recommended for the Department to transfer a Denver employee to a newly created office in Rifle to be closer to oil and gas development sites in Western Colorado.

Eliminate one-time appropriations in FY 2006-07: The recommendation includes the elimination of one-time funds used by the OGCC for contract permit application processing staff, and a study related to gas seepage in the Raton Basin.

Personal services reduction: The recommendation includes a 0.5 percent reduction in accordance with the JBC policy for personal services line items.

Fund mix adjustments: The recommendation reflects an adjustment in fund mixes to reflect the portion of the division that is expected to be financed with reserves versus cash revenue in FY 2007-08.

State Board of Land Commissioners: The five member volunteer Board is responsible for managing almost three million surface acres and 4.5 million mineral acres of state lands for the benefit of eight trusts, as well as managing 300,000 acres for a Stewardship Trust designed to preserve the long-term value of designated lands. Appropriations in this division support management of state lands carried out by the Director and staff in the six district offices throughout the state, and minerals, real estate, finance, and operations sections.

Approximately 96 percent of the land managed by the State Board of Land Commissioners is for the School Trust. These lands generate cash fund and cash fund exempt revenues for the public school system (K-12). The State Land Board generates cash funds from agricultural and mineral leases, rights-of-way leases, timber sales, and other sources. These areas are projected to generate \$13.6 million in FY 2006-07, excluding initiatives associated with the S.B. 05-196 Investment and Development Fund. The State Land Board generates cash funds exempt from land sales, mineral royalties and bonuses from non-renewable mineral resources such as oil, gas, and coal. These areas are projected to generate \$43.5 million in FY 2006-07, excluding initiatives

associated with the S.B. 05-196 Investment and Development Fund.

State Board of Land Commissioners	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$3,505,316	\$0	\$894,846	\$2,610,470	\$0	34.0
<i>Recommended Changes from FY 2006-07 Appropriation</i>						
New district office	134,710	0	0	134,710	0	2.0
Water portfolio management	118,194	0	0	118,194	0	1.0
Mineral auditor	60,730	0	0	60,730	0	1.0
FY 2006-07 salary and benefits adjustments	55,745	0	13,323	42,422	0	0.0
Personal services reduction	(11,695)	0	(1,787)	(9,908)	0	0.0
Change in indirect cost recoveries	(10,250)	0	0	(10,250)	0	0.0
Fund mix adjustment	0	0	135,904	(135,904)	0	0.0
Total FY 2007-08 JBC Recommendation	\$3,852,750	\$0	\$1,042,286	\$2,810,464	\$0	38.0
\$ Change from prior year	\$347,434	\$0	\$147,440	\$199,994	\$0	4.0
% Change from prior year	9.9%	n/a	16.5%	7.7%	n/a	11.8%

Issue Descriptions

New district office: The recommendation includes funds to create a new district office. Currently, the State Land Board has six district offices. The recommendation to create a seventh district is intended to reduce travel time for property inspections, and to free up time for land managers to identify, assess, and implement opportunities for land transactions that will increase the value of the State Land Board's portfolio of land holdings.

Water portfolio management: The recommendation includes funding for a water portfolio manager to analyze the State Land Board's water rights portfolio and to develop a strategic plan for maximizing revenue with the water rights that are owned.

Mineral auditor: The recommendation includes funds to add an auditor to audit mineral royalty revenues received from state lands. This position is expected to generate \$234,000 in additional revenue to the State Land Board.

FY 2006-07 salary and benefits adjustments: The recommendation includes salary survey increases allocated to this division in FY 2006-07.

Personal services reduction: The recommendation includes a 0.5 percent reduction in accordance with the JBC policy for personal services line items.

Change in indirect cost recoveries: The recommendation reflects adjustments to the indirect cost plan which is used to offset the need for General Fund in the Executive Director's Office based on Department-wide and state-wide indirect cost recoveries.

Fund mix adjustment: The recommendation includes an adjustment to reflect portion of the State Land Board's revenue stream that is from fee revenue (cash funds) and mineral royalties, which are collected as cash funds exempt.

Parks and Outdoor Recreation: This division manages approximately 41 parks and associated park projects. The Division also manages statewide recreation programs, including the snowmobile program, the off-highway vehicle program, and river outfitters regulation.

State parks are estimated to have 11,869,897 visitors in FY 2006-07, an increase of approximately 3.4 percent over FY 2005-06. As of 2004, Colorado's Parks were among the most self-sufficient in the nation based on a national comparison. Self-sufficiency is defined as the degree to which division cash fund sources cover the costs of the program. Colorado ranked 5th lowest in General Fund support as a percent of operating costs (16.4 percent), received the 6th lowest General Fund support per acre managed (\$20.95), received the 9th lowest General Fund support per visitor (\$0.40), received the 7th lowest General Fund support as a percentage of total state government annual expenditures (0.034 percent), and led nationally in terms of park-generated revenue per visitor at a state park (\$1.57).

Parks and Outdoor Recreation	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$31,074,911	\$2,709,397	\$20,007,523	\$7,347,962	\$1,010,029	261.6
<i>Recommended Changes from FY 2006-07 Appropriation</i>						
Additional staff for state parks	1,564,614	265,188	1,270,932	0	28,494	24.0
Adjustment for GOCO and lottery proceeds	643,098	0	0	643,098	0	6.5
FY 2006-07 salary and benefits adjustments	425,293	399,855	25,438	0	0	0.0
Change in indirect cost recoveries	177,569	0	183,843	0	(6,274)	0.0
Cheyenne Mountain and Lone Mesa State Parks	111,414	(2,400)	113,814	0	0	0.0
Personal services reduction	(87,208)	(12,953)	(74,255)	0	0	0.0
Refinance general fund with parks and outdoor recreation cash funds	0	(750,000)	750,000	0	0	0.0
Refinance central appropriations	0	2,857,074	(2,857,074)	0	0	0.0
Total FY 2007-08 JBC Recommendation	\$33,909,691	\$5,466,161	\$19,420,221	\$7,991,060	\$1,032,249	292.1
\$ Change from prior year	\$2,834,780	\$2,756,764	(\$587,302)	\$643,098	\$22,220	30.5
% Change from prior year	9.1%	101.7%	(2.9)%	8.8%	2.2%	11.7%

Issue Descriptions

Additional staff for state parks: The recommendation includes funding increases for two decision items to add staff at 16 state parks based on increased visitation, and plans to increase service levels at these facilities. The recommendation also includes administrative personnel to assist in the sales of passes to state parks, staff to oversee the development of an automated entrance system at state park facilities, accounting staff, and

information technology staff.

Adjustment for GOCO and lottery proceeds: The recommendation reflects adjustments based on the anticipated level of funding that the Division of Parks and Outdoor Recreation will receive from lottery proceeds and Great Outdoors Colorado (GOCO).

FY 2006-07 salary and benefits adjustments: The recommendation includes salary survey increases allocated to this division in FY 2006-07.

Change in indirect cost recoveries: The recommendation reflects adjustments to the indirect cost plan which is used to offset the need for General Fund in the Executive Director's Office based on Department-wide and state-wide indirect cost recoveries.

Cheyenne Mountain and Lone Mesa State Parks: The recommendation includes a \$113,814 cash fund increase for anticipated costs at Cheyenne Mountain State Park. These costs are associated with the opening of the campground at this new state park facility, and with the increased visitation that is expected to occur in FY 2007-08. The \$2,400 General Fund adjustment is related to annualization of an FY 2006-07 supplemental appropriation that transferred funds from this line item to the leased space line item in the Executive Director's Office. This supplemental appropriation only included a partial year impact in FY 2006-07.

Personal services reduction: The recommendation includes a 0.5 percent reduction in accordance with the JBC policy for personal services line items.

Refinance general fund with parks and outdoor recreation cash funds: The recommendation includes a reduction of General Fund with a corresponding increase in cash funds is based on an anticipated fund balance in the Parks and Outdoor Recreation cash fund to offset the need for General Fund.

Refinance central appropriations: The recommendation includes an increase in General Fund and a corresponding decrease in cash funds. This recommendation is associated with the recommendation to refinance the central appropriations in the Executive Director's Office for the Division of Parks and Outdoor Recreation. There is no net increase in funds associated with these two recommendations. The recommended General Fund increase in the Division of Parks and Outdoor Recreation is offset by an equal reduction in the Executive Director's Office.

Colorado Water Conservation Board: Under the guidance of the Board, this division is responsible for protecting, conserving, and developing the state's water resources, and minimizing the risk of flood damage and associated economic loss. The Colorado Water Conservation Board is divided into two main functional areas: administration and special purpose programs. The bulk of the funding for the Division is from reserves in the Colorado Water Conservation Board Construction Fund.

Colorado Water Conservation Board	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$11,421,119	\$0	\$2,422,702	\$8,851,074	\$147,343	42.2
<i>Recommended Changes from FY 2006-07 Appropriation</i>						
Severance tax projects	435,500	0	435,500	0	0	0.0

Colorado Water Conservation Board	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 salary and benefits adjustments	75,918	0	0	75,918	0	0.0
Change in indirect cost recoveries	47,096	0	0	56,292	(9,196)	0.0
Compact dues	43,397	0	0	43,397	0	0.0
Interbasin compacts	16,288	0	16,288	0	0	0.0
Eliminate one-time appropriation in FY 2006-07	(3,756,555)	0	(125,000)	(3,631,555)	0	0.0
Personal services reduction	(18,183)	0	(788)	(17,395)	0	0.0
Total FY 2007-08 JBC Recommendation	\$8,264,580	\$0	\$2,748,702	\$5,377,731	\$138,147	42.2
\$ Change from prior year	(\$3,156,539)	\$0	\$326,000	(\$3,473,343)	(\$9,196)	0.0
% Change from prior year	(27.6)%	n/a	13.5%	(39.2)%	(6.2)%	0.0%

Issue Descriptions

Severance tax projects: The recommended increase includes an increase in the cash fund appropriations from the Operational Account of the Severance Tax Trust Fund for a number of small-scale grant projects funded by the Colorado Water Conservation Board.

FY 2006-07 salary and benefits adjustments: The recommendation includes salary survey increases allocated to this division in FY 2006-07.

Change in indirect cost recoveries: The recommendation reflects adjustments to the indirect cost plan which is used to offset the need for General Fund in the Executive Director's Office based on Department-wide and state-wide indirect cost recoveries.

Compact dues: The recommendation includes funding to support the anticipated increases in Western States Water Council dues and Interstate Compact dues.

Interbasin compacts: The recommendation includes adjustments for interbasin compacts associated with the implementation of H.B. 05-1177 and H.B. 06-1400.

Eliminate one-time appropriation in FY 2006-07: The recommendation includes a reduction of \$3,631,555 associated with one-time appropriations contained in H.B. 06-1313 (Water Conservation Board Construction Fund), and a reduction of \$125,000 associated with one-time funding contained in S.B. 06-193 (Develop Underground Water Storage).

Personal services reduction: The recommendation includes a 0.5 percent reduction in accordance with the JBC policy for personal services line items.

Water Resources Division: This division, also called the Office of the State Engineer, is primarily responsible for administration of water resources. This includes daily oversight of water allocations within the state and

downstream interstate compact compliance, monitoring of water supply through stream-flow measurements, and groundwater regulation. The Division administers 88,487 direct flow water rights. The Division is also responsible for dam safety inspections and groundwater well construction regulation.

Water Resources Division	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Adjusted Appropriation	\$20,670,921	\$18,581,308	\$1,122,317	\$911,628	\$55,668	268.3
<i>Recommended Changes from FY 2006-07 Appropriation</i>						
Additional water commissioners	491,875	491,875	0	0	0	7.1
FY 2006-07 salary and benefits adjustments	348,034	336,209	5,638	6,187	0	0.0
Vehicle mileage adjustments	90,153	(3,400)	0	93,553	0	0.0
Change in federal funds	25,041	0	0	0	25,041	0.0
Change in indirect cost recoveries	12,215	0	10,260	1,581	374	0.0
Leased space	10,000	10,000	0	0	0	0.0
Annualize 2006 decision item	4,257	0	4,257	0	0	0.0
Eliminate one-time appropriations	(470,856)	(120,856)	0	(350,000)	0	(2.0)
Personal services reduction	(92,296)	(88,364)	(2,513)	(1,419)	0	0.0
Total FY 2007-08 JBC Recommendation	\$21,089,344	\$19,206,772	\$1,139,959	\$661,530	\$81,083	273.4
\$ Change from prior year	\$418,423	\$625,464	\$17,642	(\$250,098)	\$25,415	5.1
% Change from prior year	2.0%	3.4%	1.6%	(27.4)%	45.7%	1.9%

Issue Descriptions

Additional water commissioners: The appropriation includes funding to add water commissioners and hydrographers to the Department based on increased workload associated with monitoring groundwater augmentation and increased monitoring due to an increase in water right decrees.

FY 2006-07 salary and benefits adjustments: The recommendation includes salary survey increases allocated to this division in FY 2006-07.

Vehicle mileage adjustments: The recommendation includes adjustments for mileage reimbursement. The recommended increase in cash funds exempt is from cash reserves and is associated with higher costs due to increases in the rates paid to reimburse employees who use their own vehicles.

Change in federal funds: The recommendation includes an adjustment to reflect the amount of federal funds that the Department anticipates receiving in FY 2007-08.

Change in indirect cost recoveries: The recommendation reflects adjustments to the indirect cost plan which is used to offset the need for General Fund in the Executive Director's Office based on Department-wide and state-wide indirect cost recoveries.

Leased space: The recommendation includes an increase of \$10,000 General Fund for one time expenses associated with leasing space from the Department of Transportation in Glenwood. This amount had originally

been approved in the 2006 Long Bill (H.B. 06-1385). Due to delays in occupying the space, the funding for FY 2006-07 was reduced through a supplemental appropriation.

Annualize 2006 decision item: The recommendation provides 12 months of funding for a decision item that was approved in the 2006 session. The funding in FY 2006-07 only provided 11 months of personal services funding due to the pay date shift.

Eliminate one-time appropriations: The recommendation includes a reduction of \$350,000 cash funds exempt for one-time appropriations that were made for water construction projects. It also includes a \$120,856 General Fund and 2.0 FTE reduction for personal services appropriations that were made for positions that were to be eliminated in FY 2006-07.

Personal services reduction: The recommendation includes a 0.5 percent reduction in accordance with the JBC policy for personal services line items.

Division of Wildlife: The Division manages the state's 960 game and non-game wildlife species by issuing hunting and fishing licenses, enforcing wildlife regulations, protecting habitat and native wildlife populations and managing more than 250 state wildlife areas. The Division appropriations contain funding for 13 major programs, including the following: Wildlife Habitat, Wildlife Species, Hunting Recreation, Fishing Recreation, Watchable Wildlife, Law Enforcement, Licensing, Wildlife Education, Wildlife Information, Customer Service, Public Policy, Human Resources, and Internal Systems.

Division of Wildlife	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$79,041,091	\$0	\$0	\$68,526,619	\$10,514,472	652.4
Recommended Changes from FY 2006-07 Appropriation						
FY 2006-07 salary and benefits adjustments	1,214,196	0	0	1,214,196	0	0.0
Adjustment for GOCO funds	1,030,000	0	0	1,030,000	0	0.0
Change in indirect cost recoveries	181,812	0	0	(241,342)	423,154	0.0
Eliminate one-time appropriation in FY 2006-07	(400,000)	0	0	(400,000)	0	0.0
Personal services reduction	(243,544)	0	0	(209,647)	(33,897)	0.0
Total FY 2007-08 JBC Recommendation	\$80,823,555	\$0	\$0	\$69,919,826	\$10,903,729	652.4
\$ Change from prior year	\$1,782,464	\$0	\$0	\$1,393,207	\$389,257	0.0
% Change from prior year	2.3%	n/a	n/a	2.0%	3.7%	0.0%

Issue Descriptions

FY 2006-07 salary and benefits adjustments: The recommendation includes salary survey increases allocated to this division in FY 2006-07.

Adjustment for GOCO funds: The recommendation reflects an increase to reflect the anticipated grant funds

from Great Outdoors Colorado (GOCO).

Change in indirect cost recoveries: The recommendation reflects adjustments to the indirect cost plan which is used to offset the need for General Fund in the Executive Director's Office based on Department-wide and state-wide indirect cost recoveries.

Eliminate one-time appropriation in FY 2006-07: The recommendation includes a reduction in one time appropriations made in FY 2006-07.

Personal services reduction: The recommendation includes a 0.5 percent reduction in accordance with the JBC policy for personal services line items.

Department of Personnel and Administration

Department Description: The Department of Personnel and Administration is responsible for administering the state personnel system, which includes approximately 28,576 full time equivalent (FTE) staff, excluding the Department of Higher Education. In addition, the Department provides general support services for state agencies. These functions include: control of the State's purchasing activities; oversight of state financial activities; maintenance of state archives and public records; maintenance of the buildings in the Capitol complex and two other campuses; provision of central services to agencies in the Denver metropolitan area; maintenance of the State's telecommunications system; provision of centralized computer services; provision of administrative law judge services; coordination of capital construction and controlled maintenance projects; management of the State's motor vehicle fleet; centralized lease management for state agencies; and oversight of the State's liability, property, and workers' compensation insurance program.

Summary Table for Department of Personnel and Administration						
	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$172,488,035	\$9,466,191	\$12,559,141	\$150,341,703	\$121,000	541.3
Recommended Changes from FY 2006-07 by Long Bill Division						
Executive Director's Office	390,928	(635,614)	102,306	924,236	0	0.0
Human Resources	203,271	0	(17,039)	220,310	0	0.0
Personnel Board	9,547	234,790	(2)	(225,241)	0	0.0
Central Services	494,089	0	100,454	393,635	0	18.3
Finance and Procurement	532,035	1,047,637	(484,837)	(30,765)	0	3.0
Information Technology	930,962	(18,453)	12,728	936,687	0	0.0
Administrative Courts	1,674	0	(143)	1,817	0	0.0
Total FY 2007-08 JBC Recommendation	\$175,050,541	\$10,094,551	\$12,272,608	\$152,562,382	\$121,000	562.6
\$ Change from prior year	\$2,562,506	\$628,360	(\$286,533)	\$2,220,679	\$0	21.3
% Change from prior year	1.5%	6.6%	(2.3)%	1.5%	0.0%	3.9%

Recommendation Highlights:

1. Adds \$1.4 million (all fund sources) for salary and benefits adjustments.
2. Adds \$1.1 million (cash funds and cash funds exempt) for state fleet management costs.
3. Adds \$542,815 (all fund sources) for network services costs related to an increase in multiuse network circuits.
4. Reflects \$1.3 million for other common operating adjustments.
5. Reflects \$214,619 in indirect costs assessed to the Department pursuant to the Statewide Indirect Cost Allocation Plan.

Budget Recommendation Detail by Long Bill Division

Executive Director's Office: This division is responsible for personnel appeals, affirmative action, and disability issues affecting all classified state employees, and is charged with reviewing the overall management and programs of state government. The Division also provides centralized accounting, personnel, and budgeting services for the department. The Executive Director has administrative responsibility for the Total Compensation Advisory Council, the Deferred Compensation Committee, and the Short-term Disability Fund.

Executive Director's Office	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$12,936,308	\$5,581,845	\$48,247	\$7,306,216	\$0	23.5
<i>Recommended Changes from FY 2006-07 Appropriation</i>						
FY 2007-08 salary and benefits adjustments	1,423,639	367,218	102,044	954,377	0	0.0
Leased space	263,240	22,976	817	239,447	0	0.0
Annualize FY 2006-07 salary increases	59,496	0	0	59,496	0	0.0
Operating adjustments	(1,311,500)	(1,019,546)	(555)	(291,399)	0	0.0
One-time funding reductions	(31,567)	(6,262)	0	(25,305)	0	0.0
Personal services base reductions	(12,380)	0	0	(12,380)	0	0.0
Total FY 2007-08 JBC Recommendation	\$13,327,236	\$4,946,231	\$150,553	\$8,230,452	\$0	23.5
\$ Change from prior year	\$390,928	(\$635,614)	\$102,306	\$924,236	\$0	0.0
% Change from prior year	3.0%	(11.4)%	212.0%	12.7%	n/a	0.0%

Issue Descriptions

FY 2007-08 salary and benefits adjustments: The recommendation includes adjustments to centrally-appropriated line items for salary and benefits, including the following increases: \$581,481 for health, life and dental benefits; \$452,094 for performance-based pay awards; \$165,023 for salary survey and senior executive service; \$144,200 for S.B. 04-257 amortization equalization disbursement; \$74,808 for S.B. 06-235 supplemental amortization equalization disbursement; and \$6,033 for short-term disability.

Leased space: The recommendation includes an increase in the leased space appropriation of \$203,750 to increase leased space in Pueblo due to an increase in business operations within the Document Solutions Group and \$59,490 for a five percent inflationary factor for the Department's remaining leased space.

Annualize FY 2006-07 salary increases: The recommendation includes the salary increases allocated to the Division in FY 2006-07.

Operating adjustments: The recommendation reflects various changes in centrally appropriated line items, including: an increase of \$106,523 for workers' compensation; an increase of \$36,425 for Capitol complex leased space; an increase of \$26,834 for vehicle lease payments; an increase of \$14,466 for legal services and administrative law judges; an increase of \$9,117 for shift differential; an increase of \$4,994 for multiuse network payments; a decrease of \$1,303,000 for purchase of services from computer center (the large reduction

has to do with a change in billing methodology); a decrease of \$206,857 for risk management and property; and a decrease of \$2 for communications services. Operating adjustments are a function of recoverable overhead in the Department of Personnel or the Department of Law, as is the case with legal services, that are allocated to other departments based on a proportionate share of risk or utilization.

One-time funding reductions: The recommendation eliminates two one-time funding increases in FY 2006-07: (1) funding for the Department's compliance with the Health Insurance Portability and Accountability Act of 1996 (HIPAA); (2) funding for a one-time Governor's transition expense related to the 2006 gubernatorial election.

Personal services base reductions: The recommendation includes a reduction of \$12,380 associated with a 0.5 percent reduction in funding for personal services.

Division of Human Resources: This division is responsible for administration of the State's selection, classification, and compensation programs and administration of the State's employee benefit programs. It also administers the risk management program for all state agencies, which involves supervising the investigation, adjustment, and legal defense of property, liability, and workers' compensation claims, as well as administering loss-control programs designed to decrease the State's claims exposure and liability.

Division of Human Resources	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$54,791,672	\$0	\$4,957,657	\$49,834,015	\$0	53.7
Recommended Changes from FY 2006-07 Appropriation						
Performance audits	160,000	0	0	160,000	0	0.0
Legal services	135,724	0	0	135,724	0	0.0
Annualize FY 2006-07 salary increases	91,248	0	(128)	91,376	0	0.0
Audit expense	63,120	0	0	63,120	0	0.0
Property premiums	(220,538)	0	(16,911)	(203,627)	0	0.0
Personal services base reductions	(19,277)	0	0	(19,277)	0	0.0
Indirect cost assessment	(7,006)	0	0	(7,006)	0	0.0
Total FY 2007-08 JBC Recommendation	\$54,994,943	\$0	\$4,940,618	\$50,054,325	\$0	53.7
\$ Change from prior year	\$203,271	\$0	(\$17,039)	\$220,310	\$0	0.0
% Change from prior year	0.4%	n/a	(0.3)%	0.4%	n/a	0.0%

Issue Descriptions

Performance audits: The recommendation includes a new line item for FY 2007-08 in order to fund audits for the Deferred Compensation Plan and Defined Contribution Plans.

Legal services: The recommendation reflects the incremental change of the blended rate for legal services (\$72.03 per hour in FY 2007-08). The liability program's allotment of hours remains unchanged from FY 2006-07.

Annualize FY 2006-07 salary increases: The recommendation includes the salary increases allocated to the Division in FY 2006-07.

Audit expense: The recommendation includes funding for a periodic audit of the self-insured or self-administered risk management programs as required by Section 24-30-1513, C.R.S.

Property premiums: The Department collects premiums from all state agencies, except for Colorado University and Colorado State University, for the State's risk management program. The change to the property program premiums is based on actuarial estimates of prospective losses in FY 2007-08 relative to FY 2006-07.

Personal services base reductions: The recommendation includes a reduction of \$19,277 associated with a 0.5 percent reduction in funding for personal services.

Indirect cost assessment: The indirect cost assessment to the Division of Human Resources is decreasing pursuant to the Statewide Indirect Cost Allocation Plan. The recommendation reflects adjustments to the appropriations of this division in order to properly offset General Fund elsewhere in the Department.

Personnel Board: This division provides staff support for the five-member State Personnel Board authorized in Article XII, Sections 13 through 15, of the Colorado Constitution. The Board has the authority to adopt, by rule, a uniform grievance procedure to be used by all state agencies for classified employees in the state personnel system. The Board adjudicates employment disputes within the state classified system and is responsible for promulgating rules to ensure that state employment is based on merit.

Personnel Board	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$456,843	\$20,586	\$1,198	\$435,059	\$0	4.8
<i>Recommended Changes from FY 2006-07 Appropriation</i>						
Annualize FY 2006-07 salary increases	11,741	11,741	0	0	0	0.0
Fund mix adjustments	4	225,247	(2)	(225,241)	0	0.0
Personal services base reductions	(2,198)	(2,198)	0	0	0	0.0
Total FY 2007-08 JBC Recommendation	\$466,390	\$255,376	\$1,196	\$209,818	\$0	4.8
\$ Change from prior year	\$9,547	\$234,790	(\$2)	(\$225,241)	\$0	0.0
% Change from prior year	2.1%	1140.5%	(0.2)%	(51.8)%	n/a	0.0%

Issue Descriptions

Annualize FY 2006-07 salary increases: The recommendation includes the salary increases allocated to the Division in FY 2006-07.

Fund mix adjustments: The recommendation includes a reduction in the cash funds exempt appropriation and an increase to the General Fund appropriation due to fewer statewide indirect costs available to offset the Division's General Fund expenses for FY 2007-08 as compared to FY 2006-07.

Personal services base reductions: The recommendation includes a reduction of \$2,198 associated with a 0.5 percent reduction in funding for personal services.

Central Services: This division is responsible for realizing savings in governmental costs by providing centralized services to state agencies. The services provided include: management of the statewide travel program; processing of incoming and outgoing mail; mail delivery and messenger services; copying, printing and graphics design; microfilming and imaging services; vehicle leasing; management of the State's motor vehicle fleet; and operation and maintenance of buildings in the Capitol complex and other state-owned facilities.

Central Services	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$58,229,132	\$0	\$2,983,311	\$55,245,821	\$0	183.5
Recommended Changes from FY 2006-07 Appropriation						
Fleet management costs	1,125,972	0	100,454	1,025,518	0	0.0
Annualize FY 2006-07 salary increases	202,937	0	0	202,937	0	0.0
Department of Revenue data entry	112,040	0	0	112,040	0	0.0
Capitol complex security	29,105	0	0	29,105	0	0.0
Indirect cost assessment	(405,153)	0	0	(405,153)	0	0.0
One-time funding reduction	(274,560)	0	0	(274,560)	0	0.0
Integrated Document Factory realignment of resources	(205,421)	0	0	(205,421)	0	18.3
Personal services base reductions	(46,652)	0	0	(46,652)	0	0.0
Camp George West	(44,179)	0	0	(44,179)	0	0.0
Total FY 2007-08 JBC Recommendation	\$58,723,221	\$0	\$3,083,765	\$55,639,456	\$0	201.8
\$ Change from prior year	\$494,089	\$0	\$100,454	\$393,635	\$0	18.3
% Change from prior year	0.8%	n/a	3.4%	0.7%	n/a	10.0%

Issue Descriptions

Fleet management costs: The recommendation includes a \$376,305 increase for state fleet operating expenses related to an increase in fuel costs, an increase in miles driven, and an increase in the number of vehicles in the state fleet as a result of S.B. 06-15. The recommendation also includes a \$749,667 increase for 596 vehicle replacements and 64 additional vehicles.

Annualize FY 2006-07 salary increases: The recommendation includes the salary increases allocated to the Division in FY 2006-07.

Department of Revenue data entry: The recommendation includes an increase in spending authority due to an increase in data entry and image manipulation workload coming from the Department of Revenue.

Capitol complex security: The recommendation reflects an increase in personal services costs for Capitol complex security.

Indirect cost assessment: The indirect cost assessment to the Division of Central Services is decreasing pursuant to the Statewide Indirect Cost Allocation Plan. The recommendation reflects adjustments to the appropriations of this division in order to properly offset General Fund elsewhere in the Department.

One-time funding reduction: The recommendation includes a reduction to the Document Solutions Group, Personal Services line, for a one-time cost related to data entry services provided to the Colorado Bureau of Investigation in FY 2006-07.

Integrated Document Factory realignment of resources: The recommendation includes several adjustments related to a department request for realignment of resources: (1) a \$541,135 reduction to the Mail Services, Operating Expenses line item; (2) a \$100,000 increase to the Reprographics, Operating Expenses line item; (3) a \$85,000 increase to the Document Solutions Group, Operating Expenses line item; (4) an \$83,233 and 5.0 FTE increase to the Mail Services, Personal Services line item; (5) a \$40,426 and 13.3 FTE increase to the Document Solutions Group, Personal Services line item for the conversion of temporary data entry employees into full time FTE; and (6) a \$27,055 increase to the Document Solutions Group, Utilities line item related to an increase in operating leased space in Pueblo.

Personal services base reductions: The recommendation includes a reduction of \$46,652 associated with a 0.5 percent reduction in funding for personal services.

Camp George West: The recommendation reflects a reduction in operating expenses related to the maintenance of the Camp George West facility.

Finance and Procurement: This division administers a statewide procurement program through the Bid Information and Distribution System (BIDS), and meets the product and service needs of state agencies by negotiating contracts for acceptable goods and services in order to maximize the purchasing power of the State. This division manages the financial affairs of all departments through the State Controller's Office by using the Colorado Financial Reporting System (COFRS). It conducts statewide financial reporting, policy and procedural guidance, contract management, and the development of the statewide indirect cost allocation plan.

Finance and Procurement	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$5,973,381	\$319,398	\$2,034,046	\$3,619,937	\$0	61.5
Recommended Changes from FY 2006-07 Appropriation						
Private collection agency fees	325,000	169,542	0	155,458	0	0.0
Additional collectors staff	98,300	0	10,515	87,785	0	3.0
Annualize FY 2006-07 salary increases	94,589	71,054	4,537	18,998	0	0.0
Indirect cost assessment	36,480	0	0	36,480	0	0.0
Fund mix adjustments	0	808,993	(495,609)	(313,384)	0	0.0
Personal services base reductions	(22,334)	(1,952)	(4,280)	(16,102)	0	0.0
Total FY 2007-08 JBC Recommendation	\$6,505,416	\$1,367,035	\$1,549,209	\$3,589,172	\$0	64.5
\$ Change from prior year	\$532,035	\$1,047,637	(\$484,837)	(\$30,765)	\$0	3.0
% Change from prior year	8.9%	328.0%	(23.8)%	(0.9)%	n/a	4.9%

Issue Descriptions

Private collection agency fees: The recommendation includes an increase for the payment of private collection agency fees and out-of-pocket legal expenses incurred in the collection of debts owed to the State. Currently, private collection entities and a contracted law firm remit gross debtor collections to central collections and central collections remits fees back to these entities. The recommended increase allows for a more accurate reflection of those fees in the Long Bill.

Additional collectors staff: The recommendation includes \$87,785 and 3.0 FTE to address an increase in workload. The recommendation also includes \$10,515 of associated operating expenses for the three additional staff.

Annualize FY 2006-07 salary increases: The recommendation includes the salary increases allocated to the Division in FY 2006-07.

Indirect cost assessment: The indirect cost assessment to the Division of Finance and Procurement is increasing pursuant to the Statewide Indirect Cost Allocation Plan. The recommendation reflects adjustments to the appropriations of this division in order to properly offset General Fund elsewhere in the Department.

Fund mix adjustments: The recommendation includes a reduction in appropriated cash funds and cash funds exempt and an increase in appropriated General Fund. The adjustment is due to a decrease in statewide indirect costs from the Departments of Higher Education, Labor and Employment, and State available to offset General Fund expenditures in this department.

Personal services base reductions: The recommendation includes a reduction of \$22,334 associated with a 0.5 percent reduction in funding for personal services.

Division of Information Technology: This division integrates the State's information services into one group. Its responsibilities include: (1) planning, coordinating, and integrating communication capabilities such as

radio and wireless technologies and data, voice, internet, text, video and graphics content associated with the multiuse network (MNT); (2) planning, managing, operating, and delivering the state's computer infrastructure; (3) developing data sharing technologies; (4) archiving historical records; and (5) supporting all statewide applications.

Division of Information Technology	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$36,727,468	\$3,544,362	\$2,505,993	\$30,556,113	\$121,000	175.3
<i>Recommended Changes from FY 2006-07 Appropriation</i>						
Network services operating expenses	542,815	0	15,369	527,446	0	0.0
Annualize FY 2006-07 salary increases	310,502	91,714	0	218,788	0	0.0
Indirect cost assessment	236,243	0	0	236,243	0	0.0
One-time funding reductions	(93,750)	(93,750)	0	0	0	0.0
Personal services base reductions	(64,848)	(16,417)	(2,641)	(45,790)	0	0.0
Total FY 2007-08 JBC Recommendation	\$37,658,430	\$3,525,909	\$2,518,721	\$31,492,800	\$121,000	175.3
\$ Change from prior year	\$930,962	(\$18,453)	\$12,728	\$936,687	\$0	0.0
% Change from prior year	2.5%	(0.5)%	0.5%	3.1%	0.0%	0.0%

Issue Descriptions

Network services operating expenses: The recommendation includes an increase for the Department's operating expenses line item related to a statewide increase in multiuse network circuits.

Annualize FY 2006-07 salary increases: The recommendation includes the salary increases allocated to this division in FY 2006-07.

Indirect cost assessment: The indirect cost assessment to the Division of Information Technology is increasing pursuant to the Statewide Indirect Cost Allocation Plan. The recommendation reflects adjustments to the appropriations of this division in order to properly offset General Fund elsewhere in the Department.

One-time funding reductions: The recommendation eliminates funding for a one-time project funded through H.B. 06S-1015.

Personal services base reductions: The recommendation includes a reduction of \$64,848 associated with a 0.5 percent reduction in funding for personal services.

Administrative Courts: This division provides an independent administrative law adjudication system for state agencies in order to resolve cases that deal with workers' compensation, human resources, and regulatory law. The Division offers a full range of alternative dispute resolution options, including evidentiary hearings, settlement conferences, and mediation. Approximately one-half of all hearings are related to workers' compensation cases.

Administrative Courts	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$3,373,231	\$0	\$28,689	\$3,344,542	\$0	39.0
<i>Recommended Changes from FY 2006-07 Appropriation</i>						
Annualize FY 2006-07 salary increases	77,648	0	0	77,648	0	0.0
Operating expenses increase	14,325	0	0	14,325	0	0.0
Indirect cost assessment	(75,183)	0	0	(75,183)	0	0.0
Personal services base reductions	(15,116)	0	(143)	(14,973)	0	0.0
Total FY 2007-08 JBC Recommendation	\$3,374,905	\$0	\$28,546	\$3,346,359	\$0	39.0
\$ Change from prior year	\$1,674	\$0	(\$143)	\$1,817	\$0	0.0
% Change from prior year	0.0%	n/a	(0.5)%	0.1%	n/a	0.0%

Issue Descriptions

Annualize FY 2006-07 salary increases: The recommendation includes the salary increases allocated to this division in FY 2006-07.

Operating expenses increase: The recommendation includes increased funding for ongoing maintenance and support of the Legal Files case management system.

Indirect cost assessment: The indirect cost assessment to the Division of Administrative Courts is decreasing pursuant to the Statewide Indirect Cost Allocation Plan. The recommendation reflects adjustments to the appropriations of this division in order to properly offset General Fund elsewhere in the Department.

Personal services base reductions: The recommendation includes a reduction of \$15,116 associated with a 0.5 percent reduction in funding for personal services.

Department of Public Health and Environment

Department Description: The Department of Public Health and Environment is responsible for administering programs that protect and improve the health of the people of Colorado, maintain the quality of Colorado's environment, and assure the availability of health and medical care services to individuals and families.

Summary Table for Department of Public Health and Environment						
	Total Funds	General Fund /1	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$451,041,126	\$22,819,173	\$32,566,551	\$185,271,937	\$210,383,465	1,150.2
Long Bill Supplemental - Nurse Home Visitor Program	<u>100,000</u>	<u>0</u>	<u>0</u>	<u>100,000</u>	<u>0</u>	<u>0.0</u>
FY 2006-07 Adjusted Appropriation	\$451,141,126	\$22,819,173	\$32,566,551	\$185,371,937	\$210,383,465	1,150.2
Recommended Changes from FY 2006-07 by Long Bill Division						
Administration and Support	1,190,689	286,510	798,278	(1,551,949)	1,657,850	4.7
Center for Health and Environmental Information and Statistics	(235,074)	0	(50,734)	(169,893)	(14,447)	0.0
Laboratory Services	1,142,921	1,994	230,173	(236,694)	1,147,448	10.1
Local Health Services	9,331	4,604	0	0	4,727	0.0
Air Quality Control Division	1,104,964	0	1,120,800	29,429	(45,265)	6.6
Water Quality Control Division	538,994	19,633	359,457	219,325	(59,421)	7.0
Hazardous Materials and Waste Management Division	(677,693)	0	164,740	6,235	(848,668)	(3.1)
Consumer Protection	(67,363)	81,430	(150,427)	3,031	(1,397)	(1.5)
Disease Control and Environmental Epidemiology Division	358,810	237,714	0	1,282,864	(1,161,768)	(12.0)
Prevention Services Division	(7,514,429)	39,544	21,521	(7,565,470)	(10,024)	5.0
Health Facilities and Emergency Medical Services Division	150,639	52,327	58,229	63,086	(23,003)	0.4
Total FY 2007-08 Long Bill Recommendation	\$447,142,915	\$23,542,929	\$35,118,588	\$177,451,901	\$211,029,497	1,167.4
H.B. 07-1221	557,925	76,000	481,925	0	0	6.7
Total FY 2007-08 JBC Recommendation	\$447,700,840	\$23,618,929	\$35,600,513	\$177,451,901	\$211,029,497	1,174.1
\$ Change from prior year	(\$3,440,286)	\$799,756	\$3,033,962	(\$7,920,036)	\$646,032	23.9
% Change from prior year	(0.8)%	3.5%	9.3%	(4.3)%	0.3%	2.1%

/1 The Total FY 2006-07 Long Bill recommendation for this column includes a \$513,000 General Fund Exempt Appropriation.

Recommendation Highlights:

- Provides \$961,008 cash funds from the Stationary Sources Control Fund and 7.0 FTE for the Air Quality Control Division for work associated with growth of the oil and gas industry.

2. Provides \$504,978 cash and cash funds exempt and 7.0 FTE for the Water Quality Control Division to address workload increases and the implementation of new regulations.
3. Provides an extra \$215,982 and 2.8 FTE for the Health Disparities Grant Program, which is supported by Amendment 35 tobacco tax money. The program currently has only 0.5 FTE.
4. Provides an extra \$197,435 and 3.0 FTE to administer the Cancer, Cardiovascular and Pulmonary Disease Grant Program, which is supported by Amendment 35 tobacco tax money. The three FTE will specialize in each of the program's three areas and will provide expert assistance to the board that makes grants as well as assistance to grantees and applicants.
5. Provides an extra \$102,955 and 2.0 FTE to administer the Nurse Home Visitor Program, which is supported by tobacco settlement money. The program has more than doubled in size in the last six years without any increase in FTE.
6. Reduces federal funds by \$777,064 and 4.1 FTE for oversight related to the Rocky Flats clean-up.

JBC Sponsored Legislation Summary:

H.B. 07-1221, Hospital Inspections and Patient Safety Act: This bill provides a total of \$557,925 and 6.7 FTE, comprised of \$481,925 cash funds and \$76,000 General Fund, for CDPHE's Health Facilities Program. The program will use the added funding to improve oversight of hospitals and ambulatory surgical centers, automate the health-facilities licensing process, and update health facilities regulations. The bill allows CDPHE to establish a schedule of fees for hospitals and health facilities in lieu of the current \$360 annual fee.

Budget Recommendation Detail by Long Bill Division

Administration and Support: This division includes the executive director's office, support services, business services, and human resources. Under the purview of the executive director is the chief medical officer, the Office of Policy and Public/Private Initiatives, the Office of Health Disparities, customer services, and communications. Support services include building operations, telecommunications, and internal audit and management analysis. Business services include accounting, budgeting, contracts, payroll, and purchasing.

Administration and Support	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$30,028,907	\$429,655	\$1,871,324	\$23,213,970	\$4,513,958	64.5
Recommended Changes from FY 2006-07 Appropriation						
Central appropriations	3,708,181	286,510	781,289	985,671	1,654,711	0.0
Annualize salary and benefits adjustments	116,095	0	3,279	112,816	0	0.0
Legal rate change	90,230	0	6,001	84,228	1	0.0
Move appropriation for Lab maintenance personnel to Administration and Support	78,078	0	0	78,078	0	1.9
Health Disparities Grant Program	0	0	0	0	0	2.8

Administration and Support	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
Health Disparities Grants	(2,481,645)	0	0	(2,481,645)	0	0.0
Operating adjustments	(185,250)	0	7,709	(196,097)	3,138	0.0
Second year impact of H.B. 06-1322	(135,000)	0	0	(135,000)	0	0.0
Total FY 2007-08						
JBC Recommendation	\$31,219,596	\$716,165	\$2,669,602	\$21,662,021	\$6,171,808	69.2
\$ Change from prior year	\$1,190,689	\$286,510	\$798,278	(\$1,551,949)	\$1,657,850	4.7
% Change from prior year	4.0%	66.7%	42.7%	(6.7)%	36.7%	7.3%

Issue Descriptions

Central appropriations: These personal-service-related items are appropriated to the Administration Division and are then used throughout the Department. The recommendation includes increased appropriations for health, life, and dental, short term disability, amortization equalization disbursement, supplemental amortization equalization disbursement, salary survey, retirements, performance-based pay, shift differential and worker's compensation.

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey that were awarded in FY 2006-07. Salary survey increases are funded through centrally-appropriated line items in the Administration Division in the year of the award and are incorporated into base personal-services funding for each division in the subsequent year. The adjustment shown also includes a 0.5 percent reduction to the base personal services appropriations for the division.

Legal rate change: The recommended number of legal hours is unchanged, but the legal services rate has increased, leading to a higher recommended appropriation.

Move the appropriation for Lab maintenance personnel to Administration and Support: The recommendation moves the funding for 1.9 maintenance FTE from Laboratory Services to Administration and Support. It does not change the duties that these FTE perform or the place where they work.

Health Disparities Grant Program: The recommendation provides an extra \$215,982 and 2.8 FTE for the Health Disparities Grant Program, which is supported by Amendment 35 tobacco tax money. As a consequence, recommended program grants are \$215,982 less than they would otherwise be.

Health Disparities Grants: The recommendation reflects the unusually large appropriation for Health Disparities Grants during the program's two start-up years. The recommended grant appropriation is declining to a more sustainable level in FY 2007-08.

Operating adjustments: The recommended appropriation includes adjustments for the following items: Vehicle Lease, Payment to Risk Management and Property Funds, Communications Services Payments, Capitol Complex Leased Space, and Leased Space.

Second year impact of H.B. 06-1322: House Bill 06-1322 (Clean Energy Development Fund Seed Capital) provided one-time funding to the Department. The recommendation reflects a return to base funding levels.

Center for Health and Environmental Information and Statistics: The Center for Health and Environmental Information and Statistics division is divided into two subdivisions: (1) Health Statistics and Vital Records, and (2) Information Technology Services. Health Statistics and Vital Records is divided into three areas: registration, certification, and health statistics. Activities under the registration section include administration of birth, death, marriage, divorce, fetal death, and induced pregnancy termination records. The certification area issues certified copies of birth and death certificates, corrects and updates records, and administers the Voluntary Adoption Registry. The health statistics area provides statistical analysis for vital records collected by the Department and provides information internally as well as to outside agencies.

Center for Health and Environmental Information and Statistics	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$7,100,075	\$0	\$2,441,107	\$3,139,767	\$1,519,201	71.4
<i>Recommended Changes from FY 2006-07 Appropriation</i>						
Annualize salary and benefits adjustments	60,566	0	32,026	33,494	(4,954)	0.0
Fund mix adjustment	0	0	57,955	7,170	(65,125)	0.0
Central appropriations	(257,372)	0	(44,205)	(203,364)	(9,803)	0.0
Indirect cost assessment	(21,368)	0	(79,610)	(7,193)	65,435	0.0
Second year impact of H.B. 06-1154	(16,900)	0	(16,900)	0	0	0.0
Total FY 2007-08 JBC Recommendation	\$6,865,001	\$0	\$2,390,373	\$2,969,874	\$1,504,754	71.4
\$ Change from prior year	(\$235,074)	\$0	(\$50,734)	(\$169,893)	(\$14,447)	0.0
% Change from prior year	(3.3)%	n/a	(2.1)%	(5.4)%	(1.0)%	0.0%

Issue Descriptions

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey that were awarded in FY 2006-07. Salary survey increases are funded through centrally-appropriated line items in the Administration Division in the year of the award and are incorporated into base personal-services funding for each division in the subsequent year. The adjustment shown also includes a 0.5 percent reduction to the base personal services appropriations for the division.

Fund mix adjustment: The recommendation includes adjustments due to the reduced availability of federal funds.

Central appropriations: The recommended appropriation increases the appropriation for the Multiuse Network by \$15,719 and reduces the appropriation for Purchase of Services from Computer Center by \$273,091.

Indirect cost assessment: The recommendation adjusts indirect cost assessments to reflect changes in the distribution of cash and federal expenditures within the Department as well as changing costs for common policy items and other administration-division costs.

Second year impact of H.B. 06-1154: The recommendation reflects the reduced costs of running the Heirloom Birth and Marriage Certificate program after the initial start-up year.

Laboratory Services: This division provides scientific support for communicable disease outbreak and control and testing support to the Department's environmental quality programs. The division performs genetic screening tests for more than 70,000 Colorado newborns each year. The division also ensures and certifies quality standards in labs and law enforcement agencies through inspection of and consultation with clinical, water testing, and dairy labs throughout the state. Lastly, the division provides operator training and certification for breath alcohol testing equipment.

Laboratory Services	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$8,895,461	\$169,737	\$6,362,725	\$803,702	\$1,559,297	73.9
Recommended Changes from FY 2006-07 Appropriation						
Move appropriation for federally-funded FTE to Laboratory Services	1,150,000	0	0	0	1,150,000	12.0
Newborn screening	74,958	0	291,300	(216,342)	0	0.0
Annualize salary and benefits adjustments	51,637	1,820	56,391	(1,121)	(5,453)	0.0
Medical inflation	14,362	174	7,448	3,839	2,901	0.0
Move appropriation for lab maintenance personnel to Administration and Support	(78,078)	0	(55,008)	(23,070)	0	(1.9)
Indirect cost assessment	(69,958)	0	(69,958)	0	0	0.0
Total FY 2007-08 JBC Recommendation	\$10,038,382	\$171,731	\$6,592,898	\$567,008	\$2,706,745	84.0
\$ Change from prior year	\$1,142,921	\$1,994	\$230,173	(\$236,694)	\$1,147,448	10.1
% Change from prior year	12.8%	1.2%	3.6%	(29.5)%	73.6%	13.7%

Issue Descriptions

Move appropriation for federally-funded FTE to Laboratory Services: The recommendation moves the appropriation for 12.0 federally-funded FTE from the Disease Control and Environmental Epidemiology Division to the Laboratory Services Division. This change moves the location of the appropriation in the Long Bill, but has no effect on the work done by these FTE.

Newborn screening: The FY 2006-07 supplemental for CDPHE provided an extra \$255,716 for newborn screening, financed from the balance in the Newborn Genetics Fund. This fund balance will soon be exhausted so the recommendation substitutes cash funding from increased fees. The recommendation also provides additional funds for screening.

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey that were awarded in FY 2006-07. Salary survey increases are funded through centrally-appropriated line items in the Administration Division in the year of the award and are incorporated into base personal-services funding for each division in the subsequent year. The adjustment shown also includes a 0.5 percent reduction to the base personal services appropriations for the division.

Medical inflation: The recommendation provides a 2.0 percent medical inflation increase.

Move the appropriation for Lab maintenance personnel to Administration and Support: The recommendation moves the funding for 1.9 maintenance FTE from Laboratory Services to Administration and Support. It does change the duties that these FTE perform or the place where they work.

Indirect cost assessment: The recommendation adjusts indirect cost assessments to reflect changes in the distribution of cash and federal expenditures within the Department as well as changing costs for common policy items and administration-division costs.

Local Health Services: This division contracts with local agencies and governments to provide public health nurses and environmental health specialists in areas not served by local health departments. The division also administers the Community Nursing Program which provides technical assistance to local and county public health nurses.

Local Health Services	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$6,712,939	\$6,453,571	\$0	\$0	\$259,368	5.4
<i>Recommended Changes from FY 2006-07 Appropriation</i>						
Annualize salary and benefits adjustments	9,331	4,604	0	0	4,727	0.0
Total FY 2007-08 JBC Recommendation	\$6,722,270	\$6,458,175	\$0	\$0	\$264,095	5.4
\$ Change from prior year	\$9,331	\$4,604	\$0	\$0	\$4,727	0.0
% Change from prior year	0.1%	0.1%	n/a	n/a	1.8%	0.0%

Issue Descriptions

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey that were awarded in FY 2006-07. Salary survey increases are funded through centrally-appropriated line items in the Administration Division in the year of the award and are incorporated into base personal-services funding for each division in the subsequent year. The adjustment shown also includes a 0.5 percent reduction to the base personal services appropriations for the division.

Air Quality Control Division: This division is responsible for identifying the nature and impact of Colorado's air pollution, and for implementing measures to prevent, control, and abate air pollution, under the direction of the Air Quality Control Commission. The Division is divided into four programs: Administration, Technical Services, Mobile Sources, and Stationary Sources.

Air Quality Control Division	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$16,193,128	\$0	\$6,776,820	\$5,781,652	\$3,634,656	154.1
<i>Recommended Changes from FY 2006-07 Appropriation</i>						
Resources due to new oil and gas regulations	708,873	0	708,873	0	0	4.0
Resources due to workload growth	252,135	0	252,135	0	0	3.0

Air Quality Control Division	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
Personal Services adjustments	119,228	0	85,968	43,525	(10,265)	0.0
Indirect costs adjustment	115,000	0	75,000	75,000	(35,000)	0.0
Annualize FY 2006-07 special bills	(61,176)	0	(1,176)	(60,000)	0	0.0
Annualize FY 2006-07 supplemental	(29,096)	0	0	(29,096)	0	(0.4)
Total FY 2007-08						
JBC Recommendation	\$17,298,092	\$0	\$7,897,620	\$5,811,081	\$3,589,391	160.7
\$ Change from prior year	\$1,104,964	\$0	\$1,120,800	\$29,429	(\$45,265)	6.6
% Change from prior year	6.8%	n/a	16.5%	0.5%	(1.2)%	4.3%

Issue Descriptions

Resources due to new oil and gas regulations: The recommendation includes funding for 4.0 FTE to implement more stringent air quality control, monitoring, and reporting requirements adopted by the Air Quality Control Commission in December 2006. The source of funding is the Stationary Sources Control Fund.

Resources due to workload growth: The recommendation includes funding for 3.0 FTE to address the additional workload caused by growth in the oil and gas industry, including: major source permitting; oil and gas non-major source permitting; and oil and gas inspections. The source of funding is the Stationary Sources Control Fund.

Personal Services adjustments: The recommendation includes increases of \$98,211 cash funds and \$58,933 cash funds exempt for FY 2006-07 salary survey awards. These increases are partially offset by reductions of \$12,243 cash funds, \$15,408 cash funds exempt, and \$10,265 federal funds for the 0.5 percent personal services base reduction.

Indirect cost assessment: The recommendation adjusts indirect cost assessments to reflect changes in the distribution of cash and federal expenditures within the Department as well as changing costs for common policy items and administration-division costs.

Annualize FY 2006-07 special bills: House Bill 06-1302 requires the Department to develop a "high emitter program" and increase "clean screen testing" for automobile inspections. The bill specified that there may be costs in both FY 2006-07 and FY 2007-08. However, FY 2007-08 costs are less than FY 2006-07 costs. Therefore, the recommendation includes a reduction of \$60,000 related to this bill. Senate Bill 06-117 established the Housed Commercial Swine Feeding Operating (HCSFO) Program. The recommendation includes a reduction of \$1,030 due to the elimination of one-time capital outlay funding in FY 2006-07.

Annualize FY 2006-07 supplemental: In December 2006, the Basic Automobile Inspection and Maintenance Program was ended in Greeley, Fort Collins, and Colorado Springs. This reduction adjusts the appropriation accordingly.

Water Quality Control Division: This division enforces the water quality regulations under the direction of the Water Quality Control Commission and the State Board of Health. Its responsibilities include developing

stream classifications and standards, issuing permits to ensure that discharges comply with water quality standards, and performing monitoring and enforcement activities. This division also oversees water quality management planning, manages state and federal construction grant assistance programs, and provides technical assistance to local governments. In the area of drinking water, it conducts surveillance of public and non-public drinking water consistent with minimum federal and state standards, and reviews designs and specifications of new or expanding treatment facilities. It also is responsible for enforcing water quality regulations at commercial hog facilities.

Water Quality Control Division	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$14,648,330	\$2,490,084	\$3,648,652	\$243,901	\$8,265,693	130.6
Recommended Changes from FY 2006-07 Appropriation						
Clean Water Act program resources	504,978	0	294,651	210,327	0	7.0
Indirect costs adjustments	160,350	0	185,350	10,000	(35,000)	0.0
Personal Services adjustments	64,861	46,679	43,605	(1,002)	(24,421)	0.0
Annualize FY 2006-07 special bills	(161,144)	0	(161,144)	0	0	0.0
Eliminate FY 2006-07 one-time capital outlay	(30,051)	(27,046)	(3,005)	0	0	0.0
Total FY 2007-08 JBC Recommendation	\$15,187,324	\$2,509,717	\$4,008,109	\$463,226	\$8,206,272	137.6
\$ Change from prior year	\$538,994	\$19,633	\$359,457	\$219,325	(\$59,421)	7.0
% Change from prior year	3.7%	0.8%	9.9%	89.9%	(0.7)%	5.4%

Issue Descriptions

Clean Water Act program resources: The recommendation includes funding for 7.0 FTE to help the Division better implement Clean Water Act requirements, including: reducing the permitting backlog; developing Total Maximum Daily Loads; implementing new regulations; improving data management; responding to spills and sanitary system overflows; and monitoring water quality.

Indirect cost assessment: The recommendation adjusts indirect cost assessments to reflect changes in the distribution of cash and federal expenditures within the Department as well as changing costs for common policy items and administration-division costs.

Personal Services adjustments: The recommendation includes increases of \$55,685 General Funds and \$59,941 cash funds for FY 2006-07 salary survey awards. These increases are partially offset by reductions of \$9,006 General Fund, \$13,336 cash funds, \$1,002 cash funds exempt, and \$24,421 federal funds for the 0.5 percent personal services base reduction.

Annualize FY 2006-07 special bills: House Bill 06-1337 adjusts water quality control violation penalties and requires the Division to spend collected civil penalties on improving the water quality in impacted communities by awarding grants or providing matching funds for certain federal programs. The recommendation includes a reduction of \$161,144 to align the appropriation with the FY 2007-08 estimate in the Legislative Council Staff Revised Fiscal Note for the bill.

Eliminate FY 2006-07 one-time capital outlay: The recommendation includes reduction of \$27,046 General Fund and \$3,005 cash funds associated with one-time capital outlay expenditures in FY 2006-07.

Hazardous Materials and Waste Management Division: This division regulates the treatment, storage, and disposal of solid and hazardous wastes under the direction of the Hazardous Waste Commission. The Division is responsible for inspecting solid waste facilities; overseeing large- and small-quantity hazardous waste generators, transporters, and storage facilities; responding to public complaints about such facilities; reviewing corrective action plans for technical compliance with applicable state environmental regulations; and regulating commercial radioactive materials in Colorado.

Hazardous Materials and Waste Management Division	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$18,201,510	\$0	\$7,492,672	\$372,289	\$10,336,549	127.5
Recommended Changes from FY 2006-07 Appropriation						
Additional radiation control responsibilities	89,593	0	89,593	0	0	1.0
Personal Services adjustments	37,253	0	61,443	4,956	(29,146)	0.0
Rocky Flats base reduction	(777,064)	0	0	0	(777,064)	(4.1)
Other	(27,475)	0	13,704	1,279	(42,458)	0.0
Total FY 2007-08 JBC Recommendation	\$17,523,817	\$0	\$7,657,412	\$378,524	\$9,487,881	124.4
\$ Change from prior year	(\$677,693)	\$0	\$164,740	\$6,235	(\$848,668)	(3.1)
% Change from prior year	(3.7)%	n/a	2.2%	1.7%	(8.2)%	(2.4)%

Issue Descriptions

Additional radiation control responsibilities: The recommendation includes funding for 1.0 FTE to allow the Division to perform additional inspections that are required: (1) under the new security requirements for radioactive materials licensees mandated by the U.S. Nuclear Regulatory Commission (NRC); and (2) under the NRC's regulations for entities operating under reciprocity from other states.

Personal Services adjustments: The recommendation includes increases of \$88,536 cash funds and \$5,599 cash funds exempt for FY 2006-07 salary survey awards. These increases are partially offset by reductions of \$27,093 cash funds, \$643 cash funds exempt, and \$29,146 federal funds for the 0.5 percent personal services base reduction.

Rocky Flats base reduction: The recommendation includes a base reduction in funding for oversight related to the Rocky Flats clean-up. The physical remediation at the site is complete; however, the Division will continue to have a regulatory oversight role. This recommendation aligns the appropriation with anticipated expenditures.

Other: The recommendation includes increases of: \$1,019 cash funds exempt to annualize a FY 2006-07 supplemental appropriation that allows the Division to receiving funding from the Department of Law to provide assistance with the state's Rocky Mountain Arsenal litigation; and \$6,506 total funds in changes to legal services costs (comprised of increases of \$13,704 cash funds and \$260 cash funds exempt, and a reduction of \$7,458 federal funds). The recommendation also includes a \$35,000 federal fund reduction to adjust to the Division's indirect costs based on the recommended FY 2007-08 appropriation.

Consumer Protection: This division is responsible for enforcing sanitation standards to prevent and control diseases transmitted by food and insects; eliminating unsanitary conditions in public accommodations; and preventing injuries to persons using potentially dangerous consumer products.

Consumer Protection	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$2,374,298	\$1,083,163	\$817,877	\$88,514	\$384,744	27.8
Recommended Changes from FY 2006-07 Appropriation						
Computer equipment for retail food inspectors	62,372	64,872	(2,500)	0	0	0.0
Personal Services adjustments	26,060	14,930	9,496	3,031	(1,397)	0.0
Wholesale Food Program sunset	(149,050)	0	(149,050)	0	0	(1.5)
Other	(6,745)	1,628	(8,373)	0	0	0.0
Total FY 2007-08 JBC Recommendation	\$2,306,935	\$1,164,593	\$667,450	\$91,545	\$383,347	26.3
\$ Change from prior year	(\$67,363)	\$81,430	(\$150,427)	\$3,031	(\$1,397)	(1.5)
% Change from prior year	(2.8)%	7.5%	(18.4)%	3.4%	(0.4)%	(5.4)%

Issue Descriptions

Computer equipment for retail food inspectors: The recommendation includes one-time funding for laptops and mobile printers that would allow local health agency inspectors to directly input inspection data into the Division's web-based database for retail food inspections. Retail food establishments include restaurants, cafeterias, grocery stores, schools, child care centers, and summer camps. Currently data is sent to the Division for review, then forwarded to the Department of Personnel and Administration (DPA) for entry into the database - a process that can take up to six weeks. The cash funds reduction eliminates the funds that are transferred to DPA for data entry services.

Personal Services adjustments: The recommendation includes increases of \$20,353 General Fund, \$12,698 cash funds, and \$3,389 cash funds exempt for FY 2006-07 salary survey awards. These increases are partially offset by reductions of \$5,423 General Fund, \$3,202 cash funds, \$358 cash funds exempt, and \$1,397 federal funds for the 0.5 percent personal services base reduction.

Wholesale Food Program sunset: The recommendation includes a reduction in funding associated with the sunset of the Wholesale Food Program statute. House Bill 07-1321 would strike the repeal date and provide a new appropriation for the program.

Other: The recommendation includes a reduction of \$10,000 cash funds to adjust to the Division's indirect costs from based on the recommended FY 2007-08 appropriation. This reduction is partially offset by increase of \$1,628 General Fund and \$1,627 cash funds to annualize the impact of H.B. 06S-1023, Restrictions on Defined Public Benefits (Romanoff/Fitz-Gerald).

Disease Control and Environment Epidemiology Division: This division helps prevent and control communicable diseases, investigate the incidence of environmental and chronic diseases, and evaluate potential risks posed by environmental toxicological exposures. The division is divided into four subdivisions:

(1) administration, general disease control and surveillance; (2) special purpose disease control programs; (3) environmental epidemiology; and (4) emergency management.

Disease Control and Environmental Epidemiology Division	Total Funds	General Fund /1	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$66,221,644	\$4,516,872	\$8,538	\$4,704,570	\$56,991,664	185.0
Recommended Changes from FY 2006-07 Appropriation						
HIV-AIDS prevention grants	1,215,168	0	0	1,215,168	0	0.0
Amendment 35 tobacco tax adjustments	509,853	(3,147)	0	513,000	0	0.0
Medical inflation	274,700	45,004	0	2,500	227,196	0.0
Communicable Disease Reporting System	0	186,055	0	0	(186,055)	0.0
Move appropriation for federally-funded FTE to Laboratory Services	(1,150,000)	0	0	0	(1,150,000)	(12.0)
Ryan White AIDS drug assistance program	(447,374)	0	0	(447,374)	0	0.0
Indirect Cost Adjustments	(22,873)	0	0	0	(22,873)	0.0
Annualize salary and benefits adjustments	(20,664)	9,802	0	(430)	(30,036)	0.0
Total FY 2007-08 JBC Recommendation	\$66,580,454	\$4,754,586	\$8,538	\$5,987,434	\$55,829,896	173.0
\$ Change from prior year	\$358,810	\$237,714	\$0	\$1,282,864	(\$1,161,768)	(12.0)
% Change from prior year	0.5%	5.3%	0.0%	27.3%	(2.0)%	(6.5)%

/1 The total FY 2007-08 General Fund recommendation includes \$513,000 of General Fund Exempt.

General Fund Summary	Total General Fund	General Fund	General Fund Exempt
FY 2006-07 Appropriation	\$4,516,872	\$4,000,725	\$516,147
Disease Control and Environmental Epidemiology Division	<u>237,714</u>	<u>240,861</u>	<u>(3,147)</u>
FY 2007-08 Recommendation	\$4,754,586	\$4,241,586	\$513,000

In November 2004, Colorado voters passed Amendment 35 to the Colorado Constitution, which imposed new taxes on tobacco products. The amendment required that a portion of the tax revenue be appropriated to the General Fund and be reappropriated for health-related purposes. The implementing legislation for Amendment 35, H.B. 05-1262 directed 0.3 percent of revenues, starting in FY 2006-07, to immunizations performed by county public health nursing services. Because Amendment 35 monies are exempt from the TABOR limit, General Fund appropriations are General Fund Exempt.

Issue Descriptions

HIV-AIDS prevention grants: The recommended appropriation for the HIV and AIDS Prevention Grant Program reflects a large carryforward fund balance from the prior year that is partially offset by a \$176,420 reduction in receipts from the tobacco Master Settlement Agreement

Amendment 35 tobacco tax adjustments: The recommendation moves a \$513,000 appropriation from Amendment 35 revenues to the General Fund from HCPF to CDPHE. The recommended related appropriation

for immunizations by county public health nursing services is \$3,147 lower due to a small decrease in Amendment 35 revenues.

Medical inflation: The recommendation provides a 2.0 percent medical inflation increase.

Communicable Disease Reporting System: Federal funding for the system is ending. The recommendation replaces lost federal funds with General Fund.

Move appropriation for federally-funded FTE to Laboratory Services: The recommendation moves the appropriation for 12.0 federally-funded FTE from the Disease Control and Environmental Epidemiology Division to the Laboratory Services Division. This change moves the location of the appropriation in the Long Bill, but has no effect on the work done by these FTE.

Ryan White AIDS drug assistance program: The recommendation reduces the appropriation for the Ryan White AIDS drug assistance program due to lower receipts from the tobacco Master Settlement Agreement.

Indirect cost assessment: The recommendation adjusts indirect cost assessments to reflect changes in the distribution of cash and federal expenditures within the Department as well as changing costs for common policy items and administration-division costs.

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey that were awarded in FY 2006-07. Salary survey increases are funded through centrally-appropriated line items in the Administration Division in the year of the award and are incorporated into base personal-services funding for each division in the subsequent year. The adjustment shown also includes a 0.5 percent reduction to the base personal services appropriations for the division.

Prevention Services Division: This division contains the following subdivisions: (A) Prevention Programs, (B) Women's Health - Family Planning, (C) Rural - Primary Care, (D) Prevention Partnerships, (E) Family and Community Health, and (F) Nutrition Services. The Prevention Programs subdivision includes the state's cancer registry, chronic disease and cancer prevention grants, suicide prevention, and the tobacco cessation, education and prevention program. The Women's Health - Family Planning subdivision includes the breast and cervical cancer screening program. The Rural - Primary Care subdivision includes dental programs and federal grants for rural health care. Prevention partnerships includes the Tony Grampsas Youth Services Grant Program and the Colorado Children's Trust. The Family and Community Health subdivision includes the Nurse Home Visitor Program and the Health Care Program for Children with Special Needs. The Women, Infants and Children Supplemental Food Grant (WIC) program and the Child and Adult Food Care program make up the Nutrition Services subdivision.

Prevention Services Division	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$264,732,603	\$6,123,958	\$1,599,091	\$137,775,219	\$119,234,335	182.6
Long Bill Supplemental - Nurse Home Visitor Program	<u>100,000</u>	<u>0</u>	<u>0</u>	<u>100,000</u>	<u>0</u>	<u>0.0</u>
FY 2006-07 Adjusted Appropriation	264,832,603	6,123,958	1,599,091	137,875,219	119,234,335	182.6
<i>Recommended Changes from FY 2006-07 Appropriation</i>						
Medical inflation	52,984	14,178	20,350	214	18,242	0.0

Prevention Services Division	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
Annualize salary and benefits adjustments	30,686	25,366	3,852	1,677	(209)	0.0
Nurse Home Visitor Program	0	0	0	0	0	2.0
Cancer, Cardiovascular and Pulmonary Disease Grant Program.	0	0	0	0	0	3.0
Amendment 35	(6,114,745)	0	0	(6,114,745)	0	0.0
Tobacco settlement supported programs	(1,352,616)	0	0	(1,352,616)	0	0.0
Second year impact of Long Bill Supplemental - Nurse Home Visitor Program	(100,000)	0	0	(100,000)	0	0.0
Indirect Cost Assessment	(28,057)	0	0	0	(28,057)	0.0
H.B. 06S-1023	(2,681)	0	(2,681)	0	0	0.0
Total FY 2007-08 JBC Recommendation	\$257,318,174	\$6,163,502	\$1,620,612	\$130,309,749	\$119,224,311	187.6
\$ Change from prior year	(\$7,514,429)	\$39,544	\$21,521	(\$7,565,470)	(\$10,024)	5.0
% Change from prior year	(2.8)%	0.6%	1.3%	(5.5)%	0.0%	2.7%

Issue Descriptions

Long Bill Supplemental - Nurse Home Visitor Program: The recommendation provides an extra \$100,000 for the Nurse Home Visitor Program in FY 2006-07. The source is fund balance in the Nurse Home Visitor Program Fund. Because this is a one time appropriation from fund balance, there is an offsetting negative adjustment to the FY 2007-08 appropriation.

Medical inflation: The recommendation provides a 2.0 percent medical inflation increase.

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey that were awarded in FY 2006-07. Salary survey increases are funded through centrally-appropriated line items in the Administration Division in the year of the award and are incorporated into base personal-services funding for each division in the subsequent year. The adjustment shown also includes a 0.5 percent reduction to the base personal services appropriations for the division.

Nurse Home Visitor Program: The recommendation provides an extra \$102,955 and 2.0 FTE to administer the program, which is supported by tobacco settlement money. As a consequence, recommended grants to Nurse Home visitor contractors are \$102,955 less than they would otherwise be.

Cancer, Cardiovascular and Pulmonary Disease Grant Program: The recommendation provides an extra \$197,435 and 3.0 FTE to administer the program, which is supported by amendment 35 tobacco tax money. This increase is offset by a decrease in the amount of funding provided to the grants program.

Amendment 35 tobacco tax programs: The recommendation adjusts the appropriations for Amendment 35 tobacco tax programs. The appropriation for Tobacco Cessation and Prevention Grants is \$2,611,277 lower as grants decline to a more sustainable level following two high initial start-up years. The \$2,000,000 transfer to the Department of Health Care Policy and Financing for Disease Management is ending pursuant to the rules in H.B. 05-1262. In addition, revenues of the Prevention Detection and Treatment Fund are projected to be \$1,850,592 lower.

Tobacco settlement supported program: Revenue from the tobacco Master Settlement Agreement is declining. As a result, the recommended appropriation for the Nurse Home visitor program is \$841,712 lower while the recommended appropriation for the Tony Grampsas Youth Services grant program is \$511,285 lower. Both programs are supported with tobacco settlement dollars.

Indirect cost assessment: The recommendation adjusts indirect cost assessments to reflect changes in the distribution of cash and federal expenditures within the Department as well as changing costs for common policy items and administration-division costs.

H.B. 06S-1023: The recommendation reflects the second year impact of H.B. 06S-1023, Restrictions on Public Benefits.

Health Facilities and Emergency Medical Services Division: This division establishes and enforces standards for the operation of health care facilities throughout the state. This division's activities include: licensure of hospitals, other health care facilities, health maintenance organizations, and assisted living facilities; certification of nursing homes; training of non-licensed individuals to administer medications in residential care facilities and adult day programs; medical services training and certification of emergency personnel; technical assistance to local emergency medical services agencies; and grants to support local emergency services activities.

Health Facilities and Emergency Medical Services Division	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$15,932,231	\$1,552,133	\$1,547,745	\$9,148,353	\$3,684,000	127.4
<i>Recommended Changes from FY 2006-07 Appropriation</i>						
Annualize salary and benefits adjustments	62,241	916	6,597	67,731	(13,003)	0.0
Indirect Cost Adjustments	50,000	0	60,000	0	(10,000)	0.0
Medical inflation	27,871	27,871	0	0	0	0.0
Second year impact of prior session bills	10,527	23,540	(8,368)	(4,645)	0	0.4
Total FY 2007-08 JBC Recommendation	\$16,082,870	\$1,604,460	\$1,605,974	\$9,211,439	\$3,660,997	127.8
\$ Change from prior year	\$150,639	\$52,327	\$58,229	\$63,086	(\$23,003)	0.4
% Change from prior year	0.9%	3.4%	3.8%	0.7%	(0.6)%	0.3%

Issue Descriptions

Annualize salary and benefits adjustments: The recommendation includes increases for salary survey that were awarded in FY 2006-07. Salary survey increases are funded through centrally-appropriated line items in the Administration Division in the year of the award and are incorporated into base personal-services funding for each division in the subsequent year. The adjustment shown also includes a 0.5 percent reduction to the base personal services appropriations for the division.

Indirect cost assessment: The recommendation adjusts indirect cost assessments to reflect changes in the distribution of cash and federal expenditures within the Department as well as changing costs for common policy items and administration-division costs.

Medical inflation: The recommendation provides a 2.0 percent medical inflation increase.

Second year impact of prior session bills: The recommendation reflects the second year impact of H.B. 06-1045 (Hospital Infection, \$23,540 increase), H.B. 06-1277 (Mental Illness \$2,575 decrease), H.B. 06-1278 (Hospital Report Card, \$3,005 decrease), and H.B. 06S-1023 (Restrictions on Public Benefits, \$7,433 increase).

Department of Public Safety

Department Description: The Department promotes safety and protects human life by enforcing traffic laws, reporting a 7.8 percent decrease in fatal crashes on State Patrol-supervised highways from 2005 to 2006. It operates the law enforcement training academy; assists state and local law enforcement in investigating crime and in enforcing criminal laws; maintains fingerprint records and DNA profiles, operates the statewide crime reporting program, and arranges for scientific laboratory services and facilities, utilizing existing facilities and services wherever feasible. It assists in solving fire safety problems, administers a uniform statewide fire reporting system, and trains firefighters and first responders; coordinates the state's response to the threat of terrorism; investigates organized crime; and administers adult and youth community corrections programs.

Summary Table for Department of Public Safety						
	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$221,100,424	\$66,920,780	\$12,259,049	\$106,705,644	\$35,214,951	1,285.8
Long Bill Supplemental	<u>1,278,176</u>	<u>1,237,996</u>	<u>0</u>	<u>40,180</u>	<u>0</u>	<u>0.0</u>
FY 2006-07 Adjusted Appropriation	\$222,378,600	\$68,158,776	\$12,259,049	\$106,745,824	\$35,214,951	1,285.8
<i>Recommended Changes from FY 2006-07 by Long Bill Division</i>						
Executive Director's Office	3,507,842	789,877	217,515	2,348,412	152,038	1.0
Colorado State Patrol	4,143,668	(14,854)	285,226	3,751,954	121,342	16.0
Office of Preparedness, Security, and Fire Safety	333,537	3,009	346,541	5,511	(21,524)	0.0
Division of Criminal Justice	(8,952,672)	2,785,980	165,407	66,140	(11,970,199)	(0.8)
Colorado Bureau of Investigation	1,220,275	881,536	167,224	175,640	(4,125)	5.0
Total FY 2007-08 JBC Recommendation	\$222,631,250	\$72,604,324	\$13,440,962	\$113,093,481	\$23,492,483	1,307.0
\$ Change from prior year	\$252,650	\$4,445,548	\$1,181,913	\$6,347,657	(\$11,722,468)	21.2
% Change from prior year	0.1%	6.5%	9.6%	5.9%	(33.3)%	1.6%

Recommendation Highlights:

1. Adds \$1.0 million General Fund for 74 additional residential community corrections placements based on the Legislative Council Staff December 2006 projected inmate population.
2. Includes \$994,000 General Fund primarily related to the annualization of S.B. 06-225, which created the Human Smuggling Unit within the Colorado State Patrol and added 12 troopers in FY 2007-08.
3. Includes \$925,000 General Fund for 66 additional residential community corrections diversion placements.
4. Includes \$696,000 General Fund for a 1.5 percent increase in the community corrections provider rates.
5. Includes \$563,000 General Fund to add 60 community corrections beds that specialize in mental health treatment for transition offenders.

6. Includes \$675,000 General Fund for salary and benefits adjustments, such as salary survey and performance-based pay.
7. Includes \$471,000 General Fund for the annualization of salary survey awarded in FY 2006-07.
8. Includes \$200,000 General Fund to study the impact of the Governor's Recidivism Reduction and Offender Diversion Package. Also includes an increase of \$220,000 General Fund to offset a reduction in federal funds and indirect cost recoveries from federal funds that were previously used to support the Office of Research Statistics to conduct research required by state law.
9. Includes \$160,000 General Fund for the new CBI Western Slope facility. Specifically, the project includes General Fund for building operating and maintenance costs, telecommunications and waste removal costs, a one-time procurement of routers and switches, and a one-time appropriation for a project manager.
10. Includes \$154,000 General Fund related to common policy increases to items such as workers' compensation, vehicle lease payments, and communications services payments.
11. Adds \$127,000 General Fund for a leap year adjustment for community corrections providers that are paid on a per-offender per-day basis.
12. Adds \$120,000 General Fund for a mental health differential for diversion community corrections programs for 20 offenders, and it includes \$104,000 cash funds exempt (reserves in the Drug Offender Surcharge Fund) for a cost differential for 20 diversion offenders to be placed in a therapeutic community for enhanced substance abuse treatment.
13. Includes \$113,000 General Fund for 2.0 FTE additional Colorado Crime Information Center (CCIC) audit staff positions.
14. Reflects a reduction of \$11.7 million in federal funds based on the amount of federal funds that the Department estimates receiving in FY 2007-08.

Budget Recommendation Detail by Long Bill Division

Executive Director's Office: This office manages the following five divisions: Colorado State Patrol; Law Enforcement Training Academy; Colorado Bureau of Investigation; Division of Criminal Justice; and Office of Preparedness, Security, and Fire Safety; and one special program, the Witness Protection Program. In addition, the office administers the Colorado Integrated Criminal Justice Information System (CICJIS).

Executive Director's Office	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$20,291,830	\$2,560,386	\$593,429	\$16,519,207	\$618,808	40.5
Long Bill Supplemental	<u>78,176</u>	<u>37,996</u>	<u>0</u>	<u>40,180</u>	<u>0</u>	<u>0.0</u>
FY 2006-07 Adjusted Appropriation	\$20,370,006	\$2,598,382	\$593,429	\$16,559,387	\$618,808	40.5
<i>Recommended Changes from FY 2006-07 Appropriation</i>						

Executive Director's Office	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
Salary and benefits adjustments	3,025,836	675,757	218,451	1,979,086	152,542	0.0
Common policy adjustments	426,476	151,233	(936)	275,435	744	0.0
Annualize salary increases awarded in FY 2006-07	94,609	94,609	0	0	0	0.0
CSP trooper increase for gaming highways	54,304	0	0	54,304	0	1.0
Recidivism reduction package	883	883	0	0	0	0.0
Eliminate one-time funding	(78,176)	(37,996)	0	(40,180)	0	0.0
Base reduction	(16,090)	(473)	0	(14,369)	(1,248)	0.0
Fund mix adjustment	0	(94,136)	0	94,136	0	0.0
Total FY 2007-08 JBC Recommendation	\$23,877,848	\$3,388,259	\$810,944	\$18,907,799	\$770,846	41.5
\$ Change from prior year	\$3,507,842	\$789,877	\$217,515	\$2,348,412	\$152,038	1.0
% Change from prior year	17.2%	30.4%	36.7%	14.2%	24.6%	2.5%

Issue Descriptions

Long Bill Supplemental: The recommendation reflects an increase for the Witness Protection Program.

Salary and benefits adjustments: The recommendation reflects an increase of \$3,025,836 for adjustments to salary and benefits line items such as salary survey and performance-based pay awards.

Common policy adjustments: The recommendation reflects an increase of \$426,476 total funds pursuant to JBC common policy.

Annualize salary increases awarded in FY 2006-07: The recommendation includes funds to annualize salary increases awarded in FY 2006-07.

CSP trooper increase for gaming highways: The recommendation reflects an increase related to adding additional troopers to the gaming highways. This increase specifically relates to adding 1.0 FTE for human resources functions.

Recidivism reduction package: The recommendation reflects an increase to the PERA amortization equalization disbursement related to the Governor's Recidivism Reduction and Offender Diversion Package.

Eliminate one-time funding: The recommendation eliminates one-time supplemental funding in FY 2006-07.

Base reduction: The recommendation reflects a reduction of \$16,090 total funds for a 0.5 percent personal services reduction.

Fund mix adjustment: The recommendation reflects an adjustment related to salary survey.

Colorado State Patrol: The Patrol enforces traffic laws on approximately 9,000 miles of state and federal highways and 57,000 miles of county roads, and has special safety programs for hazardous materials transport and for commercial vehicles. The patrol is in the fourth year of a five-phase traffic safety improvement plan, which includes using saturation patrols on the most dangerous highway segments, targeting the most hazardous traffic violations, and increasing trooper visibility statewide. The Alive-at-25 and other safety training programs support the traffic safety improvement plan. The budget is driven largely by state highway supervision needs, which are funded from the Highway Users Tax Fund.

Colorado State Patrol	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$95,392,390	\$2,939,161	\$3,113,892	\$85,517,315	\$3,822,022	952.0
Recommended Changes from FY 2006-07 Appropriation						
Annualize salary increases awarded in FY 2006-07	2,749,287	69,435	72,085	2,510,900	96,867	0.0
Annualize prior year legislation	634,511	634,511	0	0	0	12.0
CSP trooper increase for gaming highways	398,092	0	0	398,092	0	4.0
Indirect cost adjustment	363,600	0	10,612	321,754	31,234	0.0
CSP victim assistance	200,000	0	200,000	0	0	0.0
Common policy adjustments	160,983	0	14,514	134,565	11,904	0.0
Fund mix adjustment	0	(703,241)	0	703,241	0	0.0
Base reduction	(362,805)	(15,559)	(11,985)	(316,598)	(18,663)	0.0
Total FY 2007-08 JBC Recommendation	\$99,536,058	\$2,924,307	\$3,399,118	\$89,269,269	\$3,943,364	968.0
\$ Change from prior year	\$4,143,668	(\$14,854)	\$285,226	\$3,751,954	\$121,342	16.0
% Change from prior year	4.3%	(0.5)%	9.2%	4.4%	3.2%	1.7%

Issue Descriptions

Annualize salary increases awarded in FY 2006-07: The recommendation includes funds to annualize salary increases awarded in FY 2006-07.

Annualize prior year legislation: The recommendation reflects an increase related to the annualization of S.B. 06-225, which created the Human Smuggling Unit.

CSP trooper increase for gaming highways: The recommendation adds 4.0 FTE troopers for the gaming highways.

Indirect cost adjustment: The recommendation reflects an increase related to indirect cost recoveries.

CSP victim assistance: The recommendation reflects an increase of \$200,000 cash funds to authorize the Department to spend funds collected by the CSP from fines for driving without insurance.

Common policy adjustments: The recommendation reflects an increase of \$160,983 total funds pursuant to JBC common policy.

Fund mix adjustment: The recommendation reflects an adjustment to decrease the General Fund appropriation for the Human Smuggling unit and replace it with HUTF "off-the-top" funding in order to bring the HUTF "off-the-top" appropriation up to the HUTF "off-the-top" six percent growth limit.

Base reduction: The recommendation reflects a reduction of \$362,805 total funds for a 0.5 percent personal services reduction.

Office of Preparedness, Security, and Fire Safety: The Office of Preparedness, Security, and Fire Safety consists of the Division of Fire Safety and the Office of Anti-terrorism Planning and Training. The Division of Fire Safety provides technical assistance to local governments, maintains a state-wide reporting system, administers various voluntary certification and training programs, and oversees fireworks and fire suppression system regulation. The Office of Anti-terrorism Planning and Training is responsible for coordinating the State's response to the threat of terrorism. This Office includes: (1) the Colorado Intelligence Analysis Center; (2) the Critical Infrastructure Protection and Planning; and (3) the Colorado State Patrol Homeland Security Unit.

Office of Preparedness, Security, and Fire Safety	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$1,139,472	\$93,789	\$401,884	\$144,411	\$499,388	12.5
Recommended Changes from FY 2006-07 Appropriation						
DFS information technology system	337,725	0	337,725	0	0	0.0
Annualize salary increases awarded in FY 2006-07	15,434	3,457	8,190	3,787	0	0.0
Indirect cost adjustment	4,668	0	1,814	2,330	524	0.0
Federal grants	(20,250)	0	0	0	(20,250)	0.0
Base reduction	(4,040)	(448)	(1,188)	(606)	(1,798)	0.0
Total FY 2007-08 JBC Recommendation	\$1,473,009	\$96,798	\$748,425	\$149,922	\$477,864	12.5
\$ Change from prior year	\$333,537	\$3,009	\$346,541	\$5,511	(\$21,524)	0.0
% Change from prior year	29.3%	3.2%	86.2%	3.8%	(4.3)%	0.0%

Issue Descriptions

DFS information technology system: The recommendation reflects an increase of \$337,725 cash funds related to the procurement and implementation of an information technology system for the Division of Fire Safety's all-hazards certification, registration, and licensing programs.

Annualize salary increases awarded in FY 2006-07: The recommendation includes funds to annualize salary increases awarded in FY 2006-07.

Indirect cost adjustment: The recommendation reflects an increase related to indirect cost recoveries.

Federal grants: The recommendation reflects an anticipated decrease in federal homeland security funding from the Department of Local Affairs.

Base reduction: The recommendation reflects a reduction of \$4,040 total funds for a 0.5 percent personal services reduction.

Division of Criminal Justice: This division collects criminal justice system data and analyzes that information for planning, research, coordination, and technical assistance purposes. Technical assistance is provided to local and state criminal justice agencies in the areas of crime prevention, needs assessment, jail planning, information dissemination, and management studies. The Division manages several types of federal funds in the areas of juvenile justice, anti-drug programs, victim assistance, and victim compensation. The Division also administers the Victims Assistance and Law Enforcement Fund Program. Additionally, the Division is responsible for the administration of community corrections contracts for both transition and diversion programs, and for the management of juvenile diversion programs.

Division of Criminal Justice	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Adjusted Appropriation	\$79,090,606	\$46,284,281	\$2,351,945	\$1,012,677	\$29,441,703	60.7
Long Bill Supplemental	<u>1,200,000</u>	<u>1,200,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
FY 2006-07 Adjusted Appropriation	\$80,290,606	\$47,484,281	\$2,351,945	\$1,012,677	\$29,441,703	60.7
Recommended Changes from FY 2006-07 Appropriation						
Caseload increase for community corrections transition programs	1,027,730	1,027,730	0	0	0	0.0
Caseload increase for community corrections diversion programs	924,506	924,506	0	0	0	0.0
1.5 percent provider rate increase	707,140	695,546	11,594	0	0	0.0
Increase in transition mental health beds	562,833	562,833	0	0	0	0.0
Specialized community corrections diversion programs	223,939	119,995	0	103,944	0	0.0
Increase for Office of Research Statistics	200,000	420,217	0	(35,438)	(184,779)	0.0
Annualize H.B. 06-1058	132,000	0	132,000	0	0	(0.1)
Leap year adjustment	128,334	127,239	1,095	0	0	0.0
Community corrections sanctions and incentives model development	82,240	82,240	0	0	0	1.5
Annualize salary increases awarded in FY 2006-07	65,733	31,117	14,443	16,918	3,255	0.0
Reduction in federal funds	(11,737,302)	0	0	0	(11,737,302)	(2.2)
Eliminate one-time funding	(1,200,000)	(1,200,000)	0	0	0	0.0
Change in indirect costs	(55,982)	0	8,840	(14,689)	(50,133)	0.0
Base reduction	(13,843)	(5,443)	(2,565)	(4,595)	(1,240)	0.0
Total FY 2007-08 JBC Recommendation	\$71,337,934	\$50,270,261	\$2,517,352	\$1,078,817	\$17,471,504	59.9
\$ Change from prior year	(\$8,952,672)	\$2,785,980	\$165,407	\$66,140	(\$11,970,199)	(0.8)
% Change from prior year	(11.2)%	5.9%	7.0%	6.5%	(40.7)%	(1.3)%

Issue Descriptions

Caseload increase for community corrections transition programs: The recommendation includes funding for 74 additional residential community corrections transition placements based on the anticipated increase in the prison population using the December 2006 Legislative Council Staff inmate population projections. The recommendation assumes 6.75 percent of the inmate population will be placed in a community corrections program.

Caseload increase for community corrections diversion programs: The recommendation includes funding for 66 additional residential community corrections diversion placements.

1.5 percent provider rate increase: The recommendation includes funding for a 1.5 percent increase for community corrections providers.

Increase in transition mental health beds: The recommendation adds \$269,989 to pay for 45 additional community corrections beds that specialize in mental health treatment for transition offenders for 180 days. The recommendation also adds \$292,844 for the Joan Eachon Re-entry Program, a 15-bed residential community corrections program that provides intensive mental health services for offenders transitioning from prison.

Specialized community corrections diversion programs: The recommendation includes \$119,995 General Fund for a mental health differential payment for diversion community corrections programs for 20 offenders. The recommendation also includes \$103,944 cash funds exempt (reserves in the Drug Offender Surcharge Fund) for a cost differential payment for 20 diversion offenders to be placed in a therapeutic community for enhanced substance abuse treatment.

Increase for Office of Research and Statistics: The recommendation includes \$200,000 General Fund to study the impact of the Governor's Recidivism Reduction and Offender Diversion Package. The recommendation also includes an increase of \$220,217 General Fund to offset a reduction in federal funds and indirect cost recoveries from federal funds that were previously used to support the Office of Research Statistics to conduct research required by state law.

Annualize H.B. 06-1058: The recommendation includes an increase of \$132,000 cash funds (Child Abuse Investigation Surcharge Fund) and a reduction of 0.1 FTE for the second year impact of H.B. 06-1058, which provides funding for training and multi-disciplinary teams to provide intervention services for victims of child abuse.

Leap year adjustment: The recommendation includes increases for a leap year adjustment for community corrections providers that are paid on a per-offender per-day basis.

Community corrections sanctions and incentives model development: The recommendation includes \$82,240 General Fund to support 1.5 FTE to develop a community corrections incentives and sanctions model. This model will create a mechanism to reimburse high performing community corrections programs at a higher reimbursement rate than low performing programs.

Annualize salary increases awarded in FY 2006-07: The recommendation includes funds to annualize salary increases awarded in FY 2006-07.

Reduction in federal funds: The recommendation reflects a reduction of federal funds based on the amount of federal funds that the Division of Criminal Justice estimates receiving in FY 2007-08.

Eliminate one-time funding: The recommendation includes a reduction of \$1,200,000 General Fund for community corrections diversion beds that were funded on a one-time basis in FY 2006-07.

Change in indirect costs: The recommendation includes an adjustment for indirect cost assessments.

Base reduction: The recommendation reflects a reduction of \$13,843 total funds for a 0.5 percent personal services reduction.

Colorado Bureau of Investigation: The Bureau provides information technology, laboratory, and investigative services to local, state, and federal law enforcement agencies upon request. The Colorado Crime Information Center (CCIC) provides information around the clock to law enforcement agencies on wants, warrants, case status, stolen property, vehicle registration, known offenders, and drivers licenses. The Bureau also operates the State's "instacheck" criminal background check program for the firearms industry, checking on approximately 150,000 firearms transfers per year. The laboratory analyzes DNA, fingerprint, firearms and toolmarks, physiological fluids, chemical, document, and digital evidence, as well as trace evidence and shoe and tire track evidence.

Colorado Bureau of Investigation	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$25,186,126	\$15,043,163	\$5,797,899	\$3,512,034	\$833,030	220.1
<i>Recommended Changes from FY 2006-07 Appropriation</i>						
Annualize salary increases awarded in FY 2006-07	378,448	303,635	44,759	30,054	0	0.0
CBI Western Slope office relocation	360,499	160,499	0	200,000	0	0.0
Annualize prior year bills	352,417	359,092	102,828	(109,503)	0	3.0
CBI CCIC audit FTE	113,073	113,073	0	0	0	2.0
CBI laboratory price increases	61,125	0	0	61,125	0	0.0
Indirect cost adjustment	29,991	0	32,002	(2,011)	0	0.0
Common policy adjustments	2,930	2,930	0	0	0	0.0
Base reduction	(78,208)	(57,693)	(12,365)	(4,025)	(4,125)	0.0
Total FY 2007-08 JBC Recommendation	\$26,406,401	\$15,924,699	\$5,965,123	\$3,687,674	\$828,905	225.1
\$ Change from prior year	\$1,220,275	\$881,536	\$167,224	\$175,640	(\$4,125)	5.0
% Change from prior year	4.8%	5.9%	2.9%	5.0%	(0.5)%	2.3%

Issue Descriptions

Annualize salary increases awarded in FY 2006-07: The recommendation includes funds to annualize salary increases awarded in FY 2006-07.

CBI Western Slope office relocation: The recommendation reflects an increase related to relocation and maintenance costs associated with the new CBI Western Slope facility.

Annualize prior year bills: The recommendation reflects an increase of \$352,417 total funds and 3.0 FTE related to the annualization of multiple special bills passed in the 2006 Session.

CBI CCIC Audit FTE: The recommendation reflects an increase related to additional audit staff to comply with the Federal Bureau of Investigation CCIC auditing requirements.

CBI laboratory price increases: The recommendation includes funding for the increased cost of DNA amplification kits.

Indirect cost adjustment: The recommendation reflects an increase related to indirect cost recoveries.

Common policy adjustments: The recommendation reflects an increase of \$2,930 total funds pursuant to JBC common policy.

Base reduction: The recommendation reflects a reduction of \$78,208 total funds for a 0.5 percent personal services reduction.

Department of Regulatory Agencies

Department Description: The Department of Regulatory Agencies protects the citizens of Colorado from fraudulent or dangerous businesses and professionals by regulating the following industries: (1) state-chartered financial institutions such as banks, trust companies, credit unions and money transmitters; (2) public utilities such as electricity, gas and telecommunications; (3) providers of automobile, homeowners, life, health and other types of insurance; and (4) professionals in more than thirty occupations. The Department also administers and enforces Colorado's civil rights laws.

Summary Table for Department of Regulatory Agencies						
	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$65,799,947	\$1,297,219	\$54,044,598	\$9,305,868	\$1,152,262	536.7
<i>Recommended Changes from FY 2006-07 by Long Bill Division</i>						
Executive Director's Office and Administrative Services	2,117,345	130,777	1,618,961	355,926	11,681	0.0
Division of Banking	69,633	0	69,633	0	0	0.0
Civil Rights Division	14,717	(53,693)	0	77,185	(8,775)	2.0
Office of Consumer Counsel	11,774	0	11,774	0	0	0.0
Division of Financial Services	151,586	0	151,586	0	0	2.0
Division of Insurance	64,453	0	198,751	(135,028)	730	(0.5)
Public Utilities Commission	1,780,228	0	2,806,370	(1,026,142)	0	0.0
Division of Real Estate	134,229	0	134,229	0	0	2.0
Division of Registrations	(77,331)	0	120,446	(197,777)	0	1.0
Division of Securities	72,659	0	72,659	0	0	0.0
Total FY 2007-08 JBC Recommendation	\$70,139,240	\$1,374,303	\$59,229,007	\$8,380,032	\$1,155,898	543.2
\$ Change from prior year	\$4,339,293	\$77,084	\$5,184,409	(\$925,836)	\$3,636	6.5
% Change from prior year	6.6%	5.9%	9.6%	(9.9)%	0.3%	1.2%

Recommendation Highlights:

1. Adds \$96,150 cash funds exempt spending authority to replace the Department's imaging system by purchasing licenses to use the Electronic Data Warehouse (EDW) system, which is housed, operated, and maintained by the Department of Personnel and Administration, Divisions of Information Technology and Central Services.
2. Adds \$111,606 cash funds spending authority and 2.0 FTE for financial/credit union examiners to perform on-site examinations and off-site monitoring of financial institutions' financial condition and compliance with state laws.
3. Adds \$36,333 cash funds spending authority and 1.5 FTE to address mortgage foreclosures in the state.

4. Includes the relocation of the cash funds appropriation for the Commission for the Deaf and Hard of Hearing Cash Fund to the Public Utilities Commission from the Department of Human Services, Division of Vocational Rehabilitation, pursuant to Joint Budget Committee action.
5. Adds no funding but 2.0 FTE to enable the procurement authority to re-establish a regional presence outside the Denver metro area. The FTE will only be hired if federal funding is made available.

Budget Recommendation Detail by Long Bill Division

Executive Director's Office and Administrative Services: This division coordinates and oversees the operations of the divisions within the Department and performs administrative functions, including accounting, budgeting, data processing, personnel, purchasing, facilities planning, and management reporting. This division also includes the Office of Policy and Research, which conducts sunrise and sunset evaluations for state agencies.

Executive Director's Office and Administrative Services	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$16,777,252	\$270,381	\$11,175,247	\$5,177,332	\$154,292	53.0
Recommended Changes from FY 2006-07 Appropriation						
Salary and benefits adjustments	1,175,036	81,029	999,416	94,591	0	0.0
Adjustments for central appropriations	1,008,284	9,361	868,720	118,522	11,681	0.0
Annualize salary survey	99,564	0	0	99,564	0	0.0
Document imaging system	96,150	0	0	96,150	0	0.0
Annualize special bills	32,662	0	45,398	(12,736)	0	0.0
Vehicle lease payments	6,672	0	6,672	0	0	0.0
Fund mix adjustment	0	46,500	(20,000)	(26,500)	0	0.0
Eliminate one-time appropriations	(197,753)	0	(197,753)	0	0	0.0
Expedited settlement FTE	(73,759)	0	(73,759)	0	0	0.0
Other changes	(29,511)	(6,113)	(9,733)	(13,665)	0	0.0
Total FY 2007-08 JBC Recommendation	\$18,894,597	\$401,158	\$12,794,208	\$5,533,258	\$165,973	53.0
\$ Change from prior year	\$2,117,345	\$130,777	\$1,618,961	\$355,926	\$11,681	0.0
% Change from prior year	12.6%	48.4%	14.5%	6.9%	7.6%	0.0%

Issue Descriptions

Salary and benefits adjustments: The recommendation includes additional funds for increases in salary, health, life, and dental insurance, and performance-based pay awards for Department employees.

Adjustments for central appropriations: These amounts reflect the rates approved for other centrally appropriated items by the JBC. Such items include the following: short-term disability, S.B. 04-257 amortization equalization disbursement, S.B. 06-235 supplemental amortization equalization disbursement, capitol complex leased space, multiuse network payments, and purchase of services from computer center. The

recommendation contains various changes in centrally appropriated line items. These centrally appropriated items include workers' compensation, risk management and property, vehicle lease payments, and legal services.

Annualize salary survey: The recommendation includes an additional \$99,564 that represents the salary increases allocated to the Division in FY 2006-07.

Document imaging system: The recommendation includes funding to replace the Department's imaging system by purchasing licenses to use the Electronic Data Warehouse (EDW) system, which is housed, operated, and maintained by the Department of Personnel and Administration, Divisions of Information Technology and Central Services.

Annualize special bills: The recommendation includes the annualization of H.B. 06S-1009. This results in a decrease of \$12,736 cash funds exempt spending authority in the Division's personal services line and an increase of \$45,398 in cash funds for legal expenditures in connection with this legislation.

Vehicle lease payments: The recommendation includes increases as recommended in the Joint Budget Committee's common policies and provides funding for the replacement of six high-mileage vehicles as well as funding for three additional vehicles through the state fleet management program. The three vehicles consist of two sedans for the Pharmacy Board Inspection Program and one four-wheel-drive vehicle for the Tramway Safety Board Inspection Program.

Fund mix adjustment: The funding mix was adjusted for sunset reviews by decreasing cash funds and cash funds exempt and increasing General Fund.

Eliminate one-time appropriations: The recommendation includes the elimination of one-time cash funds appropriations for operating expenses of \$24,800, pursuant to H.B. 06S-1009 (Illegal Alien Business Permits), and \$10,312, pursuant to S.B. 06-020 (Interstate Nurse Licensure Compact). The recommendation also includes the elimination of one-time cash funds of \$162,641 for IT Systems Modifications in connection with H.B. 06S-1009.

Expedited settlement FTE: The recommendation includes a transfer of funding from the Department's Legal Services appropriation to the personal services and operating line items for the use of expedited settlement in the Division of Registrations.

Other changes: The recommendation includes small changes to personal services, centralized appropriations related to recommended departmental change requests, and operating expenses.

Division of Banking: This division regulates state-chartered commercial and industrial banks, trust companies, debt adjusters, and money order companies. Staff conduct examinations and enforce compliance related to the Public Deposit Protection Act, trust department operations, electronic funds transfers, electronic data processing, and the Uniform Consumer Credit Code.

Division of Banking	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$3,416,529	\$0	\$3,416,529	\$0	\$0	38.5
Recommended Changes from FY 2006-07 Appropriation						
Annualize salary survey	56,537	0	56,537	0	0	0.0
Other changes	13,096	0	13,096	0	0	0.0
Total FY 2007-08 JBC Recommendation	\$3,486,162	\$0	\$3,486,162	\$0	\$0	38.5
\$ Change from prior year	\$69,633	\$0	\$69,633	\$0	\$0	0.0
% Change from prior year	2.0%	n/a	2.0%	n/a	n/a	0.0%

Issue Descriptions

Annualize salary survey: The recommendation includes an additional \$56,537 that represents the salary increases allocated to the Division in FY 2006-07.

Other changes: The recommendation includes various small changes to personal services and operating expenses.

Civil Rights Division: The Division of Civil Rights is the administrative arm of the Colorado Civil Rights Commission. It enforces state laws that prohibit discrimination in employment, housing, and public accommodations on the basis of race, sex, national origin, ancestry, physical or mental disability, religion, color, or marital status. The primary duties of Division personnel are to investigate and adjudicate charges related to unfair or discriminatory practices and to supervise hearings on complaints issued against a respondent according to statute. The Division also provides training and education, technical assistance with fair housing laws, public information, and community intervention.

Civil Rights Division	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$1,737,968	\$1,026,838	\$0	\$234,347	\$476,783	29.0
Recommended Changes from FY 2006-07 Appropriation						
Annualize salary survey	29,611	29,611	0	0	0	0.0
Fund mix adjustment	0	(36,220)	0	36,220	0	0.0
Regional in-take FTE	0	0	0	0	0	2.0
Other changes	(14,894)	(47,084)	0	40,965	(8,775)	0.0
Total FY 2007-08 JBC Recommendation	\$1,752,685	\$973,145	\$0	\$311,532	\$468,008	31.0
\$ Change from prior year	\$14,717	(\$53,693)	\$0	\$77,185	(\$8,775)	2.0
% Change from prior year	0.8%	(5.2)%	n/a	32.9%	(1.8)%	6.9%

Issue Descriptions

Annualize salary survey: The recommendation includes an additional \$29,611 that represents the salary increases allocated to the Division in FY 2006-07.

Fund mix adjustment: The recommendation includes an increase for cost recoveries that offset General Fund otherwise required for cash fund exempt indirect expenditures.

Regional in-take FTE: The recommendation includes no funding and 2.0 FTE to enable the procurement authority to re-establish a regional presence outside the Denver metro area. The FTE will only be hired if federal funding is made available.

Other changes: The recommendation includes various small changes to personal services and operating expenses.

Office of Consumer Counsel: The Office of Consumer Counsel represents the interests of residential, agricultural, and small businesses in cases before the Public Utilities Commission (PUC). These cases involve proposed changes to electric, gas, and telecommunications rates, services, and policies.

Office of Consumer Counsel	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$879,403	\$0	\$879,403	\$0	\$0	7.0
<i>Recommended Changes from FY 2006-07 Appropriation</i>						
Annualize salary survey	12,374	0	12,374	0	0	0.0
Other changes	(600)	0	(600)	0	0	0.0
Total FY 2007-08 JBC Recommendation	\$891,177	\$0	\$891,177	\$0	\$0	7.0
\$ Change from prior year	\$11,774	\$0	\$11,774	\$0	\$0	0.0
% Change from prior year	1.3%	n/a	1.3%	n/a	n/a	0.0%

Issue Descriptions

Annualize salary survey: The recommendation includes an additional \$12,374 that represents the salary increases allocated to the Division in FY 2006-07.

Other changes: The recommendation includes various small changes to personal services and to the indirect cost assessment.

Division of Financial Services: This division regulates state-chartered credit unions, savings and loan institutions, and life care institutions. It also administers the federal Public Deposit Protection Act, which safeguards the uninsured deposits of public moneys in state and federal savings and loan associations. On-site examinations are conducted through a risk-based program to ensure financial stability and compliance with state and federal laws.

Division of Financial Services	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$1,017,057	\$0	\$1,017,057	\$0	\$0	11.0
Recommended Changes from FY 2006-07 Appropriation						
Financial/credit union examiner FTE	111,606	0	111,606	0	0	2.0
Annualize salary survey	15,606	0	15,606	0	0	0.0
Other changes	24,374	0	24,374	0	0	0.0
Total FY 2007-08 JBC Recommendation	\$1,168,643	\$0	\$1,168,643	\$0	\$0	13.0
\$ Change from prior year	\$151,586	\$0	\$151,586	\$0	\$0	2.0
% Change from prior year	14.9%	n/a	14.9%	n/a	n/a	18.2%

Issue Descriptions

Financial/credit union examiner FTE: The recommendation includes funding and 2.0 FTE for financial/credit union examiners to perform on-site examinations and off-site monitoring of financial institutions' financial condition and compliance with state laws.

Annualize salary survey: The recommendation includes an additional \$15,606 that represents the salary increases allocated to the Division in FY 2006-07.

Other changes: The recommendation includes various small changes to personal services and to the indirect cost assessment.

Division of Insurance: This division regulates insurance professionals and insurance companies, non-profit hospitals and health service corporations, health maintenance organizations, workers' compensation self-insurance pools, and pre-need funeral contracts.

Division of Insurance	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$8,069,459	\$0	\$7,393,244	\$155,028	\$521,187	81.0
Recommended Changes from FY 2006-07 Appropriation						
Annualize salary survey	122,376	0	122,376	0	0	0.0
Insurance fraud prosecution	101,289	0	101,289	0	0	0.0
Eliminate one-time appropriations	(159,300)	0	(9,300)	(150,000)	0	0.0
PIP exam program removal	(26,670)	0	(26,670)	0	0	(0.5)
Fund mix adjustment	0	0	5,003	(5,003)	0	0.0
Other changes	26,758	0	6,053	19,975	730	0.0
Total FY 2007-08 JBC Recommendation	\$8,133,912	\$0	\$7,591,995	\$20,000	\$521,917	80.5
\$ Change from prior year	\$64,453	\$0	\$198,751	(\$135,028)	\$730	(0.5)
% Change from prior year	0.8%	n/a	2.7%	(87.1)%	0.1%	(0.6)%

Issue Descriptions

Annualize salary survey: The recommendation includes an additional \$122,376 that represents the salary increases allocated to the Division in FY 2006-07.

Insurance fraud prosecution: The recommendation includes an increase as recommended in the Joint Budget Committee's common policies for personal services and legal expenses.

Eliminate one-time appropriations: The recommendation includes the reduction of \$9,300 cash funds, pursuant to H.B. 06S-1009 (Illegal Alien Business Permits), and \$150,000 cash funds exempt for the Blue Ribbon Commission on Health Care Reform (S.B. 06-208).

PIP exam program removal: The recommendation reflects the removal of funding and 0.5 FTE for the Personal Injury Protection (PIP) Exam Program which provided services to persons injured while "no-fault" insurance rules were in effect.

Fund mix adjustment: The recommendation reflects a fund mix adjustment from cash funds exempt to cash funds in personal services appropriations.

Other changes: The recommendation includes various small changes to personal services, common policies, and operating expenses.

Public Utilities Commission: The Public Utilities Commission (PUC) regulates the rates and services of fixed utilities and transportation utilities located in the state and administers the Colorado Telecommunications High Cost Program, the Low-Income Telephone Assistance Program, the Highway Crossing Protection Program, and the Disabled Telephone Users Program.

Public Utilities Commission	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$12,515,165	\$0	\$11,112,789	\$1,402,376	\$0	93.5
<i>Recommended Changes from FY 2006-07 Appropriation</i>						
Increased spending authority	1,141,233	0	1,141,233	0	0	0.0
Commission for the Deaf and Hard of Hearing Cash Fund move to PUC	619,724	0	619,724	0	0	0.0
Annualize salary survey	180,529	0	180,529	0	0	0.0
Fund mix adjustment	0	0	917,439	(917,439)	0	0.0
Eliminate one-time appropriations	(95,000)	0	(50,400)	(44,600)	0	0.0
Other changes	(66,258)	0	(2,155)	(64,103)	0	0.0
Total FY 2007-08 JBC Recommendation	\$14,295,393	\$0	\$13,919,159	\$376,234	\$0	93.5
\$ Change from prior year	\$1,780,228	\$0	\$2,806,370	(\$1,026,142)	\$0	0.0
% Change from prior year	14.2%	n/a	25.3%	(73.2)%	n/a	0.0%

Issue Descriptions

Increased spending authority: The recommendation includes an informational appropriation reflecting an increase in current-year revenue expenditures from the Low-Income Telephone Assistance Trust Fund, created by the Public Utilities Commission Decision # C06-0164.

Commission for the Deaf and Hard of Hearing Cash Fund move to PUC: Pursuant to Joint Budget Committee action, this appropriation was relocated from the Department of Human Services, Division of Vocational Rehabilitation. The Colorado Commission for the Deaf and Hard of Hearing, and an associated cash funds exempt appropriation, are still located in the Department of Human Services.

Annualize salary survey: The recommendation includes an additional \$180,529 that represents the salary increases allocated to the Division in FY 2006-07.

Fund mix adjustment: The recommendation reflects a fund mix adjustment from cash funds exempt to cash funds related to spending current year moneys from the Low-Income Telephone Assistance trust fund.

Eliminate one-time appropriations: The recommendation eliminates \$50,400 cash funds for FY 2006-07 E-Filings document imaging system, and \$44,600 cash funds exempt, pursuant to H.B. 06-1395 (Electric Transmission Facilities Study).

Other changes: The recommendation includes various small changes to personal services and operating expenses.

Division of Real Estate: The Division of Real Estate licenses real estate brokers and appraisal professionals, analyzes subdivision offerings on undeveloped land, and administers an enforcement program that is responsive to the needs of the industry and the consumer. Additional protection is offered to the public through the Real Estate Recovery Fund and errors and omissions insurance for all real estate licensees.

Division of Real Estate	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$3,221,762	\$0	\$3,221,762	\$0	\$0	38.5
Recommended Changes from FY 2006-07 Appropriation						
Annualize salary survey	62,046	0	62,046	0	0	0.0
Real estate appraiser FTE	33,799	0	33,799	0	0	1.5
Annualize special bills	22,505	0	22,505	0	0	0.5
Other changes	15,879	0	15,879	0	0	0.0
Total FY 2007-08 JBC Recommendation	\$3,355,991	\$0	\$3,355,991	\$0	\$0	40.5
\$ Change from prior year	\$134,229	\$0	\$134,229	\$0	\$0	2.0
% Change from prior year	4.2%	n/a	4.2%	n/a	n/a	5.2%

Issue Descriptions

Annualize salary survey: The recommendation includes an additional \$62,046 that represents the salary increases allocated to the Division in FY 2006-07.

Real estate appraiser FTE: The recommendation includes funding and 1.5 FTE to address mortgage foreclosures in the state.

Annualize special bills: The recommendation reflects an increase in funding and 0.5 FTE, pursuant to H.B. 06-1161 (Regulation of Mortgage Brokers).

Other changes: The recommendation includes various small changes to personal services, common policies, and operating expenses.

Division of Registrations: This division regulates over 221,000 licensees in more than 30 professions and occupations. Its boards and licensing programs ensure a minimum level of competency among the practitioners, facilities, programs, and equipment that it licenses. The Division also conducts inspections, investigates complaints, and restricts or revokes licenses when generally accepted standards of practice or safety have not been observed.

Division of Registrations	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$15,798,097	\$0	\$13,461,312	\$2,336,785	\$0	165.2
<i>Recommended Changes from FY 2006-07 Appropriation</i>						
Annualize salary survey	277,511	0	222,226	55,285	0	0.0
Fund mix adjustment	180,237	0	307,973	(127,736)	0	0.0
Expedited settlement FTE	73,759	0	73,759	0	0	1.0
Eliminate one-time appropriations	(633,927)	0	(494,196)	(139,731)	0	0.0
Annualize special bills	(25,500)	0	(25,500)	0	0	0.0
Other changes	50,589	0	36,184	14,405	0	0.0
Total FY 2007-08 JBC Recommendation	\$15,720,766	\$0	\$13,581,758	\$2,139,008	\$0	166.2
\$ Change from prior year	(\$77,331)	\$0	\$120,446	(\$197,777)	\$0	1.0
% Change from prior year	(0.5)%	n/a	0.9%	(8.5)%	n/a	0.6%

Issue Descriptions

Annualize salary survey: The recommendation includes an additional \$277,511 that represents the salary increases allocated to the Division in FY 2006-07.

Fund mix adjustment: The recommendation reflects a fund mix adjustment from cash funds exempt to cash funds related to spending current year moneys from the Division of Registrations Cash Fund.

Expedited settlement FTE: The recommendation includes a transfer in funding from the Legal Services appropriation in the Executive Director's Office and 1.0 FTE to expand the use of expedited settlement in the Division of Registrations.

Eliminate one-time appropriations: The recommendation includes cash funds reductions of \$241,922 from S.B. 06-020 (Nurse Licensure Compact), \$222,075 from H.B. 05-1130 (Prescription Drug Monitoring), \$15,967 from S.B. 06-230 (Prescription Drug Wholesalers), \$14,232 from H.B. 06-1395 (Residential Child Health Care). Further, this recommendation includes a one-time reduction of \$139,731 cash funds exempt spending authority from reserves for the costs associated with certified nurse aides.

Annualize special bills: The recommendation reflects a decrease of \$25,500 cash funds spending authority related to S.B. 06-020 (Nurse Licensure Compact).

Other changes: The recommendation includes various changes to personal services, common policies, and to the indirect cost assessment.

Division of Securities This division monitors the conduct of broker-dealers and sales representatives throughout Colorado. It also investigates citizen complaints and other indications of investment fraud. In addition to license application screening, Division personnel perform on-site examinations of broker-dealer offices.

Division of Securities	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$2,367,255	\$0	\$2,367,255	\$0	\$0	20.0
<i>Recommended Changes from FY 2006-07 Appropriation</i>						
Annualize salary survey	43,297	0	43,297	0	0	0.0
Other changes	29,362	0	29,362	0	0	0.0
Total FY 2007-08 JBC Recommendation	\$2,439,914	\$0	\$2,439,914	\$0	\$0	20.0
\$ Change from prior year	\$72,659	\$0	\$72,659	\$0	\$0	0.0
% Change from prior year	3.1%	n/a	3.1%	n/a	n/a	0.0%

Issue Descriptions

Annualize salary survey: The recommendation includes an additional \$43,297 that represents the salary increases allocated to the Division in FY 2006-07.

Other changes: The recommendation includes various small changes to personal services and operating expenses.

Department of Revenue

Department Description: The Department is organized into three functional groups: Taxation, Motor Vehicles, and Enforcement. The Taxation group collects revenue for the state and for local governments; the Division of Motor Vehicles, which also oversees Motor Carrier Services, regulates motor vehicle safety, issues personal identification documents, and regulates commercial vehicles; and the Enforcement group regulates alcohol, tobacco, and gambling. The three functional areas are supported by the Executive Director's Office, Central Department Operations and Information Technology Divisions. The Department also operates the State Lottery, a TABOR enterprise supported by lottery ticket sales, which accounts for almost 70 percent of the Department's annual budget.

Summary Table for Department of Revenue						
	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$583,520,574	\$93,811,579	\$45,263,855	\$442,883,386	\$1,561,754	1,422.1
<i>Recommended Changes from FY 2006-07 by Long Bill Division</i>						
Executive Director's Office	3,872,504	2,750,693	775,199	346,612	0	0.0
Central Department Operations	157,316	(72,780)	61,311	168,785	0	0.0
Information Technology Division	166,235	120,274	188,021	(142,060)	0	0.9
Taxation Business Group	(9,274)	284,405	(1,650)	(141,019)	(151,010)	0.0
Division of Motor Vehicles	2,206,681	(2,548,216)	5,271,049	(516,152)	0	53.0
Motor Carrier Services	188,547	(31,029)	5,884	145,031	68,661	0.0
Enforcement Business Group	1,828,069	(29,051)	2,041,152	(184,032)	0	0.0
State Lottery Division	(29,170,344)	0	0	(29,170,344)	0	0.0
Total FY 2007-08 Long Bill Recommendation	\$562,760,308	\$94,285,875	\$53,604,821	\$413,390,207	\$1,479,405	1,476.0
S.B. 07-241	\$0	\$0	\$0	\$0	\$0	0.0
Total FY 2007-08 JBC Recommendation	\$562,760,308	\$94,285,875	\$53,604,821	\$413,390,207	\$1,479,405	1,476.0
\$ Change from prior year	(\$20,760,266)	\$474,296	\$8,340,966	(\$29,493,179)	(\$82,349)	53.9
% Change from prior year	(3.6)%	0.5%	18.4%	(6.7)%	(5.3)%	3.8%

Recommendation Highlights:

- Includes \$5.8 million cash funds for drivers license offices from the Licensing Services Cash Fund to add three new drivers license offices and 53 new drivers license office staff, to replace \$2.5 million General Fund with cash funds, and to partner with the counties.

JBC Budget Package Legislation Summary:

S.B. 07-241: The proposed legislation creates the Licensing Services Cash Fund, to be used for drivers license office staff and operating expenses. The new fund will consist of revenues from an additional \$4.40 drivers license fee and an additional \$25.00 specialty license plate fee.

Budget Recommendation Detail by Long Bill Division

Executive Director's Office	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$22,707,330	\$13,244,815	\$2,675,310	\$6,787,205	\$0	43.5
Recommended Changes from FY 2006-07 Appropriation						
Personal services and employee benefits	2,938,460	1,513,223	734,546	690,691	0	0.0
Other consolidated expenses	934,044	1,237,470	40,653	(344,079)	0	0.0
Total FY 2007-08 JBC Recommendation	\$26,579,834	\$15,995,508	\$3,450,509	\$7,133,817	\$0	43.5
\$ Change from prior year	\$3,872,504	\$2,750,693	\$775,199	\$346,612	\$0	0.0
% Change from prior year	17.1%	20.8%	29.0%	5.1%	n/a	0.0%

Issue Descriptions

Personal services and employee benefits: Annualizes salary survey and benefits increases awarded in FY 2006-07.

Other consolidated expenses: Adjusts centrally appropriated expenses, including variable vehicle expense, legal services, purchase of services from the computer center, multiuse network payments, risk management and property payments, vehicle lease payments, leased space, capitol complex leased space, communications services, and utilities.

Central Department Operations Division : This division records and maintains transactions that enable the Department to meet various statutory responsibilities, many of which are related to taxes, licensing and various other fee payments. Such transactions also include the deposit of tax remittances; the processing of tax documents from the receipt of returns through the issuance of applicable refunds; and the processing of income tax refund warrants. This division also performs a variety of incoming and outgoing mail services.

Central Department Operations Division	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$11,082,274	\$10,567,507	\$66,555	\$448,212	\$0	109.9
Recommended Changes from FY 2006-07 Appropriation						
Postage	2,391,618	2,125,192	31,569	234,857	0	0.0
Pueblo Data Entry Center Payments	112,040	112,040	0	0	0	0.0
Operating Expenses	(2,204,546)	(2,204,546)	0	0	0	0.0
Other expenses	(141,796)	(105,466)	29,742	(66,072)	0	0.0
Total FY 2007-08 JBC Recommendation	\$11,239,590	\$10,494,727	\$127,866	\$616,997	\$0	109.9
\$ Change from prior year	\$157,316	(\$72,780)	\$61,311	\$168,785	\$0	0.0
% Change from prior year	1.4%	(0.7)%	92.1%	37.7%	n/a	0.0%

Issue Descriptions

Postage: Moves postage expense from the Operating Expenses budget line to a new "Postage" budget line and increases the appropriation for postage due to U.S. Post Office rate increases.

Pueblo Data Entry Center Payments: Increases the appropriation due to data entry rate increases.

Operating Expenses Moves postage expense from the Operating Expenses budget line to a new "Postage" budget line.

Other expenses: Adjusts appropriations for other expenses.

Information Technology Division: This division is divided between two subsections: Systems Support, which provides the bulk of the Department's various information technology requirements; and the Colorado State Titling and Registration System (CSTARS), which was created in 1983 to automate the distribution of vehicle registration taxes among the State, the counties, and the Highway Users Tax Fund (HUTF).

Information Technology Division	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$12,397,519	\$5,092,871	\$257,376	\$7,047,272	\$0	117.2
<i>Recommended Changes from FY 2006-07 Appropriation</i>						
Personal services and other expenses	211,519	127,226	188,021	(103,728)	0	0.0
Programming costs for session legislation	0	0	0	0	0	0.9
Other expenses	(45,284)	(6,952)	0	(38,332)	0	0.0
Total FY 2007-08 JBC Recommendation	\$12,563,754	\$5,213,145	\$445,397	\$6,905,212	\$0	118.1
\$ Change from prior year	\$166,235	\$120,274	\$188,021	(\$142,060)	\$0	0.9
% Change from prior year	1.3%	2.4%	73.1%	(2.0)%	n/a	0.8%

Issue Descriptions

Personal services and other expenses: Annualizes salary survey and benefits increases awarded in FY 2006-07.

Programming costs for session legislation: Adjusts FTE in the Long Bill for computer programming in order to more accurately reflect actual FTE.

Other expenses: Adjusts appropriations for other expenses.

Taxation Business Group: This division is responsible for implementing programs related to the collection of taxes; the provision of customer service to taxpayers; the resolution of tax disputes; and the administration of certain tax rebate and assistance programs.

Taxation Business Group	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$50,966,312	\$47,398,099	\$93,851	\$2,566,947	\$907,415	321.0
Recommended Changes from FY 2006-07 Appropriation						
Old Age Heat & Fuel and Property Tax Assistance Grants /a	1,100,000	1,100,000	0	0	0	0.0
Personal services and other expenses	117,550	284,405	(1,650)	(141,019)	(24,186)	0.0
Cigarette Tax Rebate /a	(1,100,000)	(1,100,000)	0	0	0	0.0
Mineral Audit Program	(126,824)	0	0	0	(126,824)	0.0
Total FY 2007-08 JBC Recommendation	\$50,957,038	\$47,682,504	\$92,201	\$2,425,928	\$756,405	321.0
\$ Change from prior year	(\$9,274)	\$284,405	(\$1,650)	(\$141,019)	(\$151,010)	0.0
% Change from prior year	0.0%	0.6%	(1.8)%	(5.5)%	(16.6)%	0.0%

/a These amounts are General Fund Exempt pursuant to Section 21 of Article X of the State Constitution.

Issue Descriptions

Old Age Heat & Fuel and Property Tax Assistance Grants: Adjusts spending authority for Old Age Heat & Fuel and Property Tax Assistance Grants to reflect the revenue forecast.

Personal services and other expenses: Annualizes salary survey and benefits increases awarded in FY 2006-07.

Cigarette Tax Rebate: Adjusts spending authority for the Cigarette Tax Rebate to reflect the revenue forecast.

Mineral Audit Program: Reflects an expected decrease in federal funds for federal mineral lease audits.

Division of Motor Vehicles: This division is responsible for licensing drivers; titling and registering motor vehicles; regulating commercial driving schools; enforcing the state's emissions program; and administering the Motorist Insurance Identification Database program.

Division of Motor Vehicles	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$27,157,906	\$16,667,074	\$5,046,916	\$5,443,916	\$0	383.2
Recommended Changes from FY 2006-07 Appropriation						
New drivers license offices and staff	2,910,684	(1,917,724)	4,927,061	(98,653)	0	53.0
License plates	343,820	0	343,820	0	0	0.0
Drivers license documents	(719,245)	(642,837)	0	(76,408)	0	0.0
Motorist Insurance Identification Database program	(328,131)	0	0	(328,131)	0	0.0
Other expenses	(447)	12,345	168	(12,960)	0	0.0

Division of Motor Vehicles	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
Total FY 2007-08 JBC Recommendation	\$29,364,587	\$14,118,858	\$10,317,965	\$4,927,764	\$0	436.2
\$ Change from prior year	\$2,206,681	(\$2,548,216)	\$5,271,049	(\$516,152)	\$0	53.0
% Change from prior year	8.1%	(15.3)%	104.4%	(9.5)%	n/a	13.8%

Issue Descriptions

New drivers license offices and staff: Adds three new drivers license offices and 53 new drivers license office staff, and annualizes salary survey and benefits increases awarded in FY 2006-07.

License plates: Provides funding to replenish the license plate inventory.

Drivers license documents: Reduces funding for drivers license document production to reflect reduced demand for drivers license documents.

Motorist Insurance Identification Database program: Reduces the base appropriation to reflect the program's reduced scope. House Bill 06-1178 restructured the program to eliminate its enforcement functions, and the Department now contracts with the Statewide Internet Portal Authority to maintain this database.

Other expenses: Adjusts appropriations for other expenses.

Motor Carrier Services: This division is responsible for registering motor carriers; collecting registration fees charged to fuel distributors, petroleum storage companies, and interstate carriers; ensuring compliance with vehicle safety regulations; and enforcing laws concerning both owners and operators of motor carriers.

Motor Carrier Services	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$8,081,808	\$663,660	\$240,470	\$6,523,339	\$654,339	144.2
<i>Recommended Changes from FY 2006-07 Appropriation</i>						
Personal services and other expenses	188,547	(31,029)	5,884	145,031	68,661	0.0
Total FY 2007-08 JBC Recommendation	\$8,270,355	\$632,631	\$246,354	\$6,668,370	\$723,000	144.2
\$ Change from prior year	\$188,547	(\$31,029)	\$5,884	\$145,031	\$68,661	0.0
% Change from prior year	2.3%	(4.7)%	2.4%	2.2%	10.5%	0.0%

Issue Descriptions

Personal services and other expenses: Annualizes salary survey and benefits increases awarded in FY 2006-07 and adjusts appropriations for other expenses.

Enforcement Business Group: This division regulates limited gaming industry; regulates horse and dog racing events; enforces the state's liquor and tobacco laws; and licenses liquor retailers, wholesalers, and manufacturers. It regulates the distribution of motor vehicles; and it manages adjudication hearings related to drivers licenses, certain racing licenses, and some tax disputes.

Enforcement Business Group	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$39,791,586	\$177,553	\$36,883,377	\$2,730,656	\$0	177.1
Recommended Changes from FY 2006-07 Appropriation						
Distribution to gaming cities and counties	1,518,070	0	1,518,070	0	0	0.0
Personal services and other expenses	309,999	(29,051)	523,082	(184,032)		
Total FY 2007-08 JBC Recommendation	\$41,619,655	\$148,502	\$38,924,529	\$2,546,624	\$0	177.1
\$ Change from prior year	\$1,828,069	(\$29,051)	\$2,041,152	(\$184,032)	\$0	0.0
% Change from prior year	4.6%	(16.4)%	5.5%	(6.7)%	n/a	0.0%

Issue Descriptions

Distribution to gaming cities and counties: Increases the constitutional distribution of limited gaming funds to cities and counties based on projected revenues.

Personal services and other expenses: Annualizes salary survey and benefits increases awarded in FY 2006-07, and increases the Limited Gaming Division indirect cost assessment to more accurately reflect the division share of departmental and statewide indirect costs.

State Lottery Division: This division regulates and administers the State Lottery. The State Lottery Division is designated as an enterprise under the provisions of TABOR per Article X, Section 20 of the Colorado Constitution.

State Lottery Division	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$411,335,839	\$0	\$0	\$411,335,839	\$0	126.0
Recommended Changes from FY 2006-07 Appropriation						
Personal services and other expenses	134,088	0	0	134,088	0	0.0
Indirect cost assessment	100,507	0	0	100,507	0	0.0
Variable cost adjustments	(29,404,939)	0	0	(29,404,939)	0	0.0
Total FY 2007-08 JBC Recommendation	\$382,165,495	\$0	\$0	\$382,165,495	\$0	126.0
\$ Change from prior year	(\$29,170,344)	\$0	\$0	(\$29,170,344)	\$0	0.0
% Change from prior year	(7.1)%	n/a	n/a	(7.1)%	n/a	0.0%

Issue Descriptions

Personal services and other expenses: Annualizes salary survey and benefits increases awarded in FY 2006-07 and adjusts appropriations for other expenses.

Indirect cost assessment: Increases indirect costs assessment from the Lottery Fund to more accurately reflect the Lottery share of departmental and statewide indirect costs.

Variable cost adjustments: Adjusts appropriations for variable costs of vendor fees, prizes, retailer compensation, and ticket costs, to reflect sales projections.

Department of State

Department Description: The Department of State administers Colorado's election laws, including voter registration laws, initiative and referendum laws, and the Help America Vote Act (HAVA). It collects, stores and provides public access to disclosure statements filed by public officials and lobbyists under Colorado's Sunshine Law and Fair Campaign Practices Act. It collects, stores, and provides public access to annual reports, articles of incorporation, liens, and other documents filed by for-profit and not-for-profit businesses under the Corporation and Association laws and the Uniform Commercial Code. The Department collects, stores, and provides public access to reports and other documents filed under the Bingo and Raffles charitable gaming laws and the Charitable Solicitations Act. It licenses entities that engage in charitable gaming and enforces related laws. It serves as the depository for many official state government records and documents and regulates notaries public while administering related laws. The Department is responsible for, and funds the shared portions of, the statewide information technology (IT) disaster recovery facility (e-FOR³T).

Summary Table for Department of State						
	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$28,055,767	\$0	\$19,130,770	\$8,924,997	\$0	126.5
<i>Recommended Changes from FY 2006-07 by Long Bill Division</i>						
Administration	800,902	0	813,576	(23,268)	10,594	(2.5)
Special Purpose	(6,669,786)	0	(1,730,000)	(5,039,786)	100,000	(1.5)
Information Technology Services	(737,837)	0	(726,995)	(10,842)	0	0.0
Total FY 2007-08 JBC Recommendation	\$21,449,046	\$0	\$17,487,351	\$3,851,101	\$110,594	122.5
\$ Change from prior year	(\$6,606,721)	\$0	(\$1,643,419)	(\$5,073,896)	\$110,594	(4.0)
% Change from prior year	(23.5)%	n/a	(8.6)%	(56.9)%	n/a	(3.2)%

Recommendation Highlights:

1. Anticipates a \$5.0 million cash funds exempt reduction in Help America Vote Act program expenditures due to smaller grants to counties and the completion of the statewide voter registration database.
2. Eliminates \$1.5 million cash funds for grants to counties to assist them in implementing technology for electronic filings. Revenue that funded these grants is now retained directly by county clerks and recorders.
3. Makes adjustments for prior year special bills and decision items. Many of the special bills require limited-time spending in order to modify the IT systems the Department uses for various electronic filings, but result in subsequent savings.
4. Restructures the Information Technology Services Division's budget. The Department is responsible for operating the new statewide IT disaster recovery facility (e-FOR³T). A new group of line items that allow the expenses associated with this facility to be tracked separately has been added to the budget for the Information Technology Services Division.

Budget Recommendation Detail by Long Bill Division

Administration: The Administration Division provides general management supervision for the entire Department, including budgeting, accounting, and human resources services. Most of the Department's functions are carried out by sections within this Division, including Business Filings, Elections, and Licensing and Enforcement.

Administration	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$8,115,138	\$0	\$7,950,983	\$164,155	\$0	83.5
<i>Recommended Changes from FY 2006-07 Appropriation</i>						
Salary and benefit adjustments	528,061	0	499,104	28,957	0	0.0
Payments to other agencies	271,491	0	231,390	29,507	10,594	0.0
Personal services adjustments	131,175	0	131,175	0	0	0.0
Eliminate one-time funding	(70,589)	0	(70,589)	0	0	(2.5)
Legal services	(52,931)	0	(52,931)	0	0	0.0
Leased space	(6,305)	0	(6,305)	0	0	0.0
Fund source adjustment	0	0	81,732	(81,732)	0	0.0
Total FY 2007-08 JBC Recommendation	\$8,916,040	\$0	\$8,764,559	\$140,887	\$10,594	81.0
\$ Change from prior year	\$800,902	\$0	\$813,576	(\$23,268)	\$10,594	(2.5)
% Change from prior year	9.9%	n/a	10.2%	(14.2)%	n/a	(3.0)%

Issue Descriptions

Salary and benefit adjustments: The recommendation includes adjustments for centrally appropriated items including: (1) salary survey; (2) health, life, and dental; (3) short-term disability insurance; (4) PERA amortization equalization disbursement; and (5) the new PERA supplemental amortization equalization.

Payments to other agencies: The recommendation includes adjustments to payments to the Department of Law for the provision of legal services, as well as adjustments to several line items used to reimburse the Department of Personnel and Administration for services it provides, including: payments to the computer center, the multiuse network, and vehicle lease payments.

Personal services adjustments: The recommendation includes an increase of \$153,000 to annualize salary increases awarded in FY 2006-07, offset by a reduction of \$21,000 associated with a 0.5 percent base reduction.

Eliminate one-time funding: The recommendation reflects the elimination of one-time funding from special bills and prior year decision items.

Legal services: The recommendation reflects a decrease in funding for legal services purchased from the Department of Law compared to the FY 2006-07 appropriation.

Leased space: The recommendation reflects an anticipated decrease in leased space expenditures.

Fund source adjustment: Cash funds exempt expenditures in this Division represent services provided to the Help America Vote Act (HAVA) program. The recommendation reflects a decrease in the HAVA program's share of administrative expenses.

Special Purpose: This Division includes funding for the following: (1) the state's Help America Vote Act (HAVA) program; (2) Electronic Filing Grants to County Clerk and Recorders; (3) the Master Distribution List, in which agricultural-product security interests are filed; (4) reimbursements for certain local election expenses; and (5) initiative and referendum appropriations, which fund such activities as signature verification and the Title Setting Board.

Special Purpose	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$12,259,923	\$0	\$3,509,923	\$8,750,000	\$0	11.0
<i>Recommended Changes from FY 2006-07 Appropriation</i>						
Help America Vote Act	(4,939,786)	0	0	(5,039,786)	100,000	(1.5)
Electronic filing grants to counties	(1,500,000)	0	(1,500,000)	0	0	0.0
Initiative and referendum	(150,000)	0	(150,000)	0	0	0.0
Master list distribution contract	(80,000)	0	(80,000)	0	0	0.0
Total FY 2007-08 JBC Recommendation	\$5,590,137	\$0	\$1,779,923	\$3,710,214	\$100,000	9.5
\$ Change from prior year	(\$6,669,786)	\$0	(\$1,730,000)	(\$5,039,786)	\$100,000	(1.5)
% Change from prior year	(54.4)%	n/a	(49.3)%	(57.6)%	n/a	(13.6)%

Issue Descriptions

Help America Vote Act: Moneys for the State's Help America Vote Act (HAVA) program are continuously appropriated from reserves in the Federal Elections Assistance Fund. Anticipated program expenditures are included in the Long Bill for informational purposes only. The recommendation reflects an expectation that FY 2007-08 expenditures will be lower than FY 2006-07 expenditures because distributions to counties will be smaller and the statewide voter registration database will be completed.

Electronic filing grants to counties: The Department makes grants to counties from the Clerks and Recorders Electronic Filing Technology Fund to help pay the costs of implementing electronic filing technology at the county level. S.B. 04-219 removed the source of revenue for the Fund. Authority to make grants from the Fund expires on July 1, 2008, and the Department anticipates expending the remaining fund balance during FY 2006-07. The recommendation eliminates funding for these grants.

Initiative and referendum: This appropriation primarily funds petition verification, an expense that tends to rise and fall with the two-year election cycle. The recommendation decreases the amount for this line in anticipation of a smaller number of initiative petitions in an odd-numbered year.

Master list distribution contract: The State is required by federal statute to maintain a central database in which agricultural product financial security interests are recorded. Lenders file "effective financing statements" with the Department of State, which maintains "Master Lists" of such interests. Historically, the Department employed a vendor to prepare and distribute those lists to private-sector subscribers and this appropriation funded the payments to that vendor. Last year, the General Assembly authorized the Department to have new software developed and to bring the Master List function in-house. The in-house costs are distributed across other lines in the budget.

Information Technology Services: This Division provides information technology (IT) support for the rest of the Department. It is also responsible for operation of the statewide IT disaster recovery facility (e-FOR³T). Beginning in FY 2007-08, expenses associated with the disaster recovery facility have been separated into their own line item group in order to facilitate tracking of those expenses. In so doing, many expenses have been characterized differently (e.g., services that had been anticipated to be provided on a contract basis under the personal services line are now incorporated into the lease for the space occupied by the facility).

Information Technology Services	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$7,680,706	\$0	\$7,669,864	\$10,842	\$0	32.0
<i>Recommended Changes from FY 2006-07 Appropriation</i>						
Hardware/software maintenance	4,666	0	4,666	0	0	0.0
Eliminate one-time funding	(508,413)	0	(508,413)	0	0	0.0
IT asset management	(219,075)	0	(219,075)	0	0	0.0
Base reduction	(15,015)	0	(15,015)	0	0	0.0
Fund source adjustment	0	0	10,842	(10,842)	0	0.0
Total FY 2007-08 JBC Recommendation	\$6,942,869	\$0	\$6,942,869	\$0	\$0	32.0
\$ Change from prior year	(\$737,837)	\$0	(\$726,995)	(\$10,842)	\$0	0.0
% Change from prior year	(9.6)%	n/a	(9.5)%	(100.0)%	n/a	0.0%

Issue Descriptions

Hardware/software maintenance: The recommendation reflects the increased cost of contract arrangements for support of different hardware and software systems used by the Department.

Eliminate one-time funding: This Division's expenses have been affected by a variety of bills passed since 2004 which require that information systems be modified in order to accommodate additional requirements for business or election filings. In many cases, the work is performed by contract employees. The recommendation reflects the elimination of one-time funding for such modifications.

IT asset management: The IT asset management line was increased sharply a few years ago when the "zinc whiskers" disaster in the Department's computer center required the unplanned replacement of a large amount of equipment. The recommendation reflects the continuing adjustment of this funding from that unusual level to support their current mix of new and ageing equipment.

Base reduction: The recommendation reflects a 0.5 percent base reduction in funding for personal services.

Fund source adjustment: The recommendation reflects an anticipated decrease in the HAVA program's share of services provided by this Division.

Department of Transportation

Department Description: The Department is responsible for operating and maintaining Colorado's 9,156-mile state highway system under the policy direction of the eleven-member Transportation Commission, and maintaining the statewide aviation system plan. These 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.

Summary Table for Department of Transportation						
	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$1,035,382,953	\$0	\$81,343,825	\$538,767,263	\$415,271,865	3,307.2
<i>Recommended Changes from FY 2006-07 by Long Bill Division</i>						
Division of Aeronautics	(18,046,460)	0	(17,771,460)	0	(275,000)	(8.0)
Administration	19,944	0	0	19,944	0	0.0
Construction, Maintenance, and Operations	34,825,664	0	9,681,948	(1,276,558)	26,420,274	16.8
Statewide Tolling Enterprise	920,000	0	1,720,000	(800,000)	0	0.0
Gaming Impacts	9,033,346	0	9,033,346	0	0	0.0
Total FY 2007-08 JBC Recommendation	\$1,062,135,447	\$0	\$84,007,659	\$536,710,649	\$441,417,139	3,316.0
\$ Change from prior year	\$26,752,494	\$0	\$2,663,834	(\$2,056,614)	\$26,145,274	8.8
% Change from prior year	2.6%	n/a	3.3%	(0.4)%	6.3%	0.3%

Recommendation Highlights:

1. Reflects a \$26.4 million increase in the Department's estimated apportionment of federal funds from the Federal Highway Administration federal transportation program.
2. Reflects a \$9.0 million increase in Gaming Impacts funds for highway construction and maintenance on gaming related roads.
3. Reflects a \$1.7 million increase in estimated tolling revenue.
4. Reflects a \$13.1 million total reduction including: local government match funds, miscellaneous revenue, Law Enforcement Assistance Fund (LEAF) and Motorcycle Operator Safety Training (MOST) program fund.

Budget Recommendation Detail by Long Bill Division

Division of Aeronautics: Under the policy direction of the Colorado Aeronautical Board, this division supports the maintenance of the statewide aviation system plan. Division staff provide technical support to local airports regarding aviation safety, and administer reimbursement of aviation fuel tax revenues as well as discretionary grants to local airports.

Division of Aeronautics	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$18,046,460	\$0	\$17,771,460	\$0	\$275,000	8.0
Recommended Changes from FY 2005-06 Appropriation						
Division of Aeronautics	(18,046,460)	0	(17,771,460)	0	(275,000)	(8.0)
Total FY 2007-08 JBC Recommendation	\$0	\$0	\$0	\$0	\$0	0.0
\$ Change from prior year	(\$18,046,460)	\$0	(\$17,771,460)	\$0	(\$275,000)	(8.0)
% Change from prior year	(100.0)%	n/a	(100.0)%	n/a	(100.0)%	(100.0)%

Issue Descriptions

Division of Aeronautics: The recommendation eliminates the \$18,046,460 appropriation for the Division of Aeronautics. H.B. 06-1244 transferred appropriation authority for the Division of Aeronautics administrative budget from the General Assembly to the Transportation Commission. Beginning with FY 2007-08, the Division of Aeronautics' budget will be included as part of the Construction, Maintenance, and Operations line item within the Department of Transportation.

Administration: The Administration section consists of the following: the Transportation Commission; the Office of the Executive Director; the Office of Public Information; the Office of Information Technology; the Office of Financial Management and Budget; the Highways Administration; the Division of Human Resources and Administration; the Division of Audit; the Office of Policy; and other centralized administrative costs for the Department.

Administration	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$23,909,131	\$0	\$0	\$23,909,131	\$0	219.7
Recommended Changes from FY 2006-07 Appropriation						
FY 2007-08 salary and benefits adjustments	557,141	0	0	557,141	0	0.0
Annualize FY 2006-07 salary increases	336,248	0	0	336,248	0	0.0
Indirect cost assessment	(489,582)	0	0	(489,582)	0	0.0
Operating adjustments	(309,184)	0	0	(309,184)	0	0.0
Personal services base reductions	(74,679)	0	0	(74,679)	0	0.0

Administration	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
Total FY 2007-08 JBC Recommendation	\$23,929,075	\$0	\$0	\$23,929,075	\$0	219.7
\$ Change from prior year	\$19,944	\$0	\$0	\$19,944	\$0	0.0
% Change from prior year	0.1%	n/a	n/a	0.1%	n/a	0.0%

Issue Descriptions

FY 2007-08 salary and benefits adjustments: The recommendation includes adjustments to centrally-appropriated line items for salary and benefits, including the following increases: \$187,094 for health, life and dental benefits; \$174,685 for performance-based pay awards; \$103,610 for salary survey and senior executive service; \$61,366 for S.B. 04-257 amortization equalization disbursement; \$32,346 for S.B. 06-235 supplemental amortization equalization disbursement. The recommendation also includes a decrease of \$1,960 for short-term disability.

Annualize FY 2006-07 salary increases: The recommendation includes the salary increases allocated to the Administration section in FY 2006-07.

Indirect cost assessment: The indirect cost assessment to the Administration section is decreasing pursuant to the Statewide Indirect Cost Allocation Plan. The recommendation makes the appropriate adjustments to the appropriations of the division in order to properly offset indirect costs elsewhere in the department.

Operating adjustments: The recommendation contains various changes in centrally appropriated line items. These centrally appropriated items include an increase of \$64,249 for workers' compensation; an increase of \$28,031 for legal services (the recommendation reflects the incremental change of the blended rate for legal services of \$72.03 per hour in FY 2007-08), the Administration section's allotment of hours remains unchanged from FY 2006-07; an increase of \$1,017 for short-term disability; and a decrease of \$402,481 for risk management and property funds.

Personal services base reductions: The recommendation includes a reduction of \$74,679 associated with a 0.5 percent reduction in funding for personal services.

Construction, Maintenance, and Operations: This division is responsible for transportation planning, inter-modal transportation programs, and all phases of highway operation including engineering, construction, and maintenance.

Construction, Maintenance, and Operations	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$983,967,951	\$0	\$58,312,954	\$510,658,132	\$414,996,865	3,079.5
Recommended Changes from FY 2006-07 Appropriation						
Federal Funds	26,420,274	0	0	0	26,420,274	0.0
Cash funds (aeronautics, locals, miscellaneous)	9,681,948	0	9,681,948	0	0	8.0
State Highway Funds (HUTF)	(1,276,558)	0	0	(1,276,558)	0	8.8
Total FY 2007-08 JBC Recommendation	\$1,018,793,615	\$0	\$67,994,902	\$509,381,574	\$441,417,139	3,096.3
\$ Change from prior year	\$34,825,664	\$0	\$9,681,948	(\$1,276,558)	\$26,420,274	16.8
% Change from prior year	3.5%	n/a	16.6%	(0.3)%	6.4%	0.5%

Issue Descriptions

Federal funds: This recommendation represents the Department's new estimated apportionment of federal funds from the Federal Highway Administration federal transportation program.

Cash funds (aeronautics, locals, miscellaneous): The recommendation includes an increase of \$9.7 million due to the move of \$22.8 million and 8.0 FTE beginning in FY 2007-08 of the Division of Aeronautics to this line, a reduction of \$3.3 million of local government match funds, and a reduction of \$9.8 million including miscellaneous revenue, Law Enforcement Assistance Fund (LEAF) and Motorcycle Operator Safety Training (MOST) program fund.

State Highway Funds (HUTF): The recommendation represents the Department's forecasted decrease share of Highway User Tax Fund (HUTF) revenues per statutory formula. The increase in FTE is for additional engineering positions.

Statewide Tolling Enterprise: This section contains appropriations for the Statewide Tolling Enterprise created pursuant to S.B. 02-179 and H.B. 02-1310. Under the statute, the Department is authorized to create a Statewide Tolling Authority to oversee the finance, construction, operation, and maintenance of additional highway capacity. The Transportation Commission established this body on August 15, 2002, as a division within the Department that is granted enterprise status as long as it retains the authority to issue revenue bonds and receives less than 10 percent of its total revenues from grants from state and local governments.

Statewide Tolling Enterprise	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$4,200,000	\$0	\$0	\$4,200,000	\$0	0.0
Recommended Changes from FY 2006-07 Appropriation						
Transportation Commission allocation	920,000	0	1,720,000	(800,000)	0	0.0
Total FY 2007-08 JBC Recommendation	\$5,120,000	\$0	\$1,720,000	\$3,400,000	\$0	0.0
\$ Change from prior year	\$920,000	\$0	\$1,720,000	(\$800,000)	\$0	0.0

Statewide Tolling Enterprise	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
% Change from prior year	21.9%	n/a	n/a	(19.0)%	n/a	n/a

Issue Description

Transportation Commission allocation: The recommendation represents an adjustment to the amount allocated by the Transportation Commission to the Statewide Tolling Enterprise. The Commission estimates that tolling revenue for FY 2007-08 will increase by \$1,720,000. The Commission is also reflecting a reduction in State Highway Fund transfers to the Tolling Enterprise by \$800,000.

Gaming Impacts: This section contains appropriations for Gaming Impacts. Pursuant to Section 12-47.1-701, C.R.S., the Department may annually request funds from the 50 percent share of the Limited Gaming Fund year-end balance that is transferred to the General Fund, in order to partially pay for highway construction and maintenance in the vicinity of Colorado's gaming communities.

Gaming Impacts	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$5,259,411	\$0	\$5,259,411	\$0	\$0	0.0
<i>Recommended Changes from FY 2006-07 Appropriation</i>						
Gaming Impacts	9,033,346	0	9,033,346	0	0	0.0
Total FY 2007-08 JBC Recommendation	\$14,292,757	\$0	\$14,292,757	\$0	\$0	0.0
\$ Change from prior year	\$9,033,346	\$0	\$9,033,346	\$0	\$0	0.0
% Change from prior year	171.8%	n/a	171.8%	n/a	n/a	n/a

Issue Description

Gaming Impacts: The recommendation includes an increase of \$9,033,346 for gaming impacts-related highway construction and maintenance for FY 2007-08.

Department of the Treasury

Department Description: The Department has the following 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 and transmits moneys from the Unclaimed Property Trust Fund to CoverColorado; (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) transfers moneys to the Fire and Police Pension Association (FPPA) for local "old hire" pension plans; (7) distributes Highway Users Tax Fund (HUTF) revenues to counties and municipalities; and (8) distributes federal "mineral leasing funds" received for the State's share of sales, bonuses, royalties, and rentals of public lands within Colorado.

Summary Table for Department of the Treasury						
	Total Funds	General Fund/1	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$368,007,955	\$100,187,249	\$2,584,606	\$265,236,100	\$0	26.0
Recommended Changes from FY 2006-07 by Long Bill Division						
Administration	52,539	35,862	16,677	0	0	0.0
Unclaimed Property Program	6,904	0	6,904	0	0	0.0
Special Purpose	28,743,109	14,003,031	0	14,740,078	0	0.0
Total FY 2007-08 JBC Recommendation	\$396,810,507	\$114,226,142	\$2,608,187	\$279,976,178	\$0	26.0
\$ Change from prior year	\$28,802,552	\$14,038,893	\$23,581	\$14,740,078	\$0	0.0
% Change from prior year	7.8%	14.0%	0.9%	5.6%	n/a	0.0%

/1 Includes General Fund Exempt. See Division Detail for information on General Fund Exempt recommended appropriations.

Recommendation Highlights:

1. Reflects a \$14.0 million General Fund¹ increase, compared to the FY 2006-07 appropriation, in payments to local governments to offset the local property tax revenues that will be foregone for tax year 2007 due to the senior citizen and disabled veteran property tax exemption.
2. Reflects a \$9.7 million cash funds exempt increase in the projected disbursements of HUTF revenues to counties and municipalities.
3. Reflects a \$5.0 million increase in the amount that is anticipated to be transferred from the Unclaimed Property Trust Fund to CoverColorado.

¹ This amount is not subject to the six percent statutory limit on General Fund appropriations.

Budget Recommendation Detail by Long Bill Division

Administration: This office is responsible for the operation and oversight of the Department. The Division provides accounting, cash management, and investment services for the State.

Administration	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$1,624,263	\$813,108	\$811,155	\$0	\$0	16.0
Recommended Changes from FY 2006-07 Appropriation						
FY 2007-08 salary and benefit adjustments	37,193	25,285	11,908	0	0	0.0
Annualize salary increases	24,737	24,737	0	0	0	0.0
Other	15,658	10,889	4,769	0	0	0.0
Eliminate one-time funding	(25,049)	(25,049)	0	0	0	0.0
Total FY 2007-08 JBC Recommendation	\$1,676,802	\$848,970	\$827,832	\$0	\$0	16.0
\$ Change from prior year	\$52,539	\$35,862	\$16,677	\$0	\$0	0.0
% Change from prior year	3.2%	4.4%	2.1%	n/a	n/a	0.0%

Issue Descriptions

FY 2007-08 salary and benefit adjustments: The recommendation includes adjustments to centrally-appropriated line items for salary survey and benefits, including the following increases: \$17,887 for salary increases; \$11,144 for PERA amortization equalization disbursement; and \$8,162 for health, life, and dental benefits.

Annualize salary increases: The recommendation includes \$24,737 to annualize salary survey increases awarded in FY 2006-07.

Other: The recommendation reflects relatively small increases in a number of centrally-appropriated line items, including Capitol complex leased space, workers' compensation, short-term disability, and payment to risk management and property funds. These increases are partially offset by small decreases in funding for the purchase of services from computer center.

Eliminate one-time funding: The recommendation eliminates one-time funding that was provided for FY 2006-07 to cover costs associated with the retirement of the Chief Financial Officer / Controller.

Unclaimed Property Program: Pursuant to the Unclaimed Property Act, the State takes possession of dormant properties held by a wide range of institutions and attempts to return the properties to their rightful owners. The Department deposits recovered moneys in the Unclaimed Property Trust Fund, using the principal and interest to pay claims as well as the costs of operating the program. The remaining principal and interest help support the CoverColorado health insurance program. The Department holds recovered securities for at least a year and then sells those that have not been returned, depositing sales proceeds in the Unclaimed Property Tourism Promotion Trust Fund. The State uses the interest earned by this fund to promote tourism and the State Fair. The fund source for this section is the Unclaimed Property Trust Fund.

Unclaimed Property Program	Total Funds	General Fund	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$1,773,451	\$0	\$1,773,451	\$0	\$0	10.0
Recommended Changes from FY 2006-07 Appropriation						
Annualize salary increases	16,904	0	16,904	0	0	0.0
Leased space	(10,000)	0	(10,000)	0	0	0.0
Total FY 2007-08 JBC Recommendation	\$1,780,355	\$0	\$1,780,355	\$0	\$0	10.0
\$ Change from prior year	\$6,904	\$0	\$6,904	\$0	\$0	0.0
% Change from prior year	0.4%	n/a	0.4%	n/a	n/a	0.0%

Issue Descriptions

Annualize salary increases: The recommendation includes \$16,904 to annualize salary survey increases awarded in FY 2006-07.

Leased space: The recommendation reflects a reduction for leased space expenses based on the July 1, 2006, relocation of the Program to less expensive space.

Special Purpose: This section reflects various disbursements and transfers the Treasurer is required to make, including the following: (1) reimbursements to local governments for property taxes lost due to the senior citizen and disabled veteran property tax exemption; (2) transmittals from the Unclaimed Property Trust Fund to CoverColorado; (3) transfers to the Fire and Police Pension Association (FPPA) for "old hire" fire and police pension plans; and (4) allocations of Highway Users Tax Fund (HUTF) revenues to local governments. The General Fund and General Fund Exempt appropriations for the senior citizen and disabled veteran property tax exemption and FPPA are not subject to the six percent statutory limit on General Fund appropriations.

Special Purpose	Total Funds	General Fund/1	Cash Funds	Cash Fund Exempt	Federal Funds	FTE
FY 2006-07 Appropriation	\$364,610,241	\$99,374,141	\$0	\$265,236,100	\$0	0.0
Recommended Changes from FY 2006-07 Appropriation						
Property tax exemption	14,000,000	14,000,000	0	0	0	0.0
HUTF disbursements	9,716,800	0	0	9,716,800	0	0.0
Transfer to CoverColorado	5,023,278	0	0	5,023,278	0	0.0
Transfer to FPPA for old hire plans	3,031	3,031	0	0	0	0.0
Total FY 2007-08 JBC Recommendation	\$393,353,350	\$113,377,172	\$0	\$279,976,178	\$0	0.0
\$ Change from prior year	\$28,743,109	\$14,003,031	\$0	\$14,740,078	\$0	0.0
% Change from prior year	7.9%	14.1%	n/a	5.6%	n/a	n/a

/1 Includes General Fund Exempt amounts.

General Fund Summary	Total General Fund	General Fund	General Fund Exempt
FY 2006-07 Appropriation	\$99,374,141	\$64,600,000	\$34,774,141
Property tax exemption	14,000,000	14,000,000	0
Transfer to FPPA for old hire plans	<u>3,031</u>	<u>0</u>	<u>3,031</u>
Total FY 2007-08 Long Bill Recommendation	\$113,377,172	\$78,600,000	\$34,777,172

General Fund Exempt

In November 2005, the Colorado voters passed Referendum C. Referendum C allows the State to retain all revenue that is collected above the TABOR limit for FY 2005-06 through FY 2009-10. This revenue must be placed in a General Fund Exempt Account (see Section 24-77-103.6 (2), C.R.S.). The above table shows the amount of General Fund Exempt that the Joint Budget Committee recommends be appropriated for FY 2006-07 and FY 2007-08 from the General Fund Exempt Account for purposes of funding retirement plans for firefighters and police officers pursuant to Sections 24-77-103.6 (2) and 24-77-104.5 (1) (a), C.R.S.

Issue Descriptions

Property tax exemption: The recommendation reflects a \$14.0 million increase, *compared to the FY 2006-07 Long Bill appropriation*, in payments to local governments to offset the local property tax revenues that will be foregone for tax year 2007 pursuant to Article X, Section 3.5, of the Colorado Constitution. [Please note that based on revised projections for FY 2006-07 (which are not reflected in the FY 2006-07 appropriation), the foregone property tax revenues are anticipated to increase from \$76.6 million in FY 2006-07 to \$78.6 million in FY 2007-08 (2.6 percent).]

Highway Users Tax Fund (HUTF) disbursements: The recommendation reflects a \$9.7 million increase in the projected disbursements of HUTF revenues to counties and municipalities, *compared to amounts reflected in the FY 2006-07 Long Bill*. [Please note that based on revised projections for FY 2006-07 (which are not reflected in FY 2006-07 appropriations), these disbursements are anticipated to increase from \$260.7 million in FY 2006-07 to \$262.7 million in FY 2007-08 (0.8 percent).]

Transfer to CoverColorado: The recommendation reflects a \$5.0 million increase in the amount that is anticipated to be transferred from the Unclaimed Property Trust Fund to CoverColorado, compared to the amount reflected in the FY 2006-07 Long Bill. The recommended amount is based on projections of program costs as well as other sources of revenues available to CoverColorado.

Transfer to the Fire and Police Pension Association (FPPA) for old hire plans: The recommendation reflects a \$3,031 increase in the annual transfer to the FPPA for the State's contribution to pay part of the unfunded liability of retirement plans that cover police and firefighters who were hired before 1978 ("old hire" pension plans). The recommended increase covers a portion of the unfunded liability that accrued as a result of the 30-month suspension of the state contributions pursuant to S.B. 03-263. The recommended amount, if sustained through FY 2009-10, would eliminate the need for a "balloon payment" otherwise scheduled for April 2012.

CAPITAL CONSTRUCTION

Summary Table for Capital Construction					
	Total Funds	Capital Construction Funds Exempt	Cash Funds	Cash Fund Exempt	Federal Funds
FY 2006-07 Appropriation	\$461,827,396	\$138,688,195	\$6,963,802	\$289,759,311	\$26,416,088
Long Bill Supplemental	<u>0</u>	<u>(150,656)</u>	<u>0</u>	<u>150,656</u>	<u>0</u>
FY 2006-07 Adjusted Appropriation	\$461,827,396	\$138,537,539	\$6,963,802	\$289,909,967	\$26,416,088
Total FY 2007-08 Long Bill Recommendation	\$759,837,972	\$238,499,185	\$2,090,000	\$478,906,218	\$40,342,569
Statutory Appropriations to Corrections Expansion Reserve Fund	2,125,517	2,125,517	0	0	0
Total FY 2007-08 Recommendation	\$761,963,489	\$240,624,702	\$2,090,000	\$478,906,218	\$40,342,569

Recommendation Highlights:

1. Provides \$36.9 million state funds for the Colorado State Penitentiary II, High Custody Expansion project by the Department of Corrections (the Capital Development Committee's (CDC's) priority #38 and #39 projects combined);
2. Provides \$13.1 million state funds for the Fitzsimons certificates of participation (CDC's priority #1 project);
3. Provides \$186.7 million state funds for the CDC's priority #2 through #17 projects; and
4. Provides \$20.0 million state funds for strategic transportation projects from General Fund Exempt authorized by Referendum C.

These projects requiring state funds total \$256.8 million. In order to pay for these projects, the recommendation includes new transfers to the capital construction fund totaling \$55.8 million over FY 2006-07 and FY 2007-08, and spending from the balances of various funds that are set up to support capital projects, as detailed in the table on the following page. Transfers to the Capital Construction Fund are exempt from the six percent limit.

	State Funds	Fund Source		
		Capital Construction Funds Exempt	Cash Funds	Cash Funds Exempt
New General Fund Transfer for projects recommended by the CDC	\$35,753,087	\$35,753,087		
New General Fund Exempt Transfer for strategic transportation projects	20,000,000	20,000,000		
Capital Construction Fund	182,746,098	182,746,098		
Corrections Expansion Reserve Fund	4,566,949			4,566,949
Controlled Maintenance Trust Fund	340,000		340,000	
Fitzsimons Trust Fund	13,400,000			13,400,000
TOTAL - State Funds	\$256,806,134	\$238,499,185	\$340,000	\$17,966,949

In addition to providing appropriations for projects requiring state funds, the recommendation accounts for \$2.1 million in statutorily authorized appropriations to the Corrections Expansion Reserve Fund. Also, the recommendation provides spending authority for various cash and federally funded projects, primarily at the higher education institutions and the Department of Natural Resources.

Finally, the recommendation includes a \$2.0 million General Fund appropriation to the Controlled Maintenance Trust Fund. Interest earnings on the Controlled Maintenance Trust Fund may be used to support controlled maintenance projects.

The following table details the sources of revenue to the Capital Construction Fund that support the recommended appropriations:

Summary of Revenue to the Capital Construction Fund Available for Appropriation			
Revenue Source	FY 2006-07	FY 2007-08	
<u>Funds from Prior Years</u>			
Carry-forward	\$26,000,000	\$39,887,799	
1/3 of the General Fund in excess of the 4.0 percent statutory reserve			
FY 2004-05 excess reserve identified in H.B. 06-1385	31,021,698	n/a	
FY 2005-06 excess reserve identified in S.B. 07-239	n/a	145,600,000	
Fund balance from reversions, accounting adjustments, etc. appropriated in Long Bill	3,026,000	226,000	
Interest appropriated in Long Bill	2,500,000	9,900,000	
Subtotal - Funds from Prior Years	\$62,547,698	\$195,613,799	
<u>General Fund Transfers Exempt from the Six Percent Limit</u>			
5-year Sentencing Bills (see detail at the end of this section)	\$3,179,866	\$2,125,517	
<i>Other Transfers:</i>			
H.B. 06-1373	15,000,000	22,885,386	

Summary of Revenue to the Capital Construction Fund Available for Appropriation		
Revenue Source	FY 2006-07	FY 2007-08
H.B. 06-1386 ¹	61,944,687	0
S.B. 07-240 ²	<u>35,753,087</u>	<u>20,000,000</u>
Subtotal - General Fund Transfers Exempt from the Six Percent Limit	\$115,877,640	\$45,010,903
Total Revenue to the Capital Construction Fund Available for Appropriation	\$178,425,338	\$240,624,702
Total appropriations from the Capital Construction Fund	<u>(138,537,539)</u>	<u>(240,624,702)</u>
Carry-forward	39,887,799	0

¹ Includes \$15,000,000 General Fund Exempt in FY 2006-07.

² Includes \$20,000,000 General Fund Exempt in FY 2007-08.

General Fund Summary	Total General Fund	General Fund	General Fund Exempt
FY 2006-07 Appropriations & Transfers	\$80,124,553	\$65,124,553	\$15,000,000
S.B. 07-240: Capital Construction Transfer Bill	<u>35,753,087</u>	<u>35,753,087</u>	<u>0</u>
FY 2006-07 Adjusted Appropriations & Transfers	\$115,877,640	\$100,877,640	\$15,000,000
Statutory Transfers to Corrections Expansion Reserve Fund	\$2,125,517	\$2,125,517	\$0
H.B. 06-1373: Build Institute for Forensic Psychiatry	22,885,386	22,885,386	0
S.B. 07-240: Capital Construction Transfer Bill	<u>20,000,000</u>	<u>0</u>	<u>20,000,000</u>
Total FY 2007-08 Recommendation	\$45,010,903	\$25,010,903	\$20,000,000

General Fund Exempt

In November 2005, the Colorado voters passed Referendum C. Referendum C allowed the State to retain all revenue that is collected above the TABOR limit for FY 2005-06 through FY 2009-10. This revenue must be placed in a General Fund Exempt Account (see Section 24-77-103.6 (2), Colorado Revised Statutes). The above table shows the amounts of General Fund Exempt that the Joint Budget Committee recommends be appropriated and transferred from the General Fund Exempt Account for strategic transportation projects pursuant to Sections 24-77-103.6 (2) (d), Colorado Revised Statutes.

Budget Recommendation Detail by Department

Project	Total	CCFE	CF	CFE	FF
<u>AGRICULTURE</u>					
State Fair, Carnival Lot, Repair/Replace Infrastructure	441,128	101,128	340,000	0	0

Project	Total	CCFE	CF	CFE	FF
<p>The five-phase project repairs or replaces electric systems, sewer system components, storm drainage systems, and cracking asphalt at the Colorado State Fair's Carnival Lot. The State Fair says these problems present safety issues. Phase 1 included engineering design; replacement of existing electrical services, water mains, and hydrants; and asphalt patching. Phase 2, the current appropriation, completes the replacement of water mains and hydrants. Phase 3 will remove and replace sanitary sewer mains and patch asphalt. Phase 4 will replace the storm sewer system in the Carnival Lot area, and will provide a detention basin, lighting, and fire protection. Phase 5 will replace all asphalt, and will stripe and number all parking spaces.</p>					
State Fair, Repair/Replace Infrastructure at Fairgrounds	830,000	830,000	0	0	0
<p>The three-phase project addresses infrastructure problems in certain areas of the State Fair grounds. The sanitary sewer system, water supply system, natural gas supply system, and storm drainage system are 40 to 60 years old. The systems violate code by mixing sanitary sewer and storm drain output, and fail to drain the fair grounds. Also, the water pressure in buildings is inadequate. The project is divided into three phases, according to construction zones and starting with the most critical area first. Areas to be addressed include the horse show arena; the area around the Palace of Agriculture; the Sheep, Swine and Goat Barn; Sunshine Park area; the Giadone Park area; and the livestock pavilion. Utilities such as natural gas, telephone, and electrical supply systems will be disturbed during the project but this impact will be mitigated.</p>					
Insectary Upgrade, Palisade	582,009	582,009	0	0	0
<p>The project addresses numerous mechanical, electrical, architectural, and maintenance problems in the Insectary in Palisade. Specifically, the project repairs the roofing near the dormers, replaces the roof drainage system with external fascia-mounted gutters and external downspouts, installs an emergency electrical backup generator system, and replaces old, outdated lighting equipment. The HVAC and humidification systems are not integrated and, at times, the heating and cooling components function at the same time in the same space, resulting in high energy costs and the loss of plants or insects. Also, occasional electrical power outages have shut down insect incubators and refrigeration units resulting in the loss of ongoing work. The roof has improper drainage and leaks near the dormers, causing interior damage.</p>					
TOTAL - AGRICULTURE	\$1,853,137	\$1,513,137	\$340,000	\$0	\$0
<u>CORRECTIONS</u>					
<p>Arkansas Valley Correctional Facility and Fremont Correctional Facility, Perimeter Security Improvements, Phase I</p>					
	339,745	339,745	0	0	0
<p>The three-phase project replaces or repairs lighting and fencing in order to improve perimeter security at two state prisons. At Arkansas Valley, there is deficient security lighting in the north recreation yard, and the facility has a history of attempted escapes. At Fremont Correctional Facility, there are numerous deficiencies in the 50-year old perimeter security fence. Deficiencies include rust at the concrete bases of fence posts, weakened chain-link fence fabric, missing top rails, inadequate separation distance between exterior and interior fences, and razor coil in poor condition. Phase 1, the current appropriation, installs new 40-foot poles with lights at Arkansas Valley to provide consistent illumination, and funds a department-wide security audit and vulnerability analysis regarding perimeter security. Phase 2, also appropriated for FY 2007-08 as project #122, will replace the transponders and microprocessor head in the motion detection system at Fremont, and will repair three sections of the fence at that facility. Phase 3 will repair seven more sections of the fence at Fremont.</p>					
Arrowhead Correctional Facility, Critical Structural Repairs	328,691	328,691	0	0	0
<p>The project adds additional piers to the foundation system, replaces the perimeter sidewalk, and repairs interior finishes at the prison. The project also funds a geological and hydrological impact study for the facility in order to document structural distress, foundation/slab movement, and architectural damage, and to make recommendations concerning monitoring or additional remedial work. The Clinical Services Building is manifesting signs of structural movement including cracked pre-cast wall panels, failed and displaced expansion joints, and interior displacement at floors, partitions, and doors.</p>					
Buena Vista Correctional Complex, Electrical System Improvements	653,590	653,590	0	0	0

Project	Total	CCFE	CF	CFE	FF
<p>The three-phase project improves the prison's 40-year-old electrical power infrastructure. The existing power lines frequently fail, causing major outages. Phase 1, the current appropriation, replaces the primary service throughout the entire complex. Phase 2 will construct an emergency circuit from the Generator Building to the southwest corner of the complex, install a new main voltage automatic transfer switch, transformer, and sectionalizing switch at the Generator Building, and construct the emergency power circuit to the Warehouse/Bootcamp. Phase 3 will replace secondary electrical equipment in portions of the Main Building, Vocational Building, Chapel, and North Building.</p>					
Buena Vista Correctional Facility, Repair/Replace Cellhouse Showers, Phases I and II	1,569,642	1,569,642	0	0	0
<p>The two-phase project repairs and replaces shower facilities in four buildings at the prison. The project expands or replaces existing walls, floors, plumbing, ventilation, and lighting in the showers to meet American Correctional Association standards. Some design work was accomplished under a previous project. Phase 1, the current appropriation, addresses the Administration and Orientation Unit and the Segregation Unit. Phase 2 addresses the South Unit, East Unit, and Honor Dorm.</p>					
Colorado Territorial Correctional Facility and Buena Vista Correctional Complex, Roof Replacements, Various Buildings, Phase II	163,943	163,943	0	0	0
<p>The four-phase project replaces the roofs on several buildings at two prisons. Phase 1 designed and replaced the roof on the Carpenter's Shop at the Colorado Territorial facility. Phase 2, the current appropriation, designs roof replacements at the Buena Vista facility. Phase 3 replaces the metal roofing panels on the East Housing Unit, Services Building, and Administration # 2 at the Buena Vista facility, all of which are 75 years old and have deteriorated due to corrosion, wind, and extreme temperatures. Phase 4 will replace the roof on North Housing Unit at the Buena Vista facility, and will replace the roofing systems on the South Housing Unit, Segregation, and the Lower North Housing Unit.</p>					
Delta Correctional Center, Wastewater Treatment/Ammonia Compliance	269,132	269,132	0	0	0
<p>The two-phase project funds a study of all Department of Corrections facilities to determine if they are in compliance with new standards adopted by the Department of Public Health and Environment and the Water Quality Control Commission for ammonia concentrations in waste water treatment plant discharge receiving waters and, if not, how to bring them into compliance. The project also funds the design of a new sludge plant at Delta Correctional Center from a three-cell aerated lagoon system, with the remaining ponds converted to biosolids stabilization ponds. Phase 1, the current appropriation, funds the study. Phase 2 will fund construction.</p>					
Limon Correctional Facility and Arkansas Valley Correctional Facility, Replace Kitchen Drain Line, Phase I	474,657	474,657	0	0	0
<p>The two-phase project replaces failed kitchen drain and sewer lines at two prisons, and funds a temporary kitchen to be used during construction. Continued use of the existing drain lines could result in health violations when spills occur because of the potential for cross contamination of food products by liquid waste. Phase 1, the current appropriation, replaces the drain line, some P-traps and the grease line at the Limon facility. (The facility has installed temporary bypass drain lines above the floor in the dishwashing machine room and at the beverage line in Dining Hall 2.) Phase 2 replaces the failed cast iron sewer lines in the kitchen at the Arkansas Valley facility with acid resistant pipe. Currently, there is no running water or restrooms in the dining hall, so staff must escort inmates to other locations.</p>					
Rifle Correctional Facility, Replace Water System	780,593	780,593	0	0	0
<p>The two-phase project provides a new water storage tank with a capacity of approximately 240,000 gallons, associated distribution piping, and an automated water treatment system. The domestic water system provides water for the prison, and the nearby Division of Parks & Outdoor Recreation headquarters and a Division of Wildlife residence. The existing water system is at the end of its projected life and consists of a limited capacity well, a package treatment facility, and storage and distribution components. The reservoir at the prison recently failed, and emergency funds were used to replace the lining and the pumping system. An interim plan of action was created for water storage and fire protection until full repairs can be made. The existing water storage tank and treatment plant are undersized to treat the new well flow and cannot adequately meet either the domestic water demand or fire flow requirements. A new well has recently been located on the site to provide a better water source. Phase 1, the current appropriation, designs, explores, and develops new wells and installs the new tank. Phase 2 will complete the installation of the water treatment system.</p>					

Project	Total	CCFE	CF	CFE	FF
Colorado Women's Correctional Facility, Replace Locks/Door Controls	466,167	466,167	0	0	0
The project replaces antiquated locks and door controls in Housing Units 1, 2, 3 and 4 and the Control Centers in the Main Building. The existing locks and door controls are no longer supported by the manufacturer, do not have available replacement components, are inadequate for a level IV custody facility, and require extensive maintenance. The new locks and doors will be controlled by a programmable, computer-based system with back-up.					
Colorado State Penitentiary II, High Custody Expansion	36,911,874	36,911,874	0	0	0
The project constructs a new 948-bed high-custody prison in Canon City. As a result, the project's cost has increased mainly due to inflation in the construction sector. House Bill 03-1256 capped the construction costs at \$102.8 million. This appropriation is in addition to the amount authorized by House Bill 03-1256 and paid for by COPs.					
Colorado State Penitentiary II, Inmate In-Cell Services	1,249,500	0	0	1,249,500	0
The project creates the means to deliver audio and/or visual information directly to the 948 inmate cells at the Colorado State Penitentiary II—Various equipment will be added including servers, PCs, laptops, terminals, keyboards, PDAs, printers, scanners, peripherals, and network equipment/cabling.					
Correctional Industries, Minor Construction Projects	650,000	0	0	650,000	0
This ongoing appropriation allows Correctional Industries to accommodate growth and new business opportunities and to maintain safe operations.					
Denver Reception Diagnostic Center, Expansion/Renovation	14,966,051	10,399,102	0	4,566,949	0
The three-phase project increases the overall bed capacity of the Denver Reception and Diagnostic Center from 480 beds to 542 beds to allow for more inmates to be processed through the facility on an annual basis. The project includes 33,900 GSF of renovation and 24,100 GSF of new construction, for a total of 58,000 GSF. This year's appropriation is for Phase III, and will fund the remaining construction and finishing work. Phase I funded planning and design. Phase II funded architectural/engineering services and construction for the east half of the administration/support building to infill a two-story structure in the existing courtyard, construct 15 holding cells to expand intake capacity, and renovate the facility's central file and clinic holding functions.					
TOTAL - CORRECTIONS	\$58,823,585	\$52,357,136	\$0	\$6,466,449	\$0

EDUCATION

School for the Deaf and Blind, Boiler Replacement	403,150	403,150	0	0	0
The two-phase project replaces 27-year-old boilers that no longer function and are at the end of their useful lives. Phase 1, the current appropriation, replaces the boiler and provides back-up boilers, new direct digital controls, and pumping equipment in an auxiliary area of the Central Heating Plant. Phase 2 will abate asbestos and demolish abandoned equipment.					
School for the Deaf and Blind, Electrical Distribution Upgrades	450,075	450,075	0	0	0
The three-phase project makes upgrades to the school's electrical distribution system, which is over 30 years old. The system's panels do not meet National Electrical Code grounding and bonding requirements. Further, the wiring combines various insulation types and has not been properly sized for the building's loads. The project replaces the main distribution panels, sub-distribution panels, and conductors in the school's buildings in three phases. Phase 1 completed work in the Industrial Group, Student Health Center, Industrial Building, Gottlieb Building, and Argo Dining hall. Phase 2, the current appropriation, completes work in Palmer Residential Hall and Jones Preschool. Phase 3 will complete work in the West Residential Hall, Stone Vocational High School, Administration, and Barn.					
School for the Deaf and Blind, Student Bus Zone Safety Enhancements	243,600	243,600	0	0	0

Project	Total	CCFE	CF	CFE	FF
The project funds the design and construction of a separate pick up/drop off zone in order to enhance student safety. The school provides services to residential students and non-residential day students. Currently, 10 buses from various school districts drop off and pick up students in a parking lot where cross traffic involving vehicles and pedestrians occurs.					
TOTAL - EDUCATION	\$1,096,825	\$1,096,825	\$0	\$0	\$0

HIGHER EDUCATION

Adams State College

Facilities Services Building, Replace Switchgear	113,586	113,586	0	0	0
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The project replaces original switchgear in a building built in 1946. The new switchgear will accommodate the building's current load and will meet code requirements. The existing circuitry is protected by original fuses that fail occasionally, and the secondary electrical capacity is inadequate. In addition, the existing switchgear is difficult to repair, and replacement parts are not available.

Upgrade Campus Water Distribution System	953,016	953,016	0	0	0
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The three-phase project replaces a patchwork of irrigation systems that are served by the city's potable water through multiple buildings. Work includes rebuilding the well casing and developing the proper-sized pumps, holding pond, and centralized control and distribution system. The college currently owns a well that has been temporarily capped. It has a capacity of about 500 gallons per minute. As a result of the project, the college will realize significant cost savings by using existing water rights instead of paying the city water fees. Phase 1 funded engineering, design, and the Landscape Master Plan (which recommended a third irrigation system). Phase 2, the current appropriation, connects the water distribution system to a single source of non-potable water from the city, and develops the existing well. Phase 3 will provide a new, upgraded irrigation system that includes a centralized control system.

Plachy Hall, Renovation and Addition	5,194,709	5,194,709	0	0	0
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The project renovates 62,343 GSF and constructs 12,200 GSF of additional space in Plachy Hall to address safety issues and federal requirements related to the ADA. The project is being phased as two separate projects. This year's appropriation is for Phase II, and will construct a new lobby area, additional bleacher seating and restrooms, a lecture hall, and corridor improvements to facilitate spectator movement at sporting events. Phase I constructed a 13,000 GSF addition to the facility for a new weight room and men's and women's locker rooms; constructed a portion of the spectator corridor; replaced the roof over areas under renovation; and initiated renovations in the existing space (approximately 30,700 GSF, with some carry-over between phases).

Mesa State College

Campus Utility Infrastructure Upgrades	610,849	610,849	0	0	0
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The project upgrades electrical systems, improves site lighting, and makes storm drainage/sewer improvements on campus. Work includes rerouting some utility lines that are already operating at their limit, completing a campus wide study/design, and making the necessary infrastructure improvements. The college indicates that the existing electrical, gas, storm sewer, and irrigation distribution systems are antiquated and undersized. The electrical system lacks redundancy. The storm sewer system has had three breaks in the last two years.

United Technology Education Center, Replace Air Conditioning System	68,173	68,173	0	0	0
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The project replaces the air conditioning system in the college's United Technology Education Center. The system's cooling tower has reached the end of its useful life, and ground water infiltrates the pump vault, requiring pumping of water to prevent damage to the system. This pumping has caused concerns with the city of Grand Junction's Department of Public Works and Utilities, and Department of Health and Environment.

Business and Information Technology Center	7,805,501	7,805,501	0	0	0
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The project constructs a Business and Information Technology Center to address space shortages for the business and technology-intensive programs associated with the Departments of Accounting & Information Technology, Business Administration, and Computer Science.

Saunders Fieldhouse/Field Development	7,805,196	0	0	7,805,196	0
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Project	Total	CCFE	CF	CFE	FF
<p>The project completes renovations and additions to the Saunders Field House. According to the college, the fieldhouse's academic, athletic, recreation, and mixed-use space is undersized, programmatically inadequate, and under-equipped to meet the needs of the programs using the space. The project will provide Health Sciences classrooms, labs, and offices; a new fitness center with aerobics studios; a natatorium with a new pool and diving well; recreation locker facilities; athletic facilities; kinesiology classrooms and labs; multi-purpose rooms; and a lobby with a central control desk. Prior phases of the project were funded as independent, stand-alone projects.</p>					
W.W. Campbell College Center	25,720,290	0	0	25,720,290	0
<p>The project will renovate and construct an addition to the Campbell College Center. The project will expand the GSF by 56,558. The Campbell College Center includes dining services; student space for studying, games, and recreation; a design studio; student activity offices; a print/copy/graphics outlet; a cultural diversity center; student media offices; administrative space; the campus book store; and a ballroom.</p>					
Western State College					
Repair/Replace Electrical Power Distribution	382,480	382,480	0	0	0
<p>The three-phase project replaces the primary and secondary power distribution systems in various buildings on campus. Transformers, main distribution panels, main switchgears, sub-distribution panels and sub panels and conductors in these buildings are reaching the end of their useful life, and have caused concerns about overheating due to additional loads. Phase 1, the current appropriation, replaces the systems in the Maintenance Building, Warehouse, and Press Box public area 111. Phase 2 will replace the systems in the Quigley quad area of the campus, which includes the Quigley, Hurst, Kelley, Taylor, and Library Buildings. Phase 3 will replace the systems in the Crawford and Paul Wright Buildings.</p>					
Repair/Replace Sewer Distribution	287,654	287,654	0	0	0
<p>The three-phase project replaces the sewer system that services Western State College. The college says the system is beyond its useful life. Emergency repairs to replace collapsed sewer lines in several locations have indicated that the college should anticipate further collapses. In addition, clay joints have separated and are leaking sewage, and the concrete catch basins are in poor condition. Each phase will address a specific zone on campus. Phase 1 addressed the first zone. Phase 2, the current appropriation, addresses the second zone. Phase 3 will address the remaining zone.</p>					
Repair/Replacement Main Gym Roofing and Flooring	350,000	350,000	0	0	0
<p>The project replaces the main gymnasium's clay tile roof, which was installed 50 years ago, leaks, and is difficult to repair. Work includes removal of the existing sleepers, placement of new ice and water shields on the decking, installation of new sleepers, and replacement of the tile. The project also replaces the gymnasium's wood floor, which is damaged and deteriorated. Work includes removal of the existing floor, installation of new underlayment and sub floor systems, and installation of a new wood floor.</p>					
Kelley Hall Renovation	3,984,970	3,984,970	0	0	0
<p>The two-phase project renovates Kelley Hall, which houses 12 classrooms, the academic offices of the Department of Behavioral & Social Sciences, and the Children's Center. The project also provides a permanent space for the college's Center for Environmental Studies, and a future location for other centers of excellence or interdisciplinary programs that are developed by Western State College. This year's appropriation is for Phase II, and will fund construction. Phase I funded professional services.</p>					
Colorado State University at Fort Collins					
Forestry Building, Replace Deteriorated Items	588,694	588,694	0	0	0
<p>The project replaces electrical, heating, and plumbing systems that are nearly 60 years old and obsolete. The heating system is leaking and experiences frequent outages. The plumbing system no longer meets code. Phase 1 replaced the electrical and plumbing systems. Phase 2, the current appropriation, replaces the heating system and ceiling tiles.</p>					
Multiple Buildings, Replace Environmental Control Systems	344,773	344,773	0	0	0

Project	Total	CCFE	CF	CFE	FF
<p>The three-phase project replaces worn-out pneumatic controls that are inefficient and do not interface with the school's digital control system. Component failures have caused damage to mechanical equipment and have closed facilities at times. Replacement parts are difficult to obtain and maintenance costs are high. Phase 1 replaced the systems in 5 buildings: Chemistry, Andrew Clark, Engineering, Gifford, and Atmospheric Science. Phase 2, the current appropriation, replaces the systems in Auditorium, Engineering South/Glover, and Natural Resources. Phase 3 will replace the systems in an additional 11 buildings.</p>					
Music Building, Replace Deteriorated Items	651,600	651,600	0	0	0
<p>The two-phase project replaces 73-year-old electrical, heating, and plumbing systems that are beyond their life cycle. The plumbing, electrical, and fire alarm systems do not meet code. The skylights leak, and the wood windows are single glazed and have dry rot. The building's flooring is deteriorated and the tiles contain asbestos. Phase 1 replaced the electrical and plumbing systems. Phase 2, the current appropriation, replaces the heating system.</p>					
Replace Deteriorated Fire Alarms	400,000	400,000	0	0	0
<p>The three-phase project replaces deteriorated fire alarm systems in various buildings on campus. Fire alarm systems in these buildings are 25 to 30 years old, and replacement parts are not available. None of the buildings comply with the fire code. Phase 1 replaced fire alarms in the Anatomy/Zoology building. Phase 2, the current appropriation, replaces fire alarms in the Physiology and Visual Arts buildings. Phase 3 will replace fire alarms in the Microbiology and Natural Resources buildings.</p>					
Replace Deteriorating Steam and Condensate North Line	678,664	678,664	0	0	0
<p>The three-phase project replaces steam and condensate lines that are over 50 years old and are being operated at twice their intended PSI pressure. According to the university, if a pressure relief valve failed, it would create a significant safety hazard. Phase 1 installed 2 pressure relief valve stations and piping in the tunnel leaving the heating plant. Phase 2, the current appropriation, installs a new tunnel lid and piping from the Occupational Therapy building to Ammons Hall. Phase 3 will install a new concrete trench from Ammons Hall to Rockwell Hall.</p>					
Sanitary Sewer Improvements	639,852	639,852	0	0	0
<p>The three-phase project performs sanitary sewer improvements on the main campus. The system is overloaded in several places and many lines have excessive groundwater infiltration. Work includes installing a new line from the Auditorium/Gymnasium to Shields Street, rerouting and regrading a line across the Intramural Field, and increasing the size of lines in areas. Phase 1, the current appropriation, performs design work and initial work on upsizing selected lines. Phases 2 and 3 will repair and replace lines on the north and south halves of the campus, respectively.</p>					
Academic Training and Indoor Practice Facility	20,000,000	0	0	20,000,000	0
<p>The project constructs a 56,880-GSF Indoor Practice Facility and an 18,146-GSF Academic/Training Facility addition to the southwest of Moby Arena. The Indoor Practice Facility will provide practice space for the football team, men's and women's basketball teams, and women's volleyball team during inclement weather. In addition, all 16 varsity sports and a number of recreational sports will use the facility year-round. The Athletic Department will use the Academic/Training Facility for academic instruction and physical training purposes.</p>					
Alumni and Welcome Center Building	11,062,485	0	0	11,062,485	0
<p>The project will build a 25,620 GSF facility at Laurel and Meridian/Loomis streets, north of Green Hall that will include offices, meeting rooms, and lounge/entertaining areas for alumni and students. The project will also include a patio and outside stage.</p>					
Biomass District Heating Plant, Foothills Campus	1,231,000	0	0	1,231,000	0
<p>The project builds a wood chip biomass district heating plant (2,400 GSF) to address existing operational deficiencies, achieve cost savings, and assist forest management programs. Currently, the Foothills campus does not have central district energy utilities such as the ones that exist on the Main and South campuses. The new plant will provide about 90 percent of the space heating for the existing Animal Reproduction Biotechnology Lab (ARBL) building (41,000 GSF). The ARBL facility is used by 30 scientists in the Department of Biomedical Sciences for bovine and equine reproductive research, and is heated by a natural gas burning boiler. The new biomass heating plant will be located adjacent to this boiler and will become the primary heating source for the ARBL facility, with the existing boiler becoming the backup heating source. The heating plant will also provide a use for 74,200 tons of diseased and dead trees from 13 counties along the Front Range that create wildfire risk and need to be removed to lower such risk.</p>					

Project	Total	CCFE	CF	CFE	FF
Diagnostic Medicine Center	19,420,741	19,420,741	0	0	0
The three-phase project constructs a 90,000 GSF Diagnostic Medicine Center close to the Veterinary Teaching Hospital on the university's south campus. The project also renovates 18,523 GSF that will be vacated by the center. The new center will provide animal diagnostic and processing labs, research labs, and office and support space to relieve space shortages. The university says current operations are carried out in 38 percent of the space that should be provided for the laboratory's functions. The project will also improve instructional and outreach capabilities through co-locating programs in the new building, and will enhance safety in laboratories. This year's appropriation is for Phase II, which will fund construction work. Phase I funded design work. Phase III will fund the renovation construction work, equipment, and furnishings.					
District Cooling Plant No. 2	2,800,000	0	0	2,800,000	0
The project constructs a second cooling plant to provide additional air conditioning capacity for the university's Main campus. The additional capacity will provide air conditioning for a number of existing buildings that currently have no cooling systems, and will also replace less-efficient, maintenance-intensive cooling systems in specific buildings. In addition, the new cooling plant will meet cooling demand associated with campus building growth, and provide backup cooling capacity for the existing plant.					
Purchase 555 South Howes Street	4,000,000	0	0	4,000,000	0
The project purchases, upgrades, alters, and furnishes a three-story building located at 555 South Howes Street (30,629 GSF) for 110 employees in five university administrative offices, the first four of which are under the Vice President for Administrative Services: (1) Human Resource Services; (2) Business & Financial Services; (3) Internal Auditing; (4) Purchasing; and (5) Training Development. The purchase includes the acquisition of two parking lots adjacent to the current structure, with a combined total of 108 parking spaces.					
Research Innovation Center	52,000,000	0	0	52,000,000	0
The project constructs two additions totaling 72,000 GSF to the Regional Biocontainment Laboratory, an infectious disease and bioterrorism research facility funded primarily by a grant from the National Institutes of Health that provides for collaboration between government, academic, and industry scientists. The university will use the new space to partner with private sector entities to research infectious diseases and develop treatments for these diseases.					
Rockwell Hall Business Expansion	11,803,850	0	0	11,803,850	0
The project builds a 34,660 GSF addition to Rockwell Hall to provide classrooms, faculty offices, graduate student offices, student waiting areas, and circulation areas for the Minor in Business program that began in spring 2006. The addition will also have an entrance that will include seminar and conference space, as well as spaces for student presentations and coursework. The project is expected to accommodate an eventual 8,574 students with business minors.					
Colorado State University at Pueblo					
Psychology, Art / Music / Music Classroom, and Administration Buildings, Replace Roofs	385,842	385,842	0	0	0
The three-phase project replaces the roofs on three buildings that leak constantly. Phase 1, the current phase, replaces the roof on the Psychology building. Phase 2 will replace the roof on the Art/Music/Music Classroom building. Phase 3 will replace the roof on the Administration building.					
Health, Physical Education, and Recreation Building Renovation, Life/Safety Upgrade	887,900	887,900	0	0	0
The three-phase project renovates 61,683 GSF and adds 15,000 GSF to the Health, Physical Education, and Recreation (HPER) building to address inadequate space and electrical/mechanical systems, along with related health and safety concerns. The building is used by the exercise science, health promotion and recreation, and student recreation programs; intramurals; the Experiential Learning Center; and the athletic department. This year's appropriation is for Phase III, and will fund furnishings and equipment for the new and renovated space. Phase I funded architectural engineering, gymnasium roof replacement, installation of the gym bleachers, and upgrading of the air handling units. Phase II funded the renovation of the gymnasium and the building entrance.					
Student Recreation Center	10,116,387	0	0	10,116,387	0
The project will construct a new student recreation center that will be attached to the Health, Physical Education, and Recreation Building at the southeast corner. The project will add 43,308 GSF and renovate 8,904 GSF.					
Fort Lewis College					

Project	Total	CCFE	CF	CFE	FF
Central Campus Infrastructure Improvements	463,925	463,925	0	0	0
<p>The three-phase project repairs three infrastructure problems in the center of the campus. The repairs include replacement of deficient sanitary and storm sewers, reconstruction of deteriorated sidewalks, and installation of lighting to improve pedestrian safety and vehicular access. The project is phased to minimize disruption to ongoing college operations. Phase 1 consisted of design work. Phase 2, the current appropriation, performs construction work in the southern section of the project area. Phase 3 will perform construction work in the northern section.</p>					
Improvements to Electrical Distribution	728,153	728,153	0	0	0
<p>The two-phase project addresses needed electrical improvements to the Fort Lewis College campus. Phase 1 replaced two leaking transformers, improved safety and security lighting in various areas of the campus, replaces the outmoded and unserviceable main gear in the Aquatic Center, and provides a UL-listed (Universal Laboratories) master lightning protection system for the Concert Hall. Phase 2, the current appropriation, relocates and replaces a number of transformers throughout the campus. It also establishes a centralized campus metering system, and replaces outmoded and unserviceable main gear in Berndt Hall, Nobel Hall, and the Geology Field Lab.</p>					
Berndt Hall Reconstruction -- Biology, Agriculture, and Forestry	1,500,000	1,500,000	0	0	0
<p>The three-phase project demolishes about 12,500 GSF in Berndt Hall and replaces the demolished space with 29,030 GSF of new construction. The college says the biology program space must be demolished and replaced because it is not feasible to reuse the existing space for modern laboratory facilities, and because of structural problems in the existing space. This year's appropriation is for Phase II, and will address space for the Biology/Agriculture/Forestry Department.</p>					
Old Fort Lewis Campus, Library Renovation	61,500	0	0	61,500	0
<p>The project will renovate systems and stabilize the building.</p>					
University of Colorado at Boulder					
Chemical Engineering Building, Upgrade HVAC System	451,742	451,742	0	0	0
<p>The two-phase project upgrades a deteriorated HVAC system that is unable to maintain comfort levels and requires additional outside air in order to meet current codes and regulations. Work includes the following: fume hood replacement, the installation of emergency shower and eye washing equipment, exhaust air upgrades; modification of air handling units, the return air system, and exhaust systems; installation of pre-heat coils and fire/smoke dampers; and repair or replacement of terminal boxes and exhaust fans. Work on the project has been split into two areas, corresponding with the two phases, to minimize disruption to the building's occupants.</p>					
Fire Safety Upgrades	425,252	425,252	0	0	0
<p>The two-phase project upgrades 31 buildings that do not meet safety code. Deficiencies include an inadequate number of exits, lack of enclosure for fire exits, inappropriate door hardware such as door closers and latching hardware, lack of firestopping of penetrations, inadequate exit signage, improper exit arrangement, inadequate handrails or guardrails, inadequate emergency lighting, and corridor enclosures at open stairwells. Phase 1, the current appropriation, addresses the following buildings: University Theater, Stadium Building, Denison, Economics, Clare Small, Norlin Library, Willard Administration Center, Laboratory for Atmospheric and Space Physics, Imig Music, Regents Administration Center, and the McKenna Languages Building. Phase 2 will address additional buildings.</p>					
Repair/Replace Roof Main Campus Compressed Air System	362,351	362,351	0	0	0
<p>The two-phase project replaces air supply piping with larger piping valves, drainage devices, and other equipment, and installs supplementary air compressors at the Power House on campus. The existing air supply piping on campus is old and deteriorated, improperly sized, and has many leaks. Parts of the system contain old copper-coated steel pipe from the World War II era. Phase 1, the current appropriation, installs the piping from the Power House in tunnels 1N, 1S, 5, and 6. Phase 2 will install the compressor and associated equipment, and will replace the remaining tunnel piping in tunnels 7 and 8.</p>					
Repair/Replace Building Electrical Services	507,011	507,011	0	0	0

Project	Total	CCFE	CF	CFE	FF
<p>The four-phase project repairs or replaces electrical system components serving four buildings on campus. The university says that the transformers serving these buildings are old and at or near capacity. The main gear is obsolete and past its useful life. Phase 1 replaced the switchgear and one service transformer in the Engineering Center. Phase 2, the current appropriation, replaces the transformer in Norlin Library. Future phases will address the Muenzinger and Porter buildings.</p>					
Upgrade Building Transformers/Electrical Services	535,203	535,203	0	0	0
<p>The two-phase project replaces old electrical equipment in two buildings on campus. Phase 1, the current appropriation, replaces and relocates old transformers and main distribution switchboards that are at capacity and run hot in the Mechanical Engineering building. Phase 2 will replace the existing main switchgear and service transformers in Litman Research Lab No.1. The main gear is obsolete, past its useful life, and parts are no longer available.</p>					
Various Buildings, Upgrade Central Fire Alarm System	217,568	217,568	0	0	0
<p>The five-phase project upgrades the central fire alarm system, which is old, obsolete, and unreliable. The central fire alarm system notifies the campus and the Boulder Fire Department of a campus fire. Initially, the project was planned for four phases, but Phase 4 was split into two parts, creating fifth phase. Phases 1 through 4 addressed various buildings on campus.</p>					
Various Buildings, Upgrade Fire Sprinklers and Alarms	765,766	765,766	0	0	0
<p>The seven-phase project provides fire sprinkler coverage in buildings on campus that were built at a time when no fire or life safety codes were in effect. Risks include open stairs and unprotected corridors. A fire on one floor of such a building will quickly spread to other parts of the floor through these unprotected corridors. Phases 1, 2, and 3 upgraded fire safety devices in various campus buildings. Phases 4 and 5 designed and provided sprinkler coverage for the Duane Physics building. Phase 6 provided sprinkler coverage in the Hellums building. Phase 7, the current appropriation, will complete the sprinkler installation in the Duane Physics building.</p>					
Arnett Hall Renovation	12,960,000	0	0	12,960,000	0
<p>The project will renovate the residence hall, including adding a new heating and air conditioning system, removing lead paint and asbestos, improving acoustic separation between rooms, replacing doors, improving ADA compliance, upgrading bathroom finishes, repairing roof and structural systems, replacing exterior windows, and reconfiguring room spaces to include more learning and community space.</p>					
Athletic Practice Air-supported Structure	2,637,041	0	0	2,637,041	0
<p>The project will construct a removable 190-by-370-foot inflatable bubble over an existing synthetic surface field north of Boulder Creek. The 55-foot tall bubble will be used for football practice during the winter and removed during summer months. It will also be made available for use by other athletic programs.</p>					
Bear Creek Apartments Acquisition	67,000,000	0	0	67,000,000	0
<p>Purchases three buildings (398,830 GSF, 298,514 ASF) on a 10-acre site one mile east of the main campus in Boulder to provide housing for students. Acquiring the buildings will provide expansion and surge space on campus during future housing renovation projects and allow the university to have financial control over the facilities.</p>					
Norlin Library Renovation	5,101,051	0	0	5,101,051	0
<p>The project renovates a portion of Norlin Library (26,050 GSF) that is becoming functionally obsolete. The project also alleviates space shortages for library services and mitigates deficiencies due to the building's age. This year's appropriation is the first of five stand-alone projects under the Norlin Renaissance Plan, and will renovate portions of three floors in the library, creating a student learning commons, consolidated reference and periodicals, and a graduate student study suite. The project also relocates a portion of the Norlin Library collection to the Preservation and Access Service Center for Colorado Academic Libraries facility at the university's Fitzsimons campus.</p>					
Visual Arts Complex	29,388,623	9,168,742	0	20,219,881	0
<p>The three-phase project demolishes the Sibell Wolle Fine Arts Building, and constructs a 148,075 GSF Visual Arts Complex in the center of campus. The complex will house the Department of Fine Arts and the University Art Museum, and will contain open classrooms, laboratories, studios, and continuing education facilities, which will be available to students working in the adjacent facility for the Alliance for Technology, Learning, and Society. The project seeks to address numerous health and life safety issues with the existing facility.</p>					
University of Colorado at Colorado Springs					

Project	Total	CCFE	CF	CFE	FF
Campus Services Building, Repair Structural Damage	253,311	253,311	0	0	0
The two-phase project repairs structural damage to a building that has been damaged by foundation movement over the past several years. The movement has caused severe floor and wall cracking (greater than 1 inch) and affects the door closure. Phase 1 determined the cause, which is much greater than originally anticipated due to extreme movement that occurred in the last year. Phase 2, the current appropriation, replaces damaged slabs and relieves wall pressure. Phase 2 was added as a result of discoveries during Phase 1, and completes the corrections.					
Campuswide, Fire Alarm System Upgrades	273,392	273,392	0	0	0
The project upgrades fire alarm control panels and devices in the following buildings to comply with existing codes and provide better fire safety: Campus Services, Columbine Hall, Cragmoor Hall, Kramer Library, Main Hall, Science, Engineering, and University Hall. Improvements include new software, new audible and visual devices, addressable controls, and an upgraded monitoring station.					
Campuswide, Upgrade ADA Accessibility Guidelines Compliance	382,161	382,161	0	0	0
The project seeks to rectify access problems that impede travel on campus, and makes the campus fully compliant with ADA Accessibility Guidelines for buildings and facilities (ADAAG). The pathway to the Public Safety Building -- where the Student Health Center, Public Safety Dispatch, and Parking Services are located -- is constructed of small gravel, which makes it difficult for blind and wheelchair-bound individuals to access the building, particularly on wet days. The pathway is not marked by curbs or railings, and there is no way-finding feature for blind individuals to follow. Also, the path from the University Center to Dwire and Main Hall is graded at between 7 and 8 percent, which is difficult for wheelchair-bound individuals to travel. In addition, each building on campus should have one set of bathroom doors that open automatically for the physically challenged.					
North Nevada Avenue Acquisition 3650 through 3750	3,210,000	0	0	3,210,000	0
Acquires 13.5 acres from the university's foundation, including a 144,000 GSF facility that was previously occupied as a research and manufacturing plant for electronic components. The university plans to use lease revenues from the property and potentially proceeds from a future sale to fund portions of the new Science/Engineering Building and the renovation of the existing Science Building.					
Science/Engineering Buildings, Phase I of III	11,000,000	11,000,000	0	0	0
The project constructs a building that, in conjunction with construction and renovation under two other separate capital projects, will accommodate the College of Engineering and Applied Science, the Dean's Office and several departments of the College of Liberal Arts & Sciences, the Institute for BioEnergetics, the Network Information & Space Security Center, and the Science/Health Science Learning Center. The plan incorporates planning and design work previously performed for construction of a new engineering building. This year's appropriation is for Phase I, and will continue design and construct a new, 173,000 GSF "U"-shaped building. Phase II will construct an additional 90,000 GSF building, and Phase III will renovate 74,000 GSF of space in the existing Engineering Building. All three phases are being appropriated separately as stand-alone projects.					
University of Colorado at Denver and Health Sciences Center					
Fitzsimons, Building 500, Replace Air Handling Units	410,555	156,268	0	254,287	0
The project replaces 14 of 33 air handling units that provide HVAC needs for a 65-year-old building: Building 500. The units malfunction and perform poorly, which causes serious problems with building operation. The school says it may need to shut down a portion of the building if the air handling units fail. Phase 1 replaced 3 units. Phase 2, the current appropriation, replaces 4 units. Phase 3 will replace 7 smaller units.					
9th Avenue Remediation	17,100,000	0	0	17,100,000	0
The project removes hazardous materials from the 9th Avenue campus so the buildings can be safely demolished, and allows the university to obtain the highest monetary value for the property. House Bill 03-1256 authorized the university to develop a master plan for the development, sale, and use of the real estate interests of the 9th Avenue campus. The land and buildings at the campus are under agreement to be sold to a private developer, but the property can only be sold if the structures on the campus are cleared of hazardous materials and ready for demolition.					
Fitzsimons, Infrastructure 10B	5,349,033	0	0	5,349,033	0

Project	Total	CCFE	CF	CFE	FF
<p>The project continues site infrastructure work at the Fitzsimons campus in Aurora. The new infrastructure is necessary to service many buildings on campus, specifically the research and academic office facilities located in the research zone. This year's appropriation reimburses the University of Colorado Hospital for the campus's share of site infrastructure work. The infrastructure work will construct water lines and roadways primarily for the west side of the campus, but will also tie in with previous infrastructure projects to help support the overall campus development. As of December 2006, the mechanical infrastructure has been constructed, but the roadways have not been constructed.</p>					
Lease Purchase of Academic Facilities at Fitzsimons	13,145,713	0	0	13,145,713	0
<p>The funds provide for the third payment for the construction of seven capital construction projects at the Fitzsimons Campus. The authority to enter into the lease-purchase agreements via certificates of participation (COPs) was provided through House Bill 03-1256. The COP payments for the Fitzsimons projects will continue for 26 fiscal years, through FY 2030-31.</p>					
Anschutz Facility, Linear Accelerator Vault	1,834,143	0	0	1,834,143	0
<p>The project will construct a 1,600 GSF addition to the Anschutz facility on the Fitzsimons Campus on the North end to house linear accelerators used in radiation therapy programs. The vault is intended to shield peripheral areas from radiation.</p>					
Aspen Satellite Campus, Given Institution Renovation	4,835,000	0	0	4,835,000	0
<p>The project will renovate the 12,602 GSF Given Institute in Aspen, and construct an 8,238 GSF addition including a dining room and catering kitchen.</p>					
New Pharmacy Research Building	42,032,512	0	0	42,032,512	0
<p>The project constructs a 105,215 GSF building for the School of Pharmacy, the only pharmacy school in Colorado. The project will provide space for recent and future program growth, and address inadequate facilities. The university says the current research laboratories are inadequate in number and size, and the program needs a clinical trial suite to conduct certain research projects and closely monitor subjects. The new four-story facility will house the research, faculty, and administrative programs associated with the school, including the Department of Clinical Pharmacy and the Department of Pharmaceutical Sciences.</p>					
Colorado School of Mines					
Brown Hall, Replace HVAC System	746,900	746,900	0	0	0
<p>The three-phase project replaces a 30-year-old heating and cooling system that does not comply with code and is incapable of maintaining temperatures necessary for computer modeling classes and equipment. Cotton fabric on the air handlers requires constant maintenance and is typically covered with biological growth. Temperatures in the building during the summer session approach 80 degrees, interrupting classes. Phase 1, the current appropriation, replaces the air handling units and controls. Phases 2 and 3 will replace ductwork and additional controls.</p>					
Campus Fire Safety Improvements	533,772	533,772	0	0	0
<p>The three-phase project makes fire safety improvements in several mixed-use buildings on campus. The buildings have active laboratories that utilize hazardous materials, but are equipped with outdated non-addressable fire alarm systems. Phase 1, the current appropriation, replaces the fire alarm and fire sprinkler system in Berthoud Hall, and conducts an arc flash evaluation of electrical equipment in order to minimize the danger to persons who maintain medium voltage equipment on campus. Phases 2 and 3 make similar fire safety improvements in Meyer Hall, Unit Ops, Alderson Hall Stratton, Engineering, and the Steinhauer Field House.</p>					
Repair/Replace High Pressure Steam Distribution System	295,735	295,735	0	0	0
<p>The three-phase project addresses buried steam lines on the east side of campus that are over 25 years old and have begun to leak. The Heating Plant contains two boilers that are at the end of their useful life, and working boilers are necessary to provide steam so the lines can be repaired. Steam is also used on the campus for heating and cooling on campus, and all academic, research, and administrative programs will be interrupted if the steam system fails. Phase 1, the current appropriation, installs cathodic protection to slow the rate of corrosion of the existing buried lines. Phases 2 and 3 will abate asbestos and replace the boilers in the Heating Plant.</p>					
Replace Failed Corroded Piping	410,730	410,730	0	0	0

Project	Total	CCFE	CF	CFE	FF
<p>The two-phase project replaces domestic water and low pressure steam distribution pipes in several buildings on campus. The pipes are at the end of their life cycle. The school has identified 67 pipe leaks repaired during the last seven years. Recently, a water line ruptured in Meyer Hall, discharging water into a room of 480-volt electrical panels and transformers, and leaving two inches of standing water in the room. Phase 1, the current appropriation, replaces piping in the Lakes Library, Meyer Hall, and Guggenheim buildings. Phase 2 will replace piping in the Chauvenet, Volk Gymnasium, Unit Ops, and Green Center buildings.</p>					
University of Northern Colorado					
Butler Hancock Hall, McKee and Frasier Halls, Replace Electrical and Fire Alarm Systems	455,800	455,800	0	0	0
<p>The two-phase project replaces the electrical and fire alarm systems in a number of halls on campus. Currently, the electrical systems in Butler Hancock, McKee, and Frasier halls are at their maximum capacity. The fire alarm systems in Butler Hancock and McKee halls do not meet ADA standards and the controllers cannot be expanded. Phase 1 replaced the fire alarm systems in McKee and Butler Hancock halls and the electrical distribution systems in Butler Hancock. Phase 2, the current appropriation, replaces the electrical distribution systems in McKee and Frasier halls, including a review of existing raceways and conductors in the buildings.</p>					
McKee Hall, Repair/Replace HVAC System	638,000	638,000	0	0	0
<p>The two-phase project repairs and replaces an HVAC system that was last modified in the mid 1980's and no longer meets air quality standards. The system is not able to accommodate energy performance contract modifications without these upgrades. Phase 1 designed and replaced the air handling unit coils, heat exchangers, and pumps. Phase 2, the current appropriation, replaces the mixing boxes, relief/exhaust fans, and room air controls.</p>					
Ross Hall Animal Facility HVAC Replacement	865,000	0	0	865,000	0
<p>Replaces two 23-year-old HVAC systems serving Ross Hall, and adds boilers and a condensing unit to provide redundancy for the main heating and cooling systems. Allows the university to meet eligibility requirements for accreditation and seek federal animal research grants, and ensures that animals housed in the facility are not harmed in the event of a future system failure.</p>					
West Campus Housing Improvements	63,200,000	0	0	63,200,000	0
<p>The project will demolish McCowen Residence Hall, which currently houses 504 students, and replace it with multiple smaller residential buildings that will house approximately 700 students. The project includes outdoor and indoor student gathering spaces. The facilities will feature suites with two 2-bed student rooms and a shared full bath.</p>					
Arapahoe Community College					
Main Building, Replace Boiler and Low Pressure Steam Supply/Return Lines	705,580	705,580	0	0	0
<p>The project replaces the 32-year-old steam boiler, deteriorated and leaking steam lines, and failing steam traps in the Main Building. Leaking water soaks through the boiler room floor and floods the offices and classrooms below. The frequency of steam line failures has created a safety concern about possible rupture, which could cause personal injury and loss of domestic hot water for the Main and Annex buildings.</p>					
Colorado Northwestern Community College					
Rangely Campus, Tunnel Repair and Safety Upgrade	624,030	624,030	0	0	0
<p>The project eliminates asbestos and repairs the tunnels in a system that connects 10 buildings on campus. Steam, water, and other utilities in the tunnels are connected to the return air duct system in some of the buildings. Some of the steam pipes have asbestos insulation. The tunnel walls and roofs have started to fail in some locations, which has the potential to create sinkholes under the sidewalks and grounds on campus.</p>					
Front Range Community College					
Westminster Campus, Repair/Replace Electrical Switchgear, Phase II	581,017	581,017	0	0	0

Project	Total	CCFE	CF	CFE	FF
<p>The three-phase project replaces three electrical switchgears and branch circuits in the Main building on the college's Westminster campus, and adds room clearance to comply with overall safety standards. A 1999 facility audit identified that the electrical rooms and switchgear violate code, creating a safety problem due to overloading. Further, the college says that the components are obsolete and can no longer be maintained. Phase 1 provided design and replaced one switchgear. Phase 2, the current appropriation, replaces a second switchgear. Phase 3 will replace a third switchgear.</p>					
Larimer Campus Parking Lots Expansion	1,500,000	0	0	1,500,000	0
<p>The project will upgrade 545 parking spaces at the Larimer campus from gravel/crushed asphalt to pavement, to add safety lighting, speed bumps, signage, and striping to the lot, to expand the number of spaces by 184, to relocate the bus stop and provide a pedestrian walkway from the stop to the campus, and to improve the storm water drainage. Traffic through the parking lot will be reconfigured as part of the project to improve safety and flow.</p>					
Lamar Community College					
Bowman/Trustees Building, Replace Windows/ Repair Exterior Wall	677,467	677,467	0	0	0
<p>The project replaces windows in the Bowman Building and in the Trustees Building with double-glazed, low E-type glass that will reduce utility costs. The original windows are single-pane and lack insulation, and the caulking and sealing components have deteriorated so that outside air leaks inside.</p>					
Horse Training Management Facilities Remodel	1,759,430	1,759,430	0	0	0
<p>The two-phase project remodels 2,000 GSF and adds 13,000 GSF of instructional space for the Horse Training and Management program. The remodel will provide instructional classrooms, a demonstration lab, and offices for instructors; 30 more horse stalls and boarding areas in the indoor arena; a larger exercise and training area in the indoor arena; and renovated restrooms and other public areas of both arenas. The college says the horse training program is currently limited because there is no instructional classroom space in the indoor arena, and the indoor arena is too small for those who use it, creating safety concerns for students, staff, and the public during use. This year's appropriation is for Phase II, and will fund construction and equipment costs. Phase I funded architectural services and associated costs.</p>					
Morgan Community College					
Aspen Hall and 300 Main, Replace HVAC/Direct Digital Controls	216,180	216,180	0	0	0
<p>The project replaces four HVAC units on Aspen Hall and two HVAC units at 300 Main. The units are over 20 years old and frequently need repair. The project also provides new direct digital controls that will integrate with the existing system and allow for cost efficient monitoring of all HVAC units.</p>					
Northeastern Junior College					
Hays, ES French, and Portions of Walker and Knowles Halls, Replace Roofs	440,360	440,360	0	0	0
<p>The two-phase project provides four buildings with new roofing systems that incorporate tapered insulation under a membrane. The current roofs all pond water and leaks have developed. Offices within the buildings have been closed occasionally due to the leaks. Phase 1 replaced the most critical roofs: E.S. French and Walker Hall. Phase 2, the current appropriation, replaces the roofs on the Hays Student Center and Knowles Hall.</p>					
Otero Junior College					
Humanities Building, Replace Roof	261,170	261,170	0	0	0
<p>The project replaces the deteriorated roof of the Humanities building with a four-ply built-up roof and tapered insulation system. The school says that continued deterioration of the roof will damage interior finishes and disrupt programs.</p>					
Pikes Peak Community College					
Remove/Replace D Parking Lot Stairs and Scarify/Riprap Hillside	274,933	274,933	0	0	0

Project	Total	CCFE	CF	CFE	FF
<p>The project replaces all three sets of stairs that provide access to/from the largest parking lot on campus, Lot D. The treads, riser landings, handrails and related support structures are falling apart due to freeze/thaw cycles, normal wear and tear from approximately 27 years of daily use, expansion of subsoil, and surrounding hillside erosion due to inadequate drainage. Safety hazards have developed from cracks and chips in the concrete, and protruding structural components. The project also addresses the hillside erosion by breaking up the topsoil and providing a stabilizing material to prevent further erosion.</p>					
Pueblo Community College					
Replace HVAC System and Roof Repair Health Science Annex	130,620	130,620	0	0	0
<p>The project replaces the HVAC system and repairs the roof of the Health Science Annex building, and integrates these upgrades into the existing campuswide direct digital control system. The cooling is marginal throughout the building, and is showing corrosion on the cooling coils. The roof needs patches, and tiles that are broken or missing need to be replaced.</p>					
Red Rocks Community College					
Construction Technology Building, Replace Multizone HVAC Equipment	150,000	150,000	0	0	0
<p>The project replaces heating, ventilation, and air conditioning equipment that serves classrooms in the Construction Technology Building. Adequate ventilation is necessary to reduce breathing problems and fire hazards from fine wood particulates generated from the wood construction technology program housed in the facility. The equipment has exceeded its useful life, cannot keep classrooms adequately heated or cooled, and parts are difficult to acquire.</p>					
Trinidad State Junior College					
Replace Library/Davis Roofs	408,212	408,212	0	0	0
<p>The project replaces the original roofs of the Library and the Davis Building (constructed in 1968) in order to promote energy efficiency and eliminate further roof damage. The interior of the building, including ceiling tiles and library stacks, have sustained water damage, and the leakage is causing maintenance problems.</p>					
Colorado Community College System at Lowry					
Building 758, Upgrade Mechanical System Components and Replace Roof	644,383	644,383	0	0	0
<p>The project upgrades components of the mechanical system in Building 758, which house information technology classes on campus. Upgrades include replacement of mixing boxes and pneumatic controls, and balancing of the system. Also, the roof above the computer classrooms and office spaces leaks, and will be replaced.</p>					
Building 965, HVAC/Controls Upgrades	576,090	576,090	0	0	0
<p>The project replaces the chiller, boiler, pumps, four air handlers, variable air volume boxes, associated piping, ductwork, and controls in Building 965. The building houses the digital video production studio. The mechanical systems in this facility are 25 years old and are unreliable, causing ongoing disruptions.</p>					
Demolish H Buildings	494,000	494,000	0	0	0
<p>The project demolishes nine unoccupied, asbestos-filled buildings in the center of the campus that are a security and liability problem. The project also grades the site for any future use. The buildings have been used for fire rescue training and have numerous openings in them. The school says this creates a fire hazard, allows asbestos to be blown out of the building when there are high winds, and creates easy access for trespassers.</p>					
Auraria Higher Education Center					
Repair/Replace Elevator Systems Campuswide	1,284,113	1,284,113	0	0	0
<p>The project repairs or replaces eleven elevators in the South Classroom, North Classroom, Central Classroom, Library, Plaza, and Physical Education buildings at the Auraria Higher Education Center. The elevators are worn and obsolete, and do not meet building conveyance code requirements.</p>					
Replace/Repair Campus Emergency Generator	451,855	451,855	0	0	0

Project	Total	CCFE	CF	CFE	FF
The project replaces emergency generator systems that are failing in the Facilities Management Building, HPER, North Classroom, South Classroom, and Technology on the Auraria campus. The systems are over 30 years old, susceptible to fuel leaks, undersized against current loads, and inadequate to meet current safety code requirements.					
Science Building Addition and Renovation	29,887,876	29,887,876	0	0	0
The project renovates 143,000 GSF in the Science Building and the North Classroom Building, and constructs 181,346 GSF of new space adjacent to the Science Building for the science programs of all three institutions on the Auraria campus: the University of Colorado at Denver, Metropolitan State College of Denver, and the Community College of Denver. The project will also replace all equipment and furnishings in the existing building with new equipment and furnishings. Auraria cites a number of problems with the existing building, such as inefficient layout and use of space, inadequate ventilation and equipment, overcrowding, and lack of space. In addition, Auraria desires to bring the science programs from all three institutions together into one facility for more collaborative teaching and more efficient research and learning.					
Colorado Historical Society					
Cumbres and Toltec Scenic Railroad, Chama Car Shop/Engine House Rehabilitation	160,000	80,000	0	80,000	0
The project makes various improvements to deteriorated and unsafe components in the Car Shop/Engine House in Chama. The improvements include: (1) installing an overhead radiant tube heat system in the machining room (the room is currently heated by a single coal stove that is vented through a wood ceiling); (2) replacing four roll-up doors; (3) replacing concrete structural components in the outside ash pits; (4) installing track pans at the south entrance to the shop where the locomotives are serviced. The pans will collect oil and grease and route it to the existing oil and water separator; and (5) replacing the deteriorated smokestack and fan.					
Georgetown Loop Railroad Environmental Upgrade	395,000	395,000	0	0	0
The project makes various upgrades at the Georgetown Loop Railroad/Silver Plume Depot in order to maintain a safe environment. The railroad schedules six trips daily, and the depot is the main departure point for the 75,000 people transported throughout the operating season. The entrance to the depot has vehicular, pedestrian, and train traffic patterns; there is no clear delineation for safe pedestrian access, which creates potential liability for the railroad. The project will provide a clearly marked, safe entrance to the depot and yard area for all users. In addition, the engine house will be upgraded to meet current railroad standards for ventilation, heat, and oil disposal. Finally, the fuel tank area will obtain a containment basin to meet EPA and Colorado Department of Health & Environment standards and security upgrades to prevent terrorist threats.					
Regional Museum Preservation Projects	581,000	0	0	581,000	0
The project address a number of deficiencies at 14 regional museums. Funds will be used to address growth concerns relating to safety, historic preservation, and general public amenities, as detailed by past studies of the various preservation needs of the existing structures..					
TOTAL - HIGHER EDUCATION	\$522,568,471	\$114,063,102	\$0	\$408,505,369	\$0

HUMAN SERVICES

Child Care

Replace Child Care Automated Tracking System	8,541,664	0	0	0	8,541,664
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The project builds a new automated web-based system for the Child Care Assistance Program to replace the existing Child Care Automated Tracking System (CHATS). CHATS is an automated system that provides payments to child care providers, serving more than 40,000 children of 19,000 low income and disadvantaged families who receive services from 11,000 child care providers. The system supports the Division of Child Care and all 64 counties in Colorado by providing client administration, provider administration, payments, recovery, program technical assistance, program monitoring, and reporting. The department says a new system will improve tracking of attendance, payments, and reporting; give users better access to child care-related information; reduce the amount of fraud associated with administering subsidized child care programs; and reduce inefficiencies and maintenance costs. A recent feasibility study recommended creating a new system because it best met the division's business needs, it was the least expensive option, and it had the highest net benefit when quantified benefits were considered.

Mental Health and Alcohol and Drug Abuse Services

Project	Total	CCFE	CF	CFE	FF
Colorado Mental Health Institute at Fort Logan, Replace Fire Hydrants and Water Mains	705,999	705,999	0	0	0
The project provides new service and six new hydrants to the main hospital complex at the Fort Logan institute. The existing water pipelines are corroded and have significant blockages. Some of the existing hydrants provide insufficient water flow rates to fight fires on much of the campus. Another project funded in FY 2003-04 through the federal Job and Growth Tax Relief Reconciliation Act of 2003 installed a new pipeline under lawn areas and nine hydrants serving the wood frame buildings on Princeton Circle and the children's complex on the western end of the campus.					
Colorado Mental Health Institute at Fort Logan, Replace Panic/Duress and Fire Alarm Systems	1,045,605	1,045,605	0	0	0
The five-phase project replaces the panic/duress and fire alarm systems at the Fort Logan institute. Parts for the 39-year-old panic/duress system are no longer available and the system fails frequently, resulting in the lack of an emergency notification system. Parts for components of the fire alarm system are also unavailable, and the institute says the system is old, unreliable, and not code-compliant. Phase 1 provided design for both systems. Phase 2 completed replacement and testing of the panic/duress systems, installation of reporting and monitoring panels and the fire alarm system in the Central Heat Plant, and installation of fire alarm systems in residential and support buildings. Phase 3 installed fire alarm systems in other residential and program buildings. Phase 4, the current appropriation, completes installation of the fire alarm system in more residential buildings. Phase 5 will expand coverage to office areas, some patient activity spaces, and buildings with a greater risk of fire, such as shops and warehouses.					
Colorado Mental Health Institute at Pueblo, Repair/Replace Campus Tunnel and Utility Infrastructure System	1,826,480	1,826,480	0	0	0
The six-phase project repairs or replaces the institute's chilled water, soft water, compressed air, raw water, steam distribution, and domestic water systems, as well as the distribution tunnels for these systems. Some of these systems have not been replaced since their installation 50 years ago. The project also involves asbestos abatement and enhanced egress and ventilation. Each phase will focus on a section of tunnel and systems, and this year's work constitutes Phase 2.					
Colorado Mental Health Institute at Pueblo, Forensics Medium and Maximum Security Replacement	29,042,858	29,042,858	0	0	0
The project replaces and expands the maximum and medium security units in the Institute of Forensic Psychiatry with a new High Security Forensic Institute at the Colorado Mental Health Institute at Pueblo. The new facility is necessary to address bed shortages, curb the use of civil beds for forensic patients, address the growing waiting list for admissions, and modify the existing forensic psychiatry space. House Bill 06-1373 made available \$35 million in state funds for FY 2005-06 and FY 2006-07 for expansion/extension of the heat plant and supporting infrastructure and replacement of the IFP. (The \$35 million appropriation is not shown as a prior appropriation for this project or the heat plant expansion project because the bill did not allocate a specific amount of money to either project.) The bill also authorized the transfer of \$22,885,386 from the General Fund to the Capital Construction Fund on July 1, 2007, in order to complete the project. The cost of the project has increased \$6,157,472 since the passage of House Bill 06-1373 due to rapidly escalating demand for construction materials and related inflation.					
Services for People with Disabilities					
Grand Junction Regional Center, Heat Plant Repair and Equipment Replacement	811,010	811,010	0	0	0
The project provides a new 300-horsepower steam generator with modified controls and new auxiliary equipment in the Heat Plant, which is 118 years old. The campus's existing steam generators are 25 years old, are problematic to maintain, and create the potential to lose steam on the campus. The north wall of the Heat Plant is severely deteriorated from water damage and age; it will be repaired and reconstructed with a new footing and supporting foundation, along with additional deteriorated masonry. The project also adds a new water softener equipment in the Laundry Building					
Pueblo Regional Center, Replace Fire and Intrusion Alarms	212,796	212,796	0	0	0

Project	Total	CCFE	CF	CFE	FF
<p>The two-phase project addresses alarm deficiencies in the Group Homes and Core Buildings at the Pueblo Regional Center. The facilities house developmentally disabled adults with significant behavioral and medical issues, and provide program and therapeutic services to these clients. The existing alarm system in the group homes is not supported by the manufacturer, is not connected to the Colorado Mental Health Institute at Pueblo's Communications Center (operated round-the-clock), and parts are difficult to obtain. The existing alarm systems in the Core Buildings are 25 years old, are residential type systems with limited zone coverage detection, and are unsupported by the manufacturer. Phase I, the current appropriation, replaces the systems in seven of the Group Homes. Phase 2 will address the other four Group Homes and both Core Buildings.</p>					
Colorado State Veterans Center at Homelake, Domiciliary Renovation	3,155,500	917,095	0	0	2,238,405
<p>The project renovates 25 domiciliary cottages (1,050 GSF each, a total of 26,250 GSF) at the state's only assisted living facility for veterans. The renovation work will address a number of deficiencies, such as abating hazardous materials (e.g., asbestos, lead paint, and galvanized piping), improving accessibility, replacing the mechanical and electrical systems, and replacing the emergency response system. The department indicates that in both 2004 and 2005, the U.S. Department of Veterans Affairs noted the cottages' accessibility deficiencies in an annual survey report, and required the department to provide a plan for corrective action. This year's appropriation is for Phase II, and will fund the renovation construction. Phase I funded design work.</p>					
TOTAL - HUMAN SERVICES	\$45,341,912	\$34,561,843	\$0	\$0	\$10,780,069
<u>LABOR AND EMPLOYMENT</u>					
Petroleum Storage Tank Site Cleanup	32,800,000	0	0	32,000,000	800,000
<p>The ongoing project reimburses the cost of remediating storage sites contaminated by leaking petroleum products.</p>					
TOTAL - LABOR & EMPLOYMENT	\$32,800,000	\$0	\$0	\$32,000,000	\$800,000
<u>MILITARY AFFAIRS</u>					
Englewood Starc Headquarters, Replace Mechanical Equipment	684,500	684,500	0	0	0
<p>The two-phase project rebuilds antiquated HVAC systems that do not meet minimum air circulation requirements and are at the end of their serviceable life. Work includes replacement of a boiler that is leaking, along with associated pumps and piping, and modification of the structure, roof curb, and electrical system to accommodate new rooftop HVAC units. The main ducts extending down from the unit are made out of fiberglass and need to be replaced with sheet metal to stop air leakage and ensure proper air flow. Phase 1, the current appropriation, addresses Building #248 at the Englewood Starc Headquarters. Phase 2 will address Building #200 at the Aurora Armory.</p>					
Pueblo, Colorado Springs, and Sterling Armories, Code Compliance and Building System Upgrades	945,000	945,000	0	0	0
<p>The three-phase project performs upgrades at three state armories to resolve unsafe conditions and numerous building code violations. Phase 1, the current phase, modifies the Pueblo Armory by adding a fire alarm system; replacing the HVAC system; rebuilding exit corridors, stairs, an exit door, and window assemblies; retrofitting bathrooms to make them safe, sanitary, and code-compliant; retrofitting walls to gain proper fire ratings; and rebuilding the kitchen space to provide sanitary conditions that meet Army standards. Phases 2 and 3 will perform upgrades at the Colorado Springs and Sterling armories.</p>					
TOTAL - MILITARY AFFAIRS	\$1,629,500	\$1,629,500	\$0	\$0	\$0
<u>NATURAL RESOURCES</u>					
Division of Parks and Outdoor Recreation					
Automated Entrances	500,000	0	0	500,000	0
<p>The project develops automated park entrances at state parks in Colorado in order to provide higher levels of service to a growing and changing customer base, with minimal growth in staffing. The project will also bring in more revenue to offset reduced state General Fund support by ensuring that as many visitors as possible who are entering state parks are paying customers. The automated entrances will be designed as user-friendly for both the public and staff, and equipment will be developed to non-intrusively capture information about park visitors and their experience.</p>					

Project	Total	CCFE	CF	CFE	FF
Cheyenne Mountain State Park	2,505,000	0	0	2,505,000	0
The project is to develop the first state park in El Paso County, the Cheyenne Mountain State Park. The park opened for limited day use in September 2005.					
Corps Cost Share Improvements Phase III	4,000,000	0	0	2,000,000	2,000,000
The project allows the division to make improvements to the Chatfield, Cherry Creek, and Trinidad State Parks to address management issues related to facility deterioration and resource degradation. The U.S. Army Corps of Engineers (Corps) and the state mutually agreed to share the cost for the needed improvements, as the Corps owns the park properties and the state is responsible for managing them.					
Improvements to Lake Pueblo State Park	900,000	0	0	450,000	450,000
Rehabilitates several aging facilities at Lake Pueblo State Park through a cost share agreement with the federal Bureau of Reclamation.					
Highline Lake State Park, Visitor Center and Maintenance Facility	800,000	0	0	800,000	0
The two-phase project constructs a 2,368 GSF visitor center and a new maintenance shop at Highline Lake State Park. Currently, the park does not have a visitor center, and the division says the existing maintenance facility is unsafe. This year's appropriation is for Phase II, and will fund the construction of the maintenance facility. Phase I, funded as a supplemental appropriation for FY 2006-07, constructed the visitor center and the educational displays.					
Major Repairs, Minor Recreation Improvements	4,063,000	0	0	4,063,000	0
Provides various repairs, replacements, and improvements, such as picnic and campsite renovations, water, sewer and electrical system improvements, toilets, docks, and ramps.					
Off-Highway Vehicle Program Grants and Minor New Construction and Renovation	1,610,000	0	1,500,000	0	110,000
Provides grants for project sponsors, which include local governments, federal agencies, and not-for-profit organizations.					
Park Improvements and Buffer Acquisitions	340,000	0	0	340,000	0
Acquire adjacent lands and in-fills to preserve the integrity of the parks, improve public access, address visitor safety and trespass issues, and to address boundary disputes, right-of-way problems, and easements.					
Reservoir Enhancements	250,000	0	0	62,500	187,500
The project consists of various reservoir enhancement projects throughout Colorado State Parks. The projects are intended to meet health and safety standards for park visitors, provide natural resource protection and enhancement, enrich recreational opportunities at the parks, and reduce the effects of recent drought conditions. The current appropriation will make the following improvements: (1) breakwater at Jackson Lake; (2) breakwater barrels at Eleven Mile; (3) restroom demolition and installation at Lathrop; and (4) toilet installation at the boat ramp at Stagecoach.					
Revenue Enhancements	1,680,000	0	0	1,680,000	0
The appropriation funds a variety of projects intended to generate additional revenue in support of the state parks system. Projects include renovating Harmsen Ranch at Golden Gate Canyon State Park, and expanding the marinas at Navajo State Park and Ridgway State Park.					
Saint Vrain Corridor	133,000	0	0	133,000	0
The project allows the division to acquire land and water along the Saint Vrain River Corridor.					
State Trails Grant Program	1,407,000	0	0	817,000	590,000
Provides grant assistance for planning, design and construction of trails.					
Staunton State Park	200,000	0	0	200,000	0

Project	Total	CCFE	CF	CFE	FF
<p>The project develops Staunton State Park. The park area was initially acquired in 1986 as a donation to Parks. Subsequent acquisitions enlarged the park area and improved access to the park property. This year's appropriation will allow Parks to begin implementation of the park's master plan, which was developed with prior year funding. Following this, the preliminary day use facilities will be designed and constructed. The division expects the park to open sometime after July 2008, serving 250,000 visitors at that time and as many as 400,000 once the park is fully developed in 2010.</p>					
Water Acquisitions/Lease Options and Dam Repairs	600,000	0	0	600,000	0
<p>Provides lottery funds to secure water for selected existing parks and planned parks, and repair dams needed to protect downstream residents and property owners from the failure of state-owned dams.</p>					
Wildfire Prevention	1,200,000	0	0	300,000	900,000
<p>The project proposes to prevent wildfires and improve the resilience of state park areas to recover from the effects of wildfire.</p>					
Division of Wildlife					
Cooperative Habitat Improvements	450,000	0	0	450,000	0
<p>Increases the quality and quantity of habitats on private property and improves small game hunting opportunities.</p>					
Dam Maintenance, Repair, and Improvement	525,000	0	0	525,000	0
<p>This is an annual appropriation for ongoing maintenance, repair, and improvements to dams located on division-owned or leased property.</p>					
Employee Housing Repairs	299,000	0	0	299,000	0
<p>The project repairs, maintains, and modernizes employee housing located on properties owned or managed by the Division of Wildlife.</p>					
Fish Unit Maintenance and Improvement	989,700	0	0	989,700	0
<p>The project is for emergency repairs and improvements at five fish hatcheries, including water diversion, structural repair, building repair, major hatchery equipment purchases, and pollution control.</p>					
Foothills Wildlife Research Facility Relocation	2,000,000	0	0	2,000,000	0
<p>The three-phase project relocates the Wildlife Research Facility to a new site. The division conducts captive wildlife research projects at the facility to assist in managing wildlife resources. The facility currently occupies 35 acres on Colorado State University's foothills campus, but the division says that the campus has become unsuitable as a wildlife research location due changes in land use on adjacent lands. The division plans to relocate the Wildlife Research Facility to a larger site that has yet to be determined, but says the facility will most likely remain in Larimer County. This year's appropriation is for all three phases. Phase I will develop a coordinated site plan. Phase II will involve site acquisition. Phase III will construct the facility and relocate the Wildlife Research Facility.</p>					
Motorboat Access on Lakes and Streams	300,000	0	0	75,000	225,000
<p>The project constructs motorboat access facilities that include boat ramps, docks, roads, parking lots, restrooms, and other facilities on property owned by the division or other public property. Funds are also used to maintain, repair, and expand existing facilities.</p>					
Property Acquisition	6,500,000	0	0	6,500,000	0
<p>The project allows the division to acquire fee title to property through a competitive bidding process. When the division identifies specific parcels to acquire, it provides a more detailed justification to the Capital Development Committee pursuant to Section 33-1-105 (3) (a), C.R.S.</p>					
Property Maintenance, Improvement, and Development	1,362,600	0	0	1,362,600	0
<p>The project funds facility and habitat projects on new and existing division-owned or leased property, in addition to habitat improvement projects on other public lands.</p>					
Service Centers Improvements	1,600,000	0	0	1,600,000	0
<p>Upgrades and renovates the Division of Wildlife's service centers.</p>					

Project	Total	CCFE	CF	CFE	FF
Small Maintenance and Improvement Projects	681,500	0	0	681,500	0
Pays for emergency repairs and minor maintenance and improvements, including roof work, HVAC maintenance, fence installation, and comfort station improvements.					
Stream and Lake Improvements	200,000	0	0	200,000	0
Funds habitat projects for selected streams and lakes such as replacing boulders in stream channels, seeding eroded banks, and fencing to keep livestock away.					
Wetlands Improvement Projects	101,100	0	0	101,100	0
Funds the Colorado Wetlands Initiative, a joint project with other private and government partners.					
TOTAL - NATURAL RESOURCES	\$35,196,900	\$0	\$1,500,000	\$29,234,400	\$4,462,500

PERSONNEL AND ADMINISTRATION

Emergency Controlled Maintenance	1,000,000	1,000,000	0	0	0
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Provides a pool of funds for emergency controlled maintenance needs.

Annex and Centennial Buildings, Repair
Passenger and Freight Elevators

975,295	975,295	0	0	0
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The three-phase project repairs three passenger elevators and one freight elevator in the Capitol Annex building (the Department of Revenue building) and repairs six elevators and one freight elevator in the Centennial building. The 25-year-old elevators have been malfunctioning for several years, require constant attention and repair, and are injury hazards. The project installs new controller and drive equipment in the elevator machine room, installs new door operators on each elevator, upgrades the cooling system for the new controls, repairs and replaces the car doors and interiors, and replaces inadequate safety devices. Phase 1 replaced the freight elevator in the Annex building. Phase 2, designed and installed new elevators in the Centennial building. Phase 3, the current appropriation, installs new elevators in the Annex building.

Camp George West, Demolish Building 37	149,875	149,875	0	0	0
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The project demolishes an unoccupied, deteriorating building that was built in 1926. The building contains lead and asbestos, the roof has failed, and the building evidences structural fatigue. The demolition work includes an environmental assessment of the area, removal of hazardous materials, and site grading with gravel.

Centennial Building, Fire Alarm System
Upgrades

219,963	219,963	0	0	0
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The two-phase project replaces the fire system, smoke detection system, and fire pumps in the Centennial Building. The systems and pumps are outdated and unreliable, do not meet current National Fire Protection Association codes, and cannot be maintained. Because the system is 30 years old, repair parts are no longer available and specific zones cannot be disabled. Phase 1, the current appropriation, designs the new system. Phase 2 will install the new upgrades.

690 Kipling, 1st Floor, Upgrade HVAC/Replace
Obsolete Cooling Units, Phase I

232,225	232,225	0	0	0
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The project replaces components of the cooling and ventilation systems on the floor that houses Division of Information Technology functions, which are critical for all Colorado Bureau of Investigation criminal investigations, payroll, and drivers licenses. The systems are past their useful life, broken or leaking beyond repair, and parts are no longer available. Phase 1, the current appropriation, designs the upgrade and installs the new controls and hot/cold water lines. Phase 2 will install the air handling units.

Repair/Replace Critical Lighting Surge
Protection and Power Condition Equipment

146,520	146,520	0	0	0
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The two-phase project replaces surge protectors and conditioners at the Division of Information Technology's remote public safety radio transmitter buildings. The radio network equipment is required to be in constant operation to support statewide public safety operations and first responders. The current surge protectors and conditioners at the sites are 20 years old on average, and lightning or power surges have created radio outages lasting several hours on numerous occasions. Phase 1 replaced the surge protection equipment at 53 sites. Phase 2, the current appropriation, protects the remaining 60 sites.

Project	Total	CCFE	CF	CFE	FF
State Capitol, Repair Exterior Stairs at East Entrance	400,000	400,000	0	0	0
<p>The project repairs the stairs that approach four exterior entrances to the State Capitol building. The granite, soap masonry, and steel supporting members of the stairs have deteriorated due to age and water infiltration. A recent investigation indicated severe structural integrity problems in the steel support beams of the stairs. According to the Department of Personnel, failure of the steel beams could result in damage to the building's electrical and mechanical equipment and utility lines. Phase 1, the current appropriation, investigates the problem, designs the solution, and starts repairing the most critical areas. Phase 2 will complete repairs to the structural support of the stairs.</p>					
State Human Services Building, Fire Alarm System Upgrades, Phase II	1,479,709	1,479,709	0	0	0
<p>The two-phase project replaces the building's outdated, unreliable fire alarm system with a code-compliant system that is supervised by a fire alarm control panel. The existing system was installed in 1987, does not meet current National Fire Protection Association code requirements, and is no longer supported by the manufacturer. In addition, the fire zones on the third floor and the ground floor do not respond to the fire control panel properly. Phase 1, the current appropriation, designs the new system. Phase 2 will install the new upgrades.</p>					
TOTAL - PERSONNEL AND ADMINISTRATION	\$4,603,587	\$4,603,587	\$0	\$0	\$0

PUBLIC HEALTH AND ENVIRONMENT

Superfund Site Cleanup - California Gulch, Captain Jack Mill, Standard Mine	27,000,000	0	0	2,700,000	24,300,000
<p>The project funds cleanup of the California Gulch, Captain Jack Mill, and Standard Mine Superfund sites in order to eventually delete them from U. S. Environmental Protection Agency's (EPA) National Priorities List. The federal Superfund program provides for cleanup of hazardous/radioactive waste sites on the EPA list. Twenty sites were identified in Colorado in September 1983, including the three sites identified above. Studies and cleanup of various portions have been performed by responsible mining companies and the EPA. A portion of each of these sites has no responsible party and therefore requires state and federal funds for final cleanup.</p>					
Contaminated Sites Redevelopment Pursuant to H.B. 00-1306	250,000	0	250,000	0	0
<p>House Bill 00-1306 authorized the Department to use moneys in the Hazardous Substance Response Fund to clean up contaminated sites in the state that are not being addressed through any other state or federal cleanup program.</p>					
TOTAL - PUBLIC HEALTH & ENVIRONMENT	\$27,250,000	\$0	\$250,000	\$2,700,000	\$24,300,000

PUBLIC SAFETY

Camp George West, Repair Exterior/Interior/Roof of Small Office Buildings	412,830	412,830	0	0	0
<p>The project repairs/replaces several 80-year-old historic facilities that have been heavily used and show deterioration. The project includes interior and exterior work on the following small office buildings: Golden Troop Garage, both Storage #58 facilities, CSU Forest #67, both CSU offices, and the CSP Shooting Range #126. Exterior work includes repair/replacement of roofs and painting. Interior work includes repair/replacement of windows and doors. The shooting range needs to have the lead collection system updated or replaced.</p>					
Colorado Crime Information System Upgrade	7,616,725	7,616,725	0	0	0
<p>The project replaces complex hardware that functions as the backbone of the Colorado Crime Information System (CCIC), which connects users to all state, national, and international criminal databases. Over 13,000 users in the law enforcement and criminal justice communities use CCIC to check criminal histories and arrest warrants, Amber alerts, sex offender registration, and criminal background checks including InstaChecks for firearm purchases. A 2005 feasibility study determined that the message switching hardware and software are beyond their lives and are becoming increasingly unreliable and difficult to maintain, and are leading to more and more unplanned outages when users cannot access data. The department says the current system cannot be extended to accommodate the projected increases in message size and overall data volume. This year's appropriation is for Phase II, and will fund the replacement of the hardware. Phase I funded preliminary design work.</p>					

Project	Total	CCFE	CF	CFE	FF
TOTAL - PUBLIC SAFETY	\$8,029,555	\$8,029,555	\$0	\$0	\$0

REVENUE

Pierce street Building, Upgrade HVAC,
Plumbing, and Electrical Systems

644,500	644,500	0	0	0
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The two-phase project addresses mechanical systems at 1881 Pierce Street that are more than 30 years old and have insufficient heating and cooling, poor air distribution, and inadequate controls. Phase 1, the current appropriation, designs the HVAC system upgrade, and evaluates the electrical, plumbing, and structural systems and other components such as asbestos. Phase 2 will provide new chillers, boilers, pumps, heat exchangers, expansion tank, and controls.

TOTAL - REVENUE	\$644,500	\$644,500	\$0	\$0	\$0
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TRANSPORTATION

Highway Construction Projects	20,000,000	20,000,000	0	0	0
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This amount is from moneys in the General Fund Exempt Account transferred to the Capital Construction Fund and appropriated for transportation projects to comply with Section 24-77-103.6 (2), C.R.S.

TOTAL - TRANSPORTATION	\$20,000,000	\$20,000,000	\$0	\$0	\$0
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TOTAL - CAPITAL CONSTRUCTION	\$759,837,972	\$238,499,185	\$2,090,000	\$478,906,218	\$40,342,569
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Detail of Statutory Transfers Pursuant to 5-year Sentencing Bills		
	FY 2006-07	FY 2007-08
H.B. 02S-1006	\$22,924	\$0
H.B. 03-1004	291,761	416,802
H.B. 03-1138	125,041	0
H.B. 03-1213	69,467	0
H.B. 03-1317	69,467	55,574
H.B. 04-1016	69,467	0
H.B. 04-1021	90,307	13,893
S.B. 06-206	174,388	209,266
S.B. 06-207	174,388	209,266
H.B. 06-1011	523,164	523,164
H.B. 06-1092	435,970	0
H.B. 06-1145	87,194	0
H.B. 06-1151	87,194	69,755
H.B. 06-1326	610,358	610,358
S.B. 06S-004	87,194	0
S.B. 06S-005	174,388	17,439
S.B. 06S-007	87,194	0
TOTAL	\$3,179,866	\$2,125,517

HIGHWAY USERS TAX FUND APPROPRIATION COMPARISON

The following table shows recommendations for FY 2007-08 "Off-the-Top" appropriations from the Highway Users Tax Fund (HUTF), which are limited to an annual growth rate of six percent over the previous year's "Off-the-Top" appropriation. These moneys are referred to as "Off-the-Top" because they are removed from available HUTF revenue before the statutory formula allocation to cities, counties, and the Department of Transportation. Pursuant to the various provisions of Section 43-4-201, C.R.S., "Off-the-Top" appropriations are limited to: the Colorado State Patrol in the Department of Public Safety; the Department of Revenue for the Ports of Entry program; and related capital projects.

HUTF "Off-the-Top" Appropriation Comparison				
Department	FY 2006-07 Appropriation	FY 2007-08 Recommendation	Change	Percent Change
Public Safety - State Patrol	\$82,496,985	\$87,743,593	\$5,246,608	6.4%
Revenue - Ports of Entry	8,564,668	9,188,733	624,065	7.3%
Capital Construction Projects	383,938	0	(383,938)	-100.0%
Total	\$91,445,591	\$96,932,326	\$5,486,735	6.0%
Allowable 6% Limit	\$91,445,591	\$96,932,326		
Amount Over/(Under) 6% limit	\$0	\$0		

The recommendation for the Department of Public Safety includes the following major increases: (1) \$2.4 million for annualization of FY 2006-07 salary increases; (2) \$2.0 million for salary and benefits adjustments; (3) \$700,000 for one-time funding of the Human Smuggling Unit within the Colorado State Patrol; (4) \$319,000 for indirect cost adjustments; and (5) \$109,000 for common policy adjustments, such as vehicle lease payments.

There were no major adjustments to the FY 2007-08 HUTF "Off-the-Top" recommendation for the Ports of Entry program in the Department of Revenue.